

Bob Bechaud Questions for June 24 RMV meeting re golf course

Volume 1

1. Statement, Page 4: “Next the team set out to identify water supply and irrigation systems that would not affect Rossland’s water supply”

Question: Can you describe the process used to identify the water supply alternatives, the alternatives that were evaluated, and the reasoning behind the selection of Topping Creek since it will, in fact, greatly affect Rossland’s water supply?

2. Statement, Page 10: “...minimal earth moving is required to create the course”

Questions: What is the estimated volume of earth to be moved? What is the estimated percentage of the golf course surface area that will be affected?

3. Statement, Page 13: “...this plan ensures that the City’s ability to supply adequate and safe water to its residents is not compromised”

Questions: What additional water sources and storage facilities are required to replace the quantity of water that will be lost to the City’s system? What is the cost of these facilities? How and when will RMV pay for those costs? Will RMV commit to paying the full actual total project costs, not just the initial budgetary estimate?

4. Statement, Page 13: “Protection of drinking water quality is achieved by relocating the City’s Topping Creek intake upstream of the golf course lands.”

Questions: What facts are now available to support this statement? Where is the supporting documentation of evaluations performed to evaluate the impact of contamination from both the golf course and residential development on both surface and groundwater? Where is the subsurface topography evaluation of the site? What is the nature and composition of the soils? What is the nature and composition of the underlying bedrock? Has the Rossland Fault, which is adjacent to the site, fractured the underlying bedrock? Have dye tests been performed to identify groundwater flows for the entirety of the site?

Related Questions: What evaluations have been performed to evaluate the potential contamination impact on Rivervale’s water quality, which is linked to seasonal streams in the northern section of the site? What evaluations have been performed to evaluate the potential contamination impact on the private drinking water wells in the Blackjack area?

5. Statement, Page 13: “The golf course reservoir would be available as backup volume for the City in the event of failure of part of the City’s supply system...”

Questions: Since the golf course reservoir water would likely contain a high level of contaminants, what changes will be necessary to the City’s sand filtration system? What is the estimated capital cost of those changes? What is the estimated annual operating cost? Is RMV, by including this statement in the application, indicating a willingness to participate in the costs of upgrading the City’s treatment plant? What connectivity would be required to have golf course reservoir water reach the City’s system? What costs would be involved?

6. Statement, Page 16: “The (proposed) efforts herein will constitute a comprehensive Water Quality Protection Program”

Questions: Why does the proposed risk assessment not include impacts from the residential and commercial development such as roads and vehicular traffic? Why are mathematical models proposed for groundwater evaluation? Why are there no actual groundwater studies?

7. Statement, Page 16: “The focus of the protocol will be surface water. To the extent that golf course leachate/percolate migrates to shallow ground water, it will likely be reflected in the surface water results.”

Questions: “ In the absence of any on site studies, what conclusive scientific evidence is there to support the exclusion of deep ground water? What is the conclusive scientific evidence to presume that impacts on shallow ground water will be reflected in surface water?”

8. Statement, Page 16: “The total number of EU’s proposed for the Golf Club development is 380.

Question: RMV currently has approval for 990 EU’s and, in four years, has constructed 44, a pace that would lead to build out in 88 years. What is the rationale for requesting an additional 380 EU’s when the infrastructure required by the already approved 990 EU’s has not even been planned?

9. Statement, Page 16: “Ongoing impacts associated with the annual operation of the golf course and the incremental visitation arising from golfers attracted to play at the new course will generate 51 FTE’s of direct employment and more than \$2 million of annual labour income”

Questions: Since the golf course is a partial year operation, \$2 million in annual labour income from just 51 FTE's indicates an hourly income in excess of \$40, unless these 51 FTE's will be employed 12 months a year. What is the number of FTE's forecasted for each month of the golf course operation, including incremental visitation? What is the forecasted hourly labour income?

10. Statement, Page 16: "...the City will also receive more than \$5 million of property tax annually..."

Questions: What is the intention of overstating City tax revenues by more than \$3 million? Why have RDKB and SD 20 taxes been included in the amount "received by the City"?

11. Statement, Page 16: "The City of Rossland will receive over \$21 million of infrastructure related to the proposed development and will incur approx. \$275,000 of annual operating costs associated with it."

Questions: What are the infrastructure elements? What is the schedule for building each element of the infrastructure? What is the projected date that the infrastructure will be transferred to the City? What are the additional cost impacts on the City beyond the \$275,000 operating costs for the \$21 million infrastructure? What is the estimated impact of the 8,000 incremental population attributable to RMV's developments on City budget items such as protective services?

Volume 2, Part A

12. Statement, Page 7: "As development of the Red Mountain area proceeds, communications with the Regional District of Kootenay Boundary regarding capacity of the Treatment Plant will be essential."

Questions: Does the sewer line from Red to the sewage treatment plant have the capacity to carry the estimated peak flows? Does the sewer treatment plant have the capacity to receive and treat the estimated additional sewage flow from RMV's developments? If the sewer line and/or the treatment plant do not have the capacity needed for RMV's developments, what is the cost of the required upgrades and how does RMV propose that these costs be paid?

12. Statement, Page 8: "The City's (existing water) supply is able to meet peak demands (of current users) through the use of the reservoir system".

Questions: “Will the City’s water supply system, after removal of a portion of Topping as proposed by RMV, meet peak demands of current users? What estimated number of additional EU’s can the City’s existing water supply system support? What estimated number of additional EU’s can the City’s water supply system support after the proposed removal of Topping Creek?”

13. Statement, Page 10: “The proposed (mid-mountain) reservoir at the top of this development must also support over 60 percent of the proposed golf course development”

Questions: Will this proposed reservoir become part of the City’s water system? Where will the intake and water line for the reservoir be located? Will the discharge from the reservoir be dedicated to the golf course development? Will the discharge from the reservoir be connected to the irrigation supply system?

14. Statement, Page 12: “The limiting factor is the design capacity of the existing reservoir for Fire flow.”

Questions: Which existing reservoir is this referencing? What is the design capacity of that reservoir for fire flow?

15. Statement, Page 13: “...when the storage reservoir is already full in spring, an overflow Structure and pipe will ensure that the discharge from the reservoir is routed into Topping Creek below the City’s (relocated) water supply intake”

Questions: How will the overflows be routed? Will they be exclusively routed through pipes? Will the overflows enter Topping Creek below Blue Eyed Swamp and if not, what will be the impact on Blue Eyed Swamp? What will the impact of overflows be on the fish population in Topping Creek? In the event that the City’s water supply intake remains at/near its existing location, where will the overflow be discharged?

16. Statement, Page 15: “The report provides a conceptual level analysis...”

Question: Considering that the report is only a conceptual level analysis, when and how will the feasibility of the recommendations be established?

Volume 2, Part B

17. Statement, Page 1: By increasing the storage volume of the Ophir Creek reservoir the City effectively replace a reduction in its dry period draws from Topping Creek with water stored during the spring freshet.”

Questions: What increase in storage volume of Ophir Creek is needed? What is the cost? Has the feasibility been established? Would the increased storage volume be needed if there were no additional development by RMV? How long would the Ophir Creek reservoir be removed from service to effect the increase in storage volume? How does RMV plan to compensate the City and its taxpayers for the loss of Ophir Creek during the construction of additional storage volume?

18. Statement, Page 2: “As an advantage to the City, the golf course reservoir would be available as backup storage for the City in the event of an extreme drought condition.

Questions: What is the use of this contaminated water that RMV is envisioning? How would it reach point of use?

19. Statement, Page 2: “If feasible, a groundwater source may be developed to supplement the Topping Creek supply and provide a buffer to the golf course during drought periods”

Questions: Has any test drilling been done on the proposed site to evaluate this possibility?

20. Statement, Page 3: “...this plan...ensures that the City’s ability to supply adequate and safe water to its residents is not compromised.”

Question: What is the basis for this definitive statement in advance of any of the studies to confirm the conceptual analysis?

21. Statement, Page 5: “With the Topping Creek intake relocated upstream of the Golf Course lands there is no possibility for golf course runoff, or any of the products used on the golf course, to enter the City’s drinking water system”

Question: What is the factual data that supports this statement?

22. Statement, Page 12: “Golf Course irrigation requirements may increase in response to longer summer dry periods, however increased storage of spring runoff can buffer this effect”

Questions: How will golf course irrigation be provided during extended dry periods, such as the 79 days from June 23, 2003 to September 7, 2003 when only 8.2 mm of rain fell? What provisions have been made provide for increased storage of spring runoff?

Questions for RMV re: golfcourse
From Hanne Smith
For June 24 public mtg

Here they are. Unedited for the most part and not so well phrased, but oh well. I added one question that occurred to me after the meeting, and changed the wording of one sentence (marked in blue) so that it'd be easier to understand. Otherwise the content is the same as what I took to the meeting with me and turned into Terry Miller on site. At the meeting, my table mates and I came up with some more good questions, and I'm blanking out on those at the moment. Not so helpful! I need a bit of quiet time to bring them all back to the surface & write them down.

My bottom line opinions, for what they're worth, are that:

- a. We the people, with the City as our representative, need to draw a line in the sand and nix this particular application. It's in our watershed, and that yields reasons 1-10 for rejecting it. If it wasn't in the watershed, and the resort owner assumed all the responsibility, it'd be a different story.
- b. I think it's a mistake to continue with conventional style resort development, which is based on growth=prosperity models. These models and strategies were developed before a significant portion of the population woke up to the realities of climate change and peak oil. I'd like to see RMV be a leader in these changing economic/environmental times, and forge a new direction using different economic assumptions. If RMV follows along the 'old' model, it might get burned....

Hanne

These are questions I took to the meeting with me. (One additional question that I have now, after attending the meeting, followson page 4).

General

Will you choose a different site for the golf course & associated housing, given resistance to development in the City's watershed?

If yes, would you accept / listen to suggestions from the community re: alternate locations?

If no, why not? And, would you listen to rationales for choosing different sites?

Why are you convinced that a golf course is the best means of attracting summer visitors?

Have you investigated the possibility of cooperative marketing with other golf courses so that you could house players at the hill and shuttle them to various golf courses on tours – the other local courses don't have hotels, after all.

Ownership & Management

Who will own the golf course?

Will it be sold, and if so, when?

What control will RMV and/or the City of Rossland have over how the course is managed if it is sold to another party?

Who will own the hotel?

Who will manage the grounds of the hotel and the houses & common areas?

What control will RMV and/or the City of Rossland have over how these grounds are managed? I'm thinking specifically of pesticide and fertilizer use, water use, stormwater management, & soil disturbance.

When are you planning to sell the ski hill? (ie, at what stage of it's development?)

General Economics, Marketing, Market niche, etc.

First, let's assume that the economy continues relatively healthy and your development strategies are realized.

If the ski hill is operating at a loss and is supported only through real estate sales, what happens at build out when all profits have been realized and there is no new money coming in to support it's operation? If all goes according to plan, build out will occur at about the time you'll be ready (or past ready?) to retire. Your plans?

Now let's assume that the current pervasive economic strategy which is based on the assumption that "continuous growth= prosperity" begins to falter and stops working well as complications related to climate change and limited oil take effect. Now what? Are there different ways of looking at this asset (the hill and associated lands), that will allow you and it to function during changing times? Is there something else (or many something elses) that you could focus on (other than real estate sales) to fund the operation of the hill? If these options don't work sustainably, is there a point at which it will make more sense for you to cut and run? Or sell out, or shut down.....

Economics associated with the golf course/real estate development in particular:

Let's consider potential income from the course vs costs of upkeep.

Have you taken a serious look at demographics and the level of competition from other similar product combinations throughout the North American market? Will you actually be able to draw enough people away from other similar places to make this pay?

Let's consider the practical length of the golf season at this elevation. Have you run estimates on how many paying customers you might be able to run through this course on a daily, monthly and seasonal basis? What assumptions are you using to come up with these numbers?

Are you expecting to make money on the golf course, or is it a loss leader to stimulate real estate sales? If it will be operating at a loss, how will you (or the next owner) afford to operate it over time, after the profits from the real estate have been realized and there is no more of that type of money coming in?

Have you done a cost / gain comparison between a golf course + housing and other summer attractions + housing (such as adventure biking / hiking / zip lining / Trans Canada Trail tourism + spas / wellness centers + conference venues).

Water quality:

Pesticide & fertilizers:

Echo of Andy Stradling's question..... There are a handful of greens directly uphill of the Ophir reservoir, and there are a couple of places where ground water enters the reservoir, directly downhill from these greens. How can you prove that pesticides and fertilizers applied to the greens won't migrate through the soil in the water and exit into the reservoir, if you haven't done hydrologic studies?

Andy's question applies more broadly to the whole course and associated development. The community of Oasis is downhill from the golf course. How can you prove that their well & surface water will not be affected as a result of pesticide and fertilizer use on the golf course development, if you have not done the appropriate studies?

And then there are the plant and animal communities in the area to consider. To what degree do the downhill plant communities depend on surface and ground water coming from the proposed golf course area, and how will these living communities be affected if the golf course intercepts a proportion of the water that would normally 'feed' these communities? This question has both water quantity and quality components...

Regarding the storage and recapture reservoirs: It is my assumption that water containing chemical residue will be stored here. What is known about how those chemicals will 'act' in the reservoirs? Will they bind or adhere to the soil particles? Remain dissolved in or suspended in the water? Migrate through the soils with soil water and move underground with soil water? What happens if we have droughts, the reservoirs dry up, and the exposed soil (which presumably will have chemical residue in it) is exposed to the air and to wind? Will we then have chemical-laden sediment blowing around in the air? According to a CBC story I heard a few months ago, this scenario is occurring in the Great Lakes, where water levels are going down and polluted sediment is being exposed to air and wind.

Water quantity:

The essential water quantity questions have already been asked by many people. I will just echo the main ones, and ask:

Have you looked at the information generated by Ken Holmes, Bill Mickelthwaite related to water supply, seasonality, distribution over the ground surface (refer to the 1500m line distinction as discussed by B.M.) and have you answered their questions?

Have you really considered the implications of drought and changing freshet patterns that may result from climate change? What assumptions are you operating under? How long a time frame are you planning for? How does this time frame relate to the information generated by CBT's climate change report?

Why would you, in good conscience, consider doing anything that would reduce the supply of drinking water and ecosystem water, at a time when we know the climate is changing rapidly?

This is one question I have now, after attending the meeting. I actually have a few more, but need some quiet time in which to prepare them all....

Re water quantity.

The consulting engineer from Associated Engineering stated that Rossland has trouble with its water supply now, and will in future, whether the golf course & associated development goes in or not. I believe this to be a true statement. My question for the City is: Why allow any development that would further decrease our water supply, when we know we already have trouble supplying enough water? Ie, why add to our existing troubles?

KEN HOLMES QUESTIONS Re RMV PROPOSAL FOR A GOLF COURSE AT RED.

WATER MANAGEMENT, SECTION B VOLUME 2 by ASSOCIATED ENGINEERING

Page 1.

- In coordination with the City, RMV will relocate Topping intakes above the golf course lands. *How much will RMV pay towards this especially since the City has obtained grants*
- Increase storage volume of Ophir Creek to replace reduction in dry period draws from Topping with water stored during the freshet. *RMV have not even paid for their fair share of the Ophir reservoir. Are they willing to pay the cost of raising the dam and how much will it cost?*

Page 2

- Golf Course reservoir is a back up storage for the city. *How can this be used as City backup? This water will be contaminated with chemicals, oils and other contaminants from run off. The water treatment plant is not capable of removing chemicals, oils etc*

Page 5

- RMV will work cooperatively with the City to identify best options for relocating the intakes and compensating for the impacts on water supply in a constructive and equitable manner. *RMV know that this will be subsidized with the 2/3 grants recently approved by the Provincial government. This is a taxpayer subsidy for buyers of million dollar homes and is immoral.*

Page 6

- Two thirds of trees will be removed. Only one third left undisturbed. *What is the impact on water retention, drainage etc and groundwater flows*

Page 7

- Ophir good for 10 years at “full pool” based on current dam height. *Is RMV going to try and get approval predicated by saying , hey everything is ok for 10 years.*

Page 11

- Sufficient water is available to serve the City until the time of the OCP buildout **providing the infrastructure is in place.** *What is the appropriate infrastructure and who is going to pay for it?*
- The golf course irrigation demands moves timeline for additional water sources ahead by 2 years. *Has RMV identified the additional water sources, the cost of developing them and who pays.*
- Report says there is not enough water from the current 3 watersheds to meet the current summer and fall demands. *This is incorrect. The City has managed fine for the 33 years I have lived here. If it weren't for development we would not have to do anything. It is agreed that there is not enough for future population growth so what does RMV intend o do about their water demand?*

CONCEPTUAL DESIGN - SECTION A by ASSOCIATED ENGINEERING

- Page 7 of the infrastructure section says “as development proceeds, communications with RDKB regarding capacity will be essential”. I’m sure by now, RMV must be aware of the very high capital costs associated with upgrading the RDKB system to meet the demands of development, primarily driven by Red Mountain. ***How does RMV intend to pay for their share of the capital costs to upgrade the RDKB sewage system??***

WATER QUALITY PROTECTION PROGRAMME, SECTION C VOLUME 2 by ASSOCIATED ENGINEERING

- ***All this section does in 20 pages is define the scope of work for a study that would be done if the application were approved. This approach to a major cause of concern within the community is unacceptable. Why is RMV unwilling to do this water quality study before approval? It can’t just be costs considering how much they must be paying other consultants and Annika.***

ENVIRONMENTAL ASSESSMENT, SECTION D VOLUME 2 by MASSE AND MILLER

No questions.

TRAFFIC IMPACT ASSESSMENT SECTION E VOL 2 by CTE

- ***What is the basis for growth assumed at 2% per annum until 2027 for winter volume?***

ECONOMIC IMPACT ASSESSMENT SECTION F VOLUME 2 by CADENCE

- This section only considers the golf course project. ***Why does it not consider the impact of RMV total development plans on infrastructure requirements and capital costs.***
- The cost of external infrastructure to and from the development is not mentioned. ***It will cost about \$22 million to supply the estimated water demand and to handle the estimated volume of sewage based on costs from Dayton and Knights LWMP and some Urban Systems reports. The repayment costs on loans would be about \$1.4 million. Who is going to pay this?***
- ***Why does it assume the mil rate at the present level? It should show that with increased tax base the mil rate should decrease.***
- The labour portion of residential construction appears to be overstated. It can be deduced that the man-hours of direct labour per square foot is about 3.5 compared with typical numbers of 1 to 1.5. ***Why does the report assume such high construction manhours per square foot for residential constructions?***

- The report indicates 1180 FTE of construction employment. *How long is this construction expected to take and how many construction workers are anticipated to actually live in Rossland given the high cost of housing compared to other local municipalities such as Trail and Warfield?*
- The golf course usage in April and October is almost the same as summer months. This seems highly optimistic but that's Red's problem. It does overstate the economic benefits though. *Why has RMV assumed almost the same rounds of golf in April and October when they must know that the local climate and snow must preclude this?*

KH: Your consultants have calculated the water demand and resulting sewage flows from the total planned development at Red Mountain. Using unit capital costs derived from other consultants reports such as the LWMP by Dayton and Knight and Urban Systems reports to the City on water supply, it can be estimated that the capital cost of infrastructure to service those needs is between \$24 and \$32 million. How do you and Rossland City council intend to pay for this since the current DCCs and sewage fees would only provide \$6.3 million?

Kathy Moore's Questions for RMV

1.1 **Intro-** how does this proposal conform to municipal sustainability objectives? (no sprawl, for instance)

Howard: based on the fact that you have said you want to be a member of the community and not do anything to harm it- How much do our comments and concerns impact your plans? If the town is adamant enough that we do not want this project, that we do not think it is in the best interest of Rossland will you cancel it?

Of the 13 companies listed as the Project Team only 3 (RMV, biologists and landscape arch) are in the Rossland-Nelson area- so they are not considered jobs created locally right?

1.2 In depth studies mentioned as required but water, one of the most critical was not done till after approval. Will RMV abandon project if water issues are not resolved?

1.3 Can the city reserve the right to revoke approval if water issues are not solved?

1.4 What market research have you done to insure the viability of this project in light of current economic conditions? (currency exchange, housing bubble in US decline in golf, ski and tourist visits? Impact of new US laws (requirement of passport)

1.5 What research have you done to insure the viability of this project in light of climate change concerns and studies?

1.6 **Howard** stated that the golf course will be sold off to another entity to actually develop- since he wasn't an expert in the field. Is that still the plan? What quarantees will there be that the "state of the art", closed system and best management practices will be followed.? Who will be responsible for the enforcement of these practices? Who will pay for periodic, independent water testing? Will a bond be posted?

1.7 What is considered an acceptable level of chemical containments from golf and residential devel into watersheds through surface or groundwater?

1.8 How much water will be used per day by the course?

#####2.2 water management section- skimpy. No mention of quantity concerns.

"1996 Greening your BC golf course" No more recent reference?

Detail best practices and site specific best practices- what is actually required (or is it just recommended?) Will the course use organic pesticides and fertilizers? Are they considered best practices?

Are you aware of the NIH study linking 7 common pesticides used on golf courses to a huge increase in diabetes for workers who apply it to the courses? (study of 30k people) Other increases in cancers and asthma have been conducted linking chemical and pesticides to disease.

What do you see as the biggest challenges you see to protecting the city's water and how will you address it?

“Golf course reservoir available for city if needed” Is this the same water that has been captured from the freshet, cycled and recycled through the course with its chemicals & pesticides and run off from the residential level and its roads? I understand it is intended to be filtered with ponds prior to returning to storage. Insufficient.

2.3 Total irrigation limited by only irrigating greens and fairways- where does the water come from for residences and landscaping?

How is a closed loop system for the golf course possible? How to contain surface and groundwater unless dig up and line entire course?

2.4 Provide list of golf courses and residential developments that use best practices and have proven no runoff occurs into streams and wetlands.

#####How do the size of Red's tees and greens compare to other courses? Say “extent of high maintenance tees and greens kept to a minimum” but also mention small and large greens 7000 yards for black tees

2.4 How will integrated management system of water, nutrients and pests be enforced?

###What steps will be taken at the end of the winter to prepare the course for play? (what to do about snow mold? What chemicals will be used?)

2.5 Water quality- when will this initial assessment be conducted? How often will it be rechecked? At whose expense?

2.5 Native vegetation: Proposal mentions increase in wildlife and species- how will this happen when habitat is destroyed and houses and people encroach in an area that has been unperturbed for decades?

Lots of great storm water management suggestions were listed but only as recommended- can't you require sustainable practices?

What is the anticipated purchase price for a lot, for a house?

What are the anticipated greens fees? Can people walk the course? What will be charged for x-c skiing? Will trails be groomed?

4.6 Is your answer to employee housing 2nd suites or do you have something more innovative in mind?

4.8 “As develop proceeds, communication with RDKB & City will be essential” seems more logical that this communication essential BEFORE approval is given? Need determination on who pays for what upgrades.

Since Rossland is typically under water restrictions for the entire summer to supply the current population how do you contemplate the city will meet the needs of the new devel?

4.8 “Development area will have closed system to catch surface runoff from course and residential area and roads will be captured and back to reservoir. This water will have golf course chemicals, fertilizers, pesticides as well as all domestic runoff- grease from roads, normal junk from human habitation- how will this water be treated before being used again on the course? Or used for back up for Rossland’s domestic supply?

3 areas are interdependent () and require careful planning- has that been done? (check vol 2)

5.2 A water budget study is currently underway to study the cumulative hydrological impacts on topping creek” Who is conducting the study and what is the scope of it? When will the results be known and will they be made public?

5.4 Mentions LEEDS standards as one of guiding principals- will resort construction be LEEDS certified or just “guided by”?

5,5 “Environmentally sustainable golf design- Investigating and incorporating sustainable design principals”- this sounds good but very general what specifics are you referring to? Why aren’t they specified here? what commitment will you give that this just isn’t greenwashing rhetoric?

5.6 Management approach- recommendations: are these to be given to whoever actually purchases the rights to develop the golf course? What recourse does the city of Rossland and its citizens have if your buyer doesn’t accept these and other more rigorous recommendations? If approval for this project is given, what control does the city have over who purchases it? What recourse does the city have if the buyer agrees in principal to the recommendations but then doesn’t follow through?

Given that RMV has already had difficulties maintaining the integrity of one small settling pond at the base develop on level land(2 incidents recently) why should we have faith there won’t be similar accidents in this new project in far more challenging terrain?

7.3 zoning: total # of EUs at Red is currently 990. 380 additional are requested for the Golf devel. I recall 90 from Red were being transferred to the Golf club? True/false

8.1 Economic impact: Suggesting \$2m in fee recovery- what figure was used in calculating DCCs?

2 Population

Associated engineering Report: population 9420 at build out.(8820 = red)

OCP population estimate:

Development by others: Mid mtn: 110 or 660 people. Who is developer?

Creekside 88: (inn?) 14 units? More have been approved? #?

4. 4 Sanitary sewer

How can a decision on a project of this magnitude be considered until a finalized, up to date Liquid Waste Management plan is completed?

5 Water supply

water for alpine resort at Red is supplied by a pump station supported by an existing balancing reservoir at the hill...where is this rez?

“City supply is able to meet peak demand through the reservoir system”- this statement seems inconsistent with the water restrictions we currently have and the estimated increase of another 6k people.

It has been pointed out that Rossland currently withdraws more water than it’s license allows- thus reducing the amount of water available for downstream entities (including wildlife) How do you reconcile that this project anticipates more water being used?

Mentions 3 areas (base, mid mtn and golf) with rez, distro pumps for each area .

Sufficient to provide domestic water, irrigation for golf and fire protection. What volume of water is anticipated for these needs and where is it coming from?

When do you plan to devel mid mtn area? Where will the rez be located? Report says Rez , pumps and distro mentioned for mid mtn are required for fire flow needs of the golf develop.

6 Stormwater Management:

Existing subsurface conditions anticipated to be granular material on top of bedrock. Have any tests been done to verify this?

Interceptor ditches will catch stormwater runoff and prevent it from entering res and golf- does this mean no creeklife beyond upper boundaries of golf course?

Runoff water that is not being captured by the golf course and used to fill its rez was water that is currently flowing into the City’s supply. How will this water be replaced?

In these uncertain times of dramatic climate change why did you only plan for a 5 year return storm event? Did you consider historic drought conditions beyond a 5 year return?

April 2008 Associated Engineering report

“Given ample water supply in spring freshet, city will have no trouble filling the star gulch rez” this may be true but what population can star gulch support? If 9420 people are living at the hill, do we have enough water? If not, where will we get it now that the golf dev has usurped 250 hectares of our watershed?

How much study and history did you consider when formulating your report? 5 years? 50? 100? How many studies did you do and how did you calculate the flows from Topping Creek and the other watershed creeks? Over what period of time have you studied our watershed?

Adding more capacity to Ophir is a good idea- but who will pay for it? Without development we don't need it.

A groundwater source for additional water to the golf course was mentioned as “if feasible” have you done any studies to determine if this is realistic? What studies have you done to examine the groundwater and where it flows aside from noting the “several visible outcroppings of bedrock”?

What studies have you done to certify that ground water from the course will not enter ophir?

You state: “during normal conditions no direct discharge of surface runoff from the golf course into streams and natural wetlands will occur.” How is this possible? Not believable.

You state: “best management practices for the golf course and the residential devel will minimize stormwater run off and improve water quality” how will adding chemicals, pesticides and car grease to our water improve it?

You mention concern about construction activity around the Blue eyes swamp being a further justification to relocate the city's intake – I would suggest stopping the illegal activity at the swamp is the better course of action.

###do you know how far off the hwy is the intake located? (is it close enough to be a problem from road residual? If not, its another weak justification.

Supply and population: discrepancy between EU in city which equal 2.5 people and E.Us at Red which = 6 people. Doesn't using the City's definition understate what has been approved in terms of pop and thus in terms of water demand? Thus report estimates are very conservative.

(Red uses 1/3 that of permanent residents- actually seems high given they have new infrastructure and very few people live there.) lack of permanent residents should have been a bullet point) ###Need to know occupancy on a year round basis...20%?

Your analysis, based on another nearby creek, not in our watershed, indicates that there is plenty of water to accommodate build out but insufficient storage- So, to accommodate the water required by build-out the city needs to not only build more reservoirs but also fix the aging infrastructure. Have you prepared any cost estimates for these projects? Or any determination of how the costs will be apportioned?

Report makes the statement that the golf course will only collect spring freshet water, not draw any water from topping creek during the summer months- who will be responsible for enforcing this agreement? Will RMV or the golf course developer have a licence on Topping creek or will the city give them a portion of their licence? If a license is given, what is to prevent the course from additional takings?

Will golf reservoir be allowed to drain down each year to accommodate the spring freshet? If not, won't the recycled, chemical laden water in the reservoir overflow? If so, that means the water captured and recycled has gone somewhere....evaporated and into the ground water perhaps?

5 conclusions and impacts

“determine regulatory requirements and assess material impacts on reduction of city's available water supply that arise from relocating” what would that look like? What would be done in addition to what you already did? Actually look at topping creek for instance? Or other actions and study?

Water quality Protection program Report- Stewart Cohen

Specifics given for the type of grasses to be used, but no specific mention of pesticides and fertilizers. Do you have experience with organics and what do you think of them- for the grass as well as for their enviro impact.

State golf courses recharge groundwater- will you be doing a study to see where this ground water is likely to go?

What is pink and grey snow mold and what is the treatment for it?

Water quality monitoring: when will it start and how long will it be conducted for?

Under weather- no mention of future implications of climate change. Why not?

How was the determination that only 3-5 sampling stations would be needed for surface water made? Seems very few for such a large and varied terrain.

How much info would be gathered in advance of construction phase to establish a baseline for both storm runoff and baseflow? (1 year? 2?)

As a citizen, I want to know how long the monitoring will go on- I'd like to see the developer commit to a period of no less than 10 years. Will these reports be given to the city automatically?

Water Budget Analysis mentioned in Masse and Miller as ongoing by Associated engineering. Is this actually in progress now or waiting for approval?

Masse & Miller report

“Wildlife mortality will be reduced by clearing vegetation from Sept to March”- Is that considering that is not realistic at the location of this course what would their estimate of wildlife mortality be for the various species whose habitat is being disturbed?

Cumulative effects of loss of habitat due to development were beyond the scope of this report- is it ever considered by anyone? The MoE for instance?

Environmental monitoring sounds like a good idea. Are you the EM for the Caldera project? When did you find out about the settling pond failure? What did you do about it?

City question: M & M recommends a cumulative environmental impact study. (wildlife, fisheries, water quality and quantity, vegetation impacts due to all development. Is the city doing this? Why not?

RMV design review vol 1

Why is there no one from the city on the committee?

KATHY WILLIAMS QUESTIONS

June 24, 2008

From: Kathy Williams [mailto:kathy@dkw.ca]

Sent: Monday, June 23, 2008 8:49 PM

To: timiller@shaw.ca

Cc: Kathy Moore; gordon.smith@telus.net; Drysdale@telus.net; lhmclellan@shaw.ca; doellphoto@shaw.ca; devintree@telus.net; jspearn@telus.net; laurie_Charlton@telus.net

Subject: questions for tomorrow's meeting

Hi Terry,

As per our conversation, I am sending you some questions for the meeting tomorrow. I absolutely plan to be there at 6:30 but am still very disappointed that the schedule (during working hours) precluded me from participating in the entire process. As I feel that CRD represents my interests and concerns, I have copied Kathy as well. I have yet to write to Council with my concerns but decided to copy them on this as well so that they are also aware of the questions and opinions of another concerned citizen.

- Can RMV guarantee that chemicals/pesticides/fertilizers will not get into the groundwater and flow downhill into the Ophir and Star Gulch reservoirs? If so, what tests have been done to substantiate this position? If not, why would our government (both local and provincial) consider this application without appropriate testing being completed?
- Explain how RMV plans to supplement the existing water supply lost by the proposal to move the intakes further up the watershed. If there is no plan to supplement the water supply, why is there no proposed plan?
- Are there any plans by RMV to supplement Rossland's water supply from new sources as there is not enough water for the existing population, let alone with the addition of the proposed units at the proposed golf course (which would presumably be primarily populated during the summer months when water is such an issue)?
- As water must be pumped up from the existing water treatment plant, are these costs going to be carried by the proposed development in perpetuity?
- With the proposed containment pond for surface run-off, is there any plan to develop natural wetlands to remediate the area and assist with reduction of contaminants to the environment? If not, why not?
- By recirculating water from the containment pond for irrigation of the proposed golf course and other landscapes, can RMV guarantee that this recirculated water is free of contaminants? Please explain how this is possible.
- Why has a watershed impact study not been done as part of this proposal?
- What marketing studies have been completed that indicate that the proposed development will have complete build-out? Also, what marketing

studies indicate that there is a market for a hotel in the proposed development?

- If the development is not completed, taxes will not be realized and the cost to maintain the infrastructure will remain - so how does this benefit Rossland?
- How does this development align with the revised OCP for reduced developmental "sprawl" away from Rossland's downtown core?
- Explain why there is nothing to indicate in the report that taxes will be paid by the proposed golf course.
- Explain how 50 full time positions, as indicated in the report, will be created by a seasonal business.
- Explain why RMV should be sold public land at well below market value in order to profit substantially from reselling the land.
- Explain why and how 2 golf courses can be supported in this area and detail the marketing studies that have been done to support this position.

I could go on but I anticipate that additional questions will be duplicated by other concerned citizens that will attend this session.

See you tomorrow night.
Kathy Williams

REINO RASKU QUESTIONS
Red Mountain Ventures Golf Course Proposal
Questions for Public Meeting, 24 June 08

My feeling is, because the proposed Red Mountain Ventures golf course is in the watershed for Rossland drinking water, this is a very bad location and a new location should be considered. To mitigate the effects, if it is even possible, will be extremely expensive and the citizens of Rossland need to be protected from subsidizing this development and should not carry any of these costs. Guaranteeing results does not seem possible. Because the development proposal is advancing at a rapid pace, following are some questions relating to protecting the interests of Rossland citizens as well as Red Mountain Ventures (RMV).

1. General

1.1. Will written responses to the citizens of Rossland and the legislators be provided to the questions raised at the public meeting?

2. Community

2.1. Is there any consideration to providing amenities suitable for use by the citizens of Rossland such as mountain biking trails and hiking trails to enable access to the wild lands beyond?

2.2. Is there any consideration being given to providing cross country skiing facilities as part of the plans? There is already an excellent facility, Black Jack Cross Country Ski Club that would likely suffer if this were done.

2.3. There have been several proposals that the approval of this project should go to referendum. Would Red Mountain Ventures be amenable to this suggestion?

3. Land

3.1. Were there other choices for a selection of the site for the golf course? If so, why were they rejected? Is it possible to obtain a list of the sites considered? Is it possible to relocate the project to a more appropriate site?

3.2. With the proposed relocation of intakes, are the land slopes such that all of the golf course properties are outside of the watershed?

3.3. Are there any interactions or detrimental effects between the proposed golf course, the downhill ski facilities and the Rossland watershed?

4. Water Issues

4.1. Where exactly will the irrigation water come from? How much water will the golf course use in a year and how much storage does it have on site? Does RMV have a water license for irrigation water and for what volume? Has it been proven that an adequate volume of water is available?

4.2. Has a ground water study been done to ensure that there is no infiltration of pollutants into Ophir reservoir? Is one proposed?

- 4.3. There is some discussion that the proposed relocation of intake to above the proposed golf course may not provide an equivalent amount of water to that being currently gathered. Is RMV willing to pay for additional sources to bring the supply to the existing level? Are they willing to pay the present value of pumping energy costs because the new source(s) may not be gravity feed?
 - 4.4. As an alternative to the above, increasing storage may be a viable but costly alternative to ensuring sufficient quantity of water. If this is a chosen alternative RMV would need to pay millions required to accommodate their proposal. Has Red Mountain Ventures identified these significant costs in their project economic analysis?
 - 4.5. Other Rossland water system infrastructure upgrades will be required to accommodate the development. Have these been estimated as they will include significant costs, part of which will be borne by the golf course development?
 - 4.6. In all likelihood, there will be some degree of chemical pollution in the RMV storage pond and that would contaminate the City distribution system. Can the golf course reservoir pond be considered a viable emergency backup supply to the City of Rossland water?
 - 4.7. In general, how will the quality of water be guaranteed, both in the City reservoir and the golf course storage pond if it is going to be considered a backup water source? Expected consequences of a mistake here are monstrous and the financial liability would be also. How can this be funded?
 - 4.8. The fact that the proposal does not contain a study to demonstrate that the project will not be harmful to Rossland water is a major concern. This is more than enough reason to reject the proposal. There are significant costs both to the City and to Red Mountain Ventures which cannot be defined without completing the needed studies. If the proposal is to continue in the approval process, is Red Mountain Ventures prepared to do the required water studies to demonstrate viability both economic and technical?
5. Sewer Issues
- 5.1. Sewage system upgrading will be required, both as a normal course of events for the City of Rossland and also partly as a result of the additional load being added by the golf course development. Is RMV prepared to pay their fair share of the upgrades, possibly in the order of millions or tens of millions of dollars? Are they willing to pay this up front into a sinking fund because it may be several years before the upgrades can be done?

Reino Rasku,
23 June 2008.

Questions and Issues: Sheree Sonfield

Upon approval of the proposed resort development project, who will likely be the owner/operator of the golf course? Developer/owner of the residential development? One or more developers of the residential tracts?

Because RMV plans to obtain these re-zoning and development approvals from our community government and then “flip” the approved development investment, what assurances are there that the real owner/operator/developer(s) will be bound by the same terms of approval and won’t return to the table because “it’s too expensive to do this” or “well, that’s the way they visualized the project, we’d really like to make this change because etc etc”. What binding covenants will RMV and the City place upon the project approval, which cannot be changed later?

What will be the impact on the publicly used hiking, ski touring and back-country ski trails?

If approved this will be a first for BC, the first golf course resort development in an active community watershed. Or, because of the relocation of the Topping Creek intakes, a good portion of the productive portion of our community watershed will literally be removed from this valuable watershed. In this day of climate change, growth, water quality challenges in our community (we have water restrictions every summer), is it wise to put this type of unnecessary pressure on the quantity of water available to our community?

Could the proposed golf course resort be located elsewhere where it would not impact the community’s quantity & quality of water, where the development might meet some of the policies and guidelines in our adopted Strategic Sustainability Plan?

Rosland taxes have risen dramatically with the growth and development in the community. Town taxes have risen greater than those at the base of the ski hill, primarily due to greater increase in assessed valuations. In fact, assessed valuations at the hill have declined in the past year. The validity of this old “model” or “template” to develop second homes at the base of the ski hill is questionable and has only cost the community in town a lot of higher taxes. Can we not look at another more modern and timely “model” for our town?

If this “model” does not work for our local town, how can it work for the Province as a whole? With all the development of provincial resort lands, availability of so much in BC has seemed to hurt many of those businesses and so I wonder where the “line” is drawn or do we just continue to develop the province to the extent that it is no longer attractive as the special place that it once was to many tourists?

Red Mountain is in many ways like a borrower who borrowed money, can’t pay it back and so he goes back to the bank for more, and the bank obliges. Red still has units for

sale at the base of Red and in fact also has buildable units in its master plan, yet prior to finishing the execution of that plan, the company is coming back to the community for the right for more. Why do we not require them to first finish what they began?

RMV and RMR have a poor track record and have been fined for not adhering to required practices in environmental stewardship and the adherence to rules aimed at good environmental practices (eg the problems with the settlement pond at the base of Red). What makes us think that all the practices needed to be followed in the Topping Creek community watershed would be followed?

Vol 1, Section 2.2 states that “this plan recognizes the water supply challenges that the City of Rossland faces, and ensures that the City’s ability to supply adequate and safe water to its residents is not compromised.”. However, there is no plan proposed or agreed upon between RMV and the City to mitigate the impact of water lost due to the demands of the course and residential development, nor is there a hydrology study that proves there will be no possibility of contamination of City supplies from groundwater or surface water. Neither of these items is included in the plan and I want to know answers to both of these questions.

What is RMR’s contribution to the City’s infrastructure to mitigate the impact of the RMV plan to move the Topping Creek intake up and to take all of the water from the north fork of Topping?

What is the RMR and City plan to mitigate this loss of water? No capital plan has been reviewed.

What is the City/RMR plan to build adequate liquid waste management infrastructure?

What is the projected cost and financial implications to the taxpayers for this development? The Economic Impact Study is erroneous, see Sonfield letter to Denbak explaining the issues (below) and that the City will not receive an annual net property tax contribution to the City’s finances. Denbak has agreed that there are errors in the report and told me that she would ask Mr. Katkov if the report could be redone, which will not be granted. The City has not made any public evaluation of the Economic Impact of the development and this absolutely must be done to determine the impact of the development on taxpayers and to negotiate mitigation impacts with RMV.

Vol 1, Section 2.3 states that “the golf course will withdraw and store irrigation water from Topping Creek during spring runoff only”. This type of agreement has numerous pitfalls, not the least of which would be potentially jeopardizing the City’s water licenses priority through precedent and at a minimum sets a practical precedent that places higher priority on golf resort use of water than people needs. The statement and the application do not address the golf resort needs to refill its reservoir after the initial fill of its reservoirs, and the stated potential for the City to use drinking water from the RMV ponds is ridiculous due to the contamination of them by surface water runoff which has pesticides (as admitted by RMV consultants at the June 24 “information meeting”).

Section 2.3 statement that “the City will have first rights to spring runoff in Topping Creek to fill Star Gulch reservoir, prior to the golf course drawing irrigation water” is not RMV’s to grant as the City currently has the senior priority water rights on Topping Creek. In the agreements, at a minimum, this must be stated the other way around, which is more the case.

Section 2.4 says that “runoff recycled for golf course irrigation.” What about additional irrigation needs which are not addressed in the report, is this from potable water?

Exposure to pesticides and other chemicals is known to have extreme and adverse health impacts, see the June 25 letter from about 30 Rossland doctors. RMV is unwilling to state that NO pesticides or chemical will be used on the course (because that is unreasonable in golf industry), nor are they willing to guarantee that these chemicals will not get into any of our raw water sources. These chemicals cannot be removed from water by filtration. This is probably why there are no golf course resorts in an active community watershed in BC and why Rossland should not have the first.

A healthy watershed is one with trees and without the impacts of roads, machinery, automobiles, lawns, turf, fertilizers, clubhouses, snow removal and golf machinery, golf academies. It is ridiculous to believe that all these factors can be mitigated and as the proposal states “have no detrimental impact on the water quality or quality to the citizens of Rossland”. These promises are not realistic, believable, reasonable promises that these consultants are in a position to promise or guarantee.

Section 4.6 provides nothing more than “supportive” ideas toward implementing or making solid contributions to affordable housing needs arising as a result of this high-end development. RMV has repeatedly denounced any responsibility for affordable housing, when the need for it arises specifically because the type of development is not affordable by many of those who will work at the development during construction or upon completion.

The City of Rossland has adopted a Strategic Sustainability Plan and this development does not meet many of the policies of this plan eg limitation of sprawl, more affordable housing and maintenance of the balance and diversification of the community. This proposal will be the furthest from the central core of Rossland, no affordable housing plan has been proposed (in fact it has been stated “why should we do that”), and the development of high-end homes and condos and recreation is in direct conflict with maintaining balance and diversity.

Section 6.1 discusses a “traffic impact analysis”, but no proposal for significant enhancement of public transportation to/from the development is included in the proposal. Instead, the response is that RMV provides a small subsidy to transportation but it is “not their responsibility”. Well it is the responsibility of the development which people are trying to reach.

When will the City determine the cost of providing services, infrastructure, etc to the proposed development and determine the appropriate proportion of such expenditures that should be born by the developer? All consultants agree that the developers' plans will impact the City. On June 24, Don Thompson said the following: *"What we've done so far is to identify the opportunities in terms of capture, recirculation, and storage. The impact that this proposal has on domestic water storage we're going to have to negotiate with the City to determine what the mitigation is. We have not initiated that yet. I think that initiation is actually going to come. I'm probably speaking a little out of school here, but a piece of it's going to be initiated by the municipality. We've talked to the administrator a little bit about the process and that's as much as we know. Is there mitigation? Yes."* Therefore, the City, as of June 24 had done no studies to determine the mitigation and their costs. Therefore, the taxpayers will pay the bill if there is no agreement that RMV pay for it.

July 1, 2008

Ms. Suzanne Denbak
Cadence Strategies
Whistler, BC

Dear Suzanne,

Thank you again for taking the time to speak with me regarding your "Economic Impact Analysis" report (in the RMV golf resort development application) after the June 24 event at the Prestige in Rossland. This letter is to confirm our conversation and share our thoughts with others who will soon make critical long-term financial decisions, and who may very well utilize your report as the sole financial foundation and basis for that decision.

We discussed the estimates of annual projected revenue and expenses to the City of Rossland in your report and we agreed that the report's projections at build-out overstate City revenues and understate annual expenditures. You offered to approach Mr. Katkov to ask for his agreement that you revise your report. Below is generally what we discussed (and a couple of related comments too).

As a reminder, during the afternoon group session a number of us and you agreed that the planned golf season is more realistically about 5 months rather than 7 month in the report. Accordingly, the golf and related revenues and expenditures should be reduced by about 29% (2/7).

What we did not have an opportunity to discuss is the fact that build-out would be achieved over time, and that the revenues and expenditures should be projected over time to give a more accurate forecast of the impact of this development on the City's finances.

Furthermore, I did not have the opportunity to say that it is my experience in performing municipal financial analyses of this sort, including the more-simplified but similar annexation studies, that in a typical development or annexation situation there is a net zero annual contribution of tax revenues to municipal finances. Annexation and development is typically not pursued for the net annual municipal tax revenues, but for other reasons entirely. This is a well-known fact in most municipal finance circles.

The financial benefits of this sort of development, if any, are typically solely those to the GDP of the total local economy not to the municipality's finances and even this is frequently debated. **Therefore, it is critical that the municipality obtain funding from the developer for all anticipated municipal infrastructure needs as a result of the proposed development. Annual tax contributions cannot be relied upon to provide funding for municipal capital infrastructure needs that arise because of the development.**

In the case of the RMV proposal, professionals agree that additional water storage and associated infrastructure capital costs are required to service the proposed golf course resort development. These capital costs exceed the one-time fees which you estimated at about \$2Million (for the golf course resort portion of Red's development proposals), and these capital costs exceed the \$21Million of infrastructure RMV promises to build and contribute to the City for maintenance and upgrade (which I have depreciated below). Unfortunately, City one-time development fees are currently about 1/3 of what professionals have estimated they should be for planned build-out demand (demand that is confirmed in the RMV application).

So, unless RMV agrees to pay for these excess capital costs, Rossland taxpayers alone will bear that cost.

Estimated Annual Revenues to the City AT BUILD-OUT, in 2008 dollars, current rates/levies (pg 13):

Description	Per Report	Reasonable Estimate	Note
Annual property tax revenue to the City (pg 13)	\$5,191,738	\$1,877,500	(1)
Annual property tax revenue to the City (pg 13)	0	17,110	(2)
Annual sewer and water fees	142,276	142,276	(3)
TOTAL ESTIMATED ANNUAL REVENUE	\$5,334,014	\$2,036,886	

- (1) 5 mills (2008 rate) on Sotheby's estimated value of 430 hotel, multi-family, single family residences; the report assumed the City would receive property taxes which are collected by the City and then forwarded to the other jurisdictions eg Schools, Hospital, etc
- (2) 8.555 mills (2008 rate) on estimated value of golf course (assumed in between Birchbank and Redstone assessed value); the report assumed no property tax on the golf course' assessed value, perhaps because the figure is relatively small rather than on the expectation of an exemption from City property tax.
- (3) 2007 Utility Invoice and Parcel Tax rates were used

Estimated Annual Expenditures to the City AT BUILD-OUT, in 2008 dollars, current rates/levies (pg15):

Description	Per Report	Reasonable Estimate	Note
Water	\$107,544	\$269,000	(4)
Sewer	60,400	148,000	(4)
Parks	38,700	82,000	(4)
Roads	68,705	122,000	(4)
Protective Services	0	1,088,000	(5)
General & Admin	0	304,000	(6)
Depreciation on \$21M	0	525,000	(7)
10% Contingency	0	270,000	(6)
TOTAL ESTIMATED ANNUAL EXPENDITURES	\$275,349	\$2,808,000	

- (4) We discussed that the City had no cost/km of roads to provide to you last fall and they had few other expenditure figures for your report. But generally, we know (and discussed) that the report's incremental expenditure figures are extremely low because they are an increment of a very small population (around 3,500) whereas the appropriate apportionment to the development at build-out would be based on a larger total population that includes 9,420 at Red Mountain (per pg 4, AE report, "The Golf Club at Red Mountain, Conceptual Design") plus the in-town population of 2,000-3,000, a total of around 11,520-12,520, which is over 3X the population served by the current City budget. Based on the current annual City operating budget of about \$5.5 million for a population of about 3,500, I would expect much higher incremental costs than \$275,000 to service this development at full build-out, and the "reasonable estimate" figures above look conservative when taken in this context.

- (5) We discussed that Rossland currently has minimal support from the RCMP but that at “build-out” a substantially larger budget would be warranted and an appropriate amount should be allocated to the development. Trail’s 2008 RCMP budget is approx \$1.8M. Based on Rossland’s build-out of approx 12,000 people and that Trail now has a population of roughly 7,000, the “reasonable estimate” figure above is quite reasonable when considered in this context.
- (6) General and administrative expenditure allocation should be included in any event, as should a contingency.
- (7) Depreciation for upgrade, replacement, deferred maintenance of infrastructure must be accounted for and a 40 year life (assumed above) is conservative.

Estimated Annual Revenues over Expenditures to the City AT BUILD-OUT, in 2008 dollars, current rates/levies (pg13, 15):

Description	Per Report	Correct	Note
TOTAL EST'D ANNUAL REVENUE	\$5,334,014	\$2,036,886	(4)
TOTAL EST'D ANNUAL EXPENDITURES	\$275,349	\$2,808,000	(4)
ANNUAL EXCESS/DEFICIT	5,058,665	\$-771,114	

In conclusion, I know that Mr. Katkov will not authorize a revision of your report, but I do at least appreciate your professional admission to me that the annual projections at build-out overstate the financial benefits to the City of Rossland.

The obvious answer to me at this point is that the City should consider the following:

- (1) look after its own financial interests;
- (2) prepare its own financial impact/analysis report, perhaps with assistance from a qualified experienced objective professional;
- (3) determine all municipal capital costs required because of the proposed development;
- (4) require the developer contribute these costs as a condition of the development permit rather than leave the financial burden to all taxpayers.

Best regards,

Sheree Sonfield

Cc:

Don Thompson, Terry Miller, Howard Katkov
Mayor and Councillors

