

**Golder Associates Ltd.**

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October 24, 2006

04-1440-116

Pheidias Development Management Corporation  
1660–1188 West Georgia Street  
Vancouver BC V6E 4A2

Attention: Mr. Oberto Oberti, B.Arch., M.Arch., M.A.I.BC, M.R.A.I.C.

**RE: Water Supply Facts  
Proposed Crystal Mt. Resort Expansion  
North of Westbank, BC**

Dear Sir:

Golder Associates Ltd. (Golder) was pleased to attend the recent October 18, 2006 meeting of the Planning and Environment Committee of the Board of Directors of the Regional District of Central Okanagan (RDCO), during which time, the prime consultant (Pheidias Development Management Corporation) presented information regarding the proposed Crystal Mountain Resort expansion project. Following this meeting, Golder was approached by Mr. Andrew Watts of the Kelowna Capital News to provide comments regarding the water supply issue for the proposed resort expansion. As Golder's involvement with the project consists of conducting the hydrogeological investigation for the proposed Crystal Mountain Resort expansion, specifically identifying a groundwater source, we provide the following comments regarding the water supply issues.

- To date, Golder has successfully drilled a test well north of Crystal Mountain, and adjacent to Powers Creek, within the Powers Creek watershed. The well was screened approximately 30 m below ground surface and was completed within a



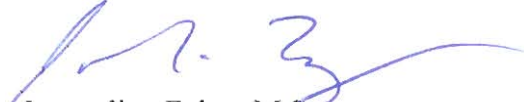
confined aquifer. The aquifer is vertically separated from Powers Creek by approximately 24.4 m of clay.

- It is understood that concerns regarding Powers Creek are whether or not the withdrawal of groundwater from the well will adversely impact surface water flows within Powers Creek.
- The results of a 72-hour pumping test on the well inferred that groundwater from the test well does not appear to be under the direct influence of surface water within Powers Creek.
- The volume of groundwater proposed to be withdrawn from the well represents less than 0.5% of total flows within Powers Creek under average runoff conditions and less than 1% of total flows within Powers Creek under projected drought conditions.
- The Crystal Mountain Resort expansion project is located in both the Trepanier Creek watershed area and the Powers Creek watershed area. However, the proposed test well for this development is only located within the Powers Creek watershed. As such, there will be no measurable impacts to the Trepanier Creek watershed as a result of the withdrawal of groundwater from the test well.
- Impacts to the Powers Creek watershed, from the perspective of the well, would be negligible. It is understood that other potential impacts of the development on the watershed have been reviewed by Enkon Environmental and by McElhanney Consulting Services Ltd. in their respective areas of expertise, and that this was part of the Master Plan review process.

We trust that this provides you with the information you require at this time regarding the water supply issues for the proposed resort expansion. Should you have any questions or require clarification, please feel free to contact the undersigned at your earliest convenience.

Yours very truly,

**GOLDER ASSOCIATES LTD.**



Jacqueline Foley, M.Sc.  
Hydrogeologist

Reviewed By: Don Chorley, P.Geol.  
Principal, Senior Hydrogeologist

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