



Strathcona County

**Amended and Restated Water Supply Agreement with Highway
14 Regional Water Services Commission**

October 3, 2023

Alberta Utilities Commission

Decision 28436-D01-2023

Strathcona County

Amended and Restated Water Supply Agreement with Highway

14 Regional Water Services Commission

Proceeding 28436

October 3, 2023

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Alberta Utilities Commission

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The Commission may, no later than 60 days from the date of this decision and without notice, correct typographical, spelling and calculation errors and other similar types of errors and post the corrected decision on its website.

1 Decision summary

1. In this decision, the Alberta Utilities Commission approves the Amended and Restated Water Supply Agreement between Strathcona County (Strathcona) and the Highway 14 Regional Water Services Commission (Water Services Commission).

2 Background

2. Strathcona filed an application with the Commission on August 30, 2023, requesting approval of its Amended and Restated Water Supply Agreement between itself and Highway 14 Regional Water Services Commission pursuant to Section 30(1) of the *Municipal government Act*.

3. The Water Supply Agreement was implemented on January 1, 2012, (2012 Water Supply Agreement), and approved by the Commission in Decision 2012-183.¹ The 2012 Water Supply Agreement is set to expire on January 1, 2037.

4. Strathcona entered into a Water Supply Agreement with EPCOR Water Services Inc. on May 12, 2018, where Strathcona receives potable water under that agreement.

5. Strathcona desired to sell water to the Water Services Commission under terms that aligned with its EPCOR Water Supply Agreement, and the Water Services Commission wished to continue to purchase water from Strathcona. Accordingly, Strathcona and the Water Services Commission agreed to amend and restate the 2012 Water Supply Agreement to align with the terms and conditions of the aforementioned EPCOR Water Supply Agreement. Strathcona filed council and commission meeting minutes as background information to the application.

6. The Amended and Restated Water Supply Agreement, attached as [Appendix 1](#), provides that Strathcona will sell and deliver water to the Water Services Commission. The proposed term of the agreement remains 25 years, from the original effective date of January 1, 2012. The amended and restated terms and conditions are effective April 18, 2023, and the expiration date is unchanged.

7. In the application, Strathcona stated that:

¹ Decision 2012-183: Strathcona County, Long-term Water Supply Agreement with the Highway 14 Regional Water Services Commission, Proceeding 1832, July 4, 2012.

- (i) The supply of potable water committed to under the Amended and Restated Water Supply Agreement is necessary and proper for the public convenience and properly conserves the public interest.
- (ii) The provisions of potable water to the Water Services Commission under the provisions of the Amended and Restated Water Supply Agreement is reasonable and for the benefit of the residents of Strathcona by recovering the full cost of service and benefits the customers of the Water Services Commission by providing for cost-effective and secure source of potable water.
- (iii) Strathcona discussed the Amended and Restated Water Supply Agreement with Strathcona County Council and Strathcona County Council understands the reasons for the same and is in agreement with them.
- (iv) The Water Services Commission board of directors discussed the Amended and Restated Water Supply Agreement and the Water Services Commission board of directors understands the reasons for the same and is in agreement with them.²

8. The Commission issued notice of the application on August 31, 2023, and published a copy of the notice in the Sherwood Park News on September 14, 2023. Interested parties were to register their concerns by September 22, 2023. As no submissions were received, the Commission reviewed and considered this application without further process.

9. Based on the review of the Amended and Restated Water Supply Agreement, the Commission is satisfied that the supply agreement between Strathcona and the Water Services Commission, as it relates to the supply of potable water, is necessary and proper for public convenience and properly serves the public interest.

10. However, the Commission observes that the asset transfer outlined in Section 5 of the Amended and Restated Water Supply Agreement, and all other provisions relating to the asset transfer, do not require Commission approval under Section 30(1) of the *Municipal Government Act*.

11. On that basis and noting the absence of any objections to the application, the Commission hereby approves the Amended and Restated Water Supply Agreement, effective April 18, 2023.

3 Order

12. It is hereby ordered that:

- (1) Pursuant to Section 30(1) of the *Municipal Government Act*, the Commission hereby approves the Amended and Restated Water Supply Agreement, as filed.

² Exhibit 28436-X0001, Application Letter to AUC from Strathcona County, PDF pages 1-2.

Dated on October 3, 2023.

Alberta Utilities Commission

(original signed by)

Chris Arnot
Director, Retail Energy and Water
On behalf of the Alberta Utilities Commission

Appendix 1 – Amended and Restated Water Supply Agreement

[\(return to text\)](#)



Appendix 1 -
Amended and Restate
(consists of 49 pages)

PAT-ULT-1107



AMENDED AND RESTATED WATER SUPPLY AGREEMENT

STRATHCONA COUNTY

and

HIGHWAY 14 REGIONAL WATER SERVICES COMMISSION

THIS AMENDED AND RESTATED WATER SUPPLY AGREEMENT made effective as of the 1st day of January, 2012, and amended and restated as of April 18, 2023 (the "Effective Date").

BETWEEN:

STRATHCONA COUNTY
(hereinafter referred to as the "County")

and

HIGHWAY 14 REGIONAL WATER SERVICES COMMISSION
(hereinafter referred to as the "Commission")

AMENDED AND RESTATED WATER SUPPLY AGREEMENT

WHEREAS:

- A. The County and the Commission are parties to that water supply agreement made as of January 1, 2012 (the "2012 Water Supply Agreement");
- B. The County receives Water under the EPCOR Agreement;
- C. The Commission wishes to purchase Water from the County and the County wishes to sell and deliver Water to the Commission on terms and conditions consistent with the EPCOR Agreement and the terms and conditions set out in this Agreement;
- D. The County wishes to purchase from the Commission, and the Commission wishes to sell to the County, the Transferred Assets;
- E. Accordingly, the County and the Commission have agreed to amend and restate the 2012 Water Supply Agreement on the terms and conditions set forth herein; and
- F. The County and the Commission recognize that the conservation of water resources and water security are important goals.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual agreements contained within this Agreement, the parties hereby agree as follows:

1. Definitions

In this Agreement, the following words will have the described meaning unless expressly stated otherwise:

- (a) "Agreed Variance" means the standard for accuracy for the Meter being tested and calibrated as specified in the latest edition of the American Water Works Association C-700 Series Standards, as amended or replaced from time to time;
- (b) "Agreement" means this Amended and Restated Water Supply Agreement, including the recitals, all attached Schedules and all documents produced or delivered according to the terms of this Agreement;
- (c) "Best Efforts" means, in relation to the performance of an obligation, efforts that are sensible and practical, and involve the exercise of reasoned and sound judgment, having regard to all of the relevant circumstances;
- (d) "Business Day" means any day except a Saturday, Sunday or other statutory holiday in Strathcona County, Alberta;

- 2 -

- (e) “**Commission Service Area**” means the area within the municipal boundaries of the member municipalities of the Commission from time to time;
- (f) “**Commission Transmission Line**” means the particular transmission line consisting of the Watermains, metering facilities, and associated piping, connections, equipment and works lying from and after the North Cooking Lake Station, and extending East to the County boundary as depicted within **Schedule “B”** attached to this Agreement;
- (g) “**County Transmission Line**” means the particular transmission line consisting of the Watermains, metering facilities, and associated piping, connections, equipment and works extending up to but excluding the North Cooking Lake Station owned and operated by the County, and, for clarity, includes the Transferred Assets, all as depicted within **Schedule “B”** attached to this Agreement;
- (h) “**Cross Connection**” means any physical connection to a Watermain whereby any source of raw water or non-potable water supply becomes connected with the Watermain;
- (i) “**EPCOR Agreement**” means the current water supply agreement between the County and EPCOR Water Services Inc. that is attached hereto as **Schedule “E”**, as the same may be amended, supplemented or replaced from time to time;
- (j) “**Excess Capacity**” means the capacity of the County Transmission Line allocated to either the County or the Commission as contemplated within **Schedule “A”** attached to this Agreement, and which from time to time is not being utilized or is otherwise not required by the respective party;
- (k) “**Force Majeure**” means any cause not reasonably within the relevant party’s control and will include, without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, storms, floods, high waters, washouts, inclement weather, orders or acts of civil or military authorities, civil disturbances, or any other causes, whether of the kind herein enumerated or otherwise, not within the reasonable control of the party and which, by the exercise of due diligence, the party is unable to overcome, provided that lack of funds shall not be a cause beyond control;
- (l) “**Interest Rate**” means twelve percent (12%) compounded annually;
- (m) “**Meter**” means consumption measuring device(s) located at the North Cooking Lake Station;
- (n) “**Meter Chamber**” means the physical structure which houses a meter including all necessary valves, pressure and flow controls, associated equipment and pipes, but excluding any meter;
- (o) “**North Cooking Lake Station**” means the metering, control and/or pump station located at SE 4-52-20 W4 owned by the Commission;
- (p) “**Point of Delivery**” means the point of delivery located immediately downstream of the County’s meter in the North Cooking Lake Station depicted in the attached **Schedule “B”**;
- (q) “**Promissory Note**” means the promissory note in the principal amount of \$1,300,000.00 described in Section 5(a) of this Agreement;
- (r) “**Purchase Price**” means the amount of \$2,050,000.00;
- (s) “**Rate**” means the price for Water determined from time to time according to the provisions of the attached **Schedule “C”**;
- (t) “**Strategic Planning & Consultation Committee**” means that committee contemplated and established under Section 11 of this Agreement;
- (u) “**Term**” means the term of this Agreement being;

- 3 -

- (i) a period of Twenty-Five (25) years commencing on January 1, 2012 and expiring on January 1, 2037; or
- (ii) upon and subject to a determination of the application of Section 30 of the *Municipal Government Act* RSA 2000, c M-26, applies, and approval of the Alberta Utilities Commission contemplated therein is not obtained, a period of five (5) years commencing on the date this Agreement was amended and restated;
- (v) “**Transferred Assets**” means the Garden Centre Station and the particular transmission line consisting of the Watermains, metering facilities, and associated piping, connections, equipment, and works lying from and after the inlet valve of the Garden Centre Station, and extending east to the North Cooking Lake Meter Station as depicted within **Schedule “B”** and all easements, utility rights-of-way and other interests in land for the Garden Centre Station and the transmission line;
- (w) “**VCB Interest Rate**” means three and seventy-one hundredths percent (3.71%) per annum;
- (x) “**Volume Consumption Benefit**” means an amount equal to one million three hundred thousand dollars (\$1,300,000.00) as reduced from year-to-year in accordance with Section 6 of this Agreement;
- (y) “**Water**” means treated water which has been supplied to the County under the EPCOR Agreement; and
- (z) “**Watermain**” means a water pipeline under pressure used to supply or deliver Water.

2. Supply and Purchase

During the Term and pursuant to the provisions contained in this Agreement:

- (a) the obligations of the County and Commission are subject to the provisions of the EPCOR Agreement which shall apply to this Agreement *mutatis mutandis* and, if the EPCOR Agreement is amended, this Agreement shall be amended as far as reasonably practicable in order to remain in compliance therewith;
- (b) the County will use Best Efforts to:
 - (i) make Water available to the Commission at the Point of Delivery in the manner, at the rate of delivery, and at the operating pressure contemplated within **Schedule “A”** attached to this Agreement;
 - (ii) make Water available to the Commission at the Point of Delivery in substantially the same quality as the County received the same pursuant to the EPCOR Agreement; and
 - (iii) avoid situations where it is unable to supply the Commission with the quantity of the Water specified in Section 2(b)(i);all as further contemplated or described within **Schedule “A”** attached to this Agreement;
- (c) in consideration of the Water supplied by the County to the Commission, the Commission will, each month, pay the County an amount equal to the product of the Rate and the volume of Water measured by the Meter during the preceding month;
- (d) the amount of Water supplied by the County to the Commission shall be determined as the volume of Water measured and recorded by the Meter;
- (e) the Meter shall be read on the last Business Day of each calendar month for the determination of the total amount of Water supplied by the County to the Commission for the preceding month and the County shall thereafter, within fifteen (15) Business Days, deliver to the Commission a monthly invoice specifying, without limitation, the amount of Water measured by the Meter during the preceding month and the total amount to be paid by the Commission to the County in respect of same;

- 4 -

- (f) the Commission shall pay the County all amounts due within twenty-one (21) days of receipt of such invoice. If any invoice is not paid within such twenty-one (21) days of receipt as aforesaid, any unpaid amount will attract interest at the Interest Rate;
- (g) each party will furnish to the other party such information in its possession or control reasonably required for the proper performance of the respective obligations of the party and shall provide such cooperation as is reasonable in order for the other party to be able to perform its obligations under this Agreement;
- (h) the Commission will use a Best Efforts management approach in insuring and maintaining a chlorine residual within and throughout the Commission Transmission Line downstream from the Point of Delivery;
- (i) the Commission and the County are individually responsible for obtaining, at their sole expense, all necessary consents, approvals or orders from any level of government, board, tribunal or other regulatory authority which is or are required in order for each of them to enter into this Agreement or to perform and satisfy their respective obligations described herein. The Commission and the County will cooperate with each other and will provide reasonable assistance to each other, when requested;
- (j) neither the Commission nor the County will allow or permit any Cross Connection; and
- (k) the Commission and the County specifically agree that in the event of a Force Majeure, the recipient of Water pursuant to this Agreement, as the case may be, will be entitled to receive a proportionate share of supply of available Water in the same manner as all customers of the provider.

3. Commission Ownership, Metering and Supply:

- (a) The parties acknowledge and confirm that after the execution of this Agreement, the Commission owns:
 - (i) the North Cooking Lake Station and all Watermains, metering facilities, valves, associated piping and connections downstream of the Meter; and
 - (ii) in the case of any service connection for a County resident the meter in the Meter Vault, but none of the service lines from the Commission Transmission Line regardless of its location within or outside of the Commission right-of-way.
- (b) The Commission shall at all times provide the County with unrestricted access to the above-noted equipment and all other property of the County located on the Commission's property and lands from time to time for the purposes of allowing the County to perform all of its obligations or exercise its rights hereunder.

4. County Ownership, Metering and Supply:

- (a) The parties acknowledge and confirm that upon the execution of this Agreement and the payment of the Purchase Price by the County in accordance with section 5(b), the County shall own the County Transmission Line, inclusive of the Transferred Assets, consisting of the Watermains, metering facilities, associated piping and connections up to and inclusive of the Meter at the Cooking Lake Station, which is the Point of Delivery.
- (b) Once per year, and in no event more than three hundred and sixty-five (365) days following the previous test, the County will engage a qualified third-party to test the accuracy of the Meter at its sole cost and expense. The County shall deliver a copy of such test results to the Commission upon request.
- (c) If at any time the Meter is out of service or is being repaired so that the measurement of the volume of Water being delivered to the Point of Delivery is not being recorded accurately within the Agreed Variance, or if a test determines that the Meter has not registered accurately within the Agreed Variance, the Meter shall be repaired or adjusted as soon as practical, the measurement shall be corrected for a period definitely known or agreed upon, or if not known or agreed upon for one-half of the period since

- 5 -

the last Meter test, and the measurements shall be determined or adjusted, as the case may be, to correct for the degree of inaccuracy using the best available data in the following priority:

- (i) by estimating the volume based upon deliveries under similar conditions during a period of time when the Meter was working accurately;
 - (ii) by correcting the error, if the percentage of the error is ascertainable by calibration, test or mathematical calculation; or
 - (iii) by using any check measuring equipment if installed and if accurately registering within the Agreed Variance.
- (d) The Commission may require the County to conduct a test on the Meter that is not the annual test contemplated in Section 4(b) above. If such test result indicates that the accuracy of the Meter exceeds the Agreed Variance, the County shall pay the costs for such test and shall, at its sole expense, repair the Meter such that the accuracy of the Meter falls within the Agreed Variance. If such test indicates that the accuracy of the Meter is within the Agreed Variance, the Commission shall pay the costs plus an administration fee of five (5) percent of the cost for such test.

5. **Transfer of Assets**

- (a) In consideration of the payment of the Purchase Price and the mutual covenants and agreements in this Agreement, the receipt and sufficiency of which is acknowledged, the Commission hereby sells, transfers and conveys the Transferred Assets to the County and assigns, transfers, conveys and sets over to the County all right, title, estate and interest of the Commission in and to the Transferred Assets, including all interests in land relating to the Transferred Assets, to the County to have and hold absolutely, together with all benefit and advantage derived therefrom.
- (b) On or before the Effective Date, the County shall pay the Purchase Price to the Commission as follows:
- i. The County shall deliver the sum of \$750,000.00, by wire transfer, bank draft or cheque of immediately available funds to the Commission or the Commission's Solicitors, in trust, for the benefit of the Commission; and
 - ii. The County shall execute and deliver a promissory note, in form and substance acceptable to the Commission, acting reasonably, in the principal amount of \$1,300,000.00, plus interest at the VCB Interest Rate, representing the aggregate amount of the Volume Consumption Benefit (the "**Promissory Note**").

For greatest certainty, it is the intention of the County and the Commission that the amount due and owing by the County to the Commission under the Promissory Note shall be paid and satisfied by the County by way of the application of the Volume Consumption Benefit in accordance with the terms set out herein.

- (c) The Commission represents and warrants to the County and acknowledges that the County is relying upon these representations and warranties that, as of the Effective Date:
- i. **Ownership** – the Commission is the rightful and absolute owner of the Transferred Assets;
 - ii. **Authority** – the Commission has the authority, power, permissions and approvals to enter into and perform its obligations under this Agreement, including, without limitation, to sell, transfer and convey the Transferred Assets in accordance with the terms and conditions contained in this Agreement;
 - iii. **Free and Clear** – the Transferred Assets are free and clear of any claims, registrations, interests, charges or encumbrances of any third party of whatever kind or nature whatsoever;

- 6 -

- iv. **Rights-of-Way** – the Transferred Assets are located on lands on which the Commission has valid and subsisting easements or utility rights-of-way encompassing, related to, or required for the ownership, operation, use, maintenance, repair and rehabilitation of the Transferred Assets;
 - v. **Compliance** – the Commission’s registrations, approvals, authorizations, permits, preliminary certificates, and licences relating to the Transferred Assets are current and in good standing and, to its knowledge, there are no written complaints pending investigation, no pending investigations, and no steps, action or monitoring required by any governmental authority;
 - vi. **Proceedings** – there are no judgments, orders, or proceedings of any court or governmental authority, presently in effect or, to its knowledge, pending or threatened, with respect to the Transferred Assets or the operation of the Transferred Assets;
 - vii. **Due Diligence Material** – the Commission has provided the County copies of all documents, reports, studies, drawings, easements, utility rights-of-way and other records within its possession or control relating to the Transferred Assets (“Due Diligent Material”).
 - viii. **Accuracy of Due Diligence Material** – the Due Diligence Material, including but not limited to the location, date of construction and description of the materials and specifications of the Transferred Assets are, to its knowledge, accurate; and
 - ix. **Condition** – the Transferred Assets are in good operating condition, comply with applicable laws and meet prevailing industry standards. The Commission, exercising reasonable diligence, is unaware of any defect in, water leakage from, water or other substance penetration into, or material repair or rehabilitation presently required for the operation of, the Transferred Assets.
- (d) The County represents and warrants to the Commission and acknowledges that the Commission is relying upon these representations and warranties that, as of the Effective Date:
- i. **Authority** – the County has the authority, power, permissions and approvals to enter into and perform its obligations under this Agreement, including, without limitation, to purchase the Transferred Assets in accordance with the terms and conditions contained in this Agreement.
- (e) If any interest in land is required for the County’s possession, operation, use, maintenance, repair or rehabilitation of the Transferred Assets, the Commission shall use Best Efforts to assist the County to obtain sufficient and registrable executed utility right-of-way agreements to the benefit of the County, at no cost to the County, to the County’s satisfaction, acting reasonably, to give effect to this Agreement and the County’s right to own, operate, use, maintain, repair and rehabilitate the Transferred Assets for their intended purpose.
- (f) The Commission will execute and deliver all documents necessary to give effect to the transfer of the Transferred Assets, including, but not limited to, any required assignment, transfer of caveat, amendment to statutory approval and any other document.
6. **Volume Consumption Benefit**
- (a) Effective as of January 1 of each year of the remaining Term, the outstanding Volume Consumption Benefit will be calculated as follows:
- The Volume Consumption Benefit for the previous calendar year (A)
- i. minus an amount equal to the product of twenty-five cents (\$0.25) per cubic metre and the volume (m³) of Water delivered to the Commission under this Agreement during

- 7 -

the previous calendar year (B);

- ii. then following the reduction contemplated in paragraph 6(a)i above, plus interest calculated at the VCB Interest Rate on the balance of the Volume Consumption Benefit (C);

until the outstanding Volume Consumption Benefit is reduced to zero dollars (\$0.00)

(A - B) + C = outstanding VCB

Where C = (A - B) x VCB Interest Rate/100

For greater certainty, notwithstanding the date hereof, the calculation of the outstanding Volume Consumption Benefit effective January 1, 2024 in accordance with this Section 6(a) shall include the entire calendar year of 2023.

- (b) At that date upon which the Volume Consumption Benefit is equal to zero dollars (\$0.00), the Rate shall be calculated in accordance with paragraphs 1 and 2 of **Schedule "C"**.
- (c) At the end of the Term, if the Volume Consumption Benefit is greater than zero dollars (\$0.00), the County shall forthwith pay the Commission the balance of the Volume Consumption Benefit plus interest calculated at the VCB Interest Rate in cash or other immediately available funds to the Commission until all amounts outstanding under the Promissory Note have been fully paid.
- (d) For greatest certainty, the Promissory Note shall be repaid and the Volume Consumption Benefit shall be applied by the County without set-off, counterclaim, recoupment, defence or resort to any other right or claim the County may have against the Commission.

7. Repairs, Maintenance and Replacements

- (a) Each party may interrupt or curtail Water service for periods of time as it may reasonably require for the purpose of effecting any repairs, maintenance, replacement, upgrading or other work relating to its water supply system providing service under this Agreement provided that:
 - (i) such party has given the other party at least forty-eight (48) hours prior notice, or in the event of unforeseen circumstances, such party gives notice of such interruption or curtailment as soon as is reasonably possible; and
 - (ii) such party acts reasonably in using Best Efforts to restore services as soon as reasonably possible.
- (b) Each party will use Best Efforts to coordinate the repairs, maintenance, replacement, upgrading and other work referred to in Section 7(a) with the other party so as to minimize, to the extent reasonable, the inconvenience to the other party arising from such interruptions and curtailments.
- (c) During periods of interruption or curtailment provided for in Section 7(a), the supplying party may reduce the level, quality or quantity of service provided to the other party under this Agreement, provided that the supplying party shall treat all of its customers affected by the interruption or curtailment, including the other party, fairly, equitably and without preference, consistent with any operating constraints then in effect. Each party shall use Best Efforts to keep each other reasonably apprised of and up to date in respect of the relevant circumstances during each interruption or curtailment.
- (d) Subject to any other specific agreement between the parties to the contrary, any upgrades or modifications to the property of the parties hereto:
 - (i) required solely for the County, will be completed at the County's expense; and
 - (ii) required solely for the Commission, will be completed at the Commission's expense.

- 8 -

8. Force Majeure

- (a) Neither party hereto shall be liable to the other for any failure of or delay in the performance of its obligations hereunder nor be deemed to have committed an Event of Default (as defined herein) of this Agreement if such failure or delay has arisen from Force Majeure.
- (b) Where either party is prevented from carrying out its respective obligations hereunder due to Force Majeure, such party shall, as soon as possible, give notice of the occurrence of such Force Majeure to the other party and of the obligations, the performance of which is thereby delayed or prevented and the party giving the notice shall thereupon be excused from the performance of such obligation for the period of time directly attributable to such Force Majeure.
- (c) During the period of Force Majeure, the County may impose reasonable restrictions on the delivery of Water, provided that the County shall treat all of its customers affected by the Force Majeure, including the Commission, fairly, equitably and without preference, consistent with any operating constraints then in effect.

9. Liability, Damages and Mutual Indemnity

- (a) Unless the cause is proven to be due directly to the negligence of either party, their employees or agents, the parties will have no liability to each other whatsoever for any damage, loss, cost or expense resulting from, arising out of or associated with:
 - (i) a break of any Watermain, service pipe or collapse of any ditch or trench;
 - (ii) the interference or suspension of the supply of Water due to maintenance work to, repair work to or replacement work for either party's water system or an emergency situation regarding any part of either of the party's water system; or
 - (iii) any accident to or failure of any part of either party's water system.
- (b) Notwithstanding any other provision of this Agreement, neither the County nor the Commission will be liable to the other for:
 - (i) any losses or costs arising from third-party claims or causes of action, including claims or causes of action of the other's customers; or
 - (ii) any indirect, consequential or punitive damages, including loss of profits or revenues or other similar damages.
- (c) Each party (the "indemnifying party") agrees to indemnify and save harmless the other party (the "indemnified party"), its agents and employees from and against any and all damage, injury, loss, costs, causes of action, including legal costs on a solicitor and own client full-indemnity basis, and claims suffered or incurred by the indemnified party, its agents or employees which are in any way connected with the performance or nonperformance of this agreement and which are caused either directly or indirectly or contributed to in whole or in part by any act or failure to act of the indemnifying party, its agents and employees, in respect of which indemnifying party, its agents or employees are liable or otherwise responsible in law, provided that such indemnity shall be limited to an amount in proportion to which the indemnifying party, its agents and employees are at fault or otherwise held responsible in law.

10. Mediation and Remedies

- (a) If a dispute arises between the Commission and the County regarding the interpretation, application, operation or breach of this Agreement or any part of it and the dispute is not within the jurisdiction of the Alberta Utilities Commission, the Municipal Government Board, or any of their successor entities, then the dispute must be submitted to mediation, in accordance with the attached **Schedule "D"**, before

- 9 -

either party may take any additional action or step or pursue any available remedy other than to preserve the right to pursue such remedy.

- (b) Notwithstanding the mediation process, the parties will continue to perform their obligations described in this Agreement (except to the extent the performance is rendered unreasonable as a result of the pending or ongoing mediation) until such time as the mediation, in accordance with the attached Schedule "D", process is complete;
- (c) Subject to Sections 9 and 10(a), if a party fails to perform its obligations hereunder, then the other party will have all available legal and equitable remedies.

11. Strategic Planning and Consultation

- (a) The Commission and the County shall create and develop a process of planning and consultation through the establishment of the Strategic Planning & Consultation Committee. The Strategic Planning & Consultation Committee will provide a forum where the Commission and the County may discuss concerns and opportunities regarding the purchase, supply and delivery of Water. The Strategic Planning & Consultation Committee will initially be composed of a minimum of:
 - (i) one Commission representative, and
 - (ii) one representative from the County;
- (b) The rules and procedures of the Strategic Planning & Consultation Committee will be established from time to time by the Strategic Planning & Consultation Committee, but shall at minimum provide that:
 - (i) the Strategic Planning & Consultation Committee will meet not less than once per year;
 - (ii) the mandate of the Strategic Planning & Consultation Committee is to:
 - A. generally enhance communication between the County and the Commission, to analyze and improve the operation of this Agreement, and any replacement hereof, and to engage in a process of strategic planning regarding such issues as the supply and delivery of Water, water conservation, capital expenditures, and rates and rate increases; and
 - B. specifically determine the forecast and commitment of the total volume of Water required by the Commission, as contemplated within Schedule "A" attached to this Agreement; and
 - (iii) the Strategic Planning & Consultation Committee may delegate tasks, as may be mutually agreed upon by the Commission and the County, to sub-committees. Such sub-committees may be composed of people who are not members of the Strategic Planning & Consultation Committee.

12. Water Shortage

In the case of a Water shortage, the County may impose conservation restrictions on the Commission's Water supply within the Commission Service Area. The County shall provide notice to the Commission of the imposition of the conservation restriction as soon as reasonably possible. Notwithstanding the foregoing, the County shall treat each and every one of the County's customers, including the Commission, fairly, equitably and without preference, consistent with any operating constraints then in effect.

- 10 -

13. Performance by Either Party

A party shall be deemed to be in default hereunder if any of the following events occur (each of the following events to be referred to as an “**Event of Default**”, the party in default to be referred to as the “**Defaulting Party**” and the party not in default to be referred to as the “**Non-defaulting Party**”):

- (a) a party fails to make a payment, or the County fails to apply the Volume Consumption Benefit in accordance with the terms of this Agreement, as required by any provision of this Agreement or the Promissory Note, including failure to pay an indemnity amount required to be paid pursuant to the terms of this Agreement (a “**Payment Default**”);
- (b) a party fails to perform any of its obligations under Section 2 of this Agreement or fails to perform any other material obligation imposed upon such party under this Agreement (which, for greater certainty, shall not include obligations resulting in a Payment Default if not performed) (each such event being a “**Performance Default**”); or
- (c) a party experiences any of the following events (an “**Insolvency Default**”):
 - (i) the party institutes voluntary liquidation, dissolution or winding-up procedures;
 - (ii) the party takes any voluntary proceedings under any bankruptcy or insolvency legislation to be adjudicated a bankrupt or for any other relief;
 - (iii) the party makes a compromise with or an assignment for the benefit of its creditors;
 - (iv) a receiver is appointed with regard to the party or to any material part of the party’s property;
 - (v) a court adjudges the party to be bankrupt or makes an order requiring the liquidation, dissolution or winding up of the party; or
 - (vi) if the corporate (or other) existence of the party is otherwise terminated.

14. Notice of Default

- (a) If a party claims that there has been a Payment Default or Performance Default committed by or affecting the other party, the party making the claim shall give to the party alleged to be in default a notice (hereinafter referred to as the “**Notice of Default**”). The Notice of Default shall reasonably specify and provide particulars of the alleged Event of Default.
- (b) In the event the alleged Event of Default is capable of being remedied, the party alleged to be in default shall:
 - (i) have no cure period in respect of an Insolvency Default,
 - (ii) have a cure period of Thirty (30) days after receipt of the Notice of Default with respect to a Payment Default,
 - (iii) subject to Section 14(b)(iv), have a cure period of Thirty (30) days after receipt of the Notice of Default with respect to a Performance Default, or
 - (iv) if a Performance Default is such that it cannot be reasonably remedied within Thirty (30) days after receipt of the Notice of Default, have a reasonable period of time to cure the Performance Default provided that the Defaulting Party promptly commences and diligently continues thereafter to remedy the Event of Default.
- (c) If before the expiry of the later of the cure period (if any) referred to in Section 12(b) or the time to cure specified in the Notice of Default the Defaulting Party cures the Event of Default, the Default Notice shall be inoperative and the Defaulting Party shall lose no rights hereunder.

- 11 -

15. Remedies

Upon the occurrence of an Insolvency Default, or in the event that a Notice of Default has been given and the party alleged to be in default does not cure or remedy the Event of Default in the manner contemplated by Section 14(c), subject to Section 9 of this Agreement, the Non-defaulting Party shall have the following rights and remedies:

- (a) in the case of a Payment Default, to charge the Defaulting Party Interest with respect to the unpaid amount until it is paid, calculated daily, regardless of whether the Non-defaulting Party has notified the Defaulting Party in advance of its intention to charge Interest with respect to the unpaid amount; and/or
- (b) in the case of a Performance Default, the Non-defaulting Party may, but shall not be obligated to, either directly or indirectly, by engaging a third party or otherwise, as the case may be, do all such things in order to rectify such Event of Default at the sole cost and expense of the Defaulting Party; and/or
- (c) in the case of any Event of Default that continues beyond any applicable cure period, the Non-defaulting Party may:
 - (i) suspend performance of its obligations under this Agreement, including the right to suspend any payment owing pursuant to this Agreement; and/or
 - (ii) set-off against the unpaid amount any sums due or accruing to the Defaulting Party, excepting thereout any amounts due and owing from the County to the Commission under the Promissory Note, by the Non-defaulting Party in accordance with this Agreement or the County Supply Agreement; and/or
 - (iii) maintain an action or actions for the unpaid amount and Interest thereon on a continuing basis as the amounts become payable but are not paid by the Defaulting Party, as if the obligation to pay those amounts and the Interest thereon was a liquidated demand due and payable on the date the amounts were due to be paid, without any right or resort of the Defaulting Party to set-off or counter-claim; and/or
 - (iv) terminate this Agreement.

16. Remedies Cumulative

A Non-defaulting Party may, at its discretion, exercise the remedies referenced in Section 15 applicable to it in the alternative, concurrently or cumulatively, except where inconsistent with the express provisions contained in this Agreement and provided that in the case of a Payment Default the concurrent or cumulative exercise of remedies shall not result in duplication or a recovery on the part of the Non-defaulting Party based on an amount (excluding Interest) in excess of the Payment Default. No delay or omission by a Non-defaulting Party in exercising its rights or remedies hereunder shall operate as a waiver of those rights or remedies or of any other right or remedy and no single or partial exercise thereof shall preclude any other or future exercise thereof or the exercise of any other right or remedy.

17. Renewal or Extension of Term

- (a) Subject always to the requirements of Section 30 of the *Municipal Government Act* RSA 2000, c M-26, if applicable, the Term may be extended by the parties for a further period of ten (10) years commencing on the day immediately following the last day of the Term and/or renewal term, as the case may be, PROVIDED THAT the parties mutually agree in writing to such extension.
- (b) If necessary, both parties will diligently pursue the approval of the Alberta Utilities Commission pursuant to Section 30 of the *Municipal Government Act* RSA 2000, c M-26 with respect to this Agreement, or alternatively the confirmation from Alberta Utilities Commission that its approval is not required.
- (c) Failing an agreement to extend this Agreement under subsection (a) above, this Agreement shall expire on the last day of the Term or renewal term, as the case may be, and shall be of no further force and effect save and except for those provisions which are deemed to survive expiration or termination of this Agreement.

- 12 -

- (d) Upon a renewal or extension of this Agreement, unless otherwise agreed to all other terms and conditions within this Agreement shall remain in full force and effect.

18. General

(a) Notices

Whether or not so stipulated herein, all notices, communication, requests and statements (the "Notice") required or permitted hereunder shall be in writing. Notice shall be served by one of the following means:

- (i) personally, by delivering it to the party on whom it is to be served at the address set out herein, provided such delivery shall be during normal business hours. Any personally delivered Notice shall be deemed received when actually delivered as aforesaid and addressed as specified in this subsection (a) below; or
- (ii) by email or by any other like method by which a written or recorded message may be sent, directed to the party on whom it is to be served at that address set out herein. Notice transmitted by email will be deemed to have given when sent, provided that such email is kept by the sending party and the sending party does not receive an automatically generated message from the recipient's email server that such e-mail could not be delivered to the recipient. A copy of the e-mail transmission containing the time, date and recipient e-mail address shall be rebuttable evidence of receipt; or
- (iii) by mailing via first class registered post, postage prepaid, to the party on whom it is served. Notice so served shall be deemed to be received three (3) days after the date it is postmarked. In the event of postal interruption, no notice sent by means of the postal system during or within seven (7) days prior to the commencement of such postal interruption or seven (7) days after the cessation of such postal interruption shall be deemed to have been received unless actually received,

such Notices to be delivered to the respective parties at the following addresses:

- (i) if to the County
2001 Sherwood Drive
Sherwood Park, Alberta
T8A 3W7
Attention: Associate Commissioner, I.P.S.
Telephone No.: (780) 464-8050
Email:

- (ii) if to the Commission
Box 540
Ryley, Alberta
T0B 4A0
Attention: Chief Administrative Officer
Telephone No.: (780) 663-2019
Email: michael.bolch@hwy14water.ca

or to such other address as each party may from time to time direct in writing.

(b) Governing Law

This Agreement shall be construed and governed by the laws of the Province of Alberta and the laws of Canada applicable therein and the parties hereto irrevocably attorn to the exclusive jurisdiction of the Courts of the Province of Alberta.

- 13 -

(e) Time of Essence

Time shall be of the essence of this Agreement.

(d) Preamble and Schedules

The parties hereby confirm and ratify the matters contained and referred to in the Recitals to this Agreement and agree that same and the various schedule(s) hereto are expressly incorporated into and form part of this Agreement:

- Schedule "A" - Additional Supply Terms and Conditions
- Schedule "B" - Transmission Lines, Transferred Assets & Point of Delivery
- Schedule "C" - Rate
- Schedule "D" - Mediation Process
- Schedule "E" - EPCOR Agreement

(e) Headings

The headings, captions, section numbers, subsection numbers, article numbers and indices appearing in this Agreement have been inserted as a matter of convenience and for reference only and in no way define, limit, construct or enlarge the scope or meaning of this Agreement or any provisions hereof.

(f) Relationship between Parties

Nothing contained herein shall be deemed or construed by the parties hereto nor by any third party, as creating the relationship of employer and employee, principal and agent, partnership, or of a joint venture between the parties hereto, it being understood and agreed that none of the provisions contained herein nor any act of the parties hereto shall be deemed to create any relationship between the parties hereto other than an independent service agreement between the two parties at arm's length.

(g) No Authority

Except as may from time to time be expressly stated in writing, neither party shall have the authority to assume or create any obligation whatsoever, expressed or implied, on behalf of or in the name of the other party, nor to bind the other party in any manner whatsoever.

(h) Agreement Entire Relationship

This Agreement constitutes the entire agreement between the parties hereto and the parties acknowledge and agree that there are no covenants, representations, warranties, agreements or conditions expressed or implied, collateral or otherwise forming part of or in any way affecting or relating to this Agreement save as expressly set out in this Agreement.

(i) Further Assurances

Each of the parties hereby agree to do such things and execute such further documents, agreements and assurances as may be necessary or advisable from time to time to carry out the terms and conditions of this Agreement in accordance with their true intent.

(j) Amendments

This Agreement may not be altered or amended in any of its provisions, except where any such changes are reduced to writing and executed by the parties.

- 14 -

(k) Waiver

No consent or waiver, express or implied, by either party to or of any breach or default by the other party in the performance by the other party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by such party hereunder. Failure on the part of either party to complain of any act or failure to act of the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.

(l) Counterparts

This Agreement may be executed and delivered electronically and in several counterparts each of which when so executed shall be deemed to be an original, and such counterparts shall constitute the one and same instrument and notwithstanding their date of execution shall be deemed to bear date as of the date first above written.

(m) Statutory Reference

Any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto and promulgated thereunder with all amendments made thereto and in force from time to time and any final judicial decisions interpreting the same, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto.

(n) Unenforceability

If any term, covenant or condition of this Agreement or the application thereof to any party or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement or application of such term, covenant or condition to a party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

(o) Survival

The parties acknowledge and agree that the provisions of this Agreement, which, by their context, are meant to survive the termination or expiry of the Term, shall survive the termination or expiry of the Term and shall not be merged therein or therewith.

(p) Remedies Generally

Mention in this Agreement of any particular remedy of a party in respect of a default by the other party does not preclude the first party from any other remedy in respect thereof, whether available at law or in equity or by statute or expressly provided for in this Agreement. No remedy shall be exclusive or dependent upon any other remedy, but a party may from time to time exercise any one or more of such remedies generally or in combination, such remedies being cumulative and not alternative.

(q) Payment of Monies

The parties acknowledge and agree that any payment of monies required to be made hereunder shall be made in Canadian funds and that any tender of monies or documents hereunder may be made upon the solicitors acting for the party upon whom the tender is desired and it shall be sufficient that a negotiable bank draft is tendered instead of cash.

(r) GST Exclusive

All amounts payable by one party to the other hereunder will be exclusive of any goods and services tax ("GST") and the party providing payment will, in addition the amounts payable hereunder, pay to

- 15 -

the other party all amounts of GST applicable thereon. The County's GST number is 122617160 RT0001 and the Commission's GST number is 825582455 RT0001.

(s) Singular, Plural and Gender

Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires and the provisions hereof.

(t) Contra Proferentem

The rule of contra proferentem shall not apply to this Agreement. If an ambiguity exists in this Agreement or a provision, neither the Agreement nor the provision shall be construed against the party that drafted the Agreement or provision.

(u) Binding Effect

This Agreement shall enure to the benefit of and be binding upon the successors and permitted assigns of each of the parties.

(v) Assignment

Neither party shall assign its interest in this Agreement, or any part hereof, in any manner whatsoever without having first received written consent from the other party which consent may be not be arbitrarily withheld.

(w) Requests for Consent

Each party shall provide any decision with regard to a request for consent in a reasonable and timely manner.

(x) Amendment and Restatement

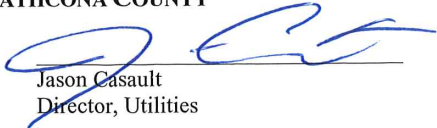
- (a) This Agreement amends and restates the 2012 Water Supply Agreement and is not a novation of the 2012 Water Supply Agreement or accord and satisfaction of the 2012 Water Supply Agreement.
- (b) All references to the "Water Supply Agreement" or similar references to the 2012 Water Supply Agreement in any of the other document or agreement between the County and the Commission shall be deemed to refer to this Agreement.
- (c) For greatest certainty, all obligations and indemnities contained in the 2012 Water Supply Agreement continue in full force and effect in accordance with their terms, as amended hereby, under this Agreement, and are hereby ratified and confirmed.


[Signature page follows.]


- 16 -

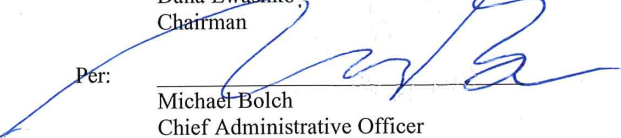
IN WITNESS WHEREOF the parties hereunto have hereunto executed this Agreement all effective as of the date and year first set forth above, notwithstanding the actual date or dates of execution hereof.

STRATHCONA COUNTY

Per: 
Jason Casault
Director, Utilities

Per: 
Mavis Nathoo **APR 18 2023**
Director, Legislative & Legal Services
**HIGHWAY 14 REGIONAL WATER SERVICES
COMMISSION**

Per: 
Dana Ewashko
Chairman

Per: 
Michael Bolch
Chief Administrative Officer

PAT-UTL-1107

Strathcona County APPROVED		
REQ'D	INITIAL	DATE
Director		
AC/Corp Serv Treasurer		
AC/IP Serv		
AC/Com Serv		
Chief Commissioner		
Finance		
Manager		4/18/23

SCHEDULE "A"

ADDITIONAL SUPPLY TERMS AND CONDITIONS

A. Capacity Commitment/Entitlement

Subject to Part B of this Schedule, throughout the Term the County shall provide Water to the Point of Delivery in the following manner:

1. **Capacity/Flow** – the County will make available to the Commission at the Point of Delivery up to 42.25 L/s peak day allocation. Notwithstanding anything contained within this Agreement, the County and the Commission covenant and agree that the foregoing entitlement to capacity of the County Transmission Line shall survive the expiration or termination of this Agreement for any cause whatsoever.
2. **Excess Capacity** – notwithstanding the forgoing, the capacity utilized and service level received by the Commission or the County through the County Transmission Line is subject to the forecasting and service level process, and the resulting availability and use of Excess Capacity, as contemplated within Part B of this Schedule below.
3. **Operating Pressure** – subject to the 5 year forecast not exceeding the design capacity of the County Transmission Line, the County will exercise its Best Efforts to provide water pressure to High Point (NW 19-51-19-4) as depicted on the following chart:

Minimum Pressure*	Normal Pressure	Maximum Pressure
*150 kPa	180 to 220 kPa	250kPa

** - This is a best-efforts objective only, County will not be in default of this Agreement if operationally the pressure drops below this setting through circumstances beyond the control and/or operational responsibility of the County.*

4. **Peak Operation** – the Commission will manage their customer demand within the allocated capacity, and the County will manage their flow, in a cooperative fashion not to exceed this peak day allocation.

B. Forecasting, Service Levels and Excess Capacity

Notwithstanding the reserved flow amounts and corresponding capacity entitlement and availability, Water service available and provided to the Commission for any year of the Term will be determined or predetermined, as the case may be, as follows:

1. Upon the request of the County, the Commission will prepare a 5-year forecast for Water demand and submit this forecast to the Strategic Planning & Consultation Committee for the purposes of allowing the capacity allocation to be reviewed and operating strategies or capital upgrades planned, accepted and implemented.
2. On or before October 31 of each year of this Agreement, the Commission will provide to the County:
 - a. a written forecast of the quantity of Water which the Commission reasonably expects to require in order to supply the demand of the Commission's members and customers within the Commission Service Area through the Point of Delivery during each of the next **Five (5) years** running from the commencement of the Term or, if agreed to, calendar years, using reasonable and prudent estimates of growth and demands and good industry practices; and
 - b. engineering reports, studies and assessments and other technical information supporting the forecasts, including the Commission's projections on population, business and industrial growth within the portions of the Commission Service Area actually serviced through the arrangements contemplated under this Agreement.
3. On or before March 31 of each year, the Strategic Planning & Consultation Committee will meet to review the forecasts and other related matters affecting planning and operations, and will work together in good faith

to reach agreement on the quantity and flow of Water through the County Transmission Line and the Point of Delivery ("Annual Flow") for each of the years covered by the most recent forecasts.

4. If the Commission and the County cannot reach agreement on the Annual Flow forecast for any Term year or calendar year pursuant to Section 3 of Part B of this Schedule, the Annual Flow will be the greater of:
 - a. the quantity as last agreed upon by the Commission and the County for that year, or
 - b. the maximum quantity recorded or reported in any year prior to the period in which an agreement as to forecast volumes for following years has not been reached.
5. Each of the County and the Commission will act reasonably in preparing and reviewing each forecast, and in all discussions and negotiations in relation to each forecast and the establishment of an Annual Flow of Water for each year. Each of the Commission and the County will use its Best Efforts in the preparation of each forecast to ensure to the extent reasonably possible that it is not over-estimating or otherwise improperly assessing its projected Water service needs. The Commission and the County will each exercise sound engineering judgment and, where appropriate, consult with the County or the Commission, respectively, when reviewing the technical aspects of the Commission's or the County's forecast.
6. The parties expressly and explicitly acknowledge and agree that it would be reasonable for the County to refuse to agree to the Annual Flow proposed by a forecast where:
 - a. the Annual Flow proposed by the cumulative forecasts of the Commission and the County would reach 100% of the physical capacity of the County Transmission Line within 36 months;
 - b. the demand of either party will require the return of Excess Capacity, as contemplated within Part C of this Schedule below, within 36 months; or
 - c. the refusal is for any bona fide reason, including any bona fide economic (limited to new capital expansion or upgrade requirements not otherwise anticipated within this Agreement), legal, regulatory, technical or engineering reason which are not otherwise addressed within this Agreement,

provided that it would be unreasonable and improper for the party to refuse to agree to a quantity proposed by the forecast primarily for the purpose of limiting or otherwise controlling the growth of residential, commercial or industrial development within the Commission Service Area. For greater certainty, notwithstanding the foregoing, the approval of the Annual Flows proposed within the forecasts that necessitate the return of the Excess Capacity as contemplated above would be on a conditional or temporary basis, and specifically subject to the return of the Excess Capacity in order to continue to meet the needs and requirements of the party entitled to use of such Excess Capacity as part of its respective capacity entitlement outlined within Part A of this Schedule above. For clarification, this is referred to herein as the return of the Excess Capacity on an as-needed basis.

7. The parties also acknowledge that the County shall not refuse to agree to Annual Flow increases proposed by the Commission if such Annual Flow and/or increases fall within the reserved flow amounts provided within Section 1 of Part A of this Schedule above.

C. Return of Excess Capacity and Planning

1. **Triggering Events** – The requirement to return Excess Capacity, and/or provide for the capacity/demand options/alternatives, shall arise upon the earlier of the date upon which the 5 year rolling forecasts indicates that:
 - a. the Annual Flow proposed by the cumulative forecasts of the Commission and the County will reach 100% of the physical capacity of the County Transmission Line within 36 months; or
 - b. the demand of either party will require the return of Excess Capacity, as contemplated within this Part C of this Schedule, within 36 months.

For greater certainty, notwithstanding the foregoing, the return of the Excess Capacity as required above, and the corresponding accommodations of the respective demands for service, shall not be required to be implemented until such time as the Excess Capacity is actually required to be returned in order to continue to meet the needs and requirements of the party entitled to use of such Excess Capacity as part of its respective capacity entitlement outlined within Part A of this Schedule above. For clarification, this is referred to herein as the return of the Excess Capacity on an as-needed basis.

2. **Capacity/Demand Options/Alternatives** – Upon the occurrence of the triggering events outlined above, the recipient of Excess Capacity shall:
 - a. **Capacity/Demand Reduction** – reduce their demand to their respective capacity entitlement so as to accommodate the return of the Excess Capacity on an as-needed basis; or
 - b. **Alternatives** – at their or its respective option, either:
 - i. **Alternative Supply** – access the capacity necessary to replace the Excess Capacity to be returned to the party entitled to it with service through alternative means outside of the operation of service provided by the County Transmission Line; or
 - ii. **Capital Expansion/Up-grade** – both parties agree at their own expense to construct and install the required capital expansions or upgrades necessary to allow the return of the Excess Capacity back to the party who has the entitlement to that capacity as outlined within Part A of this Schedule above,

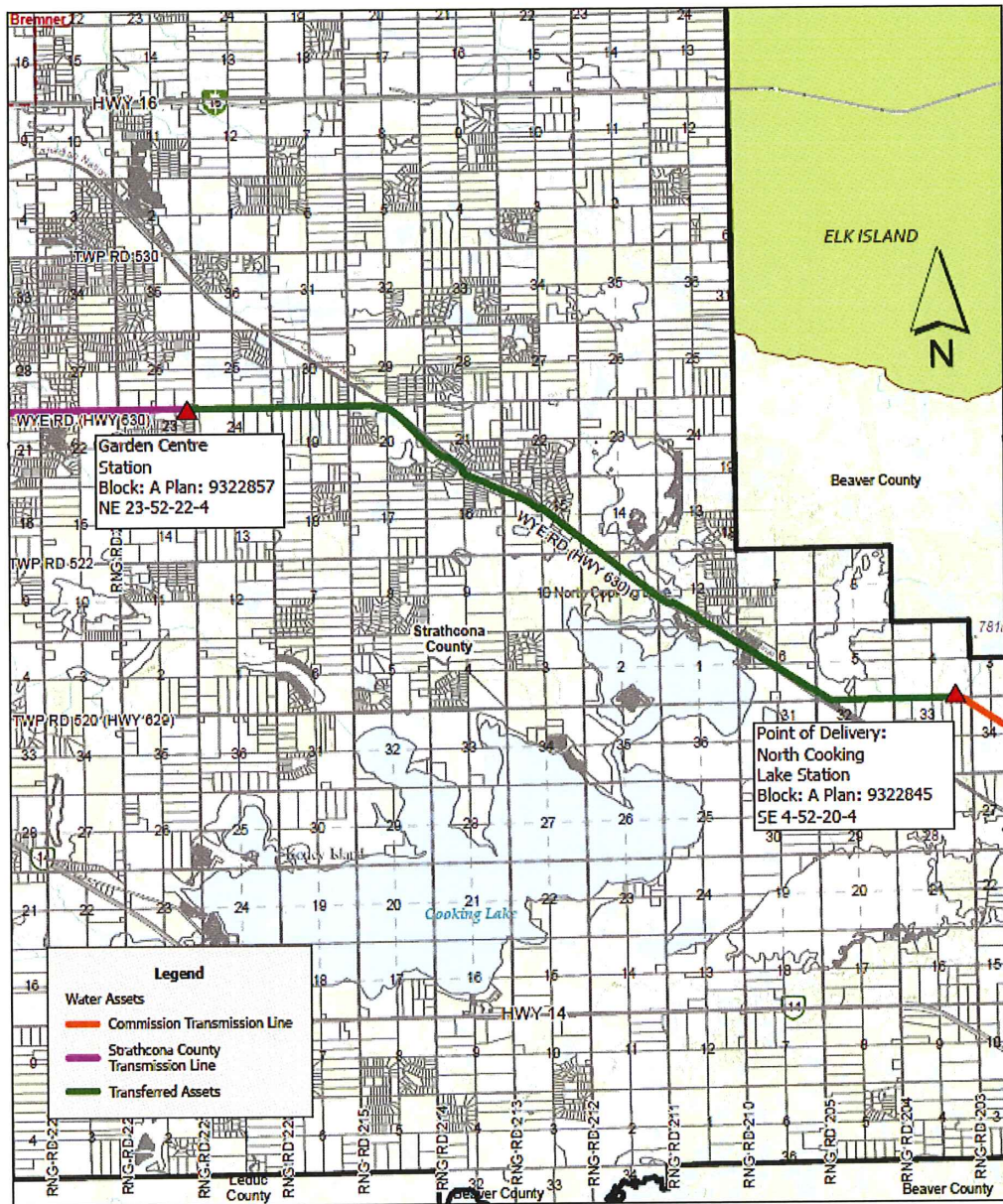
or, through any combination of the above and/or agreement between the parties, accommodate the service requirements and the return of the Excess Capacity, as each party may require.

3. **Planning** – The potential for capital expansions or upgrades on any shared cost basis, whether to accommodate the return of Excess Capacity or to expand the service areas and/or capacities of the Commission, the County or both, will be:
 - a. proposed and presented by the parties on a timely basis so as to be considered and, if agreed upon, implemented in time to provide capacity requirements as and when required; and
 - b. considered by the parties and negotiated in good faith with a view to providing a mutually agreeable solution for the provision of service on a long term basis for the benefit of both parties.

The Commission and the County shall meet as soon as reasonably possible after the receipt of request, or notice of the need, to meet and discuss the accommodation of additional capacity.

SCHEDULE "B"

TRANSMISSION LINES, TRANSFERRED ASSETS & POINT OF DELIVERY



SCHEDULE "C"

RATES

How the Rate is Determined

Rates will be calculated and charged based the following principles:

1. **County and EWSI Rates and Principles** – In a manner consistent with the manner, basis and rate setting principles applied by EPCOR Water Services Inc. ("EWSI") under the EPCOR Agreement.
2. **Cost of Service Basis** – Notwithstanding the foregoing, on a cost-of-service basis utilizing the principles set out in the American Water Works Association ("AWWA") manuals of practice dealing with water rates and charges, as revised and updated from time to time, and in accordance with the findings and directives of the Alberta Utilities Commission, through Board Decision E95070 and Amending Orders E95072 and U96026.
3. **Volume Consumption Benefit** – Notwithstanding the foregoing:
 - (a) the Rate while the Volume Consumption Benefit is greater than zero dollars (\$0.00) shall be equal the EPCOR rate plus \$0.125. For greater certainty, notwithstanding the date of this Agreement, the Rate as determined pursuant to this paragraph 3(a) shall apply to the entire 2023 calendar year;
 - (b) the Rate established pursuant to paragraph 3(a) above will continue until such time as the outstanding Volume Consumption Benefit is reduced to zero dollars (\$0.00); and
 - (c) in accordance with paragraph 6(b) of the Agreement, the Rate after the Volume Consumption Benefit is reduced to zero dollars (\$0.00) shall be equal to the Rate established in accordance with paragraphs 1 and 2 of this Schedule "C" as described in the County Rate Model.
4. **Amendment** – Principles and practices to be applied to determine Rates may change from time to time by way of negotiated agreement between the parties, as a result of changes to the foregoing references for principles and rate-setting practices, or as a result of a decision or order of the Alberta Utilities Commission, or a successor tribunal or authority.

SCHEDULE "D"

MEDIATION PROCESS

The Commission and the County acknowledge that in any business relationship a difference of opinion or interpretation or a divergence of interest may arise. The Commission and the County are committed to resolving any disputes in a non-adversarial, informal and cost-efficient manner. Therefore, the Commission and the County agree that:

1. they will attempt to resolve any dispute through direct negotiations; and
2. failing successful negotiation they will resort to mediation as follows:
 - (a) Either party may by written notice to the other request that the Edmonton, Alberta office of KPMG LLP (or its successor organization) select a mediator whose qualifications are appropriate for the dispute to be mediated (the "Mediator"). The Mediator may not be a partner or employee of KPMG LLP;
 - (b) Within 7 days of his or her selection, the Mediator will designate a time for a meeting among the Mediator and a representative of each of the Commission and the County. Each representative must have authority to agree to a resolution of the dispute;
 - (c) For the 45-day period of time from the written notice requesting the selection of the Mediator, neither the Commission or the County will take any action or step or pursue any available remedy other than to use its Best Efforts to participate in the mediation process;
 - (d) The cost and expense of the Mediator and the mediation process will be paid for equally by the Commission and the County, except the Commission and the County will be responsible for their own costs such as legal and other professional and consultant fees;
 - (e) The mediation process, including all discussions, proposals and written materials made or prepared, will be strictly confidential and cannot be used or referred to in any subsequent action, step or proceedings;
 - (f) The Mediator cannot be called by either party as a witness in any subsequent action, step or proceedings; and
 - (g) After the expiry of the forty-five (45) day period referred to in paragraph 2(c) of this Schedule "D", either party may pursue such remedies that it determines necessary, in its sole discretion.

SCHEDULE "E"

EPCOR AGREEMENT

LS#12035

WATER SUPPLY AGREEMENT

Strathcona County ("Customer" or "the Customer")

- and -

EPCOR Water Services Inc. ("EPCOR")

Preamble:

Whereas:

- (i) EPCOR owns and manages the distribution, treatment and transmission assets used to provide water service to customers, including regional customers.
- (ii) Customer wishes to purchase Water from EPCOR and EPCOR wishes to sell and deliver Water to Customer.
- (iii) Customer and EPCOR recognize that conservation of water resources is an important goal.

NOW THEREFORE: In consideration of the mutual and other promises described in this Agreement, EPCOR and Customer covenant and agree as follows:

1. Definitions

In this Agreement, each of the following words will have the meaning for that word described below unless expressly stated otherwise:

- (a) **Agreed Variance** means the standard for accuracy for the Meter being tested as specified in the latest edition of the American Water Works Association 700 Series Standards;
- (b) **Agreement** means this Water Supply Agreement including the Introduction clauses, all attached Schedules and all documents produced or delivered according to the terms of this Agreement;
- (c) **Annual Quantity** means for each calendar year the quantity of Water for that year determined according to the provisions of Part 1 of the attached Schedule "A";
- (d) **Best efforts** means, in relation to the performance of an obligation, efforts that are sensible and practical, and involve the exercise of reasoned and sound judgment, having regard to all of the relevant circumstances;

- (e) **Cross Connection** means any physical connection to EPCOR's or Customer's Watermains whereby Water may become contaminated;
- (f) **Customer's Boundaries** means the legal boundary of the county or municipality if Customer is a county or municipality or, alternatively, the legal boundaries of all of the member municipalities if Customer is a water commission, as listed in the attached Schedule "B";
- (g) **Delivery Pressures** means for each calendar year the Minimum Pressure and the Normal Pressure Range for that year;
- (h) **EPCOR's Representative** means the Senior Vice President of EPCOR Water Services Inc.;
- (i) **Equipment** means all necessary valves, pressure and flow controls, associated equipment and pipes with respect to a Meter Chamber. Equipment does not include the Meter;
- (j) **Maximum Daily Quantity** means for each day during a calendar year the maximum quantity of Water for that day determined according to the provisions of Part 2 of the attached Schedule "A";
- (k) **Meter** means the consumption measuring device owned by EPCOR which is located in a Meter Chamber;
- (l) **Meter Chamber** means the physical structure (including the Equipment) which houses the Meter and where EPCOR measures the quantity of Water delivered to Customer;
- (m) **Minimum Pressure** means for each calendar year the minimum pressure for delivery of Water at the Point of Delivery for that year determined according to the provisions of the attached Schedule "C";
- (n) **ML** means one million (1,000,000) liters;
- (o) **Normal Pressure Range** means for each calendar year the normal pressure range for delivery of Water at the Point of Delivery for that year determined according to the provisions of the attached Schedule "C";
- (p) **Peak Hour Draw Rate** means the greatest quantity of Water delivered to Customer in a single hour;
- (q) **Points of Delivery** means the places described in the attached Schedule "D";

- (r) **Rate** means the price for Water established from time to time according to the provisions of the attached Schedule "E";
- (s) **Water** means water which has been treated and is safe for human consumption;
- (t) **Watermain** means a water pipe line under pressure used to supply or deliver Water.

2. **General Terms**

- (a) This Agreement may not be assigned without the prior written consent of the other party, which consent shall not be unreasonably withheld, provided however that prior to EPCOR assigning this Agreement:
 - (i) EPCOR shall consult with Customer in respect of any proposed assignment in order to obtain Customer's views and comments in respect of the assignment;
 - (ii) notwithstanding the provisions of paragraph 8(a) of this Agreement, if Customer advised EPCOR in writing during the consultation provided for in paragraph 2(a)(i), above, that Customer was opposed to the proposed assignment and EPCOR assigns the Agreement to a third party, Customer may terminate this Agreement on four (4) years written notice to EPCOR and the third party provided that such notice is received by EPCOR and the third party within six (6) months of EPCOR providing written notice to Customer that EPCOR will be assigning this Agreement to a third party, the written notice from EPCOR to Customer to be provided to Customer prior to EPCOR entering into an agreement to assign this Agreement to the third party; and
 - (iii) nothing in (i) and (ii), above, shall restrict or otherwise limit EPCOR's right to deal with its assets and rights in a manner in which EPCOR determines to be in its best business interest;

provided further that nothing in this paragraph 2(a) shall require EPCOR to obtain Customer's consent to any assignment that occurs in relation to a reorganization of EPCOR's corporate structure, business or affairs involving one or more subsidiaries or affiliates of EPCOR.
- (b) This Agreement is for the benefit of and binds the parties and their respective successors and permitted assigns.
- (c) Any term of this Agreement which is determined to be void, unenforceable or illegal will be severed from this Agreement. The remaining terms will be effective and enforceable.

- (d) The headings are for reference only and will not be used to interpret or construe this Agreement.
- (e) Time is of the essence for every part of this Agreement.
- (f) Any notice, consent or communication required by this Agreement must be in writing and will be delivered by hand or by courier to the following addresses or will be telecopied to the following telecopier numbers, as the case may be:

To Customer at:

Strathcona County
2001 Sherwood Drive
Sherwood Park, AB T8A 3W7

Attention: Jeff Hutton, Director of Utilities
Telecopier No.: (780) 464-0557

To EPCOR at:

EPCOR Water Services Inc.
2000, 10423-101 Street NW
Edmonton, AB T5H 0E8

Attention: Senior Vice President
Telecopier No.: (780) 441-7118

- (g) This Agreement will be governed by and construed according to the laws in force in the Province of Alberta.
- (h) All changes of gender and number will be made where required.
- (i) The Effective Date of this Agreement is May 12, 2018.
- (j) The term of this Agreement is 20 years commencing from the Effective Date. Subject to Schedule "E" this Agreement may only be renewed by further written agreement between the parties.
- (k) This Agreement is the only agreement between the parties in relation to the subject matter hereof, and supercedes and replaces all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof. This Agreement may only be amended or modified by a further written agreement of the parties.

3. Purpose

- (a) EPCOR agrees to sell and deliver Water to Customer according to the terms of this Agreement.
- (b) Customer agrees to buy and accept delivery of Water from EPCOR according to the terms of this Agreement.
- (c) During the term of this Agreement Customer will obtain all of its Water requirements, for the Point/s of Delivery defined in Schedule "D", from EPCOR provided that if EPCOR is at any time unable to supply the quantity of Water required by Customer, then Customer must purchase from EPCOR the maximum amount of Water which EPCOR is able to supply and, after giving prior notice to EPCOR, Customer may use an alternate source of supply to supplement its needs, but only until such time as EPCOR is able to supply additional quantities of Water. EPCOR recognizes the Customer may have existing Water Supply Agreements with others to provide water service to other areas within the Customer's Boundaries.
- (d) Notwithstanding paragraph 3(c), if Customer and EPCOR reach agreement on a quantity of Water to be the Annual Quantity for a year which is less than the quantity forecast by Customer for that year in accordance with Schedule "A", Customer may provide EPCOR with notice that Customer believes its actual consumption of Water will exceed the quantity agreed on as the Annual Quantity for that year by the quantity set forth in the notice (the "additional quantity") and that Customer therefore objects to the adequacy of the Annual Quantity for that year, provided that such notice is given at the time such agreement is reached, and in that event:
 - (i) Customer may obtain Water for such year from another source, to the extent that Customer's actual consumption of Water exceeds the Annual Quantity for such year, up to the additional quantity of Water for such year (such quantity obtained by Customer being referred to as the "actual additional quantity"); and
 - (ii) Customer may continue in each year thereafter to obtain from that other source of Water a quantity of Water up to the actual additional quantity, and Customer's obligation to obtain all of its water from EPCOR as provided for in paragraph 3(c) in each year thereafter shall be reduced by an amount equal to the actual additional quantity.

Customer will provide EPCOR with such information as EPCOR may reasonably request from time to time in respect of Customer's actual consumption of Water.

- (e) (i) EPCOR will use best efforts to:
 - (1) make Water available to Customer each year as required by Customer up to a maximum amount equal to the Annual Quantity for that year;
 - (2) subject to paragraph 3(e)(i)(1), above, make Water available to Customer each day as required by Customer up to a maximum amount equal to the Maximum Daily Quantity for that day;
 - (3) deliver Water to the Points of Delivery at all times during each year at a pressure equal to at least the Minimum Pressure for that year, and for the majority of the time during such year at a pressure falling within the Normal Pressure Range for that year; and
 - (4) avoid situations where it is unable to supply to Customer the quantity of Water required by Customer.
- (ii) Customer and EPCOR will work cooperatively and each of them will use best efforts to manage and control the Peak Hour Draw Rate so as to optimize the operation of the water supply system providing water to Customer under this Agreement.
- (f) Customer will pay for all Water measured by EPCOR at the Points of Delivery.
- (g) Customer will pay for all Water at the Rate established and in effect from time to time in accordance with the attached Schedule E.
- (h) Customer will pay for all Water by monthly payments based upon billings prepared by EPCOR. EPCOR will provide monthly billings to Customer at least 21 days in advance of the due date for payment. If Customer fails to pay by the due date, then Customer must pay the late payment charge specified in the monthly billing.
- (i) Customer will use or resell any or all of the Water bought from EPCOR for the sole purpose of distributing that Water:
 - (i) within Customer's Boundaries; and
 - (ii) outside of Customer's Boundaries, but only to the parties identified in the attached Schedule "F". The parties identified in Schedule "F" may be amended from time to time by the Customer providing EPCOR with notice and an amended Schedule "F", and if so amended, the amended Schedule "F" shall supersede and replace the Schedule "F" attached to this Agreement.

- (j) Customer and EPCOR are individually responsible for obtaining, at their sole expense, all necessary consents, approvals or orders from any level of government, board, tribunal, commission or other regulatory authority which is or are required in order for each of them to enter into this Agreement or to perform and satisfy their respective obligations described herein. Customer and EPCOR will cooperate with each other and will provide reasonable assistance to each other, when requested.
- (k) Customer and EPCOR will not allow or permit any Cross Connections.
- (l) In the event that EPCOR purchases Water from Customer where the Water being purchased has been previously sold to Customer by EPCOR pursuant to the terms of this Water Supply Agreement or EPCOR receives transportation service from Customer through Customer's facilities, the rate applicable to the purchase and sale of such Water or the transportation service, as the case may be, shall be determined in a manner either consistent with Schedule "E" to this Agreement or otherwise agreed to by EPCOR and the Customer.

4. **Metering and Supply**

- (a) The Meter Chambers have been constructed by Customer at its expense. The location of each Meter Chamber is described in Schedule "D".
- (b) Customer will care for, keep safe, maintain, repair and replace all Meter Chambers.
- (c) The Meter Chambers are Customer's property and all Meters are EPCOR's property.
- (d) At any time during the term of the Agreement, Customer may request that the Point/s of Delivery be amended, and EPCOR may agree to the Customer's request to add additional Point/s of Delivery as requested by Customer.
- (e) If, during the term of the Agreement, Customer requests that the Point/s of Delivery be amended, EPCOR agrees to review the request, acting reasonably, and make best efforts to accede to the request. If it is unable to accede to the Customer's request to amend the Point/s of Delivery, EPCOR agrees to provide its rationale to Customer for refusing the request.
- (f) If Customer and EPCOR agree to amend the Point/s of Delivery for the purposes of this Agreement, Customer and EPCOR agree to execute an amended Schedule "D" and the amended Schedule "D" shall supersede and replace the Schedule "D" attached to this Agreement at the Effective Date of Amending Agreement and shall from the date of execution of the amendment form part of this Agreement and be fully binding on the EPCOR and Customer.

- (g) Any additional Points of Delivery and required Meter Chambers will be constructed by Customer at its expense and will be Customer's property, provided that all Meters will be purchased and installed by EPCOR at its expense and will be EPCOR's property.
- (h) Any upgrades or modifications to existing or future Meter Chambers (including the Equipment):
 - (i) required solely for Customer, will be completed at Customer's expense, and
 - (ii) required solely for EPCOR, will be completed at EPCOR's expense.
- (i) EPCOR will care for, maintain, repair and replace the Meters.
- (j) Once a year, EPCOR will test all Meters for accuracy. EPCOR will pay for these tests.
- (k) After notifying EPCOR in writing, Customer may require EPCOR to have a Meter tested for accuracy.
- (l) If at any time a Meter Chamber or a Meter is out of service or is being repaired so that the measurement of the volume of Water being delivered is not being recorded accurately within the Agreed Variance, or if a test determines that a Meter is not registering accurately within the Agreed Variance, the Meter Chamber or Meter shall be repaired or adjusted as soon as practical, the measurement shall be corrected for a period definitely known or agreed upon, or if not known or agreed upon for one-half of the period since the last Meter test, and the measurements shall be determined or adjusted, as the case may be, to correct for the degree of inaccuracy using the best available data in the following priority:
 - (i) by using any check measuring equipment if installed and if accurately registering within the Agreed Variance.
 - (ii) by correcting the error, if the percentage of the error is ascertainable by calibration, test or mathematical calculation; or
 - (iii) by estimating the volume based upon deliveries under similar conditions during a period of time when the Meter Chamber and Meter were working accurately.

Where a test (other than an annual test) indicates that the accuracy of a Meter exceeds the Agreed Variance, EPCOR will pay for the test. Where a test (other than an annual test) does not indicate that the accuracy of a Meter exceeds the Agreed Variance, Customer will pay for the test.

- (m) Customer will allow EPCOR reasonable access to all Meter Chambers at reasonable times for the purposes of performing its obligations to care for, maintain, repair, replace and test the Meters.

5. **Repairs, Maintenance and Replacements**

- (a) EPCOR may interrupt or curtail Water service for periods of time as it may reasonably require for the purpose of effecting any repairs, maintenance, replacement, upgrading or other work related to the water supply system providing service under this Agreement provided that (i) EPCOR has given Customer at least forty-eight (48) hours prior notice or, in the event of unforeseen circumstances, EPCOR gives notice of such interruption or curtailment as soon as is reasonably possible and (ii) EPCOR acts reasonably in using best efforts to restore services as soon as reasonably possible.
- (b) EPCOR will use best efforts to coordinate the repairs, maintenance, replacement, upgrading and other work referred to in paragraph 5(a), above, with Customer so as to minimize to the extent reasonable the inconvenience to Customer of interruptions and curtailments.
- (c) During periods of interruption or curtailment provided for in paragraph 5(a), above, EPCOR may reduce the level, quality or quantity of service provided to Customer under this Agreement, provided that EPCOR shall treat all of its customers affected by the interruption or curtailment, including Customer, fairly, equitably and without preference, consistent with any operating constraints then in effect. EPCOR and Customer shall use best efforts to keep each other apprised of and up-to-date in respect of the relevant circumstances during each interruption or curtailment.

6. **Force Majeure**

EPCOR shall not be liable for any failure of or delay in performance of its obligations hereunder or be deemed to be in breach of this Agreement if such failure or delay arise from "force majeure".

- (a) For the purposes of this Agreement, "force majeure" shall mean any cause not reasonably within EPCOR's control and will include, without limitation, acts of God, acts of terrorism, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, storms, floods, high waters, washouts, inclement weather, orders or acts of civil or military authorities, civil disturbances, or any other causes, whether of the kind herein enumerated or otherwise, not within the reasonable control of EPCOR and which, by the exercise of due diligence, EPCOR is unable to overcome, provided that lack of funds shall not be a cause beyond control.

- (b) EPCOR shall give Customer prompt notice of such circumstances and shall take all reasonable steps to remove such disability. EPCOR shall not be entitled to the benefit of this force majeure clause to the extent the failure to provide Water was caused by EPCOR having failed to remedy the force majeure condition where it was reasonably able to do so and to resume the supply of water with reasonable dispatch.
- (c) EPCOR may impose reasonable restrictions on the delivery of Water, provided that EPCOR shall treat all of its customers affected by the force majeure, including Customer, fairly, equitably and without preference, consistent with any operating constraints then in effect.
- (d) The parties agree that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the particular party involved therein and such party may make settlement thereof in such time and on such terms and conditions as it may deem to be advisable and no delay in making such settlement shall deprive such party of the benefits of this section.
- (e) A force majeure event will merely suspend contractual obligations, and not bring this Agreement or any portion thereof to an end.

7. **Liability, Damages and Mutual Indemnity**

- (a) Unless the cause is proven to be due directly to the negligence of EPCOR, its employee's or agents, EPCOR will have no liability to Customer whatsoever for any damage, loss, cost or expense resulting from, arising out of or associated with:
 - (i) a break of any Watermain, service pipe or collapse of any ditch or trench.
 - (ii) the interference or suspension of the supply of Water due to maintenance work to, repair work to or replacement work for EPCOR's water system or an emergency situation regarding any part of EPCOR's water system, and
 - (iii) any accident to or failure of any part of EPCOR's water system;
- (b) Notwithstanding any other provision of this Agreement, neither Customer nor EPCOR will be liable to the other for (i) any losses or costs arising from third party claims or causes of action, including claims or causes of action of the other's customers or for (ii) any indirect, consequential or punitive damages, including loss of profits or revenues or other similar damages.
- (c) Each party (the "indemnifying party") agrees to indemnify and save harmless the other party (the "indemnified party"), its agents and employees from and against any and all damage, injury, loss, costs, causes of action, including legal costs on solicitor and own client basis, and claims suffered or incurred by the indemnified party, its

agents or employees which are in any way connected with the performance or nonperformance of this agreement and which are caused either directly or indirectly or contributed to in whole or in part by any act or failure to act of the indemnifying party, its agents and employees, in respect of which indemnifying party, its agents or employees is liable or otherwise responsible in law, provided that such indemnity shall be limited to an amount in proportion to which the indemnifying party, its agents and employees are at fault or otherwise held responsible in law.

8. **Termination, Arbitration and Remedies**

- (a) Either party may terminate this Agreement before the expiry of the original term or any renewed term by giving five (5) years prior written notice of termination.
- (b) If a dispute arises between Customer and EPCOR regarding the interpretation, application, operation or breach of this Agreement or any part of it the dispute must be submitted to the dispute resolution process described in the attached Schedule "G" before either party may take any other action or step or pursue any available remedy in relation to the dispute regardless of whether such action, steps or remedy involves the courts, the Alberta Utilities Commission or any successor tribunal or entity, provided however that either party may file a complaint or other document required to be filed with the courts, Commission or any successor tribunal or entity and take any other action or step prior to submitting any dispute to the dispute resolution process if such filing, action or step is necessary to preserve its right to pursue the dispute in the event that the dispute resolution process is unsuccessful in resolving the dispute.

Notwithstanding that the dispute resolution process is involved, the parties will continue to perform their obligations described in this Agreement until such time as the dispute resolution process is complete.

- (c) Subject to paragraph 8(b), if a party breaches this Agreement, then the other party will have all available legal, equitable and other remedies.

9. **Strategic Planning and Consultation**

- (a) Customer and EPCOR will create and develop a process of planning and consultation. As a first step, the parties agree to the establishment of a joint steering committee (the "Joint Steering Committee"). Initially, the Joint Steering Committee will be composed of:
 - (i) one Customer's representative;
 - (ii) a representative from each of EPCOR's other regional water customers who have signed agreements with EPCOR similar to this Agreement; and

- (iii) two EPCOR representatives.
- (b) The rules and procedures of the Joint Steering Committee will be established from time to time by it. However:
 - (i) the Joint Steering Committee will meet not less than twice per year;
 - (ii) the role of the chair for each meeting will be rotated among all committee members;
 - (iii) the location of each meeting will be rotated among all committee members.
- (c) The mandate of the Joint Steering Committee is to:
 - (i) enhance communications between and among EPCOR and its regional water customers;
 - (ii) analyze and improve operations under this Agreement;
 - (iii) engage in a process of strategic planning regarding such issues as the supply and delivery of water, water conservation, capital expenditures and rates and rate increases or decreases; and
 - (iv) provide a forum for the discussion of issues respecting Annual Quantity determinations under Part 1 of the attached Schedule "A", the Delivery Pressures determinations under the attached Schedule "B" and any other concerns respecting the purchase, supply and delivery of water;

provided however that it shall not be necessary for EPCOR or Customer to take any dispute to the Joint Steering Committee prior to submitting the dispute to the dispute resolution process in accordance with section 8(b) of this Agreement. In order to carry out its mandate, the Joint Steering Committee may delegate tasks to sub-committees. The sub-committees may be composed of people who are not members of the Joint Steering Committee.

In witness whereof the parties have signed this Agreement to be effective from and after the Effective Date.

EPCOR Water Services Inc.

Per: [Signature]
Guy Bridgman, Senior Vice President,
Print Name of Signatory Water Canada

Per: [Signature] Jennifer Addison,
Senior Vice President, General Counsel
and Corporate Secretary
Print Name of Signatory

Date:

[Signature]
Bobby Kuruville
Acting Director
December 3, 2018

Strathcona County
Per: [Signature]
Print Name of Signatory JEFF J. HUTTON

Per: [Signature]
Print Name of Signatory Mavis Nathoo

Date:

SCHEDULE "A"

PART 1
Annual Quantity

1. Subject to section 2 of this Schedule, Customer and EPCOR agree that the Annual Quantity of Water for each of the following years shall be the quantity set forth opposite that year:

2018.....	11340 ML
2019.....	11453 ML
2020.....	11568 ML
2021.....	11684 ML
2022.....	11800 ML

2. The Annual Quantity of Water for a calendar year will be determined or re-determined, as the case may be, as follows.

- (a) Prior to November 30th in each year of this Agreement commencing November 30, 2018, Customer will provide to EPCOR:
- (i) a written forecast of the quantity of Water which Customer reasonably expects to purchase from EPCOR during each of the next five calendar years and which Customer proposes as the Annual Quantity of Water for each of those years (the "forecast"); and
 - (ii) engineering and other information supporting the forecast, including without restriction information regarding Customer's forecast population, business and industrial growth.
- (b) Prior to July 31st of the following year Customer and EPCOR will meet to review Customer's forecast and review planning issues and EPCOR will give Customer notice as to whether EPCOR agrees with the quantity of Water proposed by Customer as the Annual Quantity of Water for a calendar year as set forth in the forecast.
- (c) If EPCOR agrees with the quantity proposed by Customer as the Annual Quantity of Water for each calendar year as set forth in a forecast, those quantities will become the Annual Quantity of Water for each of those calendar years.

- (d) If EPCOR does not agree with the quantity proposed by Customer as the Annual Quantity of Water for any calendar year as set forth in a forecast, Customer and EPCOR will work together in good faith to reach agreement on the quantity that will be the Annual Quantity of Water for each of the years covered by the forecast.
3. Unless and until Customer and EPCOR reach agreement on a different quantity as the Annual Quantity of Water for a calendar year pursuant to section 2 of this Schedule:
- (a) in the case of a calendar year set forth in section 1 of this Schedule (a "Scheduled Year"):
 - (i) if Customer and EPCOR have not agreed pursuant to section 2 on a quantity to be the Annual Quantity for that Scheduled Year different than the quantity set forth in section 1, the Annual Quantity will be the quantity set forth opposite that Scheduled Year in section 1; or
 - (ii) if Customer and EPCOR have agreed pursuant to section 2 on a quantity to be the Annual Quantity for that Scheduled Year different than the quantity set forth in section 1, the Annual Quantity will be the quantity last agreed on by Customer and EPCOR for that Scheduled Year;
 - (b) in the case of a calendar year occurring after the last Scheduled Year (a "Non-Scheduled Year"):
 - (i) if Customer and EPCOR have not agreed pursuant to section 2 on a quantity to the Annual Quantity for that Non-Scheduled Year, the Annual Quantity will be the quantity set forth opposite 2022 in section 1 of this Schedule;
 - (ii) if Customer and EPCOR have agreed pursuant to section 2 on a quantity to be the Annual Quantity for that Non-Scheduled Year, the Annual Quantity will be the quantity last agreed on by Customer and EPCOR for that Scheduled Year;
 - (iii) if Customer and EPCOR have agreed pursuant to section 2 on a quantity to be the Annual Quantity for a Non-Scheduled Year but have not agreed on the quantity to be the Annual Quantity for the Non-Scheduled Year in question, the Annual Quantity for the Non-Scheduled Year in question will be the quantity for the last Non-Scheduled Year for which they reached agreement unless and until Customer and EPCOR reach agreement on a different quantity for the Non-Scheduled Year in question pursuant to section 2.
4. For greater certainty, each of EPCOR and Customer shall act reasonably in preparing and reviewing each forecast, and in all discussions and negotiations in relation to each forecast and the establishment of an Annual Quantity of Water for each year. Customer shall use best efforts in the preparation of each forecast to ensure to the extent reasonably possible that it is

not over-estimating or otherwise inflating its Water needs. EPCOR shall exercise sound engineering judgment and, where appropriate, consult with Customer when reviewing the technical aspects of Customer's forecast. The parties expressly and explicitly acknowledge and agree that it would be reasonable for EPCOR to refuse to agree to the quantity proposed by Customer for any bona fide reason, including any bona fide economic, legal, regulatory, technical or engineering reason, but that it would be unreasonable and improper for EPCOR to refuse to agree to a quantity proposed by Customer primarily for the purpose of limiting or otherwise controlling the growth of residential, commercial or industrial development within Customer's Boundaries.

PART 2

Maximum Daily Quantity

The Maximum Daily Quantity for each day shall be equal to the quantity (expressed in megaliters) determined as follows:

$$\text{Daily Quantity} = (\text{AQ} / 365) * 1.8$$

where AQ equals the Annual Quantity for the calendar year in which that day falls.

Schedule B

CUSTOMER'S BOUNDARIES

The legal boundaries of the municipality or municipalities listed below are the **Customer's Boundaries** for the purposes of this Agreement:

- **Strathcona County**

Schedule C

DELIVERY PRESSURES

1. Subject to section 2 of this Schedule, Customer and EPCOR agree that the Delivery Pressures for Water at the Point of Delivery for each of the following years shall be as set forth opposite that year:

Point of Delivery: Meter Vault located at 3390 – 92 Avenue NW (Elev. 664.384m)

Year	Minimum Pressure (kPa)	Minimum HGL (m)	Normal Pressure Range (kPa)	Normal HGL Range (m)
2018	349	700.0	379 - 438	703.1 - 709.1
2019	349	700.0	379 - 438	703.1 - 709.1
2020	349	700.0	379 - 438	703.1 - 709.1
2021	349	700.0	379 - 438	703.1 - 709.1
2022	349	700.0	379 - 438	703.1 - 709.1

Delivery Pressure is determined as the average pressure measured over a one (1) hour period, starting at the top of each hour, at maximum daily flow rate or less.

2. The Delivery Pressures of Water for a calendar year will be determined or redetermined, as the case may be, as follows.
 - (a) Prior to November 30th in each year of this Agreement commencing November 30, 2018, Customer will provide to EPCOR such engineering and other information, including without restriction information regarding Customer's forecast population, business and industrial growth, as EPCOR may reasonably request and EPCOR will utilize that information and such other relevant information as EPCOR may have to prepare a written forecast of the pressures for each of the next five calendar years which EPCOR proposes as the Delivery Pressures of Water for each of those years (the "forecast");
 - (b) Prior to July 31st of the following year Customer and EPCOR will meet to review the forecast and Customer will give EPCOR notice as to whether Customer agrees with the pressures proposed by EPCOR as the Delivery Pressures of Water for each calendar year as set forth in the forecast.

- (c) If Customer agrees with pressures proposed by EPCOR as the Delivery Pressures of Water for each calendar year as set forth in a forecast, those pressures will become the Delivery Pressures of Water for each of those calendar years.
 - (d) If Customer does not agree with the pressures proposed by EPCOR as the Delivery Pressures of Water for any calendar year as set forth in a forecast, Customer and EPCOR will work together in good faith to reach agreement on the pressures that will be the Delivery Pressures of Water for each of the years covered by the forecast.
3. Unless and until Customer and EPCOR reach agreement on different pressures as the Delivery Pressures of Water for a calendar year pursuant to section 2 of this Schedule:
- (a) in the case of a calendar year set forth in section 1 of this Schedule (a "Scheduled Year"):
 - (i) if Customer and EPCOR have not agreed pursuant to section 2 on pressures to be the Delivery Pressures for that Scheduled Contract Year different than the pressures set forth in section 1, the Delivery Pressures will be the pressures set forth opposite that Scheduled Year in section 1; or
 - (ii) if Customer and EPCOR have agreed pursuant to section 2 on the pressures to be the Delivery Pressures for that Scheduled Year different than the pressures set forth in section 1, the Delivery Pressures will be the pressures last agreed on by Customer and EPCOR for that Scheduled Year;
 - (b) in the case of a calendar year occurring after the last Scheduled Year (a "Non-Scheduled Year"):
 - (i) if Customer and EPCOR have not agreed pursuant to section 2 on the pressures to the Delivery Pressures for that Non-Schedule Year, the Delivery Pressures will be the pressure set forth opposite 2022 in section 1 of this Schedule;
 - (ii) if Customer and EPCOR have agreed pursuant to section 2 on the pressures to be the Delivery Pressures for that Non-Scheduled Year, the pressures will be the last agreed on by Customer and EPCOR for that Scheduled Year;
 - (iii) if Customer and EPCOR have agreed pursuant to section 2 on the pressures to be the Delivery Pressures for a Non-Scheduled Year but have not agreed on the pressures to be the Delivery Pressures for the Non-Scheduled Year in question, the Delivery Pressures for the Non-Scheduled Year in question will be the pressures for the last Non-Scheduled Year for which they reached agreement unless and until Customer and EPCOR reach agreement on different pressures for the Non-Scheduled Year in question pursuant to section 2.

4. For greater certainty, each of EPCOR and Customer shall act reasonably in providing information, in preparing and reviewing each forecast and in all discussions and negotiations in relation to each forecast and the establishment of Delivery Pressures for each year. Customer shall use best efforts to provide accurate and reliable engineering and other information to EPCOR. EPCOR shall use best efforts to prepare a reasonable forecast that takes all relevant considerations into account. EPCOR shall exercise sound engineering judgment and, where appropriate, consult with Customer when reviewing the engineering and other information provided by Customer. The parties expressly and explicitly acknowledge and agree that it would be reasonable for EPCOR to refuse to propose or agree to Delivery Pressures for any bona fide reason, including any bona fide economic, legal, regulatory, technical or engineering reason, but that it would be unreasonable and improper for EPCOR to refuse to propose or agree to Delivery Pressures primarily for the purpose of limiting or otherwise controlling the growth of residential, commercial or industrial development within Customer's Boundaries.

Schedule D

POINTS OF DELIVERY

Point of Delivery includes the following:

- Point of Meter Location: Contained within Meter Vault located at 3390 – 92 Avenue NW
- Point of Pressure Delivery Location: Pressure Monitor contained within Meter Vault located at 3390 – 92 Avenue NW
- Point of Water Delivery Location: The municipal boundary between the City of Edmonton and Strathcona County (34 Street NW) along 92 Avenue NW

Schedule E

HOW THE RATE IS DETERMINED

Rates will be calculated on a cost of service basis utilizing the principles and practices set out in the following sources, and in the following order of priority:

- 1) Any written agreement, including Memoranda of Understanding, between the Customer and EPCOR currently in force;
- 2) Any finding, decision or direction of the Alberta Utilities Commission, or a successor tribunal or authority whether in Commission Decisions 2011-281, 2012-102 or otherwise;
- 3) Any finding, decision, or direction of the Alberta Energy and Utilities Board in Board Decision E95070 and Amending Orders E95072, and U96026; and
- 4) The American Water Works Association (AWWA) manuals of practice dealing with water rates and charges, as revised and updated from time to time.

In addition to the above principles and practices, EPCOR and Customer intend that the cost of service allocation parameters will be reviewed either every five years or after a major change to EPCOR's water system. If EPCOR and Customer agree that changes to the cost allocation parameters are required, they will be documented in a Memorandum of Understanding between EPCOR and the Customer. If for any reason a new Memorandum of Understanding is not agreed upon within the contemplated five year period, or after a major change to EPCOR's water system, then this Agreement remains in effect until a new agreement is reached or determined to be in effect by the Alberta Utilities Commission or a successor tribunal or authority, or until either party terminates the Agreement in accordance with its terms.

Notwithstanding anything contained in this Schedule or in the Agreement (to which this Schedule is attached), the principles and practices used to determine Rates may be changed as a result of negotiated agreement between EPCOR and Customer or as a result of either party exercising its rights under the applicable legislation in effect at that time.

Schedule F

**PARTIES TO WHOM CUSTOMER
MAY RESELL EPCOR'S WATER
OUTSIDE OF CUSTOMER'S BOUNDARIES**

- Capital Region Northeast Water Services Commission
- Highway 14 Water Commission
- Josephburg Water Co-op

Schedule G

DISPUTE RESOLUTION PROCESS

Customer and EPCOR acknowledge that in any business relationship a difference of opinion or interpretation or a divergence of interest may arise. Customer and EPCOR are committed to resolving any disputes in a non-adversarial, informal and cost efficient manner. Therefore Customer and EPCOR agree as follows.

1. Customer and EPCOR will attempt to resolve any dispute through direct negotiation.
2. Failing successful negotiation they will resort to mediation as follows.
 - (a) Either party may serve notice on the others of its desire to resolve a particular dispute by mediation. The mediator shall be appointed by agreement between the Parties or, if the Parties cannot agree within five days after receipt of the notice of intention to mediate, either party may request that the Edmonton Alberta office of a nationally recognized Chartered Accounting firm select a mediator whose qualifications are appropriate for the dispute to be mediated (the Mediator). The Mediator may not be a partner or employee of the accounting firm.
 - (b) Within 7 days of his or her selection, the Mediator will designate a time for a meeting among the Mediator and a representative of each of Customer and EPCOR. Each representative must have authority to agree to a resolution of the dispute.
 - (c) Subject to paragraph 8(b) of the Agreement, for a 45 day period of time from the written notice requesting the selection of a mediator, neither Customer nor EPCOR will take any action or step or pursue any available remedy other than to use its best efforts to participate in the mediation process.
 - (d) The cost and expense of the Mediator and the mediation process will be paid for equally by Customer and EPCOR.
 - (e) The mediation process, including all discussions, proposals and written materials made or prepared, will be strictly confidential and cannot be used or referred to in any subsequent action, step or proceedings.
 - (f) The Mediator cannot be called by either party as a witness in any subsequent action, step or proceeding.
3. If the matter cannot be resolved by direct negotiation or mediation, and concerns rates, tolls, or charges, Customer and EPCOR expressly acknowledge the jurisdiction and authority of the Alberta Utilities Commission to resolve complaints regarding rates, tolls or charges pursuant to the *Municipal Government Act*, R.S.A. 2000, c. M-26 as amended. With respect to such complaints, Customer shall be at liberty to file and pursue a complaint

with the Alberta Utilities Commission, without any obligation to first attempt to resolve the dispute through arbitration.

4. In the event that a dispute arises between Customer and EPCOR with respect to any terms and obligations under this Agreement, which dispute does not fall within the jurisdiction of the Alberta Utilities Commission, and the dispute has not been resolved to the satisfaction of both parties through either direct negotiation or mediation, then such dispute may, if Customer and EPCOR agree, be settled by arbitration by a single arbitrator in accordance with the Alberta Arbitration Act. In the event that Customer and EPCOR agree to settle such dispute by arbitration, then:
 - (a) The arbitrator shall have the right to direct specific performance by a party of its obligations hereunder.
 - (b) Notwithstanding that a matter has become the subject of arbitration, Customer and EPCOR shall, where reasonably possible, proceed with all other matters and things under this Agreement as if such matter had been settled and the dispute determined to the intent that no arbitration procedure shall delay the expeditious operation or implementation of the terms of this Agreement.
 - (c) Customer and EPCOR shall equally share the charges, fees and expenses of the arbitrator until such time as the arbitrator renders a decision on the dispute, at which time the arbitrator shall have the discretion to make an award of costs to the successful party, on the basis of degree of success or fault in the arbitrator's judgment. The arbitrator has the right to award solicitor-client costs against the unsuccessful party and to award interest but does not have the right to award punitive, consequential or other exemplary damages.
 - (d) The arbitrator's decision is final and binding but is subject to appeal or review by any court of proper jurisdiction only with respect to an allegation of fraud.