

May 09, 2013

File: CD3144.0000.00

County of St. Paul No. 19
5015 – 49 Avenue
St. Paul, Alberta T0A 3A4

Attention: Sheila Kitz

**RE: ASHMONT WASTEWATER FEASIBILITY AND LAGOON AMMENDMENT
ASHMONT, ALBERTA**

Thank you for the opportunity to present our scope of work to provide wastewater engineering services to the County of St. Paul No. 19.

Below is the scope of work to complete:

- Feasibility study for the upgrade of the existing lagoon or for a replacement wastewater treatment facility;
- Application for the 2014/15 fiscal year Building Canada Fund;
- Business case for the need of a new or upgraded facility to support the Building Canada Fund application;
- Request for amendment to Alberta Environment and Sustainable Resource Development (ESRD) for an additional discharge event for the existing lagoon.

1.0 FEASIBILITY STUDY

The existing lagoon system at Ashmont will be reviewed for current and future capacity and assessed against the new Federal Wastewater Systems Effluent Regulation that came into effect in July of 2012. This review will include a review to either replace the existing lagoon with a mechanical wastewater treatment facility or to upgrade the existing lagoon.

The deliverable will be a feasibility study that will determine the preferred course of action for servicing the needs of the community for a period of twenty years. The feasibility study will provide conceptual cost estimates as well as a proposed time line to achieve the preferred option.

2.0 BUILDING CANADA FUND APPLICATION AND BUSINESS CASE

The new Building Canada Fund, which was announced in March of 2013, will provide over \$53 billion in new funding over a period of 10 years, starting in the 2014/15 fiscal. It is unknown what exactly the requirements will be for accessing funds under the new funding program; however, we have assumed that the requirements will be similar to that of the former program. The requirements of the former program included:

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- Completed application,
- Business Case, and
- Feasibility study.

3.0 LAGOON DISCHARGE AMENDMENT

The addition of the residual water discharge to the existing lagoon infrastructure will require an amendment to registration 372-02-00. This is required since the capacity of the lagoon will be compromised with additional discharge events from the lagoon being required.

Conversations with Alberta Environment and Sustainable Resources Development (ESRD) have indicated that a third lagoon discharge event is suitable on a temporary basis in the event that a third event is required upon commissioning of the new water treatment facility. We will provide ESRD with a formal request for a third discharge event with a plan in place to expand or replace the current lagoon infrastructure.

The increased flow rate will also increase the daily design flow to the lagoon above 100 m³ per day which will trigger the new Federal Wastewater Systems Effluent Regulations (WSER). As part of the work proposed, we will investigate with Environment Canada when the identification report, application for transitional or temporary authorization will be required under WSER. An identification report will be submitted, if required.

4.0 PROJECT ESTIMATES

Below is a summary of the estimated fees for each work task for the Ashmont Lagoon. The project will be task billed monthly based on percent complete.

Task 1 – Feasibility Study	\$ 35,000.00
Task 2 – Building Canada Fund Application and Business Plan	\$ 15,000.00
Task 3 – Lagoon Discharge Amendment	\$ 6,000.00
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Total	\$ 56,000.00 + GST

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5.0 ASSUMPTIONS

The project was budgeted based on the following assumptions:

- Data is available for historical, current and future wastewater flows
- Wastewater analytical data is available
- The identification report for Environment Canada under WSER will be required.
- Other applications under WSER are considered out of scope and can be completed for additional fees.
- Only one field visit is required to review the lagoon.
- The requirements of the new Building Canada Fund will be similar to the past program.

6.0 CLOSING

The project team looks forward to working with you on this project. If you have any questions in regards to this proposal, please advise. Please sign this letter and return to Urban Systems Ltd. for work to commence.

Sincerely,

URBAN SYSTEMS LTD.

A handwritten signature in black ink, appearing to read "Bill Marsh".

Bill Marsh, M.Sc., P.Eng.
Environmental Engineer

/bm

Sheila Kitz, County of St. Paul

Date