





	<b>Updates to Committee Terms of Reference</b>	Cindy d
	<b>Administrative Reports (November 2025– February 2026)</b> <ul style="list-style-type: none"><li>➤ Operations</li><li>➤ Incidents and Contraventions</li><li>➤ Public Relations</li></ul>	Kate P
9:30 am	<b>2025 Auditor’s Report/Audited Financial Statements - TIME SPECIFIC</b> –JDP Wasserman	Jaimie S Edward T
	<b>Board Policy Reviews</b> <ul style="list-style-type: none"><li>➤ Procurement Policy</li><li>➤ Delegation of Authority Policy</li></ul>	Robert P
	CLOSED SESSION – Public Relations Matter - Division 2, Section 29 (1)(a)	Kate P
	<b>Documentation Business Practices</b>	Kate P
	Notices of Motion <ul style="list-style-type: none"><li>➤ Robert Parks Motion</li></ul>	Robert P
	Round Table	ALL
	CEO Dialogue	Kate P
	Closing Remarks/Adjournment	Ken M



**ARROW  
UTILITIES**

## Meeting Minutes

### November 28, 2025, Board Organizational Meeting

<b>Date:</b>	November 28, 2025	
<b>Time:</b>	9:00 a.m.	
<b>Location:</b>	ARROW Utilities – Kisiskaciwan Room	
<b>Attendees:</b>	Steven vanNieuwkerk Gale Katchur Bill Hamilton Jeff Acker Ken MacKay Kelly-Lynn Lewis Rod Shaigec Robert Parks Alanna Hnatiw Lynn Bidney Travis Currie Jenn Anheliger Justin Laurie	City of Beaumont City of Fort Saskatchewan City of Leduc City of Spruce Grove City of St. Albert Leduc County Parkland County Strathcona County Sturgeon County Town of Bon Accord Town of Gibbons Town of Morinville Town of Stony Plain
<b>Staff Attendees:</b>	Kate Polkovsky Cindy de Bruijn Jaimie Spurgeon Jay Mason Wade Teveniuk Aleks Cieply Dwayne Cikaluk Layne Quickstad	Chief Executive Officer Director of Info & Strat Services Director Fin & Corp Services Director of Engineering Director of Regulatory Services Director, Ops & Maintenance Outgoing Director, Ops & Maintenance CASS Supervisor
<b>Others</b>	Gwendolyn Stewart-Palmer Des Mrygold Jillian Mertins	Shores Jardine LLP Leduc County Administration

Subject	Motion/Recommendation	
Call To Order	CEO Polkovsky called the meeting to order at 9:00 a.m. She also provided an update on recent staffing changes within ARROW and all staff and Board Members introduced themselves.	
Adoption of Agenda	BM64-25  MOVED BY Jeff Acker THAT the agenda be adopted as distributed.	APPROVED UNANIMOUSLY

**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





<p>Appoint Board Members</p>	<p>BM65-25</p> <p>MOVED BY Kelly-Lynn Lewis THAT the following elected officials be appointed to the Board of ARROW Utilities: A Capital Region Commission effective November 28, 2025.</p> <p>Steven vanNieuwkerk – City of Beaumont Gale Katchur – City of Fort Saskatchewan Bill Hamilton – City of Leduc Jeff Acker – City of Spruce Grove Ken MacKay – City of St. Albert Kelly-Lynn Lewis – Leduc County Rod Shaigec – Parkland County Robert Parks – Strathcona County Alanna Hnatiw – Sturgeon County Lynn Bidney – Town of Bon Accord Travis Currie – Town of Gibbons Jenn Anheliger – Town of Morinville Justin Laurie – Town of Stony Plain</p>	<p>APPROVED UNANIMOUSLY</p>
<p>Election of Chairperson</p>	<p>CEO Polkovsky advised that the ARROW Utilities Administration and Procedures Bylaw requires that the Board annually elect from amongst its members a Chairperson and opened the floor for nominations.</p> <p>Jeff Acker nominated Justin Laurie.</p> <p>Lynn Bidney nominated Ken MacKay.</p> <p>Justin Laurie introduced himself and his qualifications for Chair.</p> <p>Ken MacKay introduced himself and his qualifications for Chair.</p> <p>ARROW Administration distributed the ballots for Chairperson.</p> <p>Travis Currie joined the meeting at 9:09 am.</p>	



	<p>ARROW Administration redistributed the ballots to include Travis Currie in the vote for Chair.</p> <p>BM66-25</p> <p>MOVED BY Robert Parks THAT the Board appoint Bill Hamilton and Director Cindy de Bruijn as scrutineers of the Chair election ballots.</p> <p>Ken MacKay was elected as Chair of ARROW Utilities Board of Directors.</p> <p>BM67-25</p> <p>MOVED BY Robert Parks THAT the ballots from the election for the Chair's position be destroyed.</p>	<p>APPROVED UNANIMOUSLY</p> <p>APPROVED UNANIMOUSLY</p>
<p>Election of Vice-Chairperson</p>	<p>Chair Ken MacKay opened the floor for nominations for Vice-Chair.</p> <p>Jeff Acker nominated Justin Laurie.</p> <p>Bill Hamilton nominated Robert Parks.</p> <p>Robert Parks introduced himself and his qualifications for Vice-Chair.</p> <p>BM68-25</p> <p>MOVED BY Chair Ken MacKay THAT the Board appoint Bill Hamilton and Director Cindy de Bruijn as scrutineers of the Vice-Chair election ballots.</p> <p>Justin Laurie was elected Vice-Chair of ARROW Utilities Board of Directors.</p> <p>BM69-25</p> <p>MOVED BY Gale Katchur THAT the ballots from the election for the Vice-Chair's position be destroyed.</p>	<p>APPROVED UNANIMOUSLY</p> <p>APPROVED UNANIMOUSLY</p>



Adoption of September 26, 2025, Meeting Minutes	BM70-25  MOVED BY Jeff Acker THAT the minutes of the September 26, 2025, meeting be adopted as presented.	APPROVED UNANIMOUSLY
Ad-Hoc Committee – Governance & Finance Review – Verbal Update	<p>CEO Polkovsky provided background on the Ad-Hoc Committee, including its purpose and membership.</p> <p>Jeff Acker outlined the origin of the third-party review, noting the number of proposals received and the shortlisting process completed prior to the municipal elections. He confirmed the project budget is \$150,000 and emphasized the scale of the work.</p> <p>CEO Polkovsky advised that, once the Board provides a motion, ARROW’s procurement staff will proceed with awarding the contract.</p> <p>Jenn Anheliger asked what prompted the Board to undertake the review.</p> <p>Chair Ken MacKay explained that significant rate increases were required to address aging infrastructure, as identified in the Utility Master Plan, and that as an organization, ARROW has limited options for accessing funding.</p> <p>Jeff Acker added that the review is intended to assess ARROW’s financial planning to ensure affordability and support community growth.</p> <p>CEO Polkovsky then summarized the background information that was included in the RFP.</p> <p>Kelly-Lynn Lewis requested that the Final RFP be provided to the current Board Members.</p>	



	<p>BM71-25</p> <p>MOVED BY Jeff Acker THAT the Board appoint EY to conduct the independent, third-party review of ARROW Utilities as described in the RFP posted on Alberta Purchasing Connection in September 2025.</p>	<p>APPROVED UNANIMOUSLY</p>
<p>Board Handbook Overview</p>	<p>Layne Quickstad provided an overview presentation on the Board of Directors Handbook.</p>	
<p>2026 Board Meeting Dates</p>	<p>CEO Polkovsky provided a summary of the upcoming year’s meetings and noted that Board meeting durations have been extended to run from 9:00 am to 2:00 pm for 2026.</p> <p>BM72-25</p> <p>MOVED BY Jeff Acker THAT the following dates are approved for the 2026 Board Meetings.</p> <p>January 30, 2026 (Orientation) March 20, 2026 May 19-21, 2026 (Board Workshop, Jasper) June 19, 2026 September 11, 2026 November 27, 2026 (Organizational meeting)</p> <p>The Board broke for a short recess at 9:57 am.</p> <p>Director Cieply left the meeting at 10:00 am.</p> <p>Gwendolyn Stewart-Palmer joined the meeting at 10:02 am.</p> <p>The Board reconvened at 10:05 am.</p>	<p>APPROVED UNANIMOUSLY</p>



<p>TIME SPECIFIC - Presentation from Shores Jardin LLP</p>	<p>CEO Polkovsky introduced Gwendolyn Stewart-Palmer from Shores Jardin LLP, who provided a presentation on Board Governance.</p> <p>Gwendolyn Stewart-Palmer left the meeting at 10:58 am.</p> <p>The Board broke for a short recess at 10:59 am.</p> <p>The Board reconvened at 11:04 am.</p>	
<p>Board CEO Covenant Signing</p>	<p>CEO Polkovsky provided background on the Board CEO Covenant, noting that legal counsel has reviewed the document and confirmed it is sufficient for delegation of authority.</p> <p>BM73-25</p> <p>MOVED BY Jeff Acker THAT the Board approve and sign the Board/CEO Covenant as presented.</p> <p>The Board CEO Covenant was signed by each Board Member and CEO Polkovsky.</p>	<p>APPROVED UNANIMOUSLY</p>
<p>Board Committee Membership</p>	<p>CEO Polkovsky provided information on the Board Committees and the frequency and meeting formats used to meet throughout the year.</p> <p>BM74-25</p> <p>MOVED BY Vice-Chair Justin Laurie THAT the Board approve the 2026 Committee memberships, confirm the Board Chair as an ex-officio member of Audit &amp; Finance, Board Development, and Advocacy &amp; Awareness, and that the Committees select Committee chairs at their first meetings.</p> <p>Governance and Human Resources</p> <ol style="list-style-type: none"><li>1. Robert Parks</li><li>2. Jeff Acker</li></ol>	<p>APPROVED UNANIMOUSLY</p>



	<p>3. Gale Katchur 4. Bill Hamilton 5. Ken MacKay</p> <p>Audit and Finance 1. Justin Laurie 2. Jenn Anheliger 3. Steven vanNieuwkerk 4. Robert Parks 5. Jeff Acker Ken MacKay (Ex-officio)</p> <p>Advocacy and Awareness 1. Steven vanNieuwkerk 2. Kelly-Lynn Lewis 3. Gale Katchur 4. Rod Shaigec 5. Justin Laurie Ken MacKay (Ex-officio)</p> <p>Board Development 1. Lynn Bidney 2. Alanna Hnatiw 3. Travis Currie 4. Kelly-Lynn Lewis Ken MacKay (Ex-officio)</p>	
Administrative Reports – September-October 2025	<p>CEO Polkovsky gave an overview of the Administrative Reports for September-October 2025.</p> <p>Bill Hamilton and Lynn Bidney inquired about the absence of the operations graphs previously included in the Board agenda packages.</p> <p>CEO Polkovsky responded that the package is intended to remain at a governance level but these graphs can continue to be included.</p> <p>Vice-Chair Justin Laurie requested that ARROW develop a one-page, high-level information sheet for residents of member</p>	



	<p>municipalities that municipalities can share or direct residents to.</p>	
Q3 Financial Results	<p>Director Spurgeon provided an overview of ARROW’s Q3 financial results. At this time the organization has received \$45 million in Train 4 grant funding, with \$5 million expected in early 2026. Operations are slightly over budget due to timing and construction, but the net position remains favorable, with a planned draw from the operating reserve of \$600,000–\$700,000.</p> <p>The 2026 budget is expected to improve financial viability and strengthen reporting and accountability. Debt increased to \$156 million for Train 4 financing, with total year-end debt projected at \$165 million. The three-year debt outlook remains within budgeted projections and established limits and the applications for the Government of Alberta loan is pending.</p> <p>CEO Polkovsky also noted that to keep pace with inflation, it is likely that a 10-cent per year rate increase may be required</p> <p>Steven vanNieuwkerk left the meeting at 11:46 am.</p> <p>BM75-25</p> <p>MOVED BY Lynn Bidney THAT the Board accept the Q3 Financial Results as information.</p> <p>Jeff Acker and Gale Katchur left the meeting at 11:59 am.</p>	<p>APPROVED UNANIMOUSLY</p> <p>Steven vanNieuwkerk was not present for this vote.</p>



<p>CLOSED SESSION – Legal Matters – ATIA, Division 2, Section 32(1)(a) - Privileged Information</p>	<p>BM76-25</p> <p>MOVED BY Robert Parks THAT the Board move into Closed Session at 12:00 pm.</p> <p>Director de Bruijn, Director Teveniuk, Outgoing Director Cikaluk, Director Mason, Director Spurgeon, Layne Quickstad, Jillian Mertins, and Des Mrygold left the meeting at this time.</p> <p>BM77-25</p> <p>MOVED BY Bill Hamilton THAT the Board come out of Closed Session at 12:07 pm.</p>	<p>APPROVED UNANIMOUSLY</p> <p>APPROVED UNANIMOUSLY</p>
<p>Notice of Motions ➤ Robert Parks</p>	<p>Robert Parks read his proposed motion:  THAT the Board direct the ARROW CEO to:</p> <ul style="list-style-type: none"><li>a. Ensure that for all future meetings, with the exception only of emergency or special meetings, the agenda and all supporting materials are circulated to the board members at least one week in advance to allow members to adequately prepare for meetings;</li><li>b. Prepare amendments to the Administration and Procedures Bylaw by the next regular Board meeting to improve governance processes to ensure that:<ul style="list-style-type: none"><li>i. Agendas and supporting materials are circulated at least one week in advance of meetings, and that the Board is required to pass a resolution in order to add any materials that are late;</li><li>ii. Administrative representatives from member municipalities are allowed to attend meetings in a non-voting capacity to</li></ul></li></ul>	



	provide support to their Board representative (subject to any legal confidentiality obligations); and iii. Directors have appropriate opportunities to add items to meeting agendas.	
Closing Remarks/Adjournment	Vice-Chair Justin Laurie adjourned the meeting at 12:09 pm.	
<b>Next Meeting</b>	January 30, 2026	

These minutes approved this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
ARROW Utilities Board Chairperson

\_\_\_\_\_  
Chief Executive Officer

Recorder:  
Layne Quickstad  
CASS Supervisor

UNADOPTED





	<p>draft reports expected to circulate for review prior to final reports being completed by the end of April.</p> <p>Mr. Thom also advised of the key activities and deliverables incorporated into this review noting that currently they are gathering documents and information and scheduling interviews with staff and Board Members. He also advised that while the current review focuses on decision-making processes, the structure of the Board's membership will also be examined as ARROW is one of the few utility Commissions left with a Board composed of elected officials.</p> <p>Rod Shaigec inquired as to who would be included on the stakeholder list. It was identified that if there were names board members would like to see included, to share that information with Chair Ken MacKay, Vice-Chair Justin Laurie, Jeff Acker, or CEO Polkovsky who meet frequently with EY and could pass along the recommendation.</p> <p>Chair Ken MacKay asked when the final report presentation would occur noting that the presentation should not be delivered separately to each municipality.</p> <p>Director de Bruijn proposed coordinating with municipal Executive Assistants to place tentative three-hour working session holds in advance of the Board workshop to review the report, noting the holds could be cancelled if not required. The Board agreed to this.</p> <p>CEO Polkovsky informed the Board that she, Chair MacKay, Vice-Chair Laurie, and Jeff Acker hold bi-weekly update meetings with EY. Board Members were encouraged</p>	
--	--	--



	<p>to bring any concerns, ideas, or questions to those individuals.</p> <p>Alan Thom left the meeting at 12:33 pm.</p>	
<p>CLOSED SESSION – Board Matter – ATIA, Division 2 Section 26 (1)(a)- Disclosure Harmful to Intergovernmental Relations</p>	<p>Cathy Chichak joined the meeting at 12:34 pm.</p> <p>BM02-26</p> <p>MOVED BY Robert Parks THAT the Board move into Closed Session at 12:34 pm.</p> <p>The following individuals left the meeting at this time: Director de Bruijn, Director Spurgeon, CASS Supervisor Quickstad, and Executive Assistant Mertins.</p> <p>BM03-26</p> <p>MOVED BY Jeff Acker THAT The Board come out of Closed Session at 1:19 pm.</p> <p>Cathy Chichak left the meeting at 1:21 pm.</p> <p>The following individuals rejoined the meeting at this time: Director de Bruijn, Director Spurgeon, CASS Supervisor Quickstad, and Executive Assistant Mertins.</p>	<p>APPROVED UNANIMOUSLY</p> <p>APPROVED UNANIMOUSLY</p>
<p>Train 4 Project Refinancing</p>	<p>Chair Ken MacKay advised that the Province of Alberta rejected ARROW’s request for a 30-year, \$117M debenture for the Train 4 expansion, suggesting a 20-year term application instead.</p> <p>Director Spurgeon further explained that the 30-year debenture request reflected the</p>	



	<p>Board’s direction at the September 2025 meeting to prioritize cash availability and interest-rate certainty. She also noted that Administration’s current recommendation to use both provincial and TD financing aligns to that Board direction, advising that the original recommendation was to finance solely through TD.</p> <p>Director Spurgeon also reviewed interest-cost implications of the available options and emphasized that TD’s 25-year structure provides flexibility, including the ability to change lenders and confirmed that TD borrowing is already pre-approved, but a new motion is required to proceed with a 20-year provincial term.</p> <p>Board Members discussed early repayment potential, rate impacts, infrastructure repair costs, and TD’s five-year review cycle.</p> <p>Gale Katchur and Robert Parks expressed preference for the stability of provincial borrowing, due to reduced exposure to interest-rate volatility.</p> <p>BM04-26</p> <p>MOVED BY Robert Parks THAT Whereas the previous Board motion BM59-25 requesting the 30 years borrowing from the Province of Alberta has been declined, it is therefore moved;</p> <p>THAT for the purpose of refinancing the Train 4 Plant MBR Upgrade project that the sum of up to \$117,000,000 of total borrowing with the Province of Alberta be borrowed from the Province of Alberta by way of debenture on the credit and security of the Commission</p>	<p>APPROVED UNANIMOUSLY</p>
--	---	---------------------------------



	<p>THAT debentures shall bear interest during the currency of the debentures at a rate not exceeding 8% per annum, or the interest rate fixed from time to time by the Province of Alberta, per annum, payable semiannually.</p> <p>THAT debentures shall be issued in such manner that the principal and interest will be combined and be made payable in, as nearly as possible, equal semi-annual or annual installments over a period not exceeding 20 years.</p> <p>THAT debentures shall be payable in lawful money of Canada at the Toronto Dominion Bank or at such other bank or financial institution as the Commission may authorize as its banking agency during the currency of the debenture.</p> <p>THAT the Chairman and Chief Executive Officer of the Commission shall authorize such bank or financial institution to make payments to the holder of the debentures on such date and in such amounts as specified in the repayment schedule forming part of each debenture.</p> <p>THAT the debentures shall be signed by the Chairman and Chief Executive Officer of the Commission or their designates.</p> <p>THAT there shall be levied and raised in each year of the currency of the loan, a wastewater rate to all Commission members, sufficient to provide an annual amount adequate to pay the principal and interest falling due to such year to repay the loan.</p> <p>THAT the resolution comes into force on the date it is passed.</p> <p>THAT the undersigned, being the Chairman of ARROW Utilities certifies that the above is a true and accurate copy of the resolution(s)</p>	
--	---	--



	passed by the Board of Directors on January 30, 2026 and the resolution(s) is (are) in full force and effect, and has (have) not been amended, as of this day, January 30, 2026.	
Closing Remarks/Adjournment	Chair Ken MacKay adjourned the meeting at 2:07 pm.	
<b>Next Meeting</b>	March 20, 2026, at 9:00 am	

These minutes approved this 20th day of March 2026.

\_\_\_\_\_  
ARROW Utilities Board Chairperson

\_\_\_\_\_  
Chief Executive Officer

Recorder:  
Layne Quickstad  
CASS Supervisor

UNADOPTED



March 20, 2026

**Updates to Committee Terms of Reference**

<b>Purpose of Report</b>	To approve the updated Terms of Reference for the four Board Committees.
<b>Attachments</b>	<p><b>Terms of Reference Board Development March 2026</b></p> <p><b>Terms of Reference Advocacy and Awareness March 2026</b></p> <p><b>Terms of Reference Audit and Finance March 2026</b></p> <p><b>Terms of Reference Governance and Human Resources March 2026</b></p>
<b>Alignment to Board’s Strategic Plan</b>	Responsible leadership - provide opportunities for board development
<b>Alignment to ESG Principles</b>	Governance - promotes transparency and accountability
	Governance - addresses and mitigates organizational risk
	Governance - ensures effective policy and financial oversight
<b>Background and Discussion</b>	At their inaugural meetings, each Board Committee reviewed its respective Terms of Reference and did not identify any required substantive changes. During this review, it was noted that the referenced Freedom of Information and Protection of Privacy (FOIP) legislation has since been repealed and replaced by the Access to Information Act. Accordingly, each Terms of Reference has been updated to reflect the current legislative framework.
<b>Recommendation</b>	THAT the Board approve the revised Terms of Reference for the four Board Committees, as presented, to reflect updates to referenced provincial legislation.
<b>Implications of recommendation(s):</b>	
<b>Financial</b>	N/A
<b>Legal / Risk</b>	N/A
<b>Environmental / Safety</b>	N/A
<b>Organizational impacts</b>	N/A
<b>External impacts</b>	N/A

**Report Date:** March 20, 2026

**Author/Title:** Cindy de Bruijn, Director, ISS

**Approved by:** Kate Polkovsky, CEO





the Committee Chairperson will provide a verbal report to the Board and the minutes will be circulated at the next Board meeting.

## MEMBERSHIP

The Committee shall be composed of 3-5 Board Members.

The CEO and Board Chairperson shall be ex-officio members of the Committee (non-voting).

The Board shall appoint membership to the Committee at the annual organizational meeting.

## QUORUM

The Committee shall elect a Chairperson from among its members at its first Committee meeting.

A majority of appointed committee members (50 percent plus one) shall constitute a quorum, represented in person or by other means that permits participation by the Committee member.

## VOTING

The Committee will work towards consensus.

Each Committee member will have one vote.

Motions require a simple majority of members in attendance to support and pass a motion (50 percent plus one).

In the event of a tie, the motion is defeated.

## MEETINGS

The Committee will meet a minimum of three (3) times per year and may meet more frequently in the execution of its duties and responsibilities.

Additional meetings outside of its normal schedule may be called to address specific items and are at the discretion of the Chairperson of the Committee.

Reasonable notice shall be provided, preferably seven (7) days notice by email.

The schedule of meetings shall be determined based on the timelines and outputs (or deliverables) of the Committee.

Meetings are public and are subject to the Access to Information Act.



FOR APPROVAL





When a Board meeting closely follows a committee meeting, the Committee Chairperson will provide a verbal report to the Board, and the minutes will be circulated at the next Board meeting.

## MEMBERSHIP

The Committee shall be composed of 3-5 Board Members.:

- The Board Chairperson
- 2-4 members at large from the Board.

The Board Chairperson and CEO shall be ex-officio members of the Committee (non-voting).

The Board shall appoint membership to the Committee at the annual organizational meeting.

The Committee shall elect a Chair from among its members at its first Committee meeting.

## QUORUM

A majority of appointed committee members (50 per cent plus one) shall constitute a quorum, represented in person or other means that permits participation.

## VOTING

The Committee will work towards consensus.

Each Committee member will have one vote.

Motions require a simple majority of members in attendance to support and pass a motion (50 per cent plus one).

In the event of a tie, the motion is defeated.

## MEETINGS

The Committee will meet a minimum of three (3) times per year and may meet more frequently in the execution of its duties and responsibilities.

Additional meetings outside of its normal schedule may be called to address specific items and are at the discretion of the Chairperson of the Committee.

Reasonable notice shall be provided, preferably seven (7) days notice by email. The schedule of meetings shall be determined based on the timelines and outputs (or deliverables) of the Committee.

Meetings are public and subject to The Access to Information Act.





- Review and recommend investment policies
  - Review such matters that the Committee or the Board deem advisable or timely.
5. Statutory Obligations
- The Committee shall ensure that the Board meets its statutory obligations and conducts its affairs in accordance with legal and regulatory requirements.

#### ACCOUNTABILITY TO THE BOARD

The Committee is appointed by the Board.

The Committee has no authority to direct management or make commitments on behalf of the Board, unless specifically authorized by the Board through the Committee's terms of reference.

The Committee will report to the Board following each meeting by distributing minutes of its recent meeting to the Board. When a Board meeting closely follows a committee meeting, the Committee Chairperson will provide a verbal report to the Board and the minutes will be circulated at the next Board meeting.

#### MEMBERSHIP

The Committee shall be composed of 3-5 Board Members.

The CEO and Board Chairperson shall be ex-officio members of the Committee (non-voting).

The Board shall appoint membership to the Committee at the annual organizational meeting.

The Committee shall elect a Chairperson from among its members at its first Committee meeting.

#### QUORUM

A majority of appointed committee members (50 percent plus one) shall constitute a quorum, represented in person or by other means that permits participation by the Committee member.

#### VOTING

The Committee will work towards consensus.

Each Committee member will have one vote.

Motions require a simple majority of members in attendance to support and pass a motion (50 percent plus one).



## MEETINGS

In the event of a tie, the motion is defeated.

The Committee will meet a minimum of three (3) times per year and may meet more frequently in the execution of its duties and responsibilities.

Additional meetings outside of its normal schedule may be called to address specific items and are at the discretion of the Chairperson of the Committee.

Reasonable notice shall be provided, preferably seven (7) days notice by email.

The schedule of meetings shall be determined based on the timelines and outputs (or deliverables) of the Committee.

Meetings are public and are subject to the Access to Information Act.

FOR APPROVAL





## ACCOUNTABILITY TO THE BOARD

The Committee is appointed by the Board.

The Committee has no authority to direct management or make commitments on behalf of the Board, unless specifically authorized by the Board through Board motion.

The Committee will report to the Board following each meeting by distributing minutes of its recent meeting to the Board. When a Board meeting closely follows a committee meeting, the Committee Chairperson will provide a verbal report to the Board and the minutes will be circulated at the next Board meeting.

## MEMBERSHIP

The Committee shall be composed of 3-5 Board Members:

- The Board Chairperson
- 2-4 members at large from the Board.

The CEO shall be ex-officio members of the Committee (non-voting).

The Board shall appoint membership to the Committee at the annual organizational meeting.

The Committee shall elect a Chair from among its members at its first Committee meeting.

## QUORUM

A majority of appointed committee members (50 per cent plus one) shall constitute a quorum, represented in person or other means that permits participation.

## VOTING

The Committee will work towards consensus.

Each Committee member will have one vote.

Motions require a simple majority of members in attendance to support and pass a motion (50 per cent plus one).

In the event of a tie, the motion is defeated.

## MEETINGS

The Committee will meet a minimum of three (3) times per year and may meet more frequently in the execution of its duties and responsibilities.



Additional meetings outside of its normal schedule may be called to address specific items and are at the discretion of the Chairperson of the Committee.

Reasonable notice shall be provided, preferably seven (7) days notice by email.

The schedule of meetings shall be determined based on the timelines and outputs (or deliverables) of the Committee.

Meetings are public and subject to the Access to Information Act.

FOR APPROVAL



March 20, 2026

**Administrative Report: November 2025 – February 2026**

<b>Purpose of Report</b>	To provide a summary of operations, incidents and contraventions, and any public relations matters.
<b>Recommendation</b>	THAT the Board receives this report for information.
<b>Alignment to Board’s Strategic Plan</b>	Respecting our environment – release water of the highest possible quality into the North Saskatchewan River.
	Organizational excellence – enhance the health, wellbeing, and safety of all employees and contractors
	Responsible leadership – engage with the broader community to increase the awareness of the commission and its work.
<b>Alignment to ESG Principles</b>	Environment – addresses our impact on the environment.
	Social – improves service delivery and community relations.
	Governance – promotes transparency and accountability.
<b>Background and Discussion</b>	<p><b>Operations:</b></p> <p>On November 6, 2025, a pinhole leak was found in the Return Activated Sludge Main Header for Bioreactor One, requiring local area patching. With the original pipe being installed in 1982. The maintenance team followed up and conducted ultrasonic testing along the entire length of the pipe to evaluate the condition and preventatively plan for any next steps. Upon review of the testing results, the pipe was determined to be in reasonable operational condition.</p> <p>On January 10, 2026, the primary HVAC unit (20-AH-206) in the Headworks malfunctioned resulting in a loss of heating. Temporary heaters were set up to compensate for the reduced heating capacity; the necessary parts have been ordered and are anticipated by Q2 2026.</p> <p>January saw a partial breakdown in nitrification (ammonia treatment), leading to minor operational adjustments. Solids retention time was increased, and additional dissolved air was supplied to Aerobic #3 to help restore treatment effectiveness.</p> <p>Bioseeding for Train 4 began on January 7 as part of commissioning</p>

Report Date: March 20, 2026

Prepared by: Wade Teveniuk, Cindy de Bruijn, Aleks Cieply, Niki Anderson

Approved by: Kate Polkovsky, CEO

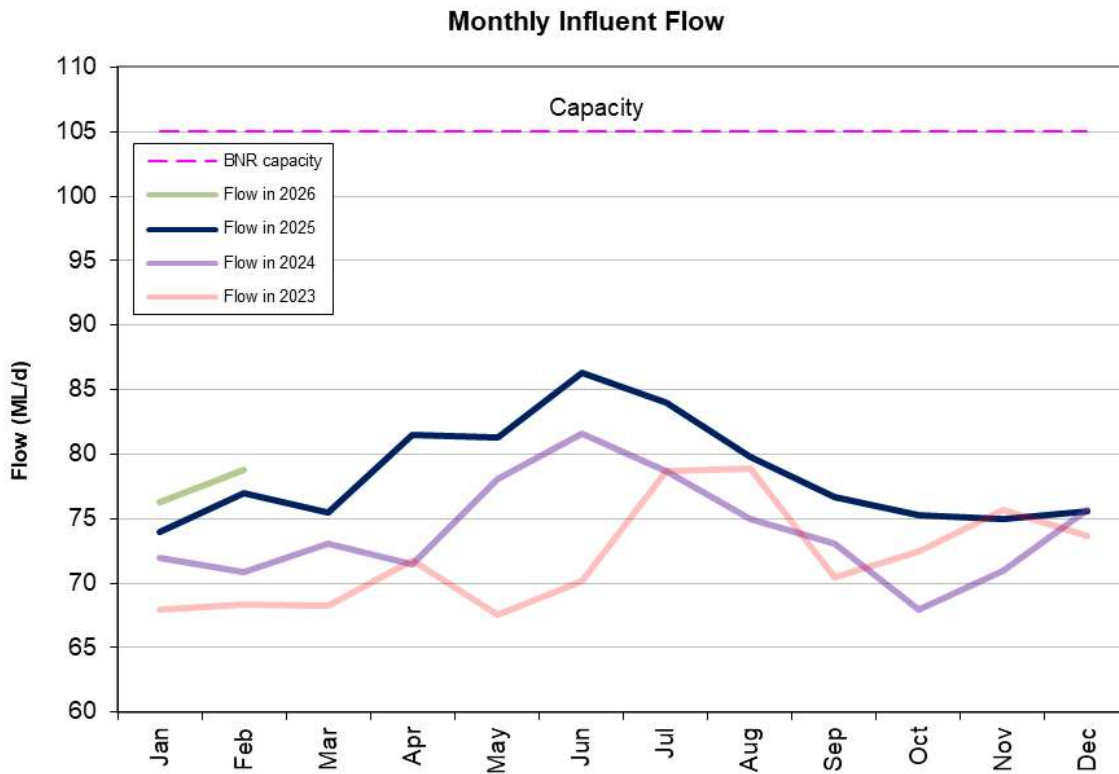
	<p>activities. Seeding resumed on March 4, and by March 11, Train 4 was operational and began discharging to the North Saskatchewan River. Mid February saw elevated influent phosphorus and ammonia levels resulting in interruptions to phosphorus treatment within the bioreactors. The source was traced to a malfunctioning valve at the Edmonton Waste Management Centre EPCOR lagoons, which allowed excessive supernatant loads to be sent through the NEST transmission line to ARROW. Operational teams worked with Epcor to identify this issue, and the valve is now operational.</p> <p><b>Incidents &amp; Contraventions:</b></p> <p>Over the reporting period there was one security related incident (stolen fleet vehicle) and one environmental contravention (Digester sludge release). Further details can be found within the supporting Incidents and Contraventions report.</p> <p><b>Public Relations:</b></p> <p>A press release issued by Parkland County on January 28, 2026, regarding the rates approved on September 26, 2025, generated a short period of increased public interest and inquiry. Some of the commentary differed from ARROW's previously provided key messages. During this period of heightened attention, ARROW received one inquiry from a member of the public, one Access to Information request from an individual active in the related Parkland County Facebook discussion, and one request for comment from Global News. A statement was provided to Global News; however, the outlet did not proceed with coverage.</p>
<b>Attachments</b>	<p><b>Operations Report (November 1, 2025 – February 28, 2026)</b>  <b>Incidents and Contraventions Report (November 1, 2025 – February 28, 2026)</b></p>
<b>Implications of recommendation(s)</b>	
Financial	N/A
Legal / Risk	N/A
Environmental / Safety	N/A
Organizational impacts	N/A
External impacts	Short-term increase in public and social media attention related to rate approval, highlighting the importance of aligned communications with member municipalities.

Report Date: March 20, 2026  
Prepared by: Wade Teveniuk, Cindy de Bruijn, Aleks Cieply, Niki Anderson  
Approved by: Kate Polkovsky, CEO

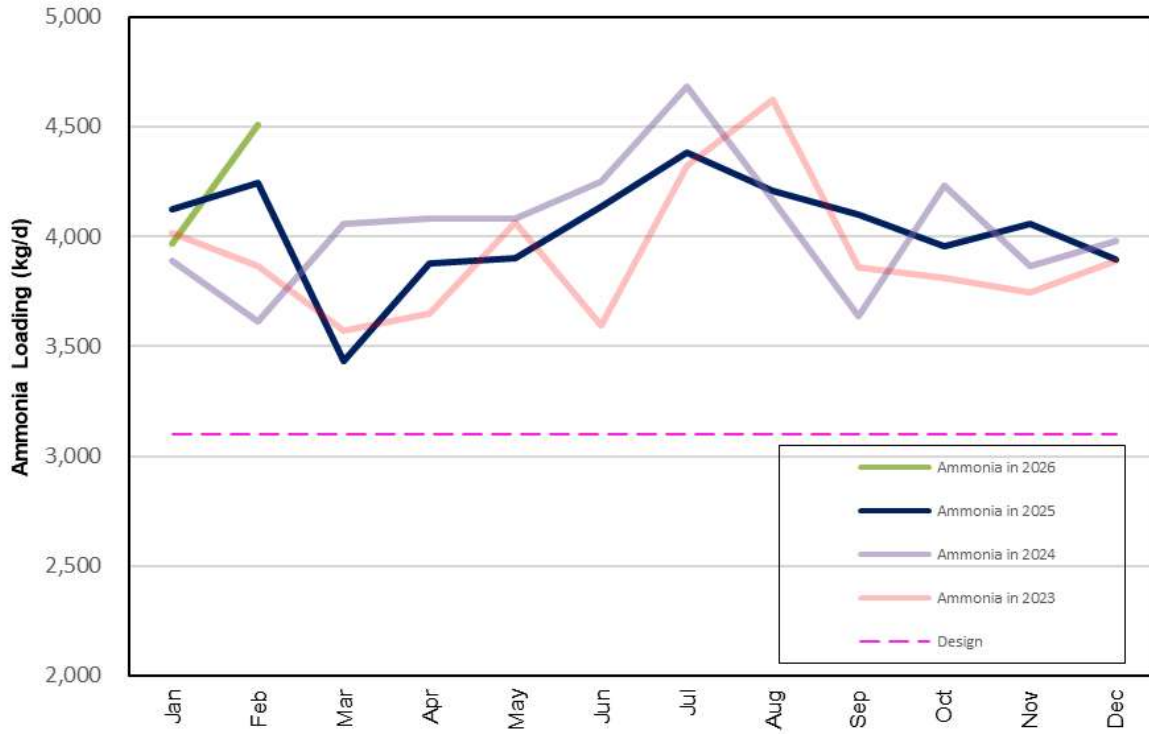


Operations Report – November & December 2025, January & February 2026

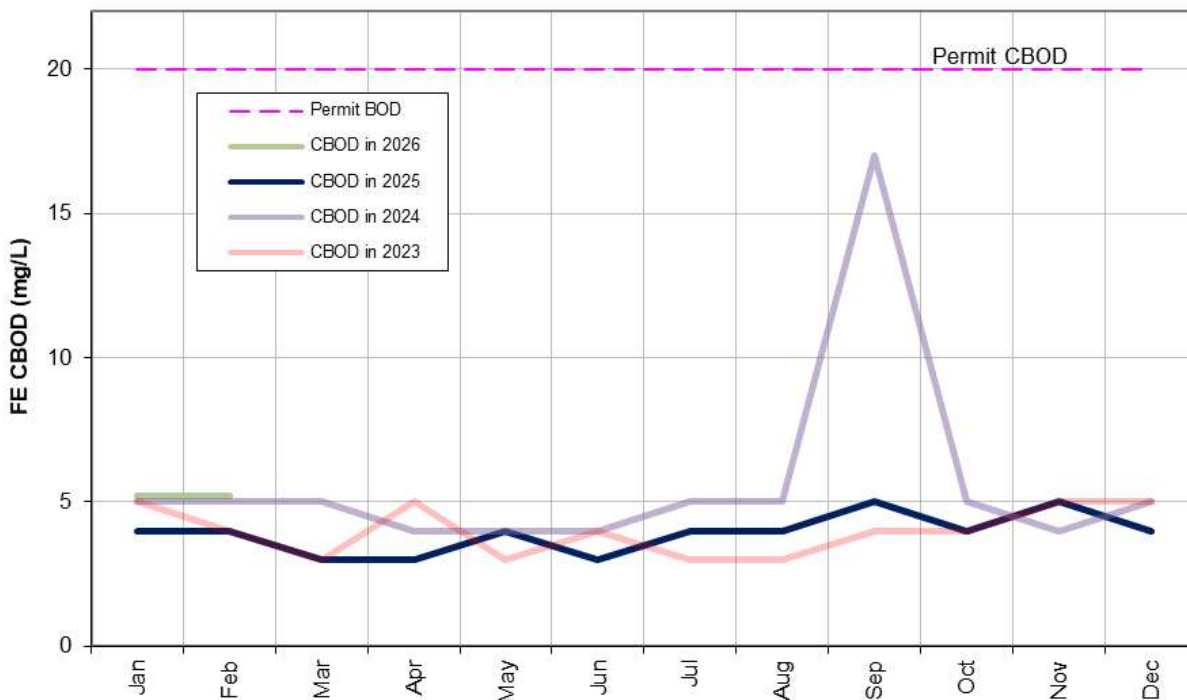
Treatment Process Data and Targets



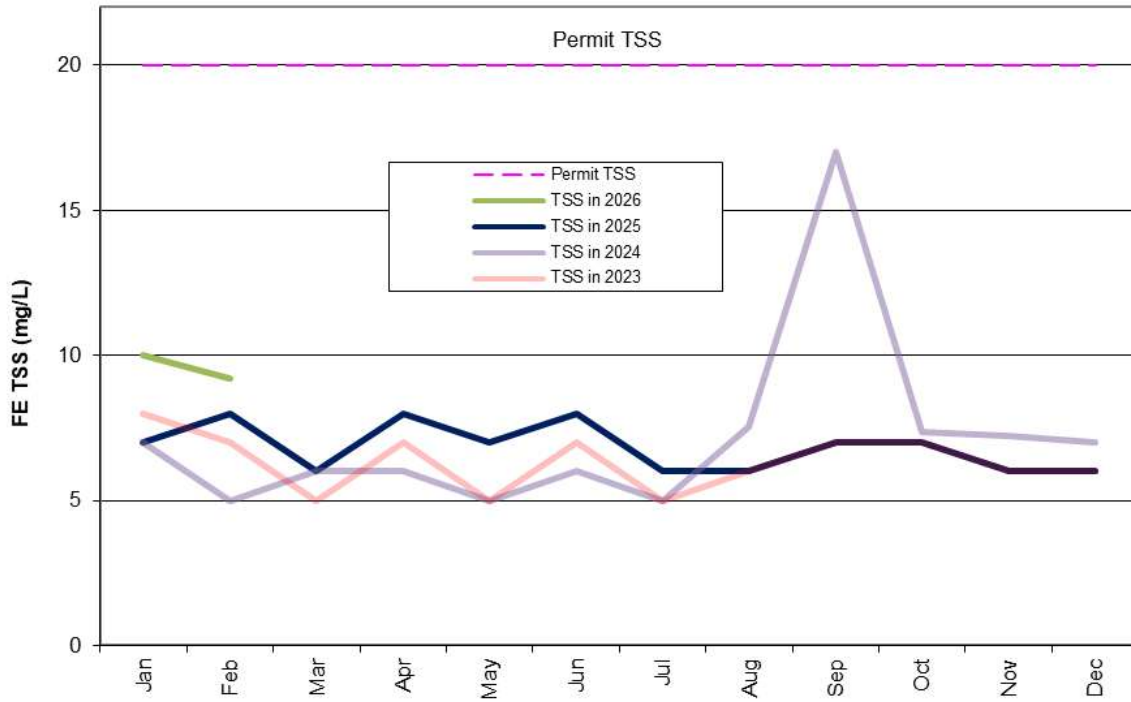
**Monthly Influent Ammonia Mass Loading**



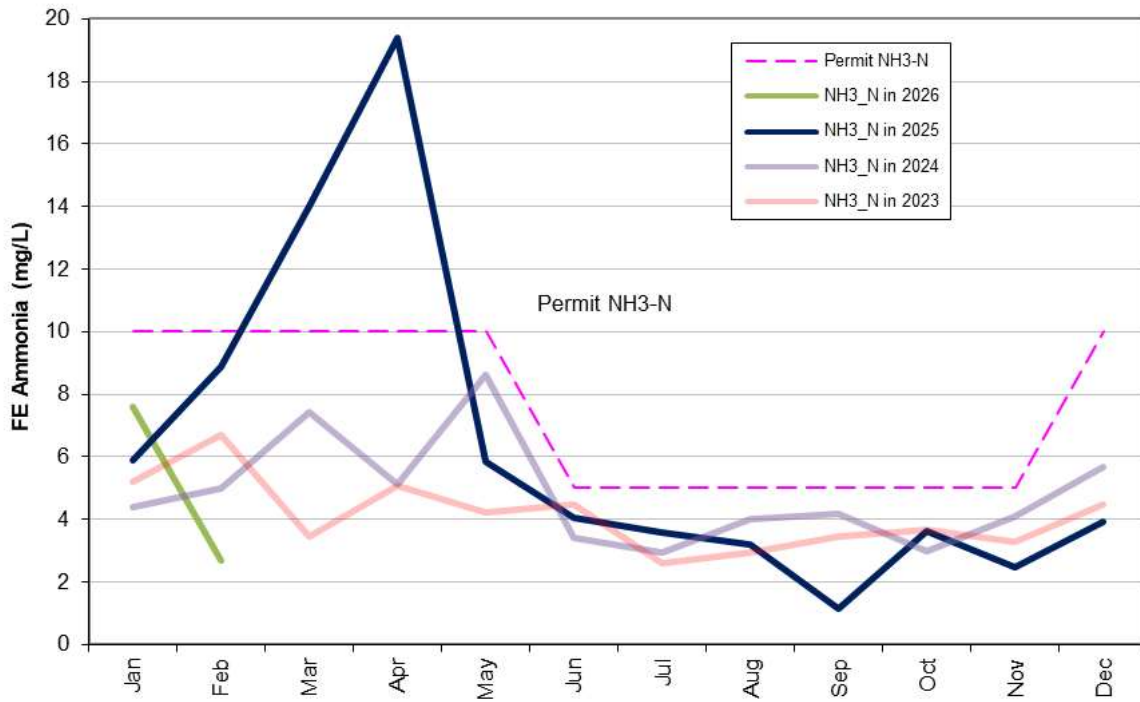
**Monthly Effluent Carbonaceous Biological Oxygen Demand**



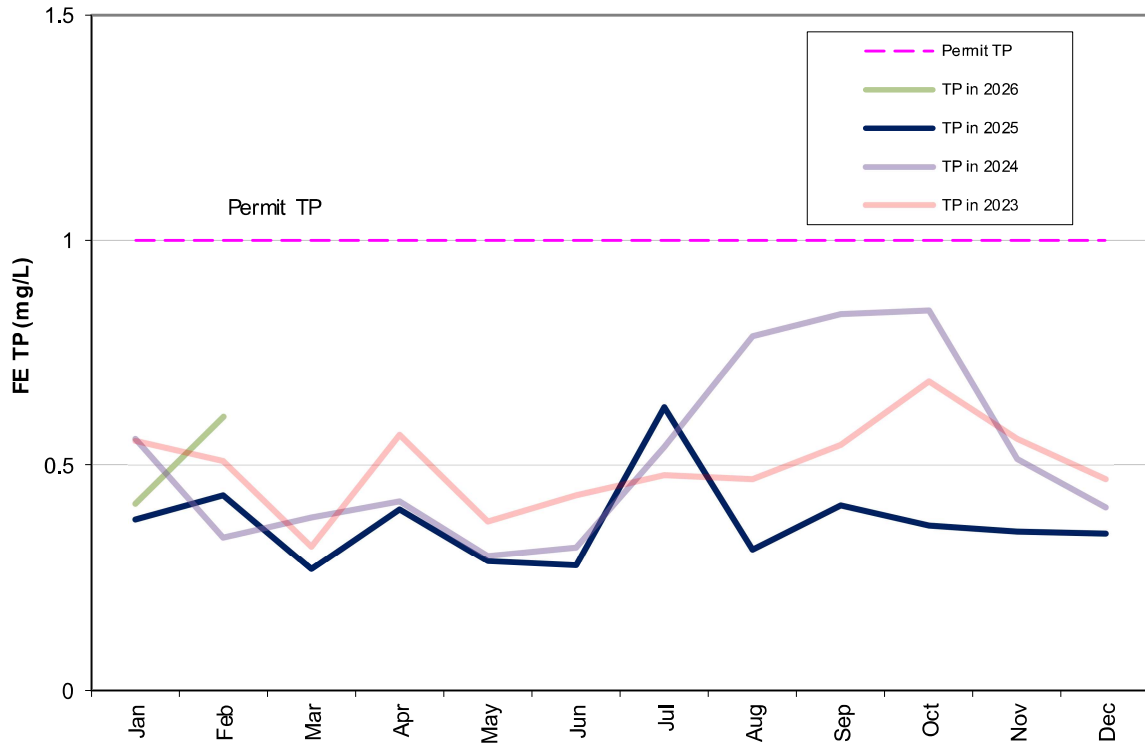
**Monthly Effluent Total Suspended Solids**



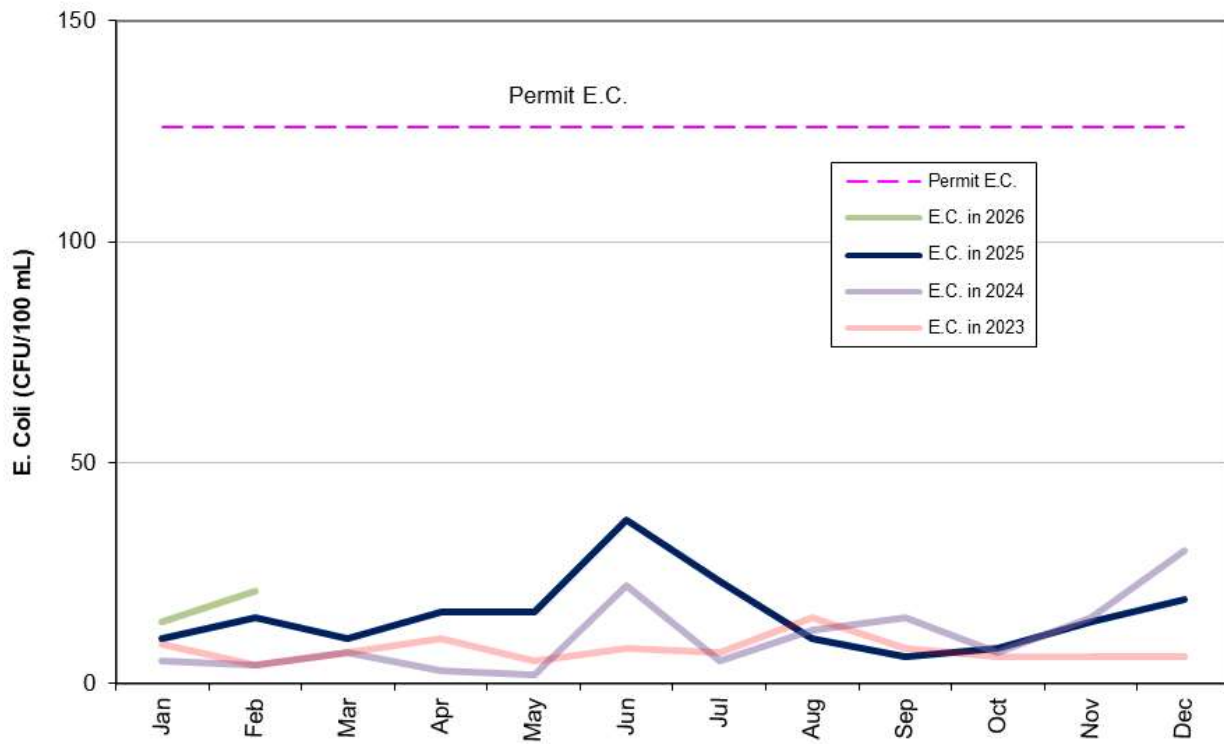
**Monthly Effluent Ammonia**



Monthly Effluent Total Phosphorus

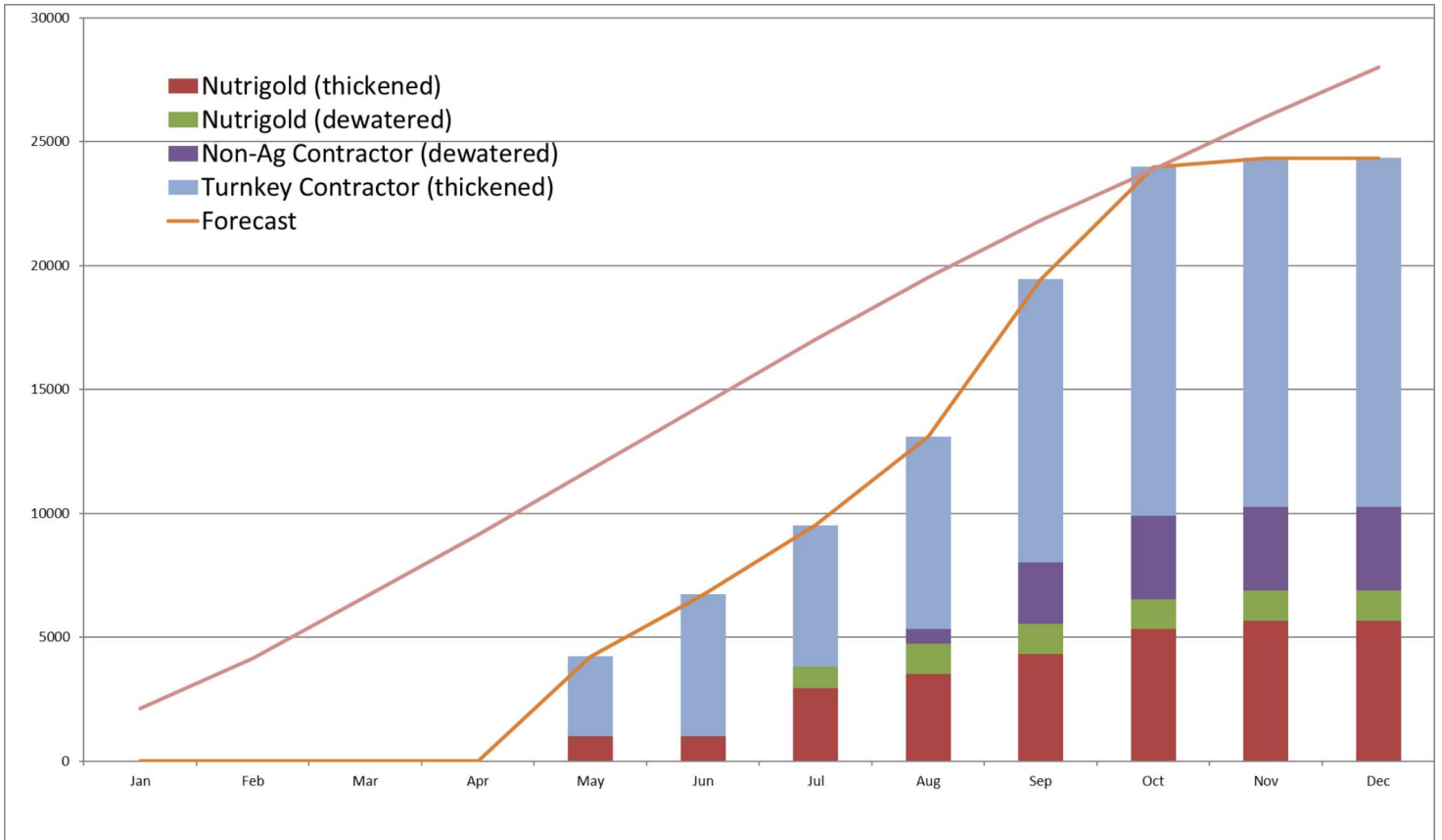


Monthly Effluent E. Coli



## Biosolids – 2025

EPCOR hauled 22,167 DT in total for 2025.





---

## Incidents/Contraventions Summary

Date: March 4, 2026

Reporting Period: November 1, 2025, to February 28, 2026

---

**Incident Classification:** Environmental Contravention

**Date:** December 4, 2025

**Location:** ARROW Wastewater Treatment Plant

**Description of Events:**

Digested Biosolids (sludge) released from Sludge Haul tractor/trailer during sludge loading at the Digester Sludge Haul Loading Station. The released Biosolids flowed west about 100m on a paved plant site road and an estimated <100 liters entered a catch basin. The catch basin ties into a culvert running underneath the plant's main entry road. There was no evidence that the released Biosolids flowed out of the culvert and into the adjacent west field (also ARROW's property).

**Recovery:**

- Emergency Stop was activated once the release was witnessed.
- Catch basin was sandbagged to contain the released Biosolids on the roadway and prevent any more flow into the catch basin.
- Clean up was conducted of the impacted areas.

**Causes & Future Actions:**

The investigation did not conclusively determine the cause.

Video cameras have been installed to verify tractor/trailer positioning.

---

**Incident Classification:** Security

**Date:** January 1, 2026

**Location:** Fort Saskatchewan Pump Station

**Description of Events:**

A company fleet vehicle was stolen from the Fort Saskatchewan station while an operations employee was onsite performing routine generator checks. Upon returning shortly thereafter, the employee discovered the vehicle missing and notified the Operations Supervisor. Local RCMP were contacted and a stolen vehicle report was filed.

**Recovery:**

The vehicle was eventually located in the City of Edmonton and recovered.

Prepared by: Niki Anderson, Director, Safety, HR, Wellness, and Wade Teveniuk, Director, Regulatory Services

Approved by: Kate Polkovsky, CEO

---

---

**Causes and Future Actions:**

The investigation determined that the vehicle had been left unattended with the keys inside. As a preventative measure, a reminder was issued to staff regarding vehicle security and the Driving and Spotting Safe Work Practice was updated to explicitly require that keys be removed and vehicles always secured. The revised procedure has been communicated through policy update, email and operational safety meetings.



March 20, 2026

**2025 Auditor’s Report & Audited Financial Statements**

<b>Purpose of Report</b>	To provide the Board with the draft financial statements and the draft audit findings report with an unqualified opinion on the statements and report on the previous year’s financial position.
<b>Recommendation</b>	THAT the 2025 Audited Financial Statements be approved by the Board. THAT the 2025 Audit Findings Report be received for information. THAT the 2025 Financial Highlights Report be received for information.
<b>Alignment to Board’s Strategic Plan</b>	Responsible leadership - keep utility rates reasonable and predictable for member municipalities
<b>Alignment to ESG Principles</b>	Governance - promotes transparency and accountability
	Governance - ensures effective policy and financial oversight
<b>Background and Discussion</b>	<p>ARROW’s auditors, JDP Wasserman LLP performed the 2025 audit of the consolidated financial statements and have provided an unqualified opinion as part of the 2025 Audit Findings Reports.</p> <p>On March 2, 2026, the draft Audit Report and Financial Statements were presented to the Audit and Finance Committee by ARROW’s auditors. The report was unanimously received for information</p> <p>A high-level examination of the financial landscape is reflected in the 2025 Audited Financial Statements summarizing the following key areas:</p> <p><b>Statement of Operations and Accumulated Surplus</b></p> <ul style="list-style-type: none"> <li>• Excess revenues over expenses in 2025 equated to \$30.9 million of which \$83.1 million was received in revenues and \$52.2 million in total expenses.</li> <li>• Of the revenue received, \$7.5 million related to grant funding from the Province of Alberta mainly for the Train 4 Plant expansion capital project.</li> </ul>

**Report Date: March 20, 2026**

**Author/Title:** Jaimie Spurgeon, Director of Financial Services

**Approved by:** Kate Polkovsky, CEO

- In comparing 2025 to 2024 total expenses, the Commission experienced increased costs of \$1.4 million resulting from higher financing costs of \$4.7 million relating to interest, amortization, loss on disposal; offset by \$3.3 million in lower operating expenditures mainly due to reconciled biosolids adjustment with Epcor and less electricity utilized for supernatant processing. Offset by unbudgeted amortization and interest expenses.
- Overall, approximately 54% of direct expenses (excluding amortization) are allocated to Operations and the essential management of the Commission in the conveyance and treatment of used waters.

### **Statement of Financial Position & Cashflow Statement**

- In comparing 2025 to 2024, ARROW's cash and investments decreased mainly due to the requirements to fund Train 4 Capital Project, unplanned line breaks, and increased interest costs that occurred during the year
- Proceeds of \$66 million in debt was received in 2025, offset with \$7 million of repayment of existing debt, resulting in a net impact of \$59 million increase mainly due to the debenture and loans for the Train 4 Capital Project.
- Of the \$50 million grant funding provided from the Province of Alberta, approximately \$7.5 million was received in 2025. The remaining \$5 million will be received for 2026.
- Tangible Capital Assets (TCA) net impact increased by \$91 million mainly for the construction costs related to the Train 4 Capital Project.

### **Other Financial Notes**

- Operating Reserve/Unrestricted Surplus shows a balance of \$1.5 million. This is lower than the 10% of operating revenue as a minimum required balance as per the Board's Operating and Capital Reserve Policy. Administration has prepared a plan within the 2026 budget to rebuild the operating reserve over three years to ensure the Board's Reserve Policy is preserved.
- At the end of 2025, ARROW's debt level reached \$172 million, which is above its current debt limit of \$151.2 million, however still falls within the temporary increase of \$240 million as approved by the Minister of Municipal Affairs in August 2024.
- The Financial Highlights Report provides further narrative on details on other components on ARROW's year end position.

**Report Date: March 20, 2026**

**Author/Title:** Jaimie Spurgeon, Director of Financial Services

**Approved by:** Kate Polkovsky, CEO

	As per section 602 of the MGA, a Commission must prepare annual financial statements for the immediate preceding year. Once approved, the Commission must make available its financial statements and Auditor’s report to the Minister and each member of the Commission by May 1 of the year following the year for which the return and statements have been prepared. The Board has been presented with this information where approval of the 2025 Audited Financial Statements along with the Financial Information Report (FIR) is required for annual submission to the Province.
<b>Attachments</b>	<b>1 – 2025 Audited Financial Statements - Draft</b> <b>2 – 2025 Audit Findings Report – Draft</b> <b>3 – 2025 Financial Highlights Report</b>
<b>Implications of recommendation(s):</b>	
<b>Financial</b>	Under section 15-1 of the Municipal Government Act, ARROW is required to prepare and distribute audited financial statements and financial information return. Without the approvals from the Board, ARROW would be non-compliant of this requirement.
<b>Legal / Risk</b>	Under section 15-1 of the Municipal Government Act, we are required to prepare and distribute audited financial statements and financial information return.
<b>Environmental / Safety</b>	N/A
<b>Organizational impacts</b>	N/A
<b>External impacts</b>	N/A

**Report Date:** March 20, 2026  
**Author/Title:** Jaimie Spurgeon, Director of Financial Services  
**Approved by:** Kate Polkovsky, CEO

# 2025 FINANCIAL REPORT (DRAFT)



The accompanying financial statements of ARROW Utilities, a regional Commission have been prepared by its Administration, which is responsible for the integrity and objectivity of the information presented in this report. Administration believes that the financial statements present fairly the Commission's financial position as of December 31, 2025 and the results of its operations for the year then ended.

These financial statements have been prepared in compliance with legislation and in accordance with Canadian public sector accounting standards (PSAS) and include some amounts that are based on management's best estimates and judgment. Such amounts have been determined on a reasonable basis in order to ensure the consolidated financial statements are presented fairly in all material respects.

Administration is responsible for maintaining a system of internal control designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded, and that reliable financial information is available on a timely basis. These internal controls are regularly reviewed and enhanced as necessary.

The financial statements have been audited by independent external auditors, who were appointed by the Board of Directors. The auditors have examined the financial statements in accordance with generally accepted auditing standards and provided an independent and unqualified opinion on the fairness of the financial statements.

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfills its financial reporting responsibilities. The Audit Committee meets with management and the external auditors to review financial reporting, internal controls, and the audit process.

Signed,

---

Kate Polkovsky  
Chief Executive Officer

---

Jaimie Spurgeon  
Director, Financial Services  
Chief Financial Officer



Chartered Professional Accountants

6515 – 118th Avenue NW  
Edmonton, AB T5W 1G5  
Telephone: (780) 479-7327  
Fax: (780) 474-5696  
E-mail: [info@jdpwasserman.com](mailto:info@jdpwasserman.com)

5010 – 51st Street  
Wetaskiwin, AB T9A 1L3  
Telephone: (780) 352-8982  
Fax: (780) 352-5285  
E-mail: [info@jdpwasserman.com](mailto:info@jdpwasserman.com)

101, 4946 – 50th Street  
Camrose, AB T4V 1R1  
Telephone: (780) 608-4849  
Fax: (587) 386-0079  
E-mail: [info@jdpwasserman.com](mailto:info@jdpwasserman.com)

---

---

## INDEPENDENT AUDITORS' REPORT

---

To the Members of Arrow Utilities (formerly Alberta Capital Region Wastewater Commission)

### *Opinion*

We have audited the financial statements of Arrow Utilities (formerly Alberta Capital Region Wastewater Commission, "Arrow"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Arrow as at December 31, 2025, and the results of its operations and accumulated surplus, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Arrow in accordance with ethical requirements that are relevant to our audit of financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Arrow's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Arrow or to cease operations, or has no realistic alternative but to do so. Those charged with governance (the Board of Directors) are responsible for overseeing Arrow's financial reporting process.

(continued)

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Arrow's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Arrow's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Arrow to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta  
March 20, 2026

Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2025  
(IN 000'S)

	2025 Actual	2024 Actual <i>(Restated - Note 15)</i>
<b>FINANCIAL ASSETS</b>		
Cash	6,062	\$ 13,635
Receivables from Commission Members (Note 13)	5,905	5,525
Other Receivables	483	4,325
Investments	-	68
	<b>12,450</b>	<b>23,553</b>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities (Note 3)	12,714	23,129
Long-Term Debt (Note 4 & 5)	171,954	112,532
Asset Retirement Obligation (Note 8)	4,918	4,710
	<b>189,585</b>	<b>140,371</b>
<b>NET DEBT</b>	<b>(177,135)</b>	<b>(116,818)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 6)	472,163	381,062
Inventories of Materials and Supplies	1,297	1,308
Prepaid expenses	391	260
	<b>473,851</b>	<b>382,630</b>
<b>ACCUMULATED SURPLUS (Note 10)</b>	<b>\$ 296,716</b>	<b>\$ 265,812</b>

Operating Line of Credit (Note 4)

Commitments and Contingent Liabilities (Note 11)

Approved on behalf of ARROW Utilities Board of Directors:

Ken MacKay, Board Chair

Justin Laurie, Board Vice Chair

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(IN 000'S)

	2025 Budget	2025 Actual	2024 Actual <i>(Restated - Note 15)</i>
<b>REVENUES</b>			
Treatment Charges (Note 13)	\$ 73,700	\$ 75,285	\$ 69,031
Investment Income	-	177	961
Government Transfers	-	7,550	38,616
Other Revenue	1	157	4
<b>Total Revenues</b>	<b>73,701</b>	<b>83,169</b>	<b>108,612</b>
<b>EXPENSES (Note 9)</b>			
Operation and Maintenance	34,611	28,049	31,915
Information and Strategic Services	1,747	1,719	1,273
Corporate Services	4,882	2,179	2,158
Engineering Services	1,151	1,102	1,181
Regulatory Services	1,671	1,706	1,561
Board	289	216	250
<b>TOTAL OPERATING EXPENSES</b>	<b>44,350</b>	<b>34,971</b>	<b>38,338</b>
Interest Expense	8,870	5,492	3,930
Amortization Expense	9,267	11,156	8,374
Accretion Expense	-	208	199
Loss on Disposal	-	437	46
<b>TOTAL EXPENSES</b>	<b>62,487</b>	<b>52,264</b>	<b>50,887</b>
<b>ANNUAL SURPLUS</b>	<b>11,214</b>	<b>30,905</b>	<b>57,725</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>265,812</b>	<b>265,812</b>	<b>208,087</b>
<b>ACCUMULATED SURPLUS, END OF YEAR (Note 10)</b>	<b>\$ 277,026</b>	<b>\$ 296,716</b>	<b>\$ 265,812</b>

STATEMENT OF CHANGE IN NET DEBT  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(IN 000'S)

	2025 Budget	2025 Actual	2024 Actual <i>(Restated - Note 15)</i>
<b>ANNUAL SURPLUS</b>	\$ 11,214	\$ 30,905	\$ 57,725
Acquisition of Tangible Capital Assets	(52,255)	(102,561)	(113,247)
Amortization of Tangible Capital Assets	9,267	11,156	8,374
Loss on Disposal of Tangible Capital Assets	-	437	46
Disposal Costs	-	(134)	-
Change in Inventories of Materials and Supplies	-	11	(136)
Change in Prepaid Expenses	-	(131)	(21)
<b>CHANGE IN NET DEBT</b>	<b>(31,773)</b>	<b>(60,317)</b>	<b>(47,259)</b>
<b>NET DEBT, BEGINNING OF YEAR</b>	<b>(116,818)</b>	<b>(116,818)</b>	<b>(69,559)</b>
<b>NET DEBT, END OF YEAR</b>	<b>\$ (148,591)</b>	<b>\$ (177,135)</b>	<b>\$ (116,818)</b>

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(IN 000'S)

	2025 Actual	2024 Actual <i>(Restated - Note 15)</i>
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING</b>		
ANNUAL SURPLUS	\$ 30,905	\$ 57,725
Amortization of Tangible Capital Assets	11,156	8,374
Accretion Expense	208	199
Loss on Disposal of Tangible Capital Assets	437	46
Deferred Revenues		(375)
Changes in Working Capital	(7,074)	(9,342)
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>35,632</b>	<b>56,627</b>
<b>CAPITAL</b>		
Disposal Costs	(134)	
Acquisition of Tangible Capital Assets	(102,561)	(113,247)
<b>CASH (APPLIED TO) CAPITAL ACTIVITIES</b>	<b>(102,695)</b>	<b>(113,247)</b>
<b>INVESTING</b>		
Decrease in Investments	68	10,052
<b>CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>68</b>	<b>10,052</b>
<b>FINANCING</b>		
Proceeds from Debt	66,600	32,000
Principal Repayment of Debt	(7,178)	(6,929)
<b>CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>59,422</b>	<b>25,071</b>
<b>DECREASE IN CASH</b>	<b>(7,573)</b>	<b>(21,497)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>13,635</b>	<b>35,132</b>
<b>CASH, END OF YEAR</b>	<b>\$ 6,062</b>	<b>\$ 13,635</b>
Cash Received from Interest	177	961
Cash (Paid) for Interest	(5,509)	(3,937)

## 1. NATURE OF THE ORGANIZATION

ARROW Utilities (the "Commission") is constituted under the Municipal Government Act. Alberta Regulation 129/85 established the Commission in May 1985 for the purposes of constructing, maintaining, controlling, and managing a regional wastewater treatment system.

The members of the Commission include City of Beaumont, City of Fort Saskatchewan, City of Leduc, 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, and Sturgeon County.

The Commission is exempt from income taxation under section 149 of the Income Tax Act (Canada).

## 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared by management in accordance with Canadian public sector accounting standards and reflect the following policies:

### a. Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Revenues are recognized in the period in which the transactions or events occur and are measurable. Expenses are recognized in the period goods and services are consumed, or a liability is incurred.

### b. Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Actual results could differ from those estimates.

### c. Investments

Investments consist of guaranteed investment certificates and deposits that are redeemable at the Commission's discretion. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss.

### d. Deferred Revenues

Deferred revenues represent amounts received for which the related activities have yet to be performed. These amounts will be recognized as revenues in the period that the activities are performed.

## e. Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when, as at the financial reporting date:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The liability includes costs for the removal of asbestos and other hazardous material in several of the infrastructure owned by the Commission. The estimate of the asset retirement obligation includes costs directly attributable to the asset retirement activities. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset.

The carrying value of the liability is reviewed annually with changes to the timing or amount of the original estimate of cash flows recorded as an adjustment to the liability and related tangible capital asset.

## f. Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

### i. Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Engineering Structures	5-75
Machinery & Equipment	10

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### i. Tangible Capital Assets (continued)

Assets under construction are not amortized until the asset is available for productive use.

#### a. Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

#### b. Interest capitalization

The Commission does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

#### c. Leased tangible capital assets

Leases that transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

### ii. Inventories of Materials and Supplies

Inventories of materials and supplies consists of spare parts used in the maintenance of Commission facilities and is valued at the lower of cost or replacement costs. Inventory items issued out are expensed to materials, goods, supplies and utilities. The cost of inventory is assigned by using the first-in, first-out cost formula.

### g. Revenue Recognition

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Treatment charges, investment and other revenue are recognized as revenue when earned and collection is reasonably assured.

## h. Future Accounting Standard Pronouncements

The Public Sector Accounting Board has approved changes to PSAS, effective for the Commission's fiscal years beginning January 1, 2027:

### i. PS1202 Financial Statement Presentation

This standard guides general and specific requirements for the presentation of information in general purpose financial statements. Key changes include a new 'Statement of Net Financial Assets or Liabilities' and 'Statement of Changes in Net Assets or Liabilities', restructuring and updated classification for assets and liabilities of the Statement of Financial Position, and restructuring of the Statement of Cash Flows. This standards is applicable for fiscal years beginning on or after April 1, 2026 and will be adopted at the same time as the Conceptual Framework.

### ii. The Conceptual Framework for Financial Reporting in the Public Sector

The Conceptual Framework is the foundation for the public sector financial reporting standards, and replaces the conceptual aspects of PS1000, Financial Statement Concepts, and PS1100, Financial Statement Objectives and is effective for fiscal years beginning on or after April 1, 2026, with earlier adoption permitted. The conceptual framework is to be applied prospectively and highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

The Commission will continue to assess the impact of future accounting standards and prepare for their adoption.

### 3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2025</u>	<u>2024</u>
Accounts Payable and Accrued Liabilities	\$ 10,030	\$ 19,836
Employee Future Benefits	680	531
Holdback Payable	1,128	1,990
Interest Payable	875	772
	<u>\$ 12,713</u>	<u>\$ 23,129</u>

### 4. LONG-TERM DEBT

Long-term debt consists of:

	<u>2025</u>	<u>2024</u>
Debentures	\$ 73,354	\$ 80,532
Facility Loan	98,600	32,000
LT Debt Total	<u>\$ 171,954</u>	<u>\$ 112,532</u>

Debenture principal and interest amounts in each of the next five years and thereafter are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 7,219	\$ 2,927	\$ 10,146
2027	7,013	2,671	9,684
2028	6,531	2,421	8,952
2029	6,078	2,181	8,259
2030	6,061	1,951	8,012
Balance to maturity	40,452	7,261	47,713
	<u>\$ 73,354</u>	<u>\$ 19,412</u>	<u>\$ 92,766</u>

Debenture debt consists of semi-annual instalments between \$120 - \$584 (bearing interest between 1.789% - 5.289%), with maturity ranging from 2026 to 2038).

In September 2024, ARROW entered into a construction facility loan agreement with Toronto Dominion (TD) Bank with a value of \$117 million, for the Train 4 MBR plant upgrade project, with an interest at CORRA + 0.900% annum and has ranged between 3.14% - 4.53% during the year. Throughout the year, the Commission withdrew \$66.6 million. The facility loan will be converted into a debenture issued under the Alberta Municipal Debentures Act at the end of February 2026, with a 20-year repayment term at 4.17%.

The Commission has a demand operating line of credit available for use, up to a maximum of \$5,000 (2024 - \$2,000) bearing interest at prime rate (2024 - prime rate) and unsecured. As at December 31, 2025, nil (2024 - nil) was drawn against the available operating line of credit.

## 5. DEBT LIMITS

Section 3 of Alberta Regulation No. 76/2000 requires that debt and debt servicing limits for the Commission be disclosed as follows:

	<b>2025</b>	<b>2024</b>
		<i>(Restated - Note 15)</i>
Total debt limit	151,238	139,992
Total debt	171,954	112,532
Amount of total debt limit remaining (in excess)	(20,716)	27,460
Debt servicing limit	26,467	24,499
Debt servicing	12,670	10,859
Amount of total debt servicing remaining	13,796	13,640

The debt limit is calculated at 2 times revenue of the Commission (as defined in Alberta Regulation No. 76/2000) and the debt servicing limit is calculated at 0.35 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify commissions that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Commission. Rather, the financial statements must be interpreted as a whole.

On August 18, 2024, the Minister of Municipal Affairs authorized a temporary debt limit and debt servicing of \$240,000 and \$42,000 respectively. The Ministerial Order expires on December 31, 2028.

The Commission has a debt management policy with a self-imposed debt limit of 1.5 times revenue. The total debt limit calculated using 1.5 times revenue is \$113,428, with \$58,525 over the debt limit due to the new Train 4 MBR plant upgrade being constructed.

## 6. TANGIBLE CAPITAL ASSETS

	Dec 31, 2025	Dec 31, 2024
<b>Net Book Value</b>		<i>(Restated - Note 15)</i>
Land	2,347	2,347
Engineering Structures	469,125	378,311
Machinery & Equipment	355	404
Computer Hardware	336	-
<b>TOTAL</b>	<b>472,163</b>	<b>381,062</b>

Cost	Dec 31, 2024	Additions	Disposals	Dec 31, 2025
Land	2,347			2,347
Engineering Structures	550,293	102,179	(590)	651,882
Machinery & Equipment	1,393	34	-	1,427
Computer Hardware	-	348	-	348
<b>TOTAL</b>	<b>554,033</b>	<b>102,561</b>	<b>(590)</b>	<b>656,004</b>

Accumulated Amortization	Dec 31, 2024	Disposals	Amortization	Dec 31, 2025
Land	-			-
Engineering Structures	171,982	(286)	11,061	182,757
Machinery & Equipment	989	-	83	1,072
Computer Hardware	-		12	12
<b>TOTAL</b>	<b>172,971</b>	<b>(286)</b>	<b>11,156</b>	<b>183,841</b>

Cost	Jan 1, 2024	ARO	Additions	Disposals	Dec 31, 2024
		<i>(Note 15)</i>			<i>(Restated - Note 15)</i>
Land	2,347				2,347
Engineering Structures	435,201	2,713	113,142	(763)	550,293
Machinery & Equipment	1,288		105	-	1,393
Computer Hardware	-		-	-	-
<b>TOTAL</b>	<b>438,836</b>	<b>2,713</b>	<b>113,247</b>	<b>(763)</b>	<b>554,033</b>

Accumulated Amortization	Jan 1, 2024	ARO	Disposals	Amortization	Dec 31, 2024
		<i>(Note 15)</i>			<i>(Restated - Note 15)</i>
Land	-				-
Engineering Structures	162,594	1,741	(717)	8,364	171,982
Machinery & Equipment	979		-	10	989
Computer Hardware	-			-	-
<b>TOTAL</b>	<b>163,573</b>	<b>1,741</b>	<b>(717)</b>	<b>8,374</b>	<b>172,971</b>

The net book value of tangible capital assets includes \$193,745 (2024 - \$101,450) related to engineering structures in design or under construction that are not amortized in the year. Contributed tangible capital assets in 2025 were nil (2024 - nil).

## 7. EQUITY IN TANGIBLE CAPITAL ASSETS

	<b>2025</b>	<b>2024</b>
		<i>(Restated - Note 15)</i>
Tangible capital assets	\$ 656,004	\$ 554,033
Accumulated amortization	(183,841)	(172,971)
Long-term debt	(171,954)	(112,532)
Asset retirement obligation	(4,918)	(4,710)
	<u>\$ 295,291</u>	<u>\$ 263,820</u>

## 8. ASSET RETIREMENT OBLIGATION

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials such as lead pipes and lead paint within some Commission owned buildings that will undergo major renovations or demolition in the future. The timing of future settlement is unknown.

	<b>2025</b>	<b>2024</b>
		<i>(Restated - Note 15)</i>
Asset Retirement Obligation, beginning of year	\$ 4,710	\$ 4,510
Settlements during the year	-	-
Accretion	208	199
	<u>\$ 4,918</u>	<u>\$ 4,710</u>

## 9. EXPENSES BY OBJECT

	<b>2025</b>	<b>2025</b>	<b>2024</b>
	<b>Budget</b>	<b>Actual</b>	<i>(Restated - Note 15)</i>
Salaries and benefits	\$ 8,234	\$ 8,546	\$ 7,813
Contracted and general services	25,617	\$ 19,127	\$ 23,900
Materials, goods, supplies and utilities	7,641	\$ 7,297	\$ 6,626
Interest	8,870	\$ 5,492	\$ 3,930
Amortization	9,267	\$ 11,156	\$ 8,374
Accretion expense	-	\$ 208	\$ 199
Loss on disposal of tangible capital assets	-	\$ 437	\$ 46
	<u>\$ 59,629</u>	<u>\$ 52,264</u>	<u>\$ 50,887</u>

## 10. ACCUMULATED SURPLUS

	2025	2024
	<i>(Restated - Note 15)</i>	
Reserves		
Capital	\$ -	\$ -
Operating	1,425	1,992
	<u>1,425</u>	<u>1,992</u>
Equity in tangible capital assets (Note 7)	<u>295,291</u>	<u>263,820</u>
Total accumulated surplus	<u>\$ 296,716</u>	<u>\$ 265,812</u>

The capital reserve sets aside funds for emergent purposes along with investing in future capital acquisitions and development. This reserve is funded from annual operating surplus funds and disposal of capital assets. Surplus funds in excess of the required contribution to the operating reserve are contributed to the capital reserve. The capital reserve balance is \$0, as no excess surplus funds were available to support transfers to capital.

The operating reserve is established to provide rate stability and funding for years when unforeseen expenses or lost revenues occur. Increases to the reserve are funded from the net of annual surplus and other financial transactions and adjustments. The funds currently held in the operating reserves are unrestricted and not allocated to any particular initiatives or purpose at this time.

## 11. COMMITMENTS AND CONTINGENT LIABILITIES

### a. Contingent Liabilities

In the normal course of operations, the Commission may be subject to various claims and legal actions. Based on the information available, management believes that the resolution of such matters will not have a material adverse effect on the Commission's financial position.

### b. Capital Commitments

As of December 31, 2025, the Commission has contractual commitments for capital projects for which services have not been received, as follows:

<b>2026</b>	\$ 17,567
<b>2027</b>	18,435
<b>2028</b>	<u>1,196</u>
<b>\$</b>	<b><u>37,198</u></b>

All other projects have minor commitments related to final close out required for Final Acceptance Certificate (FAC) and are not significant in nature.

## 12. LOCAL AUTHORITIES PENSION PLAN

All eligible employees of the Commission participate in the Local Authorities Pension Plan ("LAPP") under the Public Sector Pension Plans Act. Required contributions by the Commission to the LAPP are 8.45% (2024 – 8.45%) of pensionable earnings up to the year's pensionable earnings maximum under the Canada Pension Plan and 11.65% (2024 – 11.65%) on pensionable earnings above this amount.

Employees are required to contribute 7.45% (2024 – 7.45%) of pensionable salary up to the year's maximum pensionable salary and 10.65% (2024 – 10.65%) on pensionable salary above this amount.

Contributions for current service are recorded as expenditures in the year in which they become due. Contributions made during the year by the Commission and its employees were \$625 and \$561, respectively (2024 - \$542 by the Commission and \$486 by its employees).

At December 31, 2024, the LAPP disclosed an actuarial surplus of \$19.6 billion (2023 – \$15.1 billion). Plan asset and actuarial surplus data as at December 31, 2025 is not yet available.

## 13. RELATED PARTY TRANSACTIONS

The municipalities that are members of the Commission are considered to be related parties.

At year-end, receivables from Commission members include a total of \$5,905 (2024 - \$5,530) receivable from the various member municipalities, and accounts payable and accrued liabilities include \$101 (2024 - \$84) payable to various member municipalities.

Revenues generated include \$66,500 (2024 - \$59,948) paid by member municipalities.

Contracted and general services include \$443 (2024 - \$3,098) mainly paid to Strathcona County for transmission maintenance services.

These transactions are in the normal course of operations and are measured at the exchange amounts as established and agreed to by the related parties.

## 14. FINANCIAL INSTRUMENTS

The Commission's financial instruments consist of cash, investments, receivables from Commission members, other receivables, accounts payable and accrued liabilities, debt and other liabilities, and asset retirement obligations. It is management's opinion that the Commission is not exposed to significant interest, currency, or credit risk arising from these financial instruments. Long-term debt is initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method. Unless otherwise noted, except for the long-term debt, the fair value of these financial instruments approximates their carrying value.

## 15. PRIOR PERIOD ADJUSTMENT – CHANGE IN ACCOUNTING POLICY

On January 1, 2024, ARROW Utilities adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. This new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of certain tangible capital assets such as asbestos removal in buildings that will undergo major renovation or demolition in the future (see Note 8). This standard was adopted using the modified retroactive approach.

The impact of the prior period adjustment on December 31, 2024 comparative amounts is as follows:

	Increase <u>(Decrease)</u>
Tangible Capital Assets - Asset Retirement Cost (ARC)	2,713
Tangible Capital Assets - Accumulated Amortization of ARC	(1,741)
Asset Retirement Obligation (liability)	<u>(4,510)</u>
Accumulated Surplus, January 1, 2024	(3,538)
Amortization Expense	55
Accretion Expense	199
Annual Surplus for the year ending December 31, 2024	<u>(254)</u>
Accumulated Surplus, December 31, 2024	<u>(3,792)</u>

## 16. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified in the Statement of Financial Position and Statement of Operations to conform to the presentation adopted in the current year.

## 17. APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors and management have approved these financial statements.



Chartered Professional Accountants

6515 – 118th Avenue NW  
Edmonton, AB T5W 1G5  
Telephone: (780) 479-7327  
Fax: (780) 474-5696  
E-mail: [info@jdpwasserman.com](mailto:info@jdpwasserman.com)

5010 – 51st Street  
Wetaskiwin, AB T9A 1L3  
Telephone: (780) 352-8982  
Fax: (780) 352-5285  
E-mail: [info@jdpwasserman.com](mailto:info@jdpwasserman.com)

101, 4946 – 50th Street  
Camrose, AB T4V 1R1  
Telephone: (780) 608-4849  
Fax: (587) 386-0079  
E-mail: [info@jdpwasserman.com](mailto:info@jdpwasserman.com)

March 20, 2026  
Privileged and Confidential

Arrow Utilities  
23262 Township Road 540  
Fort Saskatchewan, AB  
T8L 4A2

**Attention: Board of Directors**

sent via e-mail: [KPolkovsky@arrowutilities.ca](mailto:KPolkovsky@arrowutilities.ca)

Dear Directors:

**Re: 2025 Audit Findings Report**

This letter has been prepared to assist you with your review of Arrow Utilities (formerly Alberta Capital Region Wastewater Commission, “Arrow”)’s audited financial statements for the year ending December 31, 2025.

**Significant Risks**

As outlined in our audit planning letter issued ahead of the year-end audit, in planning our audit we were required to identify significant financial reporting risks that, by their nature, require special audit consideration. Canadian generally accepted auditing standards requires us to consider revenue recognition and management override as inherently significant risks. To reduce the residual risk in these areas, our main audit procedures included substantive testing of revenues, a detailed examination of cut-off and review of journal entries.

There were no changes to our audit plan or anticipated audit procedure response with respect to these risks and we identified no areas with significant residual risk after application of our audit procedures.

**Significant Difficulties Encountered**

We encountered no difficulties whatsoever during the audit that should be brought to the attention of the Board.

**Accounting Policies and Accounting Estimates**

We did not identify any issues with management’s choice of accounting policies, nor their accounting estimates, that could materially misstate the financial statements.



## Significant Financial Statement Disclosures

We did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgements that we believe should be specifically drawn to your attention.

## Uncorrected Misstatements

There were no significant uncorrected misstatements aggregated by our firm for the year ended December 31, 2025.

After considering both qualitative and quantitative factors, we agree with management that the financial statements are not materially misstated.

## Significant Deficiencies in Internal Control

A deficiency in internal control exists when a risk is not treated by a control or when a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis. A **significant** deficiency then, is defined as a deficiency or combination of deficiencies in internal control that, in the auditors' professional judgement, is of sufficient importance to merit the attention of the Board.

We did not identify any control deficiencies that, in our judgement, would be considered significant deficiencies. However, we have provided a letter to management outlining our recommendations that management can provide to the Board upon request.

## Written Representations

In a separate communication, we required a number of written representations from management with respect to their responsibility for the preparation of the financial statements in accordance with Canadian public sector accounting standards.

## Independence

Canadian generally accepted auditing standards requires that we communicate at least annually with you regarding all relationships between Arrow and ourselves that, in our professional judgement, may reasonably be thought to bear on our independence. In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the *Chartered Professional Accountants of Alberta* and applicable legislation, covering such matters as: holding a financial interest, either directly or indirectly, in a client; holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client; personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client; economic dependence on a client; and provision or services in addition to the audit engagement.

We have prepared the following comments to facilitate our discussion with you regarding independence matters: We are not aware of any relationships between Arrow and ourselves that, in our professional judgement, may reasonably be thought to bear on our independence that have occurred from January 1, 2025 to March 20, 2026.

**Conclusion**

This letter was prepared for the sole use of the Board to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent.

We would like to thank all Arrow staff involved in the audit process for their cooperation and assistance. We greatly appreciate the opportunity to be of service to Arrow.

Sincerely,

**JDP WASSERMAN LLP CHARTERED PROFESSIONAL ACCOUNTANTS**

Edward Telford, CPA, CA  
Partner



# 2025 Financial Highlights

## Statement of Operations

For the fiscal year ended December 31,  
(in 000's)

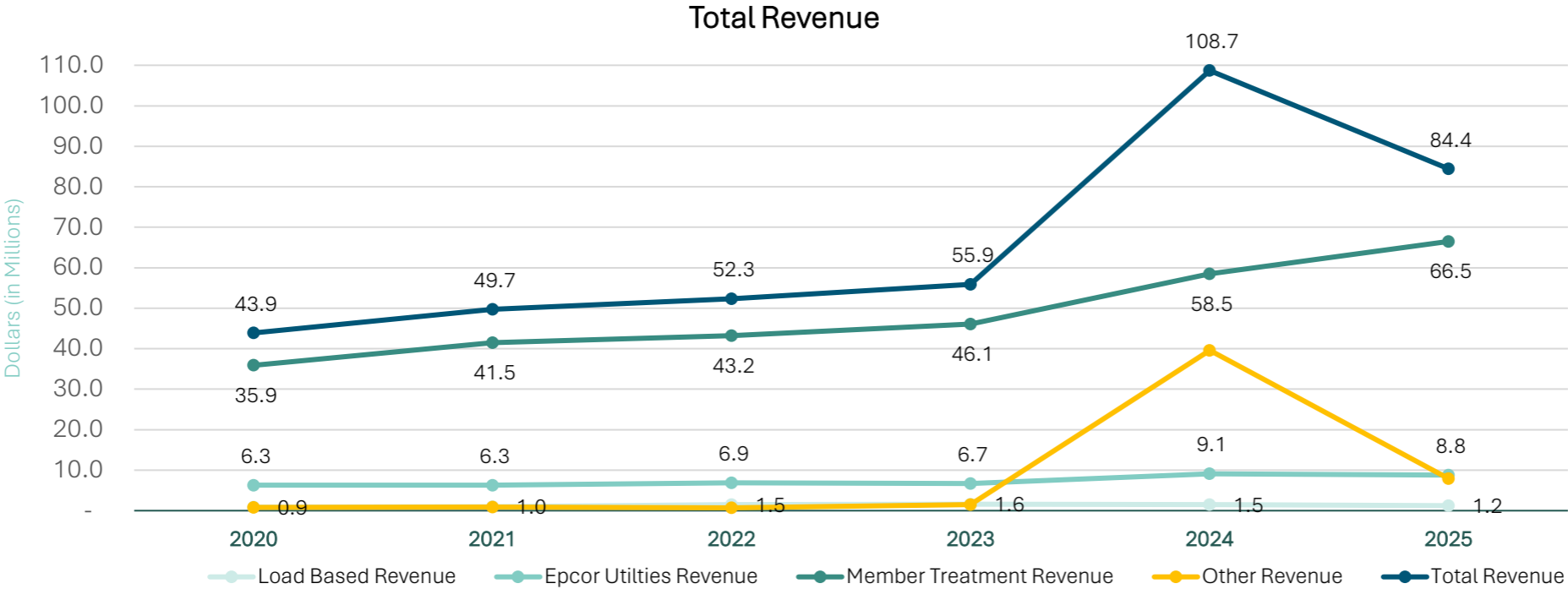
	2020	2021	2022	2023	2024	2025	2025
	<i>(Actual)</i>	<i>(Actual)</i>	<i>(Actual)</i>	<i>(Actual)</i>	<i>(Actual, Restated)</i>	<i>(Actual)</i>	<i>(Budget)</i>
<b>Revenues</b>	<b>\$ 43,890</b>	<b>\$ 49,688</b>	<b>\$ 52,263</b>	<b>\$ 55,908</b>	<b>\$ 108,612</b>	<b>\$ 83,169</b>	<b>\$ 73,701</b>
<b>Operation and Maintenance</b>							
Biosolids management	6,320	5,690	6,182	10,038	6,049	2,819	7,040
Contract maintenance and materials	2,380	2,213	3,114	4,263	4,736	3,763	5,511
External treatment	8,250	8,337	9,556	9,795	11,838	11,378	11,864
Other	590	596	720	1,075	2,280	2,376	2,098
Salaries and benefits	3,472	3,457	3,604	3,707	3,958	4,196	4,096
Utilities	2,089	2,419	2,887	2,966	3,053	3,516	4,002
	23,101	22,712	26,063	31,844	31,914	28,048	34,611
<b>Board</b>	117	112	139	257	250	216	289
<b>Corporate Services</b>	2,114	2,077	2,256	2,925	2,158	2,179	2,024
<b>Information and Strategic Services</b>					1,273	1,719	1,747
<b>Engineering</b>	899	959	1,130	997	1,181	1,102	1,151
<b>Regulatory Services</b>	1,311	1,298	1,402	1,629	1,561	1,706	1,671
<b>Amortization / Loss on Disposal</b>	9,399	9,048	9,435	9,265	8,620	11,801	9,267
<b>Financing costs</b>	1,278	1,298	1,291	1,942	3,930	5,492	8,870
<b>Total Expenses</b>	<b>38,219</b>	<b>37,504</b>	<b>41,716</b>	<b>48,859</b>	<b>50,887</b>	<b>52,263</b>	<b>59,630</b>
<b>Excess of Revenues over Expenses</b>	<b>\$ 5,671</b>	<b>\$ 12,184</b>	<b>\$ 10,547</b>	<b>\$ 7,049</b>	<b>\$ 57,725</b>	<b>\$ 30,906</b>	<b>\$ 14,071</b>

# 2025 Financial Highlights

## Revenues

ARROW Utilities earned \$83.2 million in gross revenues in 2025 which is a decrease of \$25 million compared to prior year due to the \$38.6 million received from Government Grants in 2024. Revenues increased by \$27 million compared to 2023 where no large grants were received.

- \*\* Member Treatment Revenue increased by \$8 million year over year.
- \*\* Epcor Utilities Revenue decreased by \$0.3 million year over last year due to a rate reduction by Epcor.
- \*\* Load Based Revenue decreased slightly of \$0.3 million year over year.



# 2025 Financial Highlights

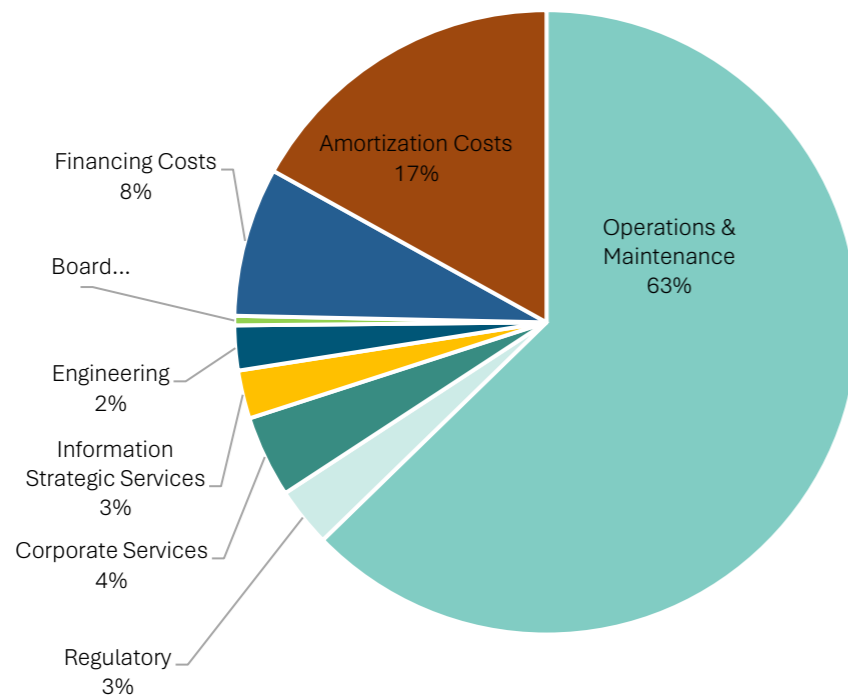
## Expenses

ARROW Utilities incurred \$52.3 million in expenses in 2025 which is an increase of \$1.4 million compared to prior year (\$50.9 million) and \$7.4 million under budget (\$59.6 million).

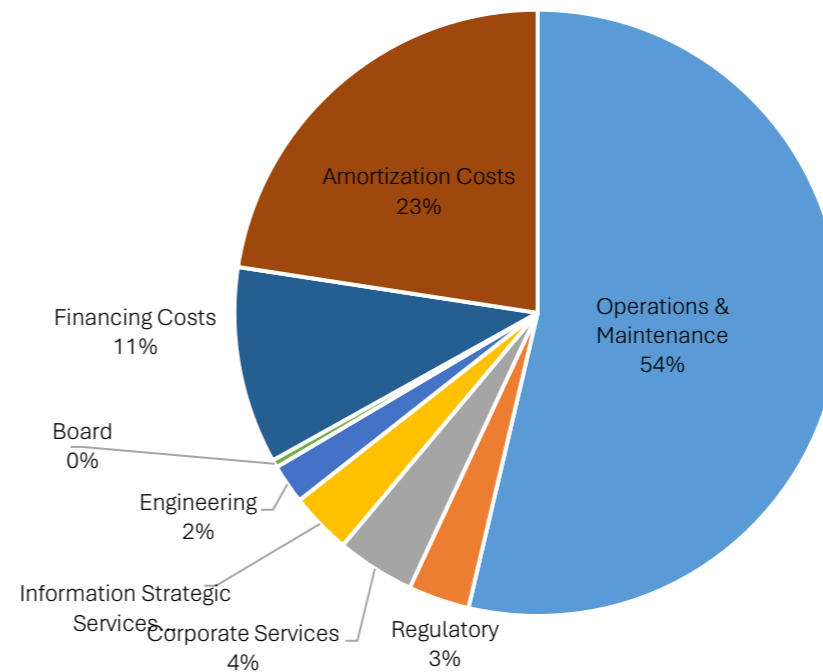
\*\* Operations & Maintenance decreased \$3.9 million year over year due primarily to a favourable biosolids inventory reconciliation with Epcor and favourable electricity consumption. These one-time savings are not expected in future years.

\*\* Amortization and financing costs increased \$4.4 million year over year due to higher debt levels and a larger asset base.

2024 Expense by Department



2025 Expense by Department

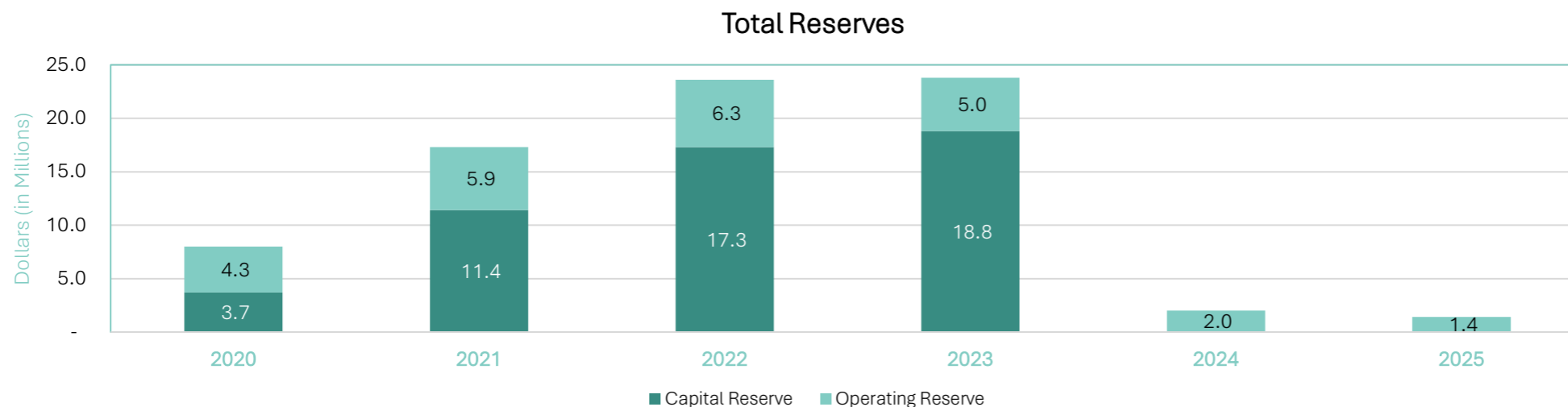


# 2025 Financial Highlights

## Equity in Tangible Capital Assets and Total Accumulated Surplus

The equity in tangible capital assets increased \$31.5 million to \$295.3 million while total accumulated surplus increased by \$31 million to \$296.7 million.

	(in 000's)		
	2023	2024	2025
	(Restated)		
Tangible capital assets	\$ 438,836	\$ 554,033	\$ 656,004
Accumulated amortization	- 163,574	- 172,971	- 183,841
Long-term debt	- 87,461	- 112,532	- 171,954
Asset retirement obligation	-	4,710	4,918
<b>Equity in tangible capital assets</b>	<b>187,801</b>	<b>263,820</b>	<b>295,291</b>
Capital reserve	18,828	-	-
Operating reserve	4,997	1,992	1,425
<b>Total accumulated surplus</b>	<b>\$ 211,626</b>	<b>\$ 265,812</b>	<b>\$ 296,716</b>



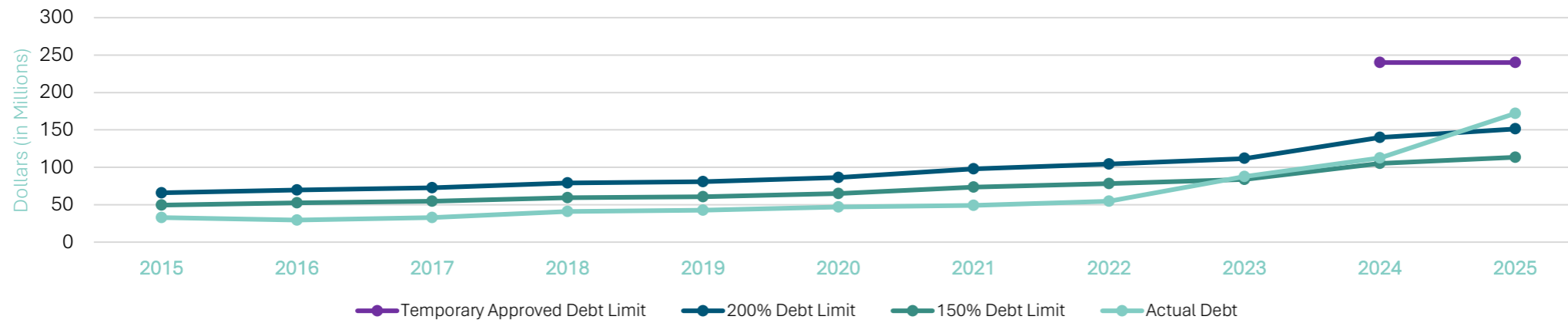
# 2025 Financial Highlights

## Debentures

Debt increased by \$59.5 million to \$172 million (\$112.5 million in 2025). ARROW Utilities issued \$66.6 million in new debt and paid down \$7.2 million in principal on outstanding debentures.

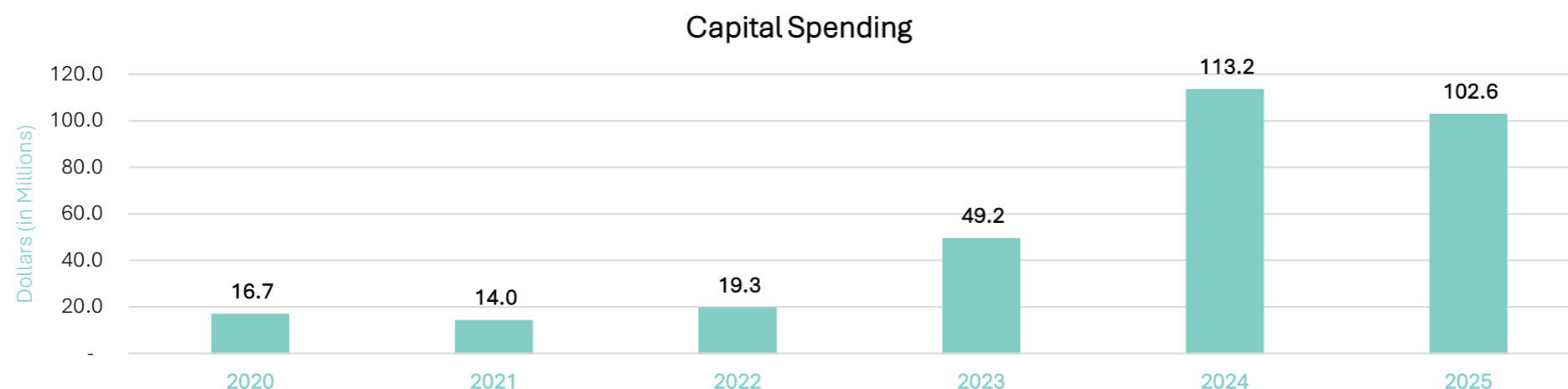
	(in 000's)		
	2023	2024	2025
Total debt limits - 150% (Board Limit)	\$ 111,816	\$ 104,994	\$ 113,428
Total debt	- 87,461	- 112,532	- 171,954
<b>Remaining (overage) of debt</b>	<b>\$ 24,355</b>	<b>-\$ 7,538</b>	<b>-\$ 58,526</b>
Debt servicing limit	\$ 19,568	\$ 24,499	\$ 26,467
Debt servicing	- 10,363	- 10,363	- 12,670
<b>Remaining of debt servicing</b>	<b>\$ 9,205</b>	<b>\$ 14,136</b>	<b>\$ 13,797</b>

Debenture Limits



# 2025 Financial Highlights

## Capital Spending



### Capital Projects (000's)

	2025 <i>(Actual)</i>	Project To Date	Total Project Estimates	Remaining Future Costs
Beaumont Line Twinning	\$ 75	\$ 75	\$ 20,000	\$ 19,925
Train 4 Plant Upgrade	91,243	187,524	196,100	8,576
Plant Emergency Backup Power	8	8	4,720	4,712
Unplanned Line Replacement	8,864	8,882	13,118	4,236
ERP replacement	104	104	1,250	1,146
Annual Minor Capital	204	204	548	344
Biogas Piping & Chiller Upgrades	1,144	3,159	3,325	166
Waste Gas Burner System Upgrade	147	4,636	4,716	80
CMMS	138	185	250	65
5Kv Main Breaker and Tie Breaker Replacement	282	2,575	2,590	15
FSPS Generator and MCC System	291	4,975	4,975	-
PLPS HVAC System Upgrade	17	2,015	2,015	-
Transmission Projects	9	11,209	11,209	-
<b>Total Capital Requirements</b>	<b>\$ 102,526</b>	<b>\$ 225,551</b>	<b>\$ 264,816</b>	<b>\$ 39,265</b>

Beaumont Line Twinning is in preliminary design. Construction and completion in 2027.

Train 4 Plant Upgrade Project continues to progress and anticipated to be completed by Q2 of 2026.

Plant Emergency Backup Power is in design phase. Construction and completion in 2026.

The Unplanned Line Replacement West of 17St is expected to complete in Q1 of 2026.

Waste Gas, 5Kv Breaker, and Biogas Upgrades projects have construction completed and will wrap up in early 2026.

The ERP replacement is in the early implementation phase with completion expected in late 2026.

All other projects have minor FAC work to close out projects relating to restoration, remediation, camera work, and final consulting costs.



**March 20, 2026  
Board Policy Reviews**

<b>Purpose of Report</b>	To provide for the regular review of Board policies and to present any recommended amendments to the Board for consideration and approval.
<b>Attachments</b>	<b>March 20 2026 FINAL DRAFT – Delegation of Authority Recommended for Recission – Procurement Policy</b>
<b>Alignment to Board’s Strategic Plan</b>	Organizational excellence - formalize a staff and leadership succession planning process
	Responsible leadership - provide opportunities for board development
<b>Alignment to ESG Principles</b>	Governance - promotes transparency and accountability
	Governance - addresses and mitigates organizational risk
	Governance - ensures effective policy and financial oversight
<b>Background and Discussion</b>	<p>At the September 26, 2025, Board meeting, the Board referred both the Delegation of Authority and Procurement policies back to the Governance and Human Resources Board Committee for review and recommendation.</p> <p><b><u>Delegation of Authority.</u></b> Please note there is no original version of this policy. It was identified that a summary document on the delegation of authority could be of benefit, which is why Administration drafted the policy.</p> <p>Since September, the threshold for approvals was reduced from \$500,000 to \$250,000, and budgeting and capital expenditures were separated for clarity. Additional language was added to address aggregate totals, with the understanding that if spending approaches one million dollars, the matter will be brought forward for Board consideration. The Board Committee unanimously supported recommending referring this policy to the Board for approval.</p>

**Report Date:** March 20, 2026  
**Author/Title:** Cindy de Bruin, Director, Information & Strategic Services  
**Approved by:** Kate Polkovsky, CEO

	<p><b><u>Procurement.</u></b></p> <p>Since September, the financial thresholds identified in the policy were adjusted to align to the Delegation of Authority policy, and the Board Committee was able to review the updated Administrative policy on procurement. Additions were made to the policy to ensure the Board Chair and Vice Chair are notified when emergency procurement is required, and the conflict-of-interest caveat now includes both Board members and employees of ARROW.</p> <p>The Board Committee unanimously supported recommending that this Board policy be rescinded and deferred to an Administrative policy, as it pertains to operational and administrative functions.</p>
<b>Recommendation</b>	<p>As recommended by the Governance &amp; Human Resources Board Committee:</p> <p>THAT the Delegation of Authority Policy be approved as presented.</p> <p>THAT the Board rescind the Procurement Policy.</p>
<b>Implications of recommendation(s):</b>	
<b>Financial</b>	N/A
<b>Legal / Risk</b>	N/A
<b>Environmental / Safety</b>	N/A
<b>Organizational impacts</b>	N/A
<b>External impacts</b>	N/A

**Report Date:** March 20, 2026  
**Author/Title:** Cindy de Bruin, Director, Information & Strategic Services  
**Approved by:** Kate Polkovsky, CEO

## BOARD POLICIES: DELEGATION OF AUTHORITY

approved by ARROW Utilities Board of Directors – Approval Date

### PURPOSE

The purpose of this policy is to formalize the process by which the Board of Directors of ARROW Utilities assigns specific decision-making powers and responsibilities to the Chief Executive Officer (CEO) or delegate and any designated committees, in accordance with Alberta’s Municipal Government Act (MGA) and ARROW Utilities’ governing bylaws. This ensures that decisions are made efficiently, ethically, and transparently, with appropriate oversight and alignment to the Commission’s strategic objectives.

### DEFINITIONS

**Administrative Policy** – Means policies that provide operational direction and are approved by the CEO to support implementation of Board-approved governance direction.

**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.

**Committees of the Board** – Means committees established by resolution of the Board to provide subject matter advice or undertake governance-related tasks. Committees do not possess decision-making authority unless explicitly delegated by the Board through terms of reference or resolution.

**Governance Bylaw** – Means any bylaw passed by the Board that outlines the powers, structure, and responsibilities of the Commission.

### RESPONSIBILITIES

#### Board of Directors –

- a. Shall retain all powers and authorities which are not legally delegable under the MGA (e.g., approval of bylaws, appointment of auditors, strategic direction, approval of annual budget and rate bylaws).

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



- b. Shall delegate authority to the CEO to administer operational matters as outlined in the Administrative and Procedures Bylaw.
- c. Shall approve, by resolution or bylaw, any further delegation beyond the scope of this policy.
- d. Shall review the CEO's performance in fulfilling delegated authority annually.
- e. Shall sign a working agreement (the "Board-CEO Covenant") that reflects the expectations outlined in this policy. This covenant shall serve as a reaffirmation of mutual trust and shared purpose.
- f. Will review and update this policy as required, at minimum every four years.

#### **CEO –**

- a. Shall implement Board-approved policies, bylaws, and strategic direction.
- b. Shall manage the operations of ARROW Utilities, including staffing, procurement, contract execution, financial administration, and stakeholder relations within the limits outlined by the Board.
- c. Shall not sub-delegate authority beyond administrative levels.
- d. Shall inform the Board of emerging issues, strategic risks, and any circumstances requiring deviation from established delegations.
- e. Shall ensure that appropriate administrative policies are in place to manage internal delegation within the organization.
- f. Shall sign a working agreement (the "Board-CEO Covenant") that reflects the expectations outlined in this policy. This covenant shall serve as a reaffirmation of mutual trust and shared purpose.

#### **Committees of the Board –**

- a. Shall act in an advisory capacity unless granted specific delegated decision-making powers by Board resolution or terms of reference.

## **STANDARDS/ PROCEDURES**

### **Delegation Principals**

ARROW Utilities adheres to the following principles when delegating authority:

- a. Authority shall only be delegated where legally permissible under the MGA.



- b. Delegation shall be documented through bylaws, policies, or Board resolutions.
- c. Delegated authority shall be accompanied by accountability measures.
- d. Delegation shall not prevent the Board from exercising its authority directly.

### **Board Reserved Decisions**

The following matters are not delegable and must be approved by the Board:

- a. Adoption or amendment of bylaws.
- b. Approval of the annual operating and capital budgets.
- c. Approval of utility rate bylaws and user fees.
- d. Appointment or dismissal of the CEO.
- e. Approval of strategic plan.
- f. Execution of intermunicipal agreements or new member participation.

### **CEO Delegated Authority**

Subject to Board-approved policies and bylaws, the CEO is authorized to:

- a. Hire and manage employees, contractors, and service providers.
- b. Execute contracts and financial commitments within budget and policy limits.
- c. Approve administrative procedures and operating practices.
- d. Make operational decisions that align with approved plans and budgets.

### **Procurement**

The CEO is delegated authority to approve and execute all procurement contracts that comply with approved capital and operating budgets and programs, procurement thresholds, and Board-established policies and legislative requirements.

### **Budget Adjustments**

The CEO may authorize budget adjustments provided that the adjustment does not result in an increase to the Board approved member rate nor a material change to the level of services or project delivery:

- a. That do not exceed \$250,000 per adjustment, and an annual aggregate of \$1,000,000 between existing operating programs or departments' or \$1,000,000 between capital projects and an annual aggregate of



\$5,000,000 within the approved operating and capital budgets respectively; or

- b. Budget adjustments above the threshold of \$250,000, along with transfers to and from operating and capital budgets require Board approval.

### **Emergency Expenditures**

- a. The CEO may authorize and approve any necessary agreement, contract, asset sale, or emergency expenditure not included in an approved budget (capital or operating), As required to ensure the successful operations of wastewater treatment services, and mitigate regulatory and legal liability.
- b. The CEO shall provide a written notification outlining the implications of any commitments to the Board Chair. Subsequent updates will be provided through the Quarterly Financial Update to be reviewed and verified at the next scheduled Board meeting following the commitment or financial transaction.

### **Unbudgeted Commitments**

- a. The CEO may authorize and approve any necessary unbudgeted transactions, agreement, contract, or asset sale, not included in an approved budget (capital or operating), up to \$250,000, whether a single item or group of related items together within the budget year with an annual aggregate cap of \$1,000,000; so long that the transactions are to support the successful operations of wastewater treatment services.
- b. Any unbudgeted transactions will support existing programs for only the current budget year, and be funded from an approved source
- c. Any creation of new programs or initiatives above the threshold of \$250,000 must be required Board approval.
- d. The CEO shall provide a written notification outlining the implications of any commitments to the Board Chair. Subsequent updates will be provided through the Quarterly Financial Update to be reviewed and verified at the next scheduled Board meeting following the commitment or financial transaction with the associated funding source and rationale.

### **Monitoring and Reporting**



The CEO shall report regularly to the Board on the exercise of delegated authority, including material operational, financial, or reputational impacts.

- a. Any decision outside the delegated scope must be brought to the Board for direction.
- b. The Board may, at its discretion, amend or revoke any delegated authority.

**REFERENCE  
DOCUMENTS**

Governance Policy – values-based credo  
Municipal Government Act (MGA)  
Annual Board and CEO Covenant – working principles  
Administrative Policy – Procurement Policy

DRAFT



**ARROW  
UTILITIES**

## BOARD POLICIES: PROCUREMENT

*approved by ARROW Utilities Board of Directors – Approval Date*

### PURPOSE

The purpose of the Procurement Policy is to establish clear, transparent, and consistent practices for the acquisition of goods, services, and construction on behalf of ARROW Utilities. This policy ensures compliance with legislation, regulations and trade agreements, promotes ethical and fair competition, supports fiscal responsibility, and enables the organization to obtain best value while managing procurement-related risks. This policy also outlines procurement authorities, responsibilities, processes, and reporting expectations to support accountable stewardship of public funds.

### DEFINITIONS

**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.

**Conflict of Interest** – Means a situation in which personal interests or relationships have the potential to influence—or appear to influence—procurement decisions.

**Contract** – Means an agreement with legally binding terms between an external party and ARROW Utilities.

**Delegation of Authority Policy** – Means the Board policy that ensures that decisions are made efficiently, ethically, and transparently, with appropriate oversight and alignment to the Commission’s strategic objectives

**Director of Finance and Corporate Services** – Means the individual appointed by the CEO to oversee the financial management and corporate services functions of 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



**Emergent Situations:** Means any unexpected occurrence where an agreement, contract, asset sale, or expenditure not included in an approved budget (capital or operating) is required to ensure public and/or employee safety and the successful operations of wastewater treatment services and mitigate regulatory and legal liability.

**Goods and Services** – Means all supplies, equipment, furnishings, materials, consulting services, professional services, and construction required by ARROW.

**Procurement** – Means a written offer to a supplier or vendor stating all terms and conditions of a proposed transaction for goods or services. Alternatively, may be used to confirm the terms of an agreement that have already been settled.

**Purchase Order (PO)** – Means a formal document issued by ARROW to a vendor authorizing a purchase of a good and/or service and outlining the terms.

**Single Source contract** – Means a contract directly awarded to a sole supplier, without a competitive process. Although there may be other capable suppliers, a specific vendor may be used for several reasons, including but not limited to strategic considerations, continuity, or compatibility. A well-documented, defensible reason, and approval is required to proceed.

**Sole-Source contract** - A contract directly awarded to or negotiated with a sole supplier, without a competitive process due to unique and exclusive capabilities. A well-documented, and defensible reason, and approval is required to proceed.

**Vendor / Supplier** – Means any individual, business, or entity providing goods or services to ARROW.

## RESPONSIBILITIES

### Board of Directors –

- a. Shall approve the Procurement Policy.
- b. Will receive reporting on procurements exceeding delegated thresholds.
- c. Provides governance oversight and ensures adequate resources for effective procurement.
- d. Will review and update this policy as required, at minimum every four years.



**CEO –**

- a. Shall provide organizational oversight ensuring compliance with all applicable legislation and board policies.
- b. Will approve procurements and contracts within delegated authority, assigning delegated authority to appropriate staff.
- c. Will ensure that procurement practices support operational and strategic priorities.
- d. Will notify the Chair and Vice-Chair of the Board of Directors when emergency procurement occurs.

**Director of Finance and Corporate Services –**

- a. Shall manage procurement systems, processes, and internal controls.
- b. Will oversee documentation, records management, and procurement audits.
- c. Responsible to review compliance and provides procurement guidance across the organization.
- d. Shall prepare an annual procurement summary to the board including:
  - i. Total procurement activity
  - ii. Competitive vs. non-competitive awards
  - iii. Single-Source and Sole-source justifications
  - iv. Emergency procurements
  - v. Any exceptions or policy deviations

**STANDARDS/  
PROCEDURES**

ARROW Utilities commits to:

1. Procurement Planning: All procurement must be preceded by proper planning, including determining organizational need, confirming budget availability, assessing total lifecycle costs, identifying risks and required insurance or certifications, and selecting the appropriate procurement method.
2. Compliance with Legislation and all other relevant ARROW Board policies, standards, and procedures; and specifically, the ARROW Administration Procurement Policy; where all purchases will be compliant with any and all applicable legislation This includes consideration of thresholds:



- a. Competitive Procurement: Goods and services over \$75,000 and Construction over \$200,000
  - b. Non-Competitive Procurement: Goods and services under \$75,000 and construction under \$200,000
  - c. Single Source and Sole Source is excluded from a competitive process so long that it is documented, justified and approved.
3. Emergency Procurement: In emergency situations where immediate action is required to protect people, property, operations, or the environment, standard procurement processes may be bypassed. The CEO (or delegate) may authorize necessary purchases and will notify the Chair and Vice Chair of the Board of Directors when this occurs.
  4. Ethical Conduct and Conflict of Interest: Board members and employees of ARROW Utilities are expected to adhere to principals of impartiality, disclose any actual or perceived conflicts of interest, and maintain confidentiality of bid information. Vendors shall not offer gifts, hospitality, or inducements.

## REFERENCE DOCUMENTS

Municipal Government Act

Other relevant legislation

- New West Partnership Trade Agreement (NWPTA)
- Canadian Free Trade Agreement (CFTA)
- Trade, Investment and Labour Mobility Agreement (TILMA)

Access to Information and Protection of Privacy Act

Delegation of Authority Policy

Administrative Policy – Procurement Policy



March 20, 2026

**Documentation Business Practices**

<b>Purpose of Report</b>	To obtain Board direction regarding the appropriate level of detail to be reflected in Board and Board Committee meeting minutes.			
<b>Attachments</b>	N/A			
<b>Alignment to Board’s Strategic Plan</b>	Responsible leadership - engage with the broader community to increase the awareness of the commission and its work			
<b>Alignment to ESG Principles</b>	Governance - ensures effective policy and financial oversight			
	Governance - addresses and mitigates organizational risk			
	Governance - promotes transparency and accountability			
<b>Background and Discussion</b>	<p>At the February 12, 2026, Governance and Human Resources Board Committee meeting there was agreement that the Board of Directors needed to examine the current approach to minute taking, at both Board and Board committee meetings, and ensure appropriate governance practices were adhered to.</p> <p>Historically ARROW captured the subject matter, motion, and results of the vote (example below).</p> <table border="1" data-bbox="500 1339 1430 1520"> <tr> <td data-bbox="500 1339 776 1520">Administrative Report</td> <td data-bbox="776 1339 1198 1520">CM38-24 MOVED BY Kristina Kowalski THAT the Administrative Reports be received for information.</td> <td data-bbox="1198 1339 1430 1520">Second By Willis Kozak APPROVED UNANIMOUSLY</td> </tr> </table> <p>In 2025, it was encouraged that ARROW capture more information in an effort to increase transparency and provide more context for when historical information or decision points were reviewed. As such, Administration adjusted practices as per the example below.</p>	Administrative Report	CM38-24 MOVED BY Kristina Kowalski THAT the Administrative Reports be received for information.	Second By Willis Kozak APPROVED UNANIMOUSLY
Administrative Report	CM38-24 MOVED BY Kristina Kowalski THAT the Administrative Reports be received for information.	Second By Willis Kozak APPROVED UNANIMOUSLY		

**Report Date:** March 20, 2026  
**Author/Title:** Cindy de Bruin, Director, Information & Strategic Services  
**Approved by:** Kate Polkovsky, CEO

	<table border="1"> <tr> <td data-bbox="526 212 808 1150"> <p>Administrative Report – March, April, &amp; May 2025</p> </td> <td data-bbox="815 212 1269 1150"> <p>CEO Polkovsky reported that cold weather, high-strength wastewater, and spring melt from March to May disrupted nitrification, leading to elevated nitrogen levels, likely due to seasonal conditions rather than an industrial source.</p> <p>Director Teveniuk added that permit non-compliance in March and April required increased toxicity testing. After three successful biweekly tests, the Commission is now transitioning to monthly testing before returning to standard schedule.</p> <p>Jeff Acker requested that ARROW Administration proactively notify member municipalities of potential resident complaints related to ARROW operations.</p> <p>BM28-25</p> <p>MOVED BY Steven vanNieuwkerk THAT the Administrative Reports – March – May 2025 be received as information.</p> </td> <td data-bbox="1276 212 1487 1150"> <p>APPROVED UNANIMOUSLY</p> </td> </tr> </table> <p>The opinion/recommendation of legal counsel Gwendolyn Stewart-Palmer of Shores Jardine LLP is that Board minutes should focus on recording decisions and actions taken, rather than providing detailed commentary on discussions (so returning to the original format). As a historical record, minutes are intended to capture the outcome of deliberations rather than the substance or tone of debate. This approach aligns with standard municipal practice and helps avoid subjective interpretation by the note-taker, including concerns related to tone, editorialization, or selective summarization of discussions.</p> <p>Administration has provided a confidential backgrounder to supplement the information provided.</p>	<p>Administrative Report – March, April, &amp; May 2025</p>	<p>CEO Polkovsky reported that cold weather, high-strength wastewater, and spring melt from March to May disrupted nitrification, leading to elevated nitrogen levels, likely due to seasonal conditions rather than an industrial source.</p> <p>Director Teveniuk added that permit non-compliance in March and April required increased toxicity testing. After three successful biweekly tests, the Commission is now transitioning to monthly testing before returning to standard schedule.</p> <p>Jeff Acker requested that ARROW Administration proactively notify member municipalities of potential resident complaints related to ARROW operations.</p> <p>BM28-25</p> <p>MOVED BY Steven vanNieuwkerk THAT the Administrative Reports – March – May 2025 be received as information.</p>	<p>APPROVED UNANIMOUSLY</p>
<p>Administrative Report – March, April, &amp; May 2025</p>	<p>CEO Polkovsky reported that cold weather, high-strength wastewater, and spring melt from March to May disrupted nitrification, leading to elevated nitrogen levels, likely due to seasonal conditions rather than an industrial source.</p> <p>Director Teveniuk added that permit non-compliance in March and April required increased toxicity testing. After three successful biweekly tests, the Commission is now transitioning to monthly testing before returning to standard schedule.</p> <p>Jeff Acker requested that ARROW Administration proactively notify member municipalities of potential resident complaints related to ARROW operations.</p> <p>BM28-25</p> <p>MOVED BY Steven vanNieuwkerk THAT the Administrative Reports – March – May 2025 be received as information.</p>	<p>APPROVED UNANIMOUSLY</p>		
<p><b>Recommendation</b></p>	<p>THAT the Board direct Administration to prepare Board and Board Committee meeting minutes in a format that captures decisions, resolutions, and actions taken, eliminating narrative commentary on deliberations, in order to support</p>			

**Report Date:** March 20, 2026  
**Author/Title:** Cindy de Bruin, Director, Information & Strategic Services  
**Approved by:** Kate Polkovsky, CEO

	clear governance records and alignment with legal guidance and standard municipal practices.
<b>Implications of recommendation(s):</b>	
<b>Financial</b>	N/A
<b>Legal / Risk</b>	Limiting minutes to decisions and actions helps reduce the risk of subjective interpretation and unnecessary exposure under access to information legislation, where narrative commentary could be reviewed outside its original context.
<b>Environmental / Safety</b>	N/A
<b>Organizational impacts</b>	Board Briefs will be continued to be shared with each Board member and their respective CAOs to support the continued information sharing between ARROW and each municipality, and will be posted to the public website.
<b>External impacts</b>	N/A

**Report Date:** March 20, 2026  
**Author/Title:** Cindy de Bruin, Director, Information & Strategic Services  
**Approved by:** Kate Polkovsky, CEO





	mid-June to provide an overview of future year rates.
Line breaks/repairs	There have been no recent breaks. The Q2 2025 START line break, east of 17 <sup>th</sup> Street, is anticipated to be completed by the end of April 2026. Delays were due to CN Rail issuing a crossing agreement.
HR/Culture	ARROW is currently recruiting for an Operations Manager, a Utility Worker and seasonal positions (groundskeeping and wastewater operator students).
Cybersecurity Update	No significant threats to report, however the Canadian Centre for Cyber Security has cautioned that Iran is very likely to leverage cyber capabilities in response to the current conflict. Canadian critical infrastructure organizations, such as ARROW, have been advised to maintain heightened vigilance due to the potential for targeting by Iran-aligned actors.
Enterprise Resource Planning (ERP) System Replacement Project	ERP System is a software that organization's uses to manage their core business systems and processes (Finance, Inventory, HR, Project Management etc.) in one system. As ARROW's current system has come to end of life, this project looks at upgrades and replacement for the software.
Solids Management Communication with Member Municipalities	Administration issued a communication to member municipality staff regarding increased occurrences of rags, wipes, and other solids entering the regional wastewater system. Municipalities with existing spring line-flushing programs were thanked for their continued collaboration, while those without were encouraged to consider implementing proactive flushing and debris capture practices to manage solids at the source and support reliable regional operations in alignment with ARROW Utilities' Quality of Wastewater Bylaw.
CAO Breakfast	The CAO breakfast has been scheduled for 7:30 a.m. on May 28, 2026, at the Wyndham Edmonton Hotel and Conference Centre. Two CAOs have indicated this conflicts with the Canadian Association of Municipal Administrators Conference but they will send an alternate, and Kate has offered to meet



	with them separately to discuss meeting content. Board Development Committee to finalize the agenda at their March 20th, 2026, meeting.
Member Municipality Councils and CAOs Onboarding and Information Sessions	To date, we have 36 people registered to attend one of the five information sessions offered this spring. These sessions will help elected officials better understand who we are and how we operate. In addition to a plant tour, we will also present information on our rate-setting principles and financial modelling approach. Please encourage your colleagues to attend!
2025 Source Control Reports	<p>ARROW issues annual reports to each member municipality which contain a summary of Source Control activities conducted specific to each respective municipality within the previous calendar year.</p> <p>Each municipality's Technical Advisory Committee member(s) is provided with an opportunity to review a draft report and provide comment. Final versions of the 2025 reports are targeted to be distributed to the Technical Reps and Board members by early April 2026, and historical reports can be found on the board portal.</p>

