



**KICKING
HORSE**

MOUNTAIN RESORT

Golden, British Columbia

November 4, 2008

Psyche Brown

Manager of Major Projects

Ministry of Tourism, Culture and the Arts.

510-175 Second Avenue

Kamloops, British Columbia

Dear Psyche:

Your office and Kicking Horse Mountain Resort received a letter with comments from the Golden Back Country Advisory Committee (GBRAC) with regard to the KHMR Draft Master Plan revision. In addition, Kicking Horse Mountain Resort and the Golden Back Country Advisory Committee (GBRAC) conducted a meeting at KHMR on September 10th to review the letter and listen to the Golden Back Country Advisory Committee (GBRAC) speak to these comments. Subsequently, the Golden Back Country Advisory Committee (GBRAC), Kicking Horse Mountain Resort and you (MOTCA) had a meeting on October 20th, 2008 to further discuss the GBRAC letter.

Kicking Horse Mountain Resort is committed to working with the Golden Back Country Advisory Committee (GBRAC) in the spirit of being good neighbors along with the balance of social, environmental and economic recreational opportunities.

Please find our proposed response and actions to these comments. GBRAC's comments are italicized, and our responses follow **(highlighted in blue)**.

1. The GBRAP plan maps are included in the KHMR expansion proposal, but there is no specific reference to the GBRAP in the expansion proposal text. In particular, it seems that Sections 2.6 (Provincial Land Use Controls) and 9.2.1 (A Public Private Partnership) should provide identification of, and a commitment to work towards, the GBRAP Land Use plan objectives. As currently shown in the plan, the GBRAP maps are shown at too small a scale to be useful.

The Kicking Horse Mountain Resort draft master plan will be amended to include reference to GBRAP maps so that that Sections 2.6 (Provincial Land Use Controls) and 9.2.1 (A Public Private Partnership) will provide identification of, and a commitment to work towards, the GBRAP Land Use plan objectives.

2. Page 72 of the KHMR expansion proposal identifies that guided snowmobiling is offered from the resort, but does not include the consensus agreement by the GBRAC for this activity, which is contained in the GBRAP amendment, as follows: "One winter motorized corridor is designated through the Nordic ski zone to allow the snowmobile commercial tenure holder to access the Dogtooth FSR from the Kicking Horse Resort area. A management agreement should be implemented between this commercial operator and the Dawn Mountain Nordic Society. The success of this corridor will be periodically reviewed, to ensure that non-motorized activities are not jeopardized, and that public snowmobiling does not occur on this corridor. If this corridor is not managed properly by the tenure holder, then revisions to this zonation will occur". We recommend that this wording from the GBRAC amendment be referenced and included in the KHMR expansion proposal.

The recommended wording above from the GBRAC amendment be referenced (included) and supported in the Kicking Horse Mountain Resort Draft Master plan.

KHMR will also work with the Golden Nordic Ski Club and the snowmobile commercial tenure holder to create an operating management agreement with respect to the Dawn Mountain Nordic Trails and corridor. Note: The snowmobile commercial tenure holder has had dialog with the President of the Golden Nordic Club and has been meeting with the Golden Nordic Club to work towards safe winter operating plans (Commercial Snowmobile Operator and the Golden Nordic Ski Club Society have drafted an operating plan as of October 30th, 2008).

3. Note that the GBRAP plan amendment intent is to have no public snowmobiling occur in the area identified as the RM2 Nordic Ski Zone, including from KHMR residents. With increased residential units being planned for this area, there may be a greater likelihood of snowmobile egress into this non-motorized area. We note that ILMB is in the process of working with the MTCA regarding creating a legal

motorized closure for this area which is outside the existing KHMR controlled recreation area. The KHMR expansion proposal needs to provide clarity regarding how they will support this non-motorized zonation. You should be aware that the GBRAP amendment includes implementation priorities to improve and manage the Dogtooth Forest Service Road for snowmobiling. The intent is to have this Dogtooth FSR as the main access route from Golden for snowmobiling to the West Bench. This access route is outside of the KHMR expansion proposal. Only if this Dogtooth FSR access proves to be untenable will an alternate route be considered. Note that one such alternate route has been identified below and inside the KHMR expansion proposal area.

The Kicking Horse Mountain Resort Draft Master Plan will outline a set of rules for the management of no public snowmobiling within the CRA (including no-public snowmobiling within the commercial snowmobile corridor). This will also include a restriction on public snowmobiling throughout the Nordic Trail System (excluding use for Nordic needs). In addition, if the Dogtooth FSR is no longer a feasible option in the long-term then KHMR will work in conjunction with the snowmobile club and GBRAC to explore viable options.

4. We commend KHMR for making commitments in the plan regarding maintenance of the Nordic trails and venue. However, the proposed development of the KHMR expansion proposal will have far-reaching effects on Nordic skiing as it presently exists at the Resort. In that regard, there are numerous issues which arise from the proposed master plan that are not sufficiently identified and dealt with. We recommend that more detailed identification of effects, commitments and mitigation strategies be made in the master plan via a separate chapter that confirms specific management for such issues as, but not confined to:

- trail management (i.e. prevent residents from entering the trail system without paying fees)*

This can be managed with signage and trail maps, as well as information packages made available to resort visitors and homeowners. (KHMR will meet & work with the Golden Nordic Club to define a management and operating plan). Additionally; KHMR in cooperation/partnership with the GNSCS will pilot a program of additional part-time labor at the Nordic trail head specific to patrolling Nordic skiers who enter the trail system without paying fees. KHMR will also work in conjunction with the GNSCS to create identification (Nordic season pass) using KHMR's pass card system.

- staging areas*

The Kicking Horse Mountain Resort Draft Master Plan proposes additional parking and staging opportunities close to the proposed multi-use clubhouse, which can be utilized as a Nordic skiing day lodge in winter. (At least 100 parking spaces will be dedicated and managed for the purposes of Nordic skiing as requested by the club).

- *agreement on dates for snow clearing of Nordic trails on the golf course in spring*

Kicking Horse Mountain Resort Draft Master Plan in collaboration with the Golden Nordic Club will define a seasonal separation for the purposes of Nordic skiing and golf operations. For example the club suggested, November 15th would mark the beginning of Nordic Skiing and April 30th would mark the beginning of golf operations.

- *managing incompatible uses (e.g. dog-walking, winter walking, snowshoeing, timing for replacement of trails prior their removal by KHMR due to any development.*

KHMR will commit to communicate with the Nordic club as the development moves north, to ensure that the scheduling and extent of construction is conveyed in a timely manner. A comprehensive trail map that outlines dedicated use areas will be defined.

KHMR agrees to replace (meter for meter for any trails removed from the trails system) to fit the existing system in advance of old trails being deactivated, with information (signs, brochures, information packages) revised by KHMR. As part of the draft master plan, walking paths are planned throughout the core of the village and these trails should be emphasized as summer/winter walking trails in an effort to separate Nordic and pedestrian trails. Additionally, KHMR has 2 kilometer and 4 kilometer dedicated snowshoe loops completely separate from the Nordic trail system.

5. *There is a core of Nordic trails which are very intensively used which form the heart of the Nordic system and that a more secure tenure for the Nordic system may be considered simultaneously during the approval process for the KHMR expansion proposal.*

These trails were identified during the planning and consultation process and the proposed Master Plan was modified to safeguard the core Nordic trails. KHMR will work with the club & MTCA to keep trail network as a (Winter) Public Recreation Site.

A commitment to the continued use and protection of the Nordic trails within the CRA could be included in the MDA commitments of KHMR e.g. no change from the approved Resort Master Plan which could affect the Nordic trails without the written agreement of the Nordic club, not to be unreasonably withheld blah blah. I don't think there is another tenure which would be appropriate for the Club, given that they typically involve payment of annual fees by the user, and that wouldn't be helpful to the Club.

6. *There is no specific mention of the historic rail grade that extends in a roughly south-east to north-west direction below the existing KHMR controlled recreation area. That rail grade (or general area) has been identified in the GBRAP as a summer motorized area. The GBRAC would like confirmation in the KHMR expansion proposal that this recreational use will be maintained. Further, the GBRAC recommends that the proposed expansion of the controlled recreation area boundary be moved upslope so that it is at least 50 meters above that old rail grade.*

The Kicking Horse Mountain Resort Draft Master Plan will be revised to move the proposed CRA above the "historical railway bed" where in such that it does not conflict with proposed plans for a golf course on the northern tip of the proposed development. KHMR proposes a slight realignment of the railway bed on the northern tip to allow the proposed CRA to stay above the trail. If GBRAC is not open to this proposed alignment then a special dedication for the small part that remains (northern tip) will have to be made by MOTCA,

7. *Besides zonation for recreational access, the GBRAP provides direction for recreational resource development. Adjacent to the KHMR controlled recreation area, these GBRAP zonations range from "RM1 Minimal Development and Use" to "RM3 High Development and Use". These GBRAP zonations were derived after GBRAC review and discussion of resource values. In the existing approved GBRAP, we note that the area north of the existing controlled recreation area is zoned as RM1 Minimal Development and Use. The intent of this zonation is to red flag areas where "hard development" (roads, lodges, etc.) should not be considered – due to impacts on social or environmental values. We note that this area is being proposed as RM2 in the proposed GBRAP amendment. This RM2 zonation indicates that small scale formal structures may be acceptable in specific areas, and that further planning is required to determine which areas should have those structures.*

The predominant development to the north is the golf course. Residential development is primarily low-density single-family lots. The golf course and the residential development areas respect the environmental riparian zones. Generous amounts of dedicated park and green space, in and amongst the designated development areas are in keeping with maintaining the wilderness feel of the area. The golf course, designed by Thomas McBroom, is also designed with the intent of creating a "wilderness" experience providing a feeling of

golfing “in the woods” including the non-development of residential homes along the fairways.

GBRAC has tabled the idea of a Section 15/ 16 potential for area below the CRA or below the Nordic Zone, extending from Holt Creek to Cedar Lake (the RM1 area). Include upper Holt Creek.

Will require that the Ministry of Tourism, Culture and the Arts to explore and review what these sections entail, as well as explore the geographic scope of any designation (Cedar Lake to Holt Creek was discussed – as well as whether it should encompass the Amendment # 2 proposed RM2 Nordic area).

Furthermore, any Section 15/16 wording would have to be done using careful consideration of the need to maintain key infrastructure and suggest that the Section 15/16 could be written so that it would only apply to recreational infrastructure and residential development.

8. We note that in the KHMR expansion proposal there has likely been effort to concentrate hard development in pods. We agree with this concept. We note that the KHMR expansion proposal for residential development and the golf course occurs in this northern RM1 (approved GBRAP) and RM2 (proposed GBRAP amendment) area. It was noted by some of the GBRAC sectors that this portion of the KHMR expansion proposal likely has relatively high wildlife values compared to other KHMR plan areas. We understand that part of the rationale for KHMR locating this proposed development here (rather than to the south) was due to a lack of water.

The golf course location was chosen as a response to the topography and the environmental assessment of the area. Great care has been taken to maintain the sensitive wetland areas within the CRA. Also, due to the generous spacing between the golf holes and a commitment to create a “wilderness” feel golf experience, large expanses of natural habitat will be maintained to allow for wildlife migration through the area.

9. The GBRAC recommends that this proposed northern residential development be limited to extend only up to 300 meters east of the existing controlled recreation area. We also recommend that mitigation strategies for species such as moose and beaver be more specifically addressed in regards to golf course development

Kicking Horse Mountain Resort initially had more bed units planned for the northern residential development. After discussion with the Golden Nordic Club, the bed-units were reduced significantly and low density single-family lots remain. In addition there is a generous buffer zone through-out the proposed residential area. With respect to mitigation strategies, the draft Master Plan outlines strategies on how to construct, manage and maintain

a golf course with respect to irrigation, plant species, pest management and wildlife. Note: The closest point of the golf course to Holt Creek is approx. 450 meters away. The closest point of the proposed development is approx. 875m away.

Additionally, KHMR (President - Steve Paccagnan) and GNSCS (President – Jeff Dolinsky) held a meeting on Friday October 31st, 2008. The GNSCS has proposed relocating some trails for the relocation of some real estate. KHMR to propose new residential plan for the northern tip further reducing the real estate in the current proposal.

10. The KHMR expansion proposal for residential development in the area to the west (towards the old rail grade) and to the south occurs in RM3 areas of the approved GBRAP. We note that the GBRAC has recommended to government in the proposed GBRAP amendment that the area to the west (towards the old rail grade) be zoned as RM2 to manage for Nordic skiing values. The GBRAC recommends that the most southerly extension of this proposed development (towards Cedar Lake) be reviewed due to its potential impact as a long linear hard development corridor, which is not concentrating hard development.

The development leg to the south is primarily composed of large single-family lots (.25 acres or more), with many areas of green and park space interspersed throughout. The access road at the south end could be designated as an emergency only access in order to reduce the amount of traffic on the road towards Cedar Lake. KHMR proposes to scale back the CRA boundary to entirely removing the CRA boundary from dropping down into Canyon Creek. In doing so, KHMR proposes net loss from the existing and approved CRA and therefore will be seeking to keep the proposed CRA extension to the south of the resort as to mitigate the loss and trade off.

11. In the KHMR expansion proposal EIA amendment, it is not clear to us if the environmental inventories were used as criteria to affect development areas, aside from riparian areas. That is, the KHMR expansion proposal does not appear to have discussion of the relative biological value of various proposed areas, and a summary of risks and decision factors on major development pod locations. For instance, it would be valuable to know if the area adjacent to Holt Creek is being used as an upslope/down slope wildlife corridor. 5

The Kicking Horse Mountain Resort Draft Master Plan will include a response to be prepared in cooperation with ENKON Environmental.

12. We note that the EIA report references a 4 day intense biological reconnaissance of some of the proposed expansion area. It is unclear if the local Forest Ecosystem Specialist was contacted for advice, or whether local biologists and experienced hunters were contacted by the consultant for this expansion proposal, as they would be most familiar with this land base.

It should be noted, that ENKON has been studying the project area since the late 1990s and is well-qualified and knowledgeable with regard to Kicking Horse Mountain Resort and the surrounding area.

13. The KHMR expansion proposal includes a ski lift being planned within the existing KHMR controlled recreation area in the Canyon Creek drainage. A few sectors noted that during the initial approval of the "Golden Peaks Resort" Master Plan Open House discussions, that there was a verbal commitment by part of the resort representatives that lift development would not occur in this area. Also, the GBRAP direction is that Canyon Creek will be managed for non-motorized recreation (RAI mapping designation). This would include no development of ground based downhill skiing facilities. We note that KHMR did not agree to this plan direction at the time of GBRAP approval.

Although the existing and approved CRA does include a small porting of Canyon Creek drainage, Kicking Horse Mountain Resort recognizes the value and sensitivity surrounding the canyon Creek drainage. Therefore, KHMR is prepared to scale back the current and existing CRA boundary from dropping into Canyon Creek.

14. The KHMR expansion proposal indicates that surface water from Holt Creek may be used to enable resort expansion requirements. Analysis should be conducted if the flow from Holt Creek will support both a golf course and the degree or residential expansion in consideration of fisheries values.

The latest drilling program shows that groundwater might be sufficient for the majority potable needs of the resort, with the balance (fire, Snowmaking, irrigation etc...) coming from surface water obtained from Holt Creek.

15. The GBRAC would like to identify that Holt Creek is the only drainage on the West Bench (between Canyon Creek and Quartz Creek) that is zoned in the GBRAP as non-motorized in all seasons, and RM1. Of all the West Bench side drainages, Holt Creek was determined to have one of the highest environmental values, in part due to

management for grizzly bears. Note that ILMB and the Ministry of Environment are currently working towards a legal closure for recreational use of the Holt Creek drainage. Local wildlife biologists have noted the importance of the slide paths off of Holt Creek being valuable wildlife habitat. Accordingly, any infrastructure development and access should be minimized and carefully managed. If a water intake is approved for Holt Creek, there should be commitments identified in the plan to place infrastructure and access trails away from Holt Creek and key wildlife habitat, and the plan should provide key operational details towards this mitigation. These issues for Holt Creek should also be considered regarding residential and golf course development proposals.

Kicking Horse Mountain Resort (KHMR) has prepared an application in regards to Holt Creek for the use of golf course irrigation, domestic use and safety requirements (i.e. fire suppression). Included in the MDA is the plan of KHMR to divert water from Holt Creek to KHMR for the above mentioned uses. The routing is likely to follow the existing contour lines and the existing trails as much as possible in order to minimize the disturbance to the environment and eco structure.

KHMR is hereby committing that it will inform the local community stakeholders (incl. GBRAC) in all stages of design and construction on a regular basis or as desired by these stakeholders. KHMR will continue to work closely with the all government bodies involved, in order to make sure that sufficient flow will remain available for fisheries and wildlife. This will ensure that the impact on the ecosystem is minimized and that the requirements of the downstream license holder are met. In order for KHMR to verify the flows available throughout the year, KHMR will establish a hydrometric program on the Holt Creek flows.

The intake structure will be designed to minimize the disturbance of the Creek's flow, using the latest in technologies at the time of the design and construction. KHMR will explore the opportunities to power the intake structure (in case power is needed) in the most environmentally friendly way possible. (i.e. solar power). This will also minimize the amount of construction and maintenance needed after completion.

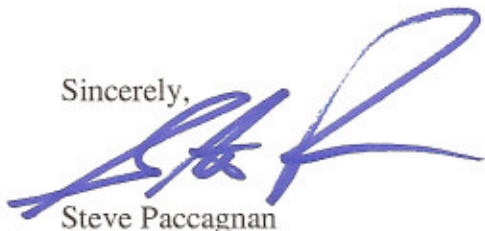
The diverted water is required to run through a pipeline towards the resort (requirement by MOE). At this stage, an above ground structure is likely to be considered as this causes the least disturbance to the environment as we do not require major blasting and re-contouring of the lands. If an above ground structure is required, KHMR will commit in making a wildlife crossing(s) on convenient locations based on the proposed location decided with the local community stakeholders and the involved government bodies.

Both the pipeline to the resort as the intake structure will require maintenance on a regular basis. KHMR commits in making a maintenance management plan that will clearly identify the number of times that the structure (intake and pipeline) will need to be inspected and will also include a maintenance schedule that identifies timelines for regular maintenance required. This maintenance plan will be shared with the local community stakeholders and the government bodies involved.

16. Clarification whether the plan is providing for the 5 % green spaces as required by the CSRD is required. There is some opinion among the GBRAP sectors that KHMR has been exempted from dedicating park pursuant to the subdivision bylaw of the CSRD in respect of existing subdivisions. The creation of park within the controlled recreation area might be one "balancing factor" to take into account, but not if park has not and will not be dedicated.

Kicking Horse Mountain Resort Draft Master Plan will work with the CSRD to finalize a park plan dedicated to 5% green space. (Currently, KHMR is in compliance with CSRD requirements for existing development. Above and beyond this, the entire resort is a recreational amenity in both winter and summer. See page 101 – Table 4.4. of the Master Plan proposal.

Sincerely,



Steve Paccagnan

President

CC: Darcy Monchak, R.P.F.
Land and Resource Management Specialist,
Integrated Land Management Bureau,