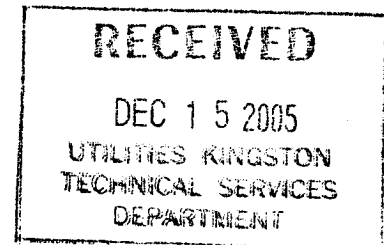


**Ministry of the
Environment**

133 Dalton Avenue
P O Box 820
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l'Environnement**

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December 14, 2005

Utilities Kingston
1211 John Counter Boulevard
P. O. Box 790
Kingston, ON K7L 4X7

Attention: Jim Keech, President & CEO, Administration

Dear Mr. Keech:

Re: City of Kingston Sewage Bypassing Agreement

The purpose of this letter is to document an agreement between Utilities Kingston and the Ministry of the Environment on the Pollution Control Plan (PCP) Utilities Kingston is currently undertaking. The intent of the PCP is to reduce the volume and frequency of sewage bypass events into Lake Ontario and the Cataraqui River and to meet the objectives of the Ministry's Procedure F5-5, Determination of Treatment Requirements For Municipal and Private Combined and Partially Separated Sewer Systems.

Utilities Kingston has advised the Ministry, and the Ministry agrees that it is reasonable, that the following projects will continue to be implemented in accordance with the following schedule:

- Cataraqui River Crossing - completed 2004
- Harbour Trunk Sewer Twinning - completed 2005
- River Street Pumping Station upgrades - completion date June 2006
- Emma Martin Park CSO Storage Tank - completion date March 2006
- Collingwood Street CSO Storage Tank - completion date February 2006
- North End Pumping Station upgrades - completion date November 2006
- Ravensview Sewage Treatment Plant upgrade to secondary treatment - completion 2009

The Ministry has requested and Utilities Kingston has agreed to undertake the following measures in the event that a sewage bypass does occur:

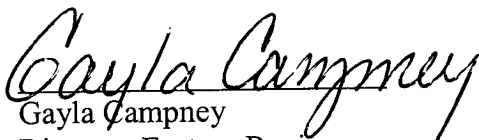
- Forthwith, provide notification of all sewage bypass events to the Ministry's Spills Action Centre (SAC), the Medical Officer of Health for Kingston, Frontenac and Lennox & Addington Public Health and The Township of Frontenac Islands.
- Develop a monitoring plan for all bypass events. The plan will include, but not be limited to, sampling for bacteria, recording flow measurement and duration of the bypass event. Each bypass will be posted on the City's/Utilities Kingston web site, with further information available upon request.

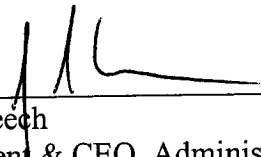


- Implement the debris/floatables removal program as outlined in the Ministry's September 23, 2005 correspondence to Utilities Kingston.
- Undertake in conjunction with Kingston, Frontenac and Lennox & Addington Public Health a public outreach or community education program on the proper disposal of hypodermic needles and personal health products. Post the program on the City's/Utilities Kingston web site.

This letter of commitment does not constitute a Program Approval or Order.

Dated at Kingston, this 15th day of December 2005.


Gayla Campney
Director, Eastern Region


Jim Keech
President & CEO, Administration
Utilities Kingston