

January 23, 2015

File: 76915-20/D720001-00 & D720002-00

Toby Seward Director Social & Protective Services City of Nanaimo 455 Wallace Street Nanaimo BC V9R 5J6

Dear Mr. Seward:

Re: Middle Chase River Dam and Lower Chase River Dam – Consequence Classification

Thank you for forwarding Golder Associates report Colliery Dams, Nanaimo BC, Consequence Classification, dated November 21, 2015 which outlines the proposed dam failure consequence classification for Middle Chase River Dam and Lower Chase River Dam. Our office has reviewed the report, along with the supporting documents, and accepts the conclusion that the failure consequence classification, as determined in accordance with Schedule 1 of the Dam Safety Regulation, is high for Middle Chase River Dam and very high for Lower Chase River Dam.

On October 29, 2012, the City of Nanaimo provided a plan to address the safety hazards identified at that time. To date, that plan has not been implemented. Please note that although the dam failure consequence classification of both Middle Chase River Dam and Lower Chase River Dam is now set at a lower classification than previous, both dams still have serious deficiencies that require immediate attention. Therefore, in accordance with Section 7.1 Potential safety hazard at a dam, BC Dam Safety Regulation, the City of Nanaimo, as the owner of Middle Chase River Dam and Lower Chase River Dam, must prepare a revised plan that:

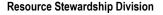
- identifies and prioritizes the actions required to correct the potential and existing safety a) hazards, and
- gives a timeline as to when the actions will be completed. b)

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Ministry of Forests, Lands & **Natural Resource Operations** Office of the Comptroller of Water Rights Water Management Branch

Mailing Address: PO Box 9340 Stn Prov Govt Victoria BC V8W 9M1 Telephone: 250-387-6949 Facsimile: 250-356-0605

Location: 3rd Floor, 395 Waterfront Cres Victoria BC V8T 5K7





Please submit your revised plan to this office by February 27, 2015. The plan must clearly demonstrate implementation of priorities in a timely manner to reduce the risk posed by these two dams.

Yours truly,

Jepie

Glen Davidson, P.Eng. Comptroller of Water Rights

pc: John Baldwin, Dam Safety Officer, Nanaimo