

IN THE PROVINCIAL COURT OF ALBERTA
CRIMINAL DIVISION

BETWEEN:

HER MAJESTY THE QUEEN

- and -

SONIC OILFIELD SERVICE LTD.

BEFORE THE HONOURABLE JUDGE) ON FRIDAY, THE 20TH DAY
F.C. FISHER) OF MARCH 2015.
AT MEDICINE HAT , ALBERTA)

**ORDER PURSUANT TO SECTION 234(1) THE
ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT**

WHEREAS SONIC OILFIELD SERVICE LTD. stands convicted of the following offence under the *Environmental Protection and Enhancement Act*,

On or about the 9th day of June, 2011, at or near Medicine Hat in the Province of Alberta, did dispose of waste except at a waste management facility or in a container the contents of which will be taken to a waste management facility, that is subject to the appropriate approval registration or notice required under the Act or in accordance with the written authorization of the Director contrary to section 176 of the Environmental Protection and Enhancement Act and did thereby commit an offence contrary to s. 227(j) of the Environmental Protection and Enhancement Act .

AND WHEREAS, counsel for Sonic Oilfield Service Ltd. has advised this Court that the total penalty funds of \$250,000 are held in counsel's trust account with an irrevocable direction to pay the penalty,

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AND WHEREAS the this Honourable Court has reviewed a proposal for a creative sentence project to fund the creation, dissemination and maintenance of an online educational tool consisting of a database and mobile software application to provide information to the public pertaining to the appropriate disposal of liquid waste, hereinafter referred to as the "Safe Waste Mobile Application".

AND WHEREAS the total cost of development and maintenance of the "Safe Waste Mobile Application" is projected to be \$200,000.00;

AND WHEREAS having regard to the nature of the offence and circumstance surrounding its commission;

IT IS HEREBY ORDERED pursuant to the provisions of section 234(1) of the *Environmental Protection and Enhancement Act* that in addition to a fine of \$50,000 imposed under the *Environmental Protection and Enhancement Act* :

- 1st JUNE*
1. On or before the ~~21st~~ day of ~~March~~ 2015, SONIC OILFIELD SERVICE LTD., through its counsel, shall pay the amount of \$200,000.00 to the City of Medicine Hat to be held in a trust account for the sole purpose of funding the Safe Waste Mobile Application project as described in Appendix "A";
 2. The conditions upon which the trust funds referred to in paragraph 1 may be used are set out in Appendix "B", hereto.
 3. Grayson Mauch, General Manager of Environmental Utilities with the City of Medicine Hat, or his designate, shall authorize all expenditures from the trust account established pursuant to this Order and such expenditures shall be incurred for the purposes for which the trust account was established all as more particularly set out in this Order;
 4. Upon payment of the monies as required by paragraph 1, SONIC OILFIELD SERVICE LTD. shall have no further responsibility for these funds.
 5. In the event that any of the conditions of this Order cannot be satisfied, or THE CITY OF MEDICINE HAT is not prepared to accept the funds under the conditions


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specified or that all of the funds set out in paragraph are not necessary for the purposes set out herein, or in the event of any circumstances which may prevent the completion of the Safe Waste Mobile Application Project as described in this Order, the parties have leave to appear before this Honourable Court for further direction,


6. Should all of the allocated funds not be required for the project, any unused funds shall be returned to the Clerk of the Court, Provincial Court of Alberta shall be dealt with as an additional portion of the fine under the *Environmental Protection and Enhancement Act*, inclusive of any applicable surcharge.

DATED this 20th day of March, 2015 in the City of Medicine Hat in the Province of Alberta.



Judge F.C. Fisher
Provincial Court of Alberta


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APPENDIX "A"

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Mobile Application Project Outline

Name: "Safe Waste" application for mobile devices

Purpose: To develop an educational package comprised of a user-friendly database and a mobile software application intended for use by various residential, small business, and small commercial users. The proposed application shall provide information about appropriate liquid disposal methods, dependent upon the user's location in Alberta, for various hazardous and non-hazardous liquid waste types. The application shall also inform the public with regards to potential impacts should these materials be released to the environment by detailing impacts of such an occurrence. The proposed application will provide relevant local information regarding spill release reporting requirements by various pieces of Canadian legislation. The general intent of this application is to promote environmentally responsible disposal behaviors and educational resources to all levels of user with specific content for the Alberta audience.

Description: The proposed application will support Android and Apple mobile devices including smartphones and tablets and will be provided free of charge to end users via the various vendors' online application stores; Google Play, iTunes etc. Municipalities, through existing Alberta Urban Municipalities Association (AUMA) outreach activities, would be encouraged to provide links to the application as part of their general awareness/public outreach activities. The proposed application would require internet connectivity. This will enable the application to access a host of pre-existing dynamic knowledge databases in combination with new, purpose-built databases built as part of this application's development. Pre-existing GPS information and location services on current mobile devices will be employed to provide localized information whenever possible. The general intent of this application is to provide an educational resource to end-users enabling them to quickly research a specific liquid waste. The proposed application is intended to:

- Demonstrate what happens to various liquid wastes if they are discharged in an urban setting where they have the potential to flow either directly, or indirectly, into a body of water via a sewer collection system and then to a treatment plant or receiving body of water;
- Potential environmental Impacts related to those discharges;
- Impacts to municipal infrastructure related to those discharges;
- **Local** emergency contacts for all Albertans (where they exist), with the ability to initiate contact immediately within the application;
- Appropriate, localized where possible, disposal methods and locations;
- Provide spill release reporting requirements under various pieces of legislation, including, but not limited to, the *Environmental Protection and Enhancement Act*, the *Safety Codes Act*, the *Alberta Fire Code 2006*, and the *Dangerous Goods and Transportation Act*;
- Various, easy to use waste lookup mechanisms, including:

Scott
Deputy Clerk of the Court

- By category, e.g. hazardous, non-hazardous, volatile, herbicides, pesticides, fats, oils and greases, etc.
- Chemical names
- Common names
- Potential ability to scan and lookup products by UPC or bar code (if available/applicable)

Development: Development of the proposed application will be completed by a third-party developer specialized in this area through a competitive bid process in accordance with standard industry procurement best practices. The request for proposal (RFP) shall stipulate a requirement for initial development, assistance with initial promotional roll-out, and ongoing service maintenance/support for two (2) additional years after roll-out. At the end of the two (2) year service maintenance/support term the proponent shall provide an analysis to the project manager for review detailing the frequency of application download and usage statistics. The RFP shall also contain a conditional extension clause for up to three (3) yearly extensions of the service maintenance/support contract based on mutually agreeable terms between the proponent and project manager. The City of Medicine Hat will act as project manager for the development of the request for proposal, application development, and administration of the ongoing service maintenance/support contract with the successful proponent. No fees shall be charged by the City of Medicine Hat for the project management or overhead costs associated with the administration of this project. The City of Medicine Hat shall donate these services through in-kind support. Regular project progress meetings shall be organized between the City of Medicine Hat, Government of Alberta, and the successful proponent on a monthly frequency or other as deemed appropriate.

Promotion: The City of Medicine Hat and the Alberta Urban Municipalities Association (AUMA) have agreed to partner in the promotion of this proposed application. Existing networking activities through the AUMA will be leveraged to ensure all municipalities are made aware of the potential free public outreach opportunity and encouraged to provide links through their local websites. Initial promotion shall be included within the work scope of the Request for Proposal (RFP) with upfront development costs reflecting budget requirements for promotional materials associated with the release of the proposed application. Ongoing promotional activities shall be coordinated between the City of Medicine Hat and the AUMA as part of the AUMA's ongoing public outreach activities included within their existing mandate.

Ownership: The application, once developed, shall be the intellectual property of the Government of Alberta, as will any purpose-built databases. Web-links to the application shall reside on the Alberta Urban Municipalities Association website (AUMA) and will be offered free of charge to the public via the various vendors' online application stores; Google Play, iTunes etc. Ongoing service maintenance/support of the application software shall be the responsibility of the developer, within creative sentencing funding constraints. Updates to purpose-built databases involving information sourced from Alberta Environment and Sustainable Resource Development will be the responsibility of the department's justice liaison. All purpose-built databases developed for this application shall be hosted by the developer for the duration of the contract then revert to the Government of Alberta at the conclusion of the contract.

Timeline: This project is proposed to require up to 72 months for completion from the date of approval. It is anticipated that initial application development will be complete within 12 months from the date of approval. The request for proposal will contain a requirement for 24 months of ongoing service

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maintenance/support to be included within the base pricing. The project shall also contain a conditional extension clause for up to three (3) yearly extensions of the service maintenance/support contract based on mutually agreeable terms between the proponent and project manager for a potential total of five (5) years on ongoing service maintenance/support. The application shall be developed with a function that allows for usage statistics collection. Analysis of this data shall determine the frequency of application download and access of the purpose built application databases.

Cost:

The City of Medicine Hat proposes total project funding in the amount of \$200,000.00 to include the initial application development, assistance with promotional roll-out, and up to five (5) years of ongoing service support. Development and promotional funding requirements are estimated to be \$75,000 with yearly service support estimated to be \$25,000 per year for up to five (5) years for a total project cost of \$200,000. Initial development costs will vary depending on the public accessibility of pre-existing dynamic databases versus requirements for the development of purpose-built static databases for this application. The City of Medicine Hat will request support from the Government of Alberta to facilitate access to other provincial/federal and non-profit organizations' pre-existing databases (e.g. CANUTEC, Recycling Council of Alberta, Alberta Recycling Management Authority, and Alberta Environmental and Sustainable Resource Development) for use in the proposed application development.

Although it is estimated that initial development costs will be approximately \$75,000, should this estimate be exceeded, then those additional costs will be taken from the funds allocated to maintenance.

At the end of the first three years of the project, analytics and other feedback collected on the application will help inform whether or not changes to the app need to be made to make it more efficient, effective or user-friendly. The cost of any resulting alterations to the app can be covered from any remaining funds in the initial development fund or it can be taken from the remainder allocated to maintenance and service support.

At the end of the first three years, operating costs, such as maintenance and service support, will have been negotiated and stabilized, allowing for a solid budget to be set in terms of continuing operating costs. Any extra funds not required for those ongoing maintenance costs will be returned to the Clerk of the Court, Provincial Court of Alberta in Medicine Hat, Alberta, to be dealt with thereafter as an additional portion of the fine under the *Environmental Protection and Enhancement Act*, inclusive of any applicable surcharge.

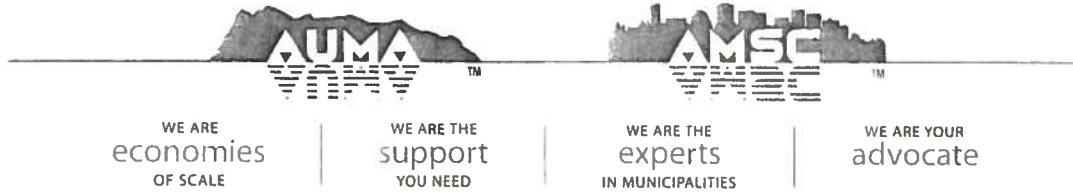
Administrative overhead shall not be charged by the City of Medicine Hat for the project management or any supplemental overhead costs associated with the administration of this project. The City of Medicine Hat shall donate these services through in-kind support.

Respectfully,

Grayson Mauch
General Manager, Environmental Utilities
City of Medicine Hat

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J. Scott
Deputy Clerk of the Court



February 23, 2015

Ms. Merete Heggelund
Chief Administrative Officer
City of Medicine Hat
580 First Street SE
Medicine Hat, AB T1A 8E6

Dear Ms. Heggelund: *Merete*

AUMA would be pleased to promote the “safe waste” mobile application to municipalities across Alberta once it is developed. Source water protection and enhanced stormwater management have been identified as priorities by our members through development of AUMA’s municipal water policies.

Our policies identify that there is a gap in awareness of the impact of human activities on aquatic ecosystems and downstream users. A mobile application that provides local information on appropriate disposal methods for liquid wastes and the consequences of inappropriate disposal will contribute to the behavior changes needed to safeguard the environment, infrastructure and human health.

AUMA can share the application through including a link to it on our water microsite and promoting it through our weekly Digest and Water Network. We could also work with you to host a webinar to further inform our members.

We look forward to supporting the City of Medicine Hat and the Government of Alberta on this important initiative.

Yours truly,

John McGowan, CMA, ICD.D
AUMA CEO

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J. Scott
Deputy Clerk of the Court

APPENDIX "B"

Conditions of Funding

City of Medicine Hat

The trust fund created in favour of the City of Medicine Hat as established by this Order may be used by the City of Medicine Hat on the following conditions:

1. The funds shall be used only for expenditures specific to the Safe Waste Mobile Application Project as set out in Appendix "A";
2. The City of Medicine Hat shall provide an annual report on the progress of the Safe Waste Mobile Application Project to the Court and to Hanneke Brooymans, Investigation Liaison, Alberta Environment and Sustainable Resource Development, or designate by the 31st day of March of 2016 and 2017. These reports shall contain a progress report on the project to date and an accounting for expenditure of any of the funds held in trust for the project.
3. On or before the 28th day of February, 2018, the City of Medicine Hat shall provide a final report on the Safe Waste Mobile Application Project. This final report shall contain a progress report on the project to date including usage statistics, an accounting for expenditure of any of the funds held in trust for the project and the projected costs for 2 further years of ongoing maintenance for the Safe Waste Mobile Application.
4. Should it appear, based on the projected maintenance costs in the final report, that all of the allocated funds will not be required for the project, the City of Medicine Hat shall return any funds not required for the project to the Clerk of the Court, Provincial Court of Alberta in Medicine Hat, Alberta before March 20, 2018, to be dealt with thereafter as an additional portion of the fine under the *Environmental Protection and Enhancement Act*, inclusive of any applicable surcharge.
5. All reports to the Court pertaining to the Safe Waste Application Project shall be in the public domain.

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J. B. Burt
Deputy Clerk of the Court