ARROW UTILITIES

MEMBER MUNICIPALITIES

CITY OF BEAUMONT

CITY OF LEDUC

CITY OF FORT SASKATCHEWAN

CITY OF SPRUCE GROVE

CITY OF ST. ALBERT

TOWN OF BON ACCORD

TOWN OF GIBBONS

TOWN OF MORINVILLE

TOWN OF STONY PLAIN

LEDUC COUNTY

PARKLAND COUNTY

STRATHCONA COUNTY

STURGEON COUNTY

BOARD POLICIES: GOVERNANCE ROLES AND DECISION-MAKING

approved by ARROW Utilities Board of Directors – September 26, 2025

PURPOSE

To clarify the respective roles of the Board of Directors and the CEO in support of effective decision-making, organizational performance, and strategic alignment. This policy outlines a principled approach to governance and collaboration that fosters clarity, trust, and accountability across all levels of ARROW Utilities.

DEFINITIONS

Board Chair – The elected Chairperson of the Board, as determined at the annual organizational meeting of the Board of Directors.

Board Members – Means the individuals appointed to the Board of Directors, who collectively make up the Board.

Board of Directors or "the Board" – Means the appointed elected officials representing the member municipalities of ARROW Utilities, responsible to govern and provide oversight to the organization, in compliance with Alberta's Municipal Government Act.

Chief Executive Officer or "CEO" – Means the individual appointed by the Board to the position of Chief Executive Officer.

Covenant – Means a formal, annually reviewed agreement that outlines the mutual expectations, communication norms, and principles of interaction between the Board of Directors and the CEO.

RESPONSIBILITIES

The Board shall establish policies for ARROW and provide direction to the CEO which the CEO shall then apply within his or her delegated authority. In doing so, both the Board and the CEO shall recognize that their roles are complementary and that flexible working relationships based on trust are desirable.

Board Chair –

a. Will ensure annual execution of the Board and CEO Covenant.

Board of Directors –

a. Will abide by the following principles:

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Treaty 6 Territory/MNA District 11
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    i. Recognizing The Board is responsible for providing strategic direction, setting policy, approving budgets and capital expenditures, and overseeing organizational performance through the evaluation of the CAO.
    ii. The Board is collectively accountable to ARROW's member municipalities and regional stakeholders.
    iii. Matters of strategic significance will be approached collaboratively, with The Board providing direction rooted in governance priorities, rather than administrative detail.
    iv. Effective communication and mutual respect will support high-functioning governance, with an encouragement of diversity of viewpoints.
    v. The Board respects the authority delegated to the CEO to execute and manage operational matters.
    vi. Future focused within an understanding of the past or present.
b. Enforce measures needed to govern with excellence, which will include matters such as attendance, preparation, corporate values and principles, respect of roles and each other, and ensuring ongoing governance excellence.
c. Conduct regular reviews of Board policies.
d. Will review and update this policy as required, at minimum every four years.

CEO –

a. Will abide by the following principles:
    i. Implementing Board-approved strategies and policies, leading daily operations, managing resources and staff, and ensuring regulatory compliance and effective service delivery.
    ii. Providing advice and recommendations to support the Board's governance function.
    iii. Matters of strategic significance will be approached collaboratively, with The CEO providing direction on operational feasibility and risk.
    iv. Effective communication and mutual respect will support high-functioning governance.
    v. Ensuring that the Board is appropriately informed and supported in fulfilling its governance responsibilities.

STANDARDS/ PROCEDURES

ARROW Utilities commits to:

1. **Decision-making:**
    a. The Board reserves authority over decisions that materially affect the strategic direction, financial standing, or legal obligations of the organization.
    b. The CEO is delegated operational authority to implement Board-approved plans, manage resources, and lead the organization in alignment with policy.
    c. Strategic and emerging issues are discussed jointly, with the Board providing direction and the CEO advising on feasibility and implementation.

REFERENCE DOCUMENTS

Board and CEO Covenant