

REGIONAL WASTEWATER EXCHANGE AGREEMENT

THIS AGREEMENT made this 10 day of September A.D. 2008

BETWEEN:

ALBERTA CAPITAL REGION WASTEWATER COMMISSION
(hereinafter referred to as the "ACRWC")

OF THE FIRST PART

-and-

THE CITY OF EDMONTON
A Municipal Corporation
In the Province of Alberta
(hereinafter referred to as the "City")

OF THE SECOND PART

WHEREAS:

- (a) The ACRWC owns and operates wastewater transmission and treatment facilities located within the Province of Alberta as shown on Schedules D1 and D2;
- (b) The City owns and operates wastewater transmission and treatment facilities located within the Province of Alberta as shown on Schedule D1;
- (c) The parties hereto desire to provide environmental stewardship in the Edmonton Region through the delivery of efficient, cost-effective and equitable wastewater transmission and treatment;
- (d) The parties hereto desire to exchange wastewater transmission and treatment services, the said exchange of services to be such that the ACRWC Facilities will provide wastewater treatment and transmission services, for certain areas, as hereinafter set out, which are within the City boundary, and the City Facilities will provide wastewater transmission and treatment services for certain areas, as hereinafter set out, outside of the corporate boundaries of the City;

| |
|----------------|
| CITY CLERKS |
| FILE NO. 65740 |

REGIONAL WASTEWATER EXCHANGE AGREEMENT

THEREFORE in consideration of the covenants and agreements contained herein, the parties covenant and agree as follows:

1. Definitions

“ACRWC Facilities” shall mean those Wastewater transmission and treatment facilities owned and operated by the ACRWC as they are described on a map attached as Schedules D1 and D2.

“ACRWC Member Municipalities” are the members of the ACRWC as they may change from time to time.

”ACRWC Rate” shall mean the current rate established for the transmission and treatment of Wastewater discharged to the ACRWC by the ACRWC Member Municipalities as adopted by the ACRWC Board of Directors.

“City Facilities” shall mean those Wastewater transmission and treatment facilities owned and operated by the City as they are described on a map attached as Schedule D1.

“City Rate” shall mean the current rate established for the transmission and treatment portion of Wastewater discharged to the City system by City customers as approved by City Council and in accordance with Sewers Use Bylaw as amended from time to time.

"Connection Points" shall mean the points of delivery from the City and from customers of the City that connect to the ACRWC Facilities, and from the ACRWC and customers of the ACRWC that connect to City Facilities, as shown on Schedule G, and located within the Contributing Area as illustrated in Schedules D1 and D2. The Connection Points may be amended from time to time.

“Contributing Area” shall mean the areas serviced by the City as outlined in the attached Schedule D1 and the ACRWC as outlined in the attached Schedule D2.

“Joint Use Facility” means the ACRWC Facilities and the City Facilities that are utilized to fulfill the intent and terms of this Agreement.

“Level of Service” for each party shall mean:

Residential

Peak Dry Weather (PDW) flow = $(G \times P \times PF)/86400$

Where: G = Per capita daily sewage flow generation of 320
l/day/person

P = Population

PF = Peaking factor of $2.6 \times (P/1000) - 0.1$

Commercial, Industrial and Institutional

Peak Dry Weather (PDW) flow = $ADW \times PF$.

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Where: Average Dry Weather (ADW) flow
generation shall be 6,170 l/ha/day
PF = 3

Inflow and Infiltration allowance : 0.28 L/s/ha

Peak Wet Weather Flow (PWF) shall be the total of all residential, commercial, industrial and institutional flow plus the I/I allowance.

“**Overstrength Charge**” means the rate per kilogram of surchargeable matter per cubic metre of wastewater and charged to a user who releases Wastewater to the sewer of the other party that exceeds one or more constituent concentrations as set out in Schedule C.

“**Wastewater**” means the composite of water and water carried wastes from residential, commercial, industrial or institutional premises or any source.

“**Water Quality Parameters**” shall mean Wastewater requirements of both the Connection Points and individual properties for Wastewater directed to the City Facilities by the ACRWC and to the ACRWC Facilities by the City and shall be governed by the following schedules:

Prohibited Wastes, attached as Schedule A

Restricted Wastes Applicable to Sanitary Sewers, attached as Schedule B

Overstrength Surchargeable Matter, attached as Schedule C.

2. **Duration and Termination**

- 2.1. This Agreement shall commence on the date of this Agreement and shall remain in force until the expiry of 5 years from the date that one party has provided written notice to the other that it wishes to terminate this Agreement (provided that such written notice can not be given prior to January 1, 2023).
- 2.2. The parties agree to begin negotiations no later than January 1, 2023 to discuss further agreement on regional **Wastewater** exchange and further extension of this Agreement.

3. **Connection Points/Contributing Areas**

- 3.1. The parties agree that the **Contributing Area** cannot be unilaterally altered by one party. All changes to the **Contributing Area** must be by mutual consent. No party shall unreasonably withhold approval of a change in the **Contributing Area**.

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3.2. ACRWC Facilities

- 3.2.1 The ACRWC may cause, and the City shall permit, **Wastewater** from the **ACRWC Contributing Area** to flow into the **City Facilities** at the **Connection Points**.
- 3.2.2 The ACRWC may construct, or may cause to be constructed, **Wastewater** transmission facilities for this purpose within the corporate boundaries of the City.
- 3.2.3 Ownership of all facilities so constructed shall remain with the ACRWC.
- 3.2.4 All facilities constructed by, or on behalf of the ACRWC, within the corporate boundaries of the City, pursuant to this Agreement, shall be constructed in compliance with the City of Edmonton Design and Construction Standards, applicable at the time of construction, whether such standards be enacted by bylaw, department policy or otherwise.

3.3 City Facilities

- 3.3.1 The City may cause, and the ACRWC shall permit, **Wastewater** from the **City Contributing Area** to flow into the **ACRWC Facilities** at the **Connection Points**.
 - 3.3.2 The City may construct, or may cause to be constructed, **Wastewater** transmission facilities connecting to the **ACRWC Facilities** for this purpose. For any construction outside the municipal boundaries of the City, the City must obtain approval from the municipality in which the construction occurs.
 - 3.3.3 Ownership of all facilities so constructed shall remain with the City.
- 3.4 The amendment of schedules in this Agreement shall be at the administrative level, defined as the “City Manager” for the City and the “General Manager” for the ACRWC.

4. Servicing Standards

- 4.1 Peak **Wastewater** flows discharged from one party’s facilities to the other party’s shall be in compliance with the **Level of Service**.
- 4.2 Both parties shall ensure that their **Wastewater** flows entering the other party’s facilities shall not exceed the peak wet weather flow and are in compliance with the **Level of Service** by January 1st, 2015.
- 4.3 Each party shall identify and report any flows that exceed the peak wet weather flows as established by the **Level of Service**. The report of an event whereby the peak wet weather flow exceeds the **Level of Service** and impacts a **Joint Use Facility** shall be submitted by both parties within one month of the time of the event. The reports can indicate the need for the construction of works to mitigate the flows and both parties shall have an

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obligation to carry out such construction and other mitigation efforts as are agreed to in the reports.

- 4.4 Starting January 1, 2015, the City and the ACRWC shall be liable to each other for all peak weather flows that substantially exceed the **Level of Service** and causes damages, expense and loss to **Joint Use Facilities** on account of physical damage caused by Wastewater flows.
- 4.5 The **Level of Service** shall be reviewed at least every 5 years, starting in 2015, and amended as mutually agreed.

5. Joint Planning

- 5.1 All **Joint Use Facilities** planned and constructed by the parties shall be supportive of municipal growth in the **Contributing Area**.
- 5.2 Each party shall design and construct their facilities to accept growth in flows in the **Contributing Area**, as long as that growth is at the **Level of Service**.
- 5.3 Each party shall limit their flows to conform to the **Contributing Area** as shown in Schedules D1 and D2. When a party decides to change the direction of flow from its own facilities to the other party's facility, the change will first be discussed and approved at a joint planning meeting and the **Contributing Area** shall be updated to show the change in flow pattern.
- 5.4 The parties shall meet annually to discuss relevant planning principles including:
 - 5.4.1 The parties will together plan, review, and update capital programs that impact a **Joint Use Facility**.
 - 5.4.2 Timing of capital projects will support the needs of both parties within the **Contributing Area**.
 - 5.4.3 Planned projects will have a funding program in place in advance of the need.
 - 5.4.4 Planning principles can be negotiated by mutual agreement of both parties at any time.
 - 5.4.5 Joint ownership of facilities will be pursued if to the benefit of both parties.
- 5.5 The parties shall meet annually to discuss relevant Wastewater source control, flows and other operational planning issues.
- 5.6 The parties agree to maintain a Coordinating Committee comprised of two elected officials. Membership will be confirmed annually by each party. The Coordinating Committee shall meet at the call of either party.

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6 Ownership/Sale

- 6.1 Should the ACRWC, or the City, wish to sell, transfer, assign, deed or otherwise alienate all or any portion of the facilities which are used jointly and, in the case of the City, are within the boundaries of the **ACRWC Member Municipalities**, and in the case of the ACRWC, are within the boundaries of the City, the City or the ACRWC, as applicable, shall have the first option to purchase any such facilities. The terms of sale and/or transfer will be agreed upon separate and outside this Agreement.

7 Sampling/Metering Stations

- 7.1. The parties shall construct and maintain **Wastewater** sampling and metering stations at the **Connection Points**. The **Wastewater** sampling and metering stations shall be constructed and maintained so as to be reasonably safe for the entry of personnel; and so as to comply with all applicable safety legislation, regulations, bylaws or orders of any governmental body or agency possessed of relevant jurisdiction.
- 7.2. Both the City and the ACRWC, together with their employees and agents, shall have access to all such **Wastewater** sampling and metering stations.
- 7.3. All **Wastewater** flows shall be continuously metered as shown in Schedule E at the **Wastewater** sampling stations referred to in clause 7.1 herein.

8. Flow Exchange

- 8.1. The party with the higher annual flow shall pay the other party a fee for the flow volume difference. The fee shall be the lower of the **ACRWC Rate** or the **City Rate**.

9. Permitted Waste and Overstrength Limits and Enforcement

- 9.1. Neither party may discharge or cause or permit to be discharged into the sewer system of the other party any substance which will or may:
- 9.1.1. have an adverse affect upon a recipient water course or sewer system, or any part thereof;
 - 9.1.2. adversely affect the proper, safe, and efficient operation of a sewer system, or any part thereof;
 - 9.1.3. adversely affect, impair or interfere with any transmission and treatment process, or any part thereof; or
 - 9.1.4. be or become a hazard or a threat to persons, animals, personal property or real property.

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- 9.2. Further, no party shall release or permit the release of any matter containing a hazardous waste into a sanitary or combined sewer. "Hazardous waste" means any hazardous substance disposed of or to be disposed of as waste, as set out in the regulations of the Environmental Protection and Enhancement Act and the Waste Control Regulations (AR129/93) of the Province of Alberta, and any successor to this Act or regulations.
- 9.3. Wastewater monitoring and enforcement shall be governed by the **Wastewater** Source Control, attached and forming Schedule F.
- 9.4. Until January 1, 2011, monitoring and enforcement of **Wastewater** constituents and collection of **Overstrength Charges** will occur at the **Connection Points**.
- 9.5. From the date of this Agreement until January 1, 2011, the ACRWC and the City will develop a Source Control Program at the Point Source in consultation with the **ACRWC Member Municipalities**.
- 9.6. The ACRWC will implement the Source Control Program described in clause 9.3 on or before January 1, 2011.
- 9.7. **Overstrength Charges** shall be calculated and paid at the receiving party's current rate.

10. Rates and Payment Due Date/Interest

- 10.1. The rates referred to in clauses 8.1 and 9.7 herein shall be established by the parties and each party shall give notice of its rates, and on request provide rate calculation information to the other prior to the initial exchange of sewage flows hereunder. The rates shall thereafter be updated annually and similarly notified.
- 10.2. All surcharges and other payments to be made between the parties hereunder shall be due and payable by the payor party to the payee party thirty (30) days following the date upon which an invoice for such payment is received. Interest upon any amounts remaining due and unpaid beyond the said thirty (30) days shall be calculated and paid at 3% per annum compounded annually on any outstanding balance.

11. Assignment

- 11.1. Neither party shall assign this agreement to a third party without the written consent of the other party

12. Dispute Resolution

12.1. Negotiation and Mediation

- 12.1.1. The ACRWC and the City agree to use their best efforts to resolve any disputes arising between them as efficiently and cost effectively as possible.

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12.1.2. At all relevant times, the ACRWC and the City shall:

12.1.2.1. make bona fide efforts to resolve all disputes by amicable negotiations, and

12.1.2.2. provide frank, candid and timely disclosure of all relevant facts, information and documents to facilitate those negotiations.

12.1.3. The ACRWC and the City agree that any efforts to resolve their dispute by amicable negotiation or with the assistance of a mediator, does not suspend the expiration of any time limitation for taking any act under the Agreement unless the parties have specifically agreed in writing to waive or vary that time requirement.

12.2. Notice of Dispute

12.2.1. If a party determines that the dispute will not be resolved through negotiation and mediation pursuant to clause 12.1, then they may provide a notice to the other party either:

12.2.1.1. requiring the dispute to proceed to a Referee pursuant to clause 12.3, or

12.2.1.2. requiring the other party (the "Receiving Party") to provide, within 7 days, a written notice requiring the dispute to proceed to a Referee. In the event that the Receiving Party does not provide a written notice to proceed to a Referee within 7 days, the dispute shall be at an end for all purposes.

12.2.2. If notice is given to proceed to a Referee in accordance with clause 12.2.1, the parties shall appoint a Referee for review of the decision according to Section 12.3. The parties agree to enter into a "Referee Services Agreement" with a Referee agreeable to both parties.

12.3. Referee's Review

12.3.1. Each party shall put forth one candidate each for the Referee position. The parties shall then agree to select one of the candidates. If no agreement can be reached, each party shall submit one additional candidate for consideration. This process shall continue until the parties agree to the selection of the Referee. The selection of the Referee shall be completed in a reasonable period of time.

12.3.2. Within thirty working days after the Referee provides notice to the parties that the Referee is prepared to commence the review, the party providing the notice to proceed to the Referee (the "Applicant") shall deliver to the Referee and the disputing party (the "Disputant"):

12.3.2.1. a written summary of the facts, information and arguments, and

12.3.2.2. copies of all the documents on which the receiving party intends to rely.

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- 12.3.3. Within thirty working days after the Disputant receives the submissions referred to in Article 12.3.2, the Disputant shall deliver to the Referee and the Applicant:
- 12.3.3.1. a written summary of the facts, information and arguments, and
 - 12.3.3.2. copies of all the documents on which the Disputant intends to rely.
- 12.3.4. Within thirty working days of receipt of the Disputant's documentation, the Applicant shall have an opportunity to retract the referral to the Referee prior to the Referee giving a decision on the matter. Even if the Applicant retracts its referral, the Disputant or the Applicant may be responsible for costs and expenses incurred, which decision is at the Referee's discretion.
- 12.3.5. The Referee may:
- 12.3.5.1. require the parties to supply the Referee with any further written explanations or documentation the Referee considers necessary, giving each party an opportunity to respond;
 - 12.3.5.2. on written application made before the Referee makes its decision, allow a party to submit additional written information or documentation which was not available when the original submission was made under Article 12.3.2 and 12.3.3, giving the other party an opportunity to respond; or
 - 12.3.5.3. on written application, extend the time for making a submission under Article 12.3.2 or 12.3.3 in circumstances the Referee considers appropriate.
- 12.3.6. The Referee shall conduct a review, with an oral hearing of the dispute, taking into account:
- 12.3.6.1. the submissions of the parties pursuant to Articles 12.3.2 and 12.3.3; and
 - 12.3.6.2. any information obtained under Article 12.3.5, and the terms of the Agreement
- 12.3.7. Not later than 30 working days after receipt of the last documentary submission under Article 12.3.5, the Referee shall make a written decision, with reasons, which may confirm or vary the decision of the disputing party or substitute another decision. The Referee's decision is final and binding on the parties unless the decision is referred to arbitration within the time permitted in Article 12.4.
- 12.3.8. The Referee's decision may require the Disputant or the Applicant to pay for all or a portion of the costs and expenses of the Referee review. Such costs and expenses shall include, but are not limited to, the costs of the parties in preparing their submissions

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for the Referee. Unless the Referee orders otherwise, the parties shall bear equally the costs and expenses of any review by the Referee under Section 12.3.

12.3.9. By giving written notice to the other party not later than five working days after the Referee has given a decision to the parties, either party may refer the decision of the Referee to arbitration under Article 12.4.0.

12.4. Arbitration

12.4.1. All disputes arising out of or in connection with the Agreement or in respect of any defined legal relationship associated with it or derived from it, shall be referred to and finally resolved under the Rules of Arbitral Procedure, attached as Schedule H.

12.4.2. An arbitral award rendered under Section 12.4 is final and binding on the parties and there shall be no appeal of the decision to the courts.

13. Force Majeure

13.1. Neither party will be liable for failing to perform any of its respective obligations or agreements (except obligations or agreements to pay or for damage of loss arising therefore) if failure, damage or loss is caused by one or more of the following events; namely acts of God or of the enemies of Canada, war, disaster, riots or other disturbances or for any other causes beyond the control of the party seeking relief, and any date affected thereby shall be extended for the number of days equal to that number of days during which any such event is operative.

14. Non-Waiver

14.1. Any waiver by any party of a default by another party shall apply to the particular default waived and shall not operate as a waiver of any other or future default.

15. Further Documents

15.1. The parties hereto agree to do all such acts and to execute, acknowledge and deliver such further documents in assurances and instruments as may from time to time be required to effectively and expeditiously carry out the terms of this agreement.

16. Consent by the City

16.1. The City, strictly in its capacity as party to this agreement and not in its capacity as a regulatory, statutory or approving body pursuant to any law of the Province of Alberta, hereby consents to this agreement. Nothing in this agreement shall constitute the granting by the City of any approval or permit as may be required pursuant to the Municipal Government Act, R.S.A. 2000, c. M-26, and any amendments thereto, and any other legislation in force in the Province of Alberta.

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17. Insurance

- 17.1. Each party shall maintain policies of insurance as required to perform its obligations under this agreement. Without restricting the generality of this statement the minimum insurance requirements are as follows:
- 17.2. Commercial General Liability Insurance and/or excess liability or combination thereof policy(ies) providing coverage of at least ten million dollars (\$10,000,000.00) per occurrence, for bodily injury, death, and damage to property. This insurance shall include coverage for:
 - 17.2.1. independent contractors;
 - 17.2.2. completed operations;
 - 17.2.3. broad form loss of use;
 - 17.2.4. blanket contractual liability, including this Agreement;
 - 17.2.5. non-owned automobiles;
 - 17.2.6. each party as an additional insured on the other's policy;
 - 17.2.7. cross liability;
- 17.3. A Standard Automobile Policy providing coverage of at least Two Million Dollars (\$2,000,000.00) per occurrence, for bodily injury, death and damage to property, for all vehicles owned, leased or operated by each party which are used in conjunction with the work done under this Agreement.
- 17.4. It is further understood and agreed that the policy limits shown under items 17.2 and 17.3 do not define or limit each party's obligations under this Agreement.
- 17.5. Upon request each party shall provide the other party with a certificate of insurance to evidence their insurance requirements under this Agreement.

18. Indemnification

- 18.1. Each party shall be solely responsible for and shall indemnify and save harmless the other party, its employees and agents, from any and all claims, demands, losses, costs, damages, causes of action, actions and suits of any kind whatsoever resulting from anything done or omitted to be done or alleged to have been done or omitted to be done by the indemnifying party, its employees, agents, independent contractors and subcontractors in pursuance or purported pursuance of this Agreement by or on behalf of that party.

REGIONAL WASTEWATER EXCHANGE AGREEMENT

19. Damages

- 19.1. The City and ACRWC shall be liable to and shall indemnify each other for all losses, damages and expenses on account of all physical damage caused by Wastewater flows, operating errors, blockages in the lines or release of prohibited or restricted materials unless such losses, damages and expenses are caused by that other party's negligence.

20. Government Legislation

- 20.1. Each party shall at all times abide and comply with all legislation, regulations, municipal bylaws, resolutions and orders of any competent legislative or governmental body relating to acts or omissions done by the respective party, its employees, agents, independent contractors and subcontractors in pursuance or purported pursuance of this Agreement and shall save harmless the other party from any and all costs and charges incidental thereto or damage or penalties resulting from the breach thereof.

21. Modification

- 21.1. This Agreement contains the entire Agreement between the parties and may not be modified, amended or added to except by instrument in writing signed by the parties hereto.

22. Illegal Provision

- 22.1. If any provision of this Agreement is found to be or is deemed illegal or invalid, that provision shall be severed herefrom and the remainder of this Agreement shall be of full force and effect.

23. Execution

- 23.1. The parties shall, execute and deliver, and shall cause to be executed and delivered, any and all further documents and assurances necessary to give effect to this Agreement and the performance thereof.

24. Notice

- 24.1. Any notice, demand or request required to be given by either party to the other may be given by delivery or by prepaid mail to:

Alberta Capital Region Wastewater Commission
23262 Township Road 540
Fort Saskatchewan, Alberta T8L 4A2
Attention: General Manager

REGIONAL WASTEWATER EXCHANGE AGREEMENT

City of Edmonton
Drainage Services
6th Floor, Century Place
Edmonton, Alberta T5J 3A3
Attention: Branch Manager

24.2. A notice, demand or request sent by prepaid mail shall be deemed to have been received on the fifth (5th) business day following the date of mailing; PROVIDED that the addresses given herein may be changed by either party upon five (5) days written notice to the other; AND FURTHER PROVIDED that any notice served by mail at a time when there is an interruption of mail service affecting the delivery of mail shall not be deemed to have been served until the sixth (6th) business day following the date normal mail service is restored.

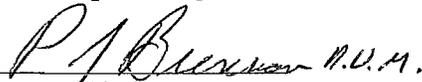
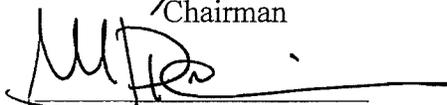
24.3. A notice to be given at a time when there is a known interruption of mail service affecting delivery of mail shall be delivered and not mailed.

25. Binding

25.1. This Agreement, and everything herein contained shall ensure to the benefit of and be binding upon the parties, their successors and permitted assigns.

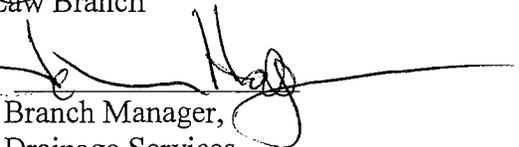
IN WITNESS WHEREOF this Agreement has been executed on behalf of the Alberta Capital Region Wastewater Commission and by the City of Edmonton by its seal as witnessed by the hand of its proper officers duly authorized on that behalf as of the day and year first above written.

Alberta Capital Region Wastewater Commission

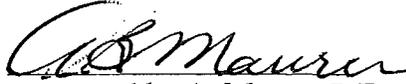

Chairman

General Manager

APPROVAL for the City of Edmonton:

As to Form: 
Law Branch

As to Content: 
Branch Manager,
Drainage Services

Signed for the City:
CITY OF EDMONTON

Per: 
As represented by A. Maurer, P.Eng,
City Manager

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SCHEDULE "A"
PROHIBITED WASTES

The following are designated as Prohibited Wastes:

1. any matter in a concentration that may cause a hazard to human health;
2. any flammable liquid or explosive matter which, by itself or in combination with any other substance, is capable of causing or contributing to an explosion or supporting combustion;
3. any matter which by itself or in combination with another substance is capable of obstructing the flow of or interfering with the operation or performance of the sewerage system, watercourse or wastewater treatment facility including, but not limited to
 - (a) agricultural wastes;
 - (b) animals, including fish and fowl or portions thereof that will not pass a two (2) centimetre screen;
 - (c) ashes;
 - (d) asphalt;
 - (e) concrete and cement based products;
 - (f) gardening wastes;
 - (g) glass;
 - (h) gravel, into the sanitary sewerage system;
 - (i) metal;
 - (j) paper and cardboard, into the storm sewerage system;
 - (k) plastics;
 - (l) rags and cloth;
 - (m) rock;
 - (n) sand, into the sanitary sewerage system;
 - (o) sharps;
 - (p) soil;
 - (q) straw;
 - (r) tar;
 - (s) wash water from washing equipment used in the mixing and delivery of concrete and cement based products;
 - (t) wood, sawdust or shavings from wood;
 - (u) grit or skimmings from interceptors, catch basins, pre-treatment facilities or private wastewater disposal systems; or
 - (v) sludge from interceptors, catch basins, pre-treatment facilities or private wastewater disposal systems;
4. any matter with corrosive properties which, by itself or in combination with another substance, may cause damage to any sewerage system or wastewater treatment facility;
5. any matter, other than domestic wastewater, which by itself or in combination with another substance is capable of creating an air pollution problem outside a sewerage system or in and around a wastewater treatment facility;

SCHEDULE "A"
PROHIBITED WASTES

6. any matter which, by itself or in combination with another substance, is capable of preventing safe entry into a sewerage system or wastewater treatment facility;
7. any matter
 - (a) consisting of 2 or more separate liquid layers;
 - (b) which when it comes in contact with storm water, clear-water waste or wastewater is capable of forming a separate liquid layer;
8. any matter which by itself or in combination with another substance is detrimental to the operation or performance of the sewerage system, watercourse, wastewater treatment plant or to the environment, including, but not limited to:
 - (a) biological waste;
 - (b) elemental mercury;
 - (c) paint, stains and coatings, including oil and water based;
 - (d) prescription drugs; and
 - (e) used automotive and machine oils and lubricants; and
9. radioactive material in solid form;
10. effluent from an industrial garbage grinder;
11. any matter which may:
 - (i) cause a hazard to human health and that cannot be effectively mitigated by wastewater treatment;
 - (ii) cause a hazard to the environment;
 - (iii) cause a hazard to workers responsible for operating and maintaining the sewerage system or the wastewater treatment facility;
 - (iv) cause an adverse effect to the sewerage system;
 - (v) cause an adverse effect to the wastewater treatment facility;
 - (vi) result in the wastewater being released by the City and/or ACRWC wastewater treatment facility(ies) being in contravention of Provincial regulatory requirements; or
 - (vii) restrict the beneficial use of biosolids from the City and/or the ACRWC wastewater treatment facility(ies).

SCHEDULE "B"

RESTRICTED WASTES APPLICABLE TO SANITARY AND COMBINED SEWERS

The following are designated as Restricted Wastes when present in wastewater, storm water, subsurface water or clear-water waste being released to the sanitary or combined sewerage system at a concentration in excess of the levels set out below, with concentrations being expressed as total concentrations unless specified otherwise:

1. (a) **CONTAMINANTS**
 - (i) Biochemical oxygen demand (B.O.D.).. 10,000 mg/L,
 - (ii) Chemical oxygen demand (C.O.D.).....20,000 mg/L,
 - (iii) Oil and grease.....800 mg/L,
 - (iv) Phosphorus (P).....200 mg/L,
 - (v) Suspended solids (S.S.).....5,000 mg/L,
 - (vi) Total Kjeldahl nitrogen (T.K.N.).....500 mg/L;

 - (b) **INORGANIC CONSTITUENTS**
 - (i) pH (Hydrogen ion) less than 6.0 or greater than 11.5;
 - (ii) Arsenic (As).....1.0 mg/L;
 - (iii) Cadmium (Cd).....0.10 mg/L;
 - (iv) Chlorine (free) (Cl₂).....5.0 mg/L;
 - (v) Chromium (Hexavalent) (Cr⁺⁶).....2.0 mg/L;
 - (vi) Chromium (total) (Cr).....4.0 mg/L;
 - (vii) Cobalt (Co).....5.0 mg/L;
 - (viii) Copper (Cu).....1.0 mg/L;
 - (ix) Cyanide (CN⁻).....2.0 mg/L;
 - (x) Lead (Pb).....1.0 mg/L;
 - (xi) Mercury (Hg).....0.10 mg/L;
 - (xii) Molybdenum (Mo).....5.0 mg/L;
 - (xiii) Nickel (Ni).....4.0 mg/L;
 - (xiv) Silver (Ag).....5.0 mg/L;
 - (xv) Sulphide (S⁻).....3.0 mg/L;
 - (xvi) Thallium (Tl).....1.0 mg/L;
 - (xvii) Zinc (Zn).....2.0 mg/L;

 - (c) **ORGANIC COMPOUNDS**
 - (i) Hydrocarbons.....50 mg/L;
 - (ii) Phenols.....1.0 mg/L;

 - (d) **PHYSICAL PROPERTY**
 - (i) temperature greater than 75 degrees Celsius; and
2. Radioactive materials in concentrations greater than allowed under the Nuclear Energy Act and associated regulations as amended from time to time.
 3. Notwithstanding the concentration based limits contained in this Schedule, the Parties, by mutual agreement, may require a facility or premises to meet site-specific load based limits where concentration based limits are considered inappropriate.

SCHEDULE "C"
OVERSTRENGTH SURCHARGEABLE MATTER

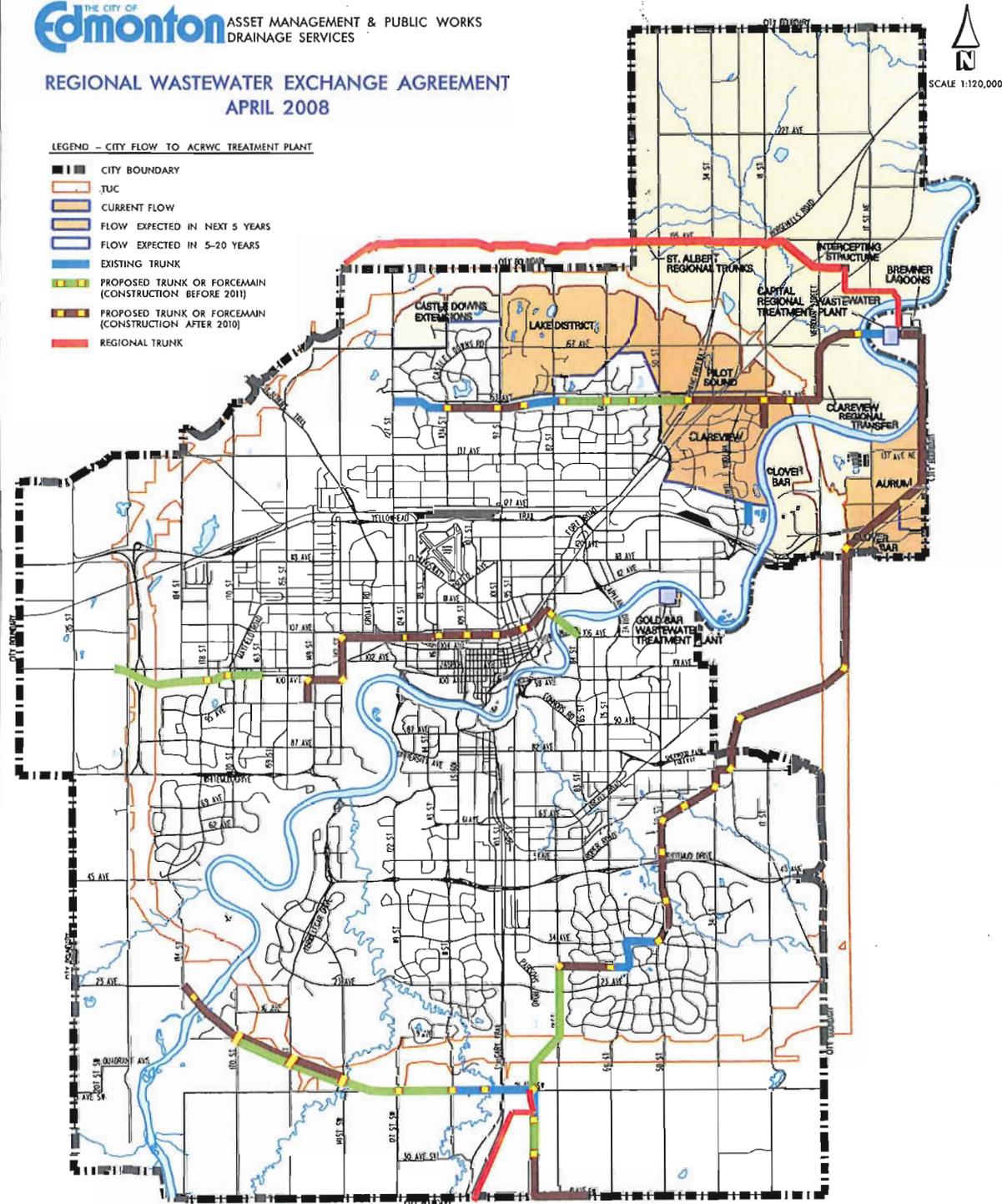
| <u>MATTER</u> | COLUMN A | COLUMN B |
|-------------------------------------|--------------------------------|---|
| | <u>SURCHARGEABLE ABOVE</u> | <u>ADDITIONAL SURCHARGE ABOVE</u> |
| (a) Biochemical oxygen demand | 300 mg/L | 3000 mg/L |
| (b) Chemical oxygen demand..... | 600 m/L * | 6000 mg/L * |
| (c) Oil and grease..... | 100 mg/L | 400 mg/L |
| (d) Phosphorous..... | 10 mg/L | 75 mg/L |
| (e) Suspended solids..... | 300 mg/L | 3000 mg/L |
| (f) Total Kjeldahl Nitrogen | 50 mg/L | 200 mg/L |

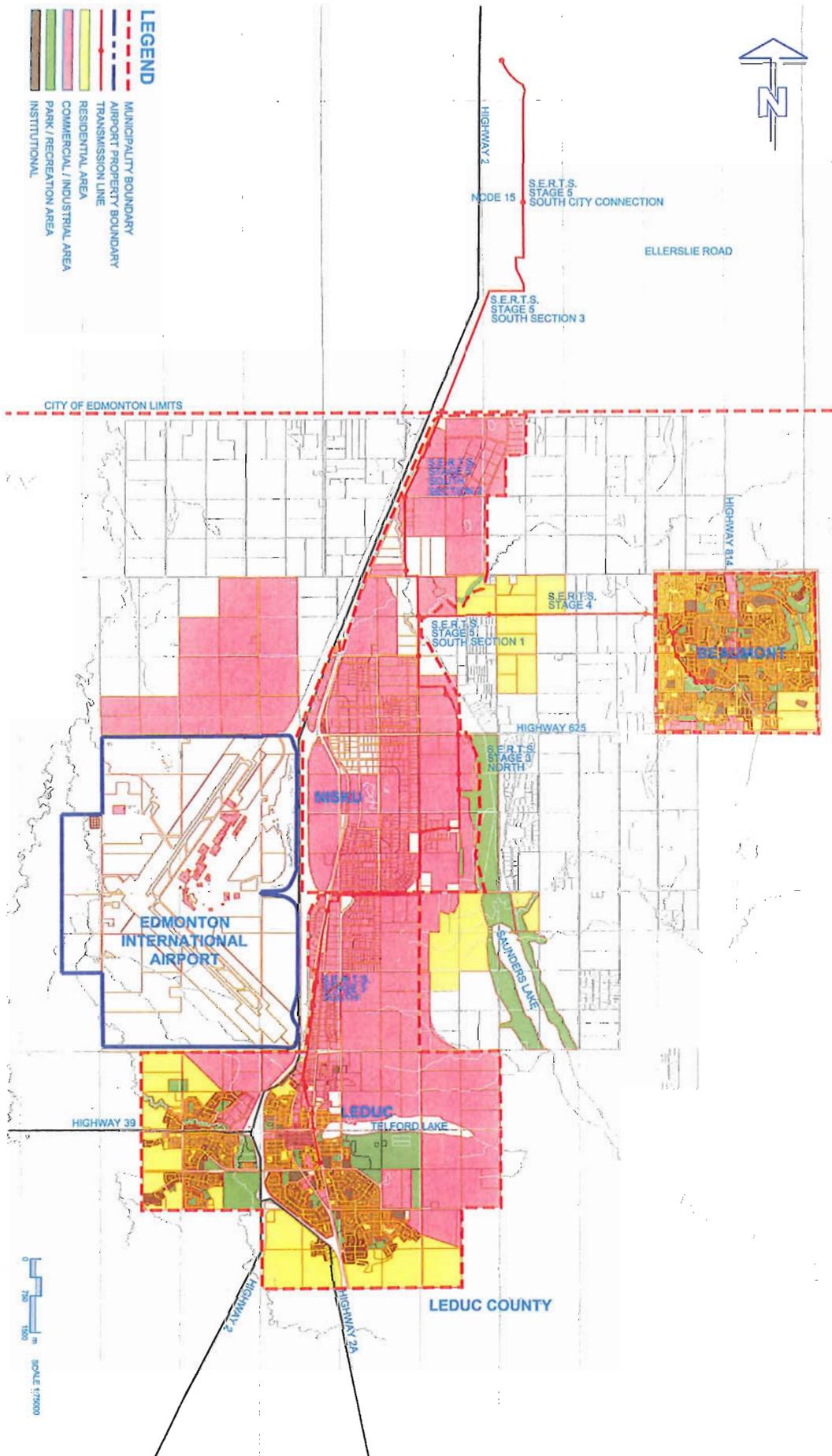
* or twice the B.O.D. concentration in the wastewater, whichever is greater.

**REGIONAL WASTEWATER EXCHANGE AGREEMENT
APRIL 2008**

LEGEND - CITY FLOW TO ACRWC TREATMENT PLANT

-  CITY BOUNDARY
-  TUC
-  CURRENT FLOW
-  FLOW EXPECTED IN NEXT 5 YEARS
-  FLOW EXPECTED IN 5-20 YEARS
-  EXISTING TRUNK
-  PROPOSED TRUNK OR FORCEMAIN (CONSTRUCTION BEFORE 2011)
-  PROPOSED TRUNK OR FORCEMAIN (CONSTRUCTION AFTER 2010)
-  REGIONAL TRUNK





SCHEDULE "E"
FLOW METERING

1. The party originating the flow is responsible for monitoring the flow.
2. All flows transferred to another party's sewer system will be monitored (when possible) at a location immediately prior to entering that party's system.
3. Monitoring will be continuous.
4. Flow measurements from a flow meter or level and velocity data from which flow can be calculated shall be the data recorded unless by mutual agreement water consumption is used as a proxy for sewer flow.
5. The data will initially be stored in a data logger and made available by telemetry to both parties. The data will ultimately be stored in a permanent data base and made available to either party upon request.
6. Monitoring equipment will be installed according to accepted standards and verifications will be conducted on a semi annual basis or after modification. Confirmation of meter verification and verification results will be provided to both parties.
7. Errant or missing data will be estimated monthly by the owner of the data and an explanation shall be provided to the parties who receive that flow for approval.

SCHEDULE "F"
WASTEWATER SOURCE CONTROL

Background

The discharge of prohibited, restricted and over-strength substances into sanitary sewers, may have adverse effects on human health, the environment, public infrastructure and treatment plants, and the beneficial use of wastewater biosolids. In addition, these substances may result in violation of federal or provincial legislation, guidelines and codes of practice.

Regulation

1. Schedules A, B and C specify the requirements for the release of wastewater to the sanitary sewer.
2. Monthly 24-hour composite sampling at the Connection points will be conducted by the party responsible for the sampling station. Samples will be conducted in accordance with the sampling procedure in this Schedule and will test for pH, BOD, COD, oil & grease, SS, TKN, phosphorous and hydrocarbons.
3. Restricted wastes will be sampled quarterly at the Connection points.

Sampling

4. All wastewater samples shall be collected, preserved and documented in accordance with Standard Methods for Examination of Water and Wastewater, latest edition unless otherwise agreed.
5. All wastewater samples shall be analyzed by an accredited laboratory.
6. Discrete or composite wastewater samples may be used for enforcement purposes.
7. A composite sample may be collected by manual or automated means, and shall be obtained on either a time proportionate or flow proportionate basis.

Overstrength

8. For conventional, treatable pollutants at concentrations above those specified in Schedule C for wastewater overstrength cost recovery, each party shall be assessed a fee based on water consumption or sewer flow and the cost of treatment as determined by the receiving WWTP.
9. If a time proportionate composite sample is used for wastewater over-strength cost recovery, it shall be composed of at least one sample every two hours.
10. The standard for a surcharge composite sample is a 90 ml sample taken every 15 minutes over a 24 hour period.
11. In determining the average wastewater concentrations for surcharge purposes, a statistical screening test may be performed to remove one high outlier, if present.
12. The statistical screening test used to determine outliers is the Dixon Rejection Test unless otherwise agreed.

SCHEDULE "F"
WASTEWATER SOURCE CONTROL

Enforcement

13. Where a sample collected in accordance with Paragraphs 2 & 3 indicates the presence Restricted or Prohibited waste, an investigation and enforcement action will be initiated by the party in whose jurisdiction the problem originates.
14. In the case of the ACRWC, the Commission will engage the member municipality in the investigation and enforcement of the bylaw provisions in that jurisdiction.
15. Where enforcement action is to be based on sample analytical results, the sample shall be taken under a documented chain-of-custody protocol and analyzed at a third party, accredited laboratory.
16. All enforcement actions shall be documented.
17. No more than one warning shall be issued for the discharge of Restricted or Prohibited waste. Subsequent offenses shall be addressed by a fine or order or other legal remedy in accordance with the bylaws of either the City or ACRWC Member Municipalities.
18. Releases that have the potential to cause adverse effect to the environment shall be reported to provincial and federal agencies in accordance with applicable legislation.
19. Penalties for discharges exceeding the applicable characteristics and limits set out shall be calculated and levied according to the City or ACRWC Member Municipalities' current rates.

Protection of Privacy

20. All inspection, investigation and monitoring results shall be documented and protected in accordance with applicable Freedom of Information and Privacy legislation. This information is generally considered confidential due to concerns of a competitive nature.

SCHEDULE "G"
CONNECTION POINTS

1. ACRWC Connection Points to the City Facilities:

- a) SERTS Connection
Parsons Road Site 45
2976 Parsons Road
Manhole # 211851

2. City Connection Points to the ACRWC Facilities:

- a) Bremner Crossing Site 278
167 Avenue – 17 Street N.E.
Manhole 319220
- b) Cloverbar East Site 235
3263 – 121 Avenue N.E.
Manhole 322883
- c) Cloverbar West Site 120
1749 – 121 Avenue
Manhole 288818
- d) Westcan Bulk Transport
12108 – 17 Street
- e) Kiewit Energy Canada Corp
12250 – 33 Street

SCHEDULE "H"
RULES OF ARBITRAL PROCEDURE

Part I - General

1. Interpretation

- 1.1 In these Rules
- a) the terms and phrases have the same meanings as may be attributed to them under the *Arbitration Act*, R.S.A. 2000, c. A-43,
 - b) "Working Days" means days other than Saturdays, Sundays and statutory holidays.
 - c) "Contract" means a contract containing an agreement to refer disputes to arbitration and appending these Rules, or incorporating them by reference, and
 - d) "Parties" mean the parties to the Contract.
- 1.2 In these Rules, time shall be calculated in the same manner as time is calculated in the Contract.
- 1.3 In these Rules, words in the masculine gender include the feminine and vice versa.

2. Application

- 2.1 These Rules apply to an arbitration conducted under the Contract.
- 2.2 The parties to an arbitration may, by agreement, change or make additions to these Rules.

3. Communications:

- 3.1 All communications under these Rules shall be given in the same manner as communications may be given in the Contract.
- 3.2 There shall not be any oral communications with respect to the issues in dispute between a party and the arbitrator unless it is made in the oral presence of both parties or their legal representative.
- 3.3 A copy of all written communications between the arbitrator and a party shall be given to the other party at the same time.

4. Objections

- 4.1 A party shall state any objections to any aspect of the arbitral proceedings or to the conduct of the other party or the arbitrator at the earliest possible time.
- 4.2 The arbitrator may refuse to consider an objection if a party fails to comply with Clause 4.1.

Part II - Pre-Arbitration Considerations

5. Commencement

- 5.1 Either party ("the Claimant") may submit a dispute to arbitration as permitted under the Contract by giving the other party ("the Respondent") a written notice containing the following:

SCHEDULE "H"
RULES OF ARBITRAL PROCEDURE

- a) a description of the Contract;
- b) a statement of the issue in dispute;
- c) a request that the dispute be referred to arbitration;
- d) a description of the claim being made;
- e) the name or names of proposed arbitrators, along with the resume described in Clause 6.2.

5.2 For purposes of the calculation of time under these Rules, the arbitration shall be deemed to have commenced on the date the Respondent receives the notice under Clause 5.1.

6. Arbitrator

- 6.1 The arbitration shall be conducted before a single arbitrator appointed under these Rules who possesses the qualifications, if any, agreed to by the parties.
- 6.2 If a party proposes an individual as an arbitrator, that party shall also provide a written resume of that individual's work background, qualifications and arbitration experience.
- 6.3 The parties shall make every reasonable effort to reach agreement on an arbitrator within 20 days after the arbitration commences.
- 6.4 If an agreement is not possible under Clause 6.3, either party may make an application to the court for the appointment of an arbitrator.
- 6.5 Before an arbitrator accepts an appointment, she or he shall provide the parties with a written statement declaring that there are no circumstances likely to give rise to justifiable doubts as to his or her independence or impartiality and that she or he will disclose any such circumstances to the parties if they should arise before the arbitration is concluded.
- 6.6 If, for any reason, the arbitrator resigns, is unable or refuses to act or is removed from office, she or he shall be replaced by another arbitrator under these Rules and any oral hearings previously held shall be rescheduled.
- 6.7 If the parties do not agree that the circumstances specified in Clause 6.5 exist, either party may apply to the Court for an order that the arbitrator should be replaced.

7. Scheduling a Meeting

- 7.1 Within 20 Working Days after the arbitrator is appointed, the arbitrator shall convene a meeting of the parties to reach a consensus, if possible, and to make orders, if necessary, on:

SCHEDULE "H"
RULES OF ARBITRAL PROCEDURE

- a) the procedure to be followed in the arbitration,
- b) the time periods for taking steps in the proceedings,
- c) the scheduling of any oral hearings or meetings,
- d) any preliminary applications or objections a party may have and
- e) any other matter which will assist the arbitration to proceed in an efficient and expeditious manner.

8. Powers of the Arbitrator

- 8.1 Subject to any limitations in these Rules or any agreement reached by the parties, the arbitrator may conduct the arbitration in any manner she or he considers appropriate but each party shall be treated fairly and shall be given full opportunity to present its case.
- 8.2 The arbitrator may:
- a) order an adjournment of the proceedings from time to time,
 - b) make an interim order on any matter with respect to which the arbitrator may make a final award, including an interim order for preservation of property which is subject matter of the dispute,
 - c) order inspection of documents, exhibits or other property at any location,
 - d) order the recording of any oral hearing or meeting and
 - e) extend or abridge a period of time required in these Rules or fixed or determined by the arbitrator where she or he considers it just and appropriate in the circumstances.
- 8.3 The arbitrator may adjourn the proceedings from time to time if the arbitrator considers that it would facilitate settlement discussions between the parties.

Part III - Proceedings

9. Exchange of Statements

- 9.1 The parties shall exchange written statements of their respective positions in the dispute in the following manner:
- a) the Claimant shall give a statement outlining the facts, the matters in issue and the relief or remedy requested no later than ten Working Days after the scheduling meeting is held in Clause 7.1,
 - b) the Respondent shall give a statement outlining its response to the Claimant's statement and its counterclaim, if any, no later than ten Working Days after receiving the Claimant's statement and
 - c) the Respondent, by counterclaim, shall give a statement outlining its defence to the counterclaim no later than ten Working Days after receiving the counterclaim.
- 9.2 The parties shall provide the arbitrator with copies of the statements exchanged in Clause 9.1.

SCHEDULE "H"
RULES OF ARBITRAL PROCEDURE

10. Disclosure

- 10.1 Within 20 Working Days after providing the statement required by Clause 9.1, each party shall provide a list of documents:
- a) upon which it intends to rely and
 - b) which describes each document by kind, date, author, addressee and subject matter.
- 10.2 During the arbitration proceedings the arbitrator may allow a party to amend or add to any statement made in Clause 9.1 unless:
- a) the amendment or addition goes beyond the terms of the arbitration agreement in the Contract, or
 - b) the other party would be prejudiced by the delay in making the amendment or addition.
- 10.3 The arbitrator may order a party to produce any documents not disclosed under Clause 10.1 and 10.2 that it has in its care, custody or control and that the arbitrator considers to be relevant, within the time the arbitrator specifies.
- 10.4 Each party shall allow the other party the necessary access at reasonable times to inspect and take copies of all documents that the former party has listed in Clause 10.1 or 10.2 or that the arbitrator has ordered to be produced in Clause 10.3.
- 10.5 The parties shall prepare and send to the arbitrator an agreed statement of facts within the time specified by the arbitrator.
- 10.6 Each party shall, not later than 15 Working Days before the oral hearing commences, provide the other party with the name and address of any witnesses to be called and a written summary of their evidence.
- 10.7 In the case of an expert witness, notwithstanding Clause 10.6, each party shall, not later than 40 Working Days before the oral hearing commences, provide the other party with, a written statement or report prepared by the expert witness.
- 10.8 In the case of an expert witness called by a party to rebut the written statement of an expert called by the other party, that party shall, not later than 20 Working Days before the oral hearing commences, provide the other party with a written statement or report prepared by the expert witness.
- 10.9 Each party shall, not later than 20 Working Days before the oral hearing commences, give to the other party and the arbitrator an assembly of all documents to be introduced at the hearing.

11. Hearings and Meetings

- 11.1 The arbitrator shall give the parties written notice of not less than:
- a) five Working Days of any oral hearings, or
 - b) three Working Days of any meetings,
- which have not been previously scheduled under Clause 7.1.

SCHEDULE "H"
RULES OF ARBITRAL PROCEDURE

11.2 All oral hearings and meetings in the arbitrations shall be conducted in private and the arbitrator and the parties shall keep all written communications and documents in respect of these proceedings strictly confidential.

11.3 All oral hearings shall be conducted in the City of Edmonton, Alberta, Canada.

12. Evidence

12.1 The arbitrator shall not be required to apply the legal rules of evidence and shall determine the relevance and materiality of the evidence presented.

12.2 All oral evidence shall be taken in the presence of the arbitrator and all the parties unless a party is absent by default or has waived the right to be present.

12.3 The arbitrator may order any individual to be examined under oath or on affirmation in relation to the issues in dispute and to produce before the arbitrator all relevant documents within the individual's care, custody and control.

12.4 The document assemblies delivered under Clause 10.5 shall be deemed to have been entered into evidence at the oral hearing without further proof and without being readout at the hearing but a party may challenge the admissibility of any document so introduced.

12.5 The arbitrator may permit a document to be introduced at the oral hearing which was not previously disclosed under Clause 9.3 or provided as required under Clause 10.4 (b) or 10.5. However, the arbitrator may take that default into account when determining the costs to be awarded in the arbitration.

12.6 If the arbitrator permits the evidence of a witness to be presented as a written statement, the other party may require that witness to be made available for cross examination at the oral hearing.

12.7 The arbitrator may order a witness to appear and give evidence, and in that event, the parties may cross examine that witness and call evidence in rebuttal.

13. Arbitrator Retained Experts

13.1 The arbitrator may:

- a) retain one or more experts to give a written report on specific issues and
- b) for that purpose, require a party to make available relevant documents, goods or other property for the expert's inspection.

13.2 The arbitrator shall give a copy of the expert's report to the parties who shall have the opportunity to reply to it.

13.3 On a request of a party, an expert retained under Clause 13.1 shall:

SCHEDULE "H"
RULES OF ARBITRAL PROCEDURE

- a) make available to the party for examination all documents, goods or other property in the expert's possession with which she or he was provided in order to prepare a report, and
 - b) provide the party with a list of all documents, goods or other property not in the expert's possession, but with which was provided in order to prepare a report, and a description of the location of those documents, goods or other property.
- 13.4 The parties may cross examine an expert on the report and may call evidence in rebuttal.

14. Default

- 14.1 Where a Claimant, without sufficient cause and after five Working Days notice from the arbitrator, fails to provide the statement required in Clause 9.1(a) within the required time, the arbitrator can terminate the arbitration with respect to that claim.
- 14.2 Where a Respondent, without sufficient cause and after five Working Days notice from the arbitrator, fails to provide the statement required in Clause 9.1(b) within the required time, the arbitrator shall:
- a) continue the arbitration, and
 - b) require the Claimant to submit such evidence to support the claim as the arbitrator may require before making an award.
- 14.3 Where a party without sufficient cause, fails to appear at a scheduled oral hearing, or fails to produce any evidence, the arbitrator may continue the arbitration and make an award based upon the evidence before the arbitrator.

15. Close of Hearings

- 15.1 The arbitrator shall close the oral hearings when:
- a) the parties advise they have no further evidence to give or submissions to make, or
 - b) the arbitrator considers further hearings to be unnecessary or inappropriate.
- 15.2 Where the arbitrator considers it to be just and appropriate to do so, the arbitrator may reopen the oral hearings at any time before making the final award.

Part IV - The Award

16. Award

- 16.1 An arbitrator shall decide the dispute in accordance with the law.
- 16.2 The arbitrator shall, not later than 20 Working Days after the hearings have been closed:
- a) advise the parties as to when the arbitrator will make a final award. or
 - b) make a final award not later than 20 Working Days after the hearings have been closed and give a signed copy of the award to each party.
- 16.3 The final award of the arbitrator shall be dated, be in writing and state the reasons upon which it is based.

SCHEDULE "H"
RULES OF ARBITRAL PROCEDURE

- 16.4 The arbitrator may order interest to be paid in the final award.
- 16.5 The final award is final and binding on the parties and the parties agree to comply with it as soon as possible.

17. Costs

- 17.1 The arbitrator shall fix the costs of the arbitration in the final award, which costs may include, but are not limited to, the following:
- a) the fees of the arbitrator,
 - b) any necessary expenses incurred by the arbitrator,
 - c) the fees, travel costs and other expenses of witnesses approved by the arbitrator,
 - d) any fees, charges or expenses for providing services to the arbitrator or the parties in connection with the arbitration.
- 17.2 Except for the costs of legal fees and legal expenses of the successful party, The costs of the arbitration shall be apportioned between the parties unless the arbitrator considers it appropriate in the circumstances that the costs be borne by the unsuccessful party.
- 17.3 With respect to the costs of legal fees and legal expenses of the successful party, the arbitrator
- a) may decide which party shall bear those costs if they were claimed during the arbitration,
 - b) may apportion those costs if she or he considers it just and is reasonable to do so and
 - c) in either event, shall specify the amounts of those cost and the manner of determining those costs.
- 17.4 In making a decision under Clause 17.3, the arbitrator is not limited to awarding the legal fees and expenses that the Court of Queen's Bench may award to a successful party in a civil action.
- 17.5 The fees of the arbitrator shall be reasonable in amount, taking into account the amount in the dispute, the complexity of the subject matter, the time spent by the arbitrator and any other relevant circumstances.

18. Amendments and Corrections to the Award

- 18.1 Upon application by a party, an arbitrator may amend or vary a final award to correct:
- a) a clerical or typographical error, or
 - b) an arithmetical error made in a computation.
- 18.2 An application by a party to the arbitrator pursuant to Clause 18.1 shall be made within ten Working Days after that party receives the final award.