

This Agreement made this 30 day of Aug, 2001.

BETWEEN:

The Town of Turner Valley

A municipal corporation in the Province of Alberta
(hereinafter referred to as "**Turner Valley**")

and

The Town of Black Diamond

A municipal corporation in the Province of Alberta
(hereinafter referred to as "**Black Diamond**")

and

Westend Regional Sewage Services Commission

A corporation in the Province of Alberta
(hereinafter referred to as the "**Commission**")

WHEREAS the Councils of Turner Valley and Black Diamond (hereinafter referred to as the '**municipalities**') applied to Alberta Municipal Affairs to form a regional commission pursuant to Part 15.1 of the Municipal Government Act, being Chapter M-26.1, 1994 and amendments, for the purpose of providing sewage treatment facilities for both municipalities:

AND WHEREAS the Westend Regional Sewage Services Commission was formed on September 7, 1994;

AND WHEREAS the municipalities under the Commission, in cooperation with the Province of Alberta, jointly constructed a sewage treatment facility along with related equipment necessary to pump sewage from both municipalities into the sewage treatment facility;

NOW THEREFORE Turner Valley, Black Diamond and the Commission (hereinafter referred to as the "**parties**") wish to enter into an agreement to establish the relationship between the parties with regards to the ongoing operation and future expansion of the sewage treatment facility pursuant to the following items of agreement:

Section 1 – Operational Responsibilities

- 1.1 The financial and administrative affairs of the Commission shall be administered by an individual or company qualified in municipal accounting and with a good understanding of the Municipal Government Act and related regulations. The Westend Regional Sewage Services Commission may tender the administrative and financial services of the Commission on a three (3) year basis.
- 1.2 The operation and maintenance responsibilities of the Commission shall be administered by an individual or company qualified and certified in Wastewater Treatment to the level required by the Province of Alberta regulatory bodies. The Commission may tender the operation and maintenance responsibilities of the Commission on a three (3) year basis.

Section 2 – Supply

- 2.1 The Commission shall supply sewage transmission and treatment services
 - 2.1.1 to the municipalities named in this Agreement, and
 - 2.1.2 to any additional persons to whom the Commission from time to time decides to supply sewage transmission and treatment services.

Section 3 – Operational Costs

- 3.1 Sewage transmission and treatment services shall be supplied to the municipalities on an as required basis.
- 3.2 The fees to be charged by the Commission to the municipalities shall be based on the annual full cost recovery, including debenture repayments, for the supply of sewage transmission and treatment services.
- 3.3 The fees to be charged by the Commission to the municipalities shall be based on a rate per imperial gallon of sewage that enters the facility.
- 3.4 Retail sewage rates shall be determined by each of the municipalities that are members of the Commission.

Section 4 – Notification of Significant Change

- 4.1 The municipalities agree to provide written notification to the Commission of:

- 4.1.1 projected changes in sewage flow that may necessitate the need to increase the size of the present system;
- 4.1.2 projected changes in sewage strength that may require capital infusion in order to accommodate the change in sewage strength;
- 4.1.3 any proposed residential, industrial or institution growth.

Section 5 – Additional Fees, Surcharges

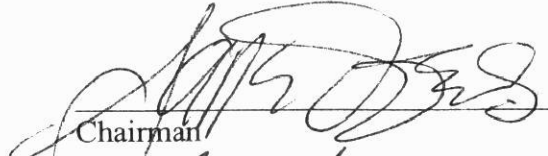
- 5.1 Additional fees and surcharges shall be established by the Commission for over strength sewage. Further, the Commission shall determine what is acceptable composition.

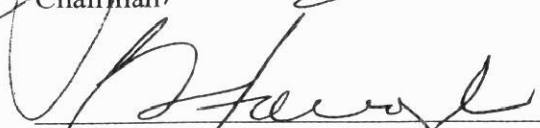
Section 6 – Future Expansion

- 6.1 The costs of future expansion shall be incorporated into the fees charged by the Commission to the municipalities for the supply of sewage transmission and treatment services.

**WESTEND REGIONAL SEWAGE SERVICES
COMMISSION**


(Seal)



Chairman


Secretary/Treasurer

TOWN OF BLACK DIAMOND

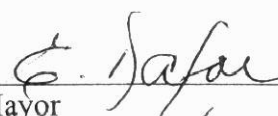
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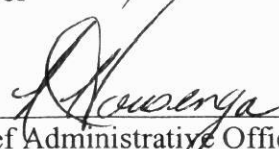

Mayor


Chief Administrative Officer

TOWN OF TURNER VALLEY

(Seal)


Mayor


Chief Administrative Officer