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June 16, 2014

Mr. R. Spackman, P.Eng. Director, Water Resources City of Calgary P.O. Box 2100, Stn. M #412 Calgary, AB T2P 2M5

Dear Mr. Morley:

## RE: SOUTHWEST CALGARY RING ROAD - RICHMOND STORM DUCT RELOCATION

Further to the recent meeting between Alberta Transportation, represented by Mr. G. Lamb, P.Eng., and Water Resources, represented by Mr. G. Kozhushner, P.Eng., Ms. J. Mah, P.Eng. and Ms. L. Hang, P.Eng. I would like to confirm the proposed details of the agreement that Alberta Transportation will have with Water Resources for the design and construction of the Richmond Storm Duct Relocation.

As per the letter of December 10, 2013 from Minister McIvor to Mayor Nenshi, Alberta Transportation will pay for the relocation of the City of Calgary's Richmond Storm Duct into the TUC and 37 Street road right-of-way. Alberta Transportation has requested the City of Calgary undertake the design of this storm duct work from the south of the intersection of Lakeview Drive and 37 Street SW to the new outfall into the Glenmore Reservoir. This work to be completed by June 30, 2016.

Funding for this work will be provided by Alberta Transportation and the estimated cost of this work is \$16.1 million, which includes a 15% contingency allowance. This estimate was developed for Alberta Transportation by Stantec based on their work for the City of Calgary regarding this storm sewer relocation.

The agreement will provide for the potential that additional funding may be required as detailed design progresses. However, at this time the Stantec estimate provides the most accurate cost estimate we have available. Prior to tendering the project, cost estimate for the work and other related costs should be provided to Alberta Transportation to confirm that the funding in the agreement is adequate or to identify that additional funding may be required pending the awarding of the construction contract.

I trust this letter will allow the City to proceed with initiating this project and we will prepare a draft agreement for you review and comment.

Sincerely,

Yom Loo, P. Eng. Executive Director

Strategic Partnerships Office

CC:

G. Lamb, Alberta Transportation

J. Radke, City of Calgary

G. Kozhushner, City of Calgary

J. Mah, City of Calgary