

Sustainable Wastewater Solutions >

Train 4 Borrowing

On August 18, 2024, the Province approved the temporary debt limit increase of \$240M and debt servicing of \$42M to the end of December 31, 2028. Administration continues to advocate to obtain as much up front funding as possible, to minimize debt financing costs. The board sanctioned the approval to borrow up to \$95,000,000 principal amount through a debenture or other lending institute for the remaining financing requirements for the Train 4 Expansion Project. This will allow ARROW to evaluate the best borrowing value available.

2024 Capital Projects Update

Overall, project forecasted costs are within reasonable range of approved budgets. Trending approximately 5% over budget, mainly due to the additional unplanned line breaks: budget of \$4M for unplanned line breaks, yet 4 line breaks occurred this year totaling \$16M. Anticipated minimal carryforward projects from 2023 and 2024 are expected. Train 4 – overall project is forecasted at \$195M with final contract value expected by end of Quarter 4.

Quarterly Financial Updates

Reviewed Statement of Operations and Financial Position up to June 30, 2024. At 57% of spending at the mid-year mark, expenses are trending slightly higher due to unanticipated expenditures related to the Strathcona county settlement, higher than normal emergent repairs on equipment failures due to aging infrastructure, timing of insurance renewal expenditures, severance payments, and training and development expenditures.

Administration And Procedures Bylaw

This bylaw passed second and third readings. In summary, changes included the name change, more inclusive language of municipal authority (versus municipality), and the addition of an absenteeism clause for Board members.

Memorandum of Understanding

On September 5, 2024, the Chief and Council of Enoch Cree Nation (Enoch) unanimously approved entering into an MOU with ARROW Utilities. On September 13, 2024, the Board of Directors for ARROW unanimously approved entering into an MOU with Enoch. This partnership sets the foundation to move Enoch closer to ensuring wastewater servicing is available support their future growth. As part of this expression of agreement, the goal is for Enoch to become both a customer and, eventually, the 14th member of ARROW. This is a significant step forward, enabling Enoch to have the same economic opportunities that neighbouring communities have had for some time. A ceremonial signing will occur on September 30, 2024.

Tri-Party Agreement

The Board received a confidential update on these negotiations. It is anticipated that this agreement will be completed by Q3 2025.

Approval of 2025 Operating Capital Budgets, and Rates

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| Operating Budget | \$62,487,000 |
| Capital Budget | \$11,750,000 |
| Flow Rate | \$2.05 m3 |
| Load Based Rates – Chem & Bio Oxygen Demands | \$0.4756/kg |
| Load Based Rates – Total Suspended Solids | \$0.3783/kg |
| Load Based Rates – Oil & Grease | \$0.3281/kg |
| Load Based Rates – Total Kjeldahl Nitrogen | \$2.0630/kg |
| Load Based Rates – Total Phosphorus | \$15.1885/kg |