

# Meeting Agenda

## Board Meeting

<b>Date:</b>	Friday, September 13, 2024	
<b>Time:</b>	9:00 a.m. – 1:00 p.m.	
<b>Location:</b>	ARROW Utilities – Kisiskaciwan Room	
<b>Board Attendees:</b>	Ken Mackay - Chair Gordon Harris – Vice Chair Steven vanNieuwkerk Bill Hamilton Jeff Acker Rick Smith Kristina Kowalski - Virtual Robert Parks Neal Comeau Lynn Bidney Stephen Dafoe William Choy	City of St. Albert City of Fort Saskatchewan City of Beaumont City of Leduc City of Spruce Grove Leduc County Parkland County (online) Strathcona County Sturgeon County Town of Bon Accord Town of Morinville Town of Stony Plain
<b>Regrets</b>	Willis Kozak	Town of Gibbons
<b>Staff Attendees:</b>	Kate Polkovsky Cindy de Bruijn Jaimie Spurgeon Wade Teveniuk Jay Mason Dwayne Cikaluk Colleen Moody	Chief Executive Officer Director of Information & Strategic Services Director of Finance & Corporate Services Director of Regulatory Services Director of Engineering Director of Operations & Maintenance Executive Assistant

Item	Lead
Called to Order	Ken M
Safety Moment <ul style="list-style-type: none"> <li>➤ General safety reminder</li> <li>➤ Muster point in case of emergency<sup>1</sup></li> </ul>	Kate P
Adoption of Agenda	Ken M
Adoption of June 14th, 2024, meeting minutes	Ken M
Committee Updates <ul style="list-style-type: none"> <li>➤ Audit &amp; Finance – Update (verbal report)</li> <li>➤ Advocacy Committee – Update (verbal report)</li> <li>➤ Board Development Committee – Update (verbal report)</li> <li>➤ Governance &amp; Human Resources Committee Update (verbal report)</li> </ul>	William C Neal C William C Gordon H

<sup>1</sup> If an alarm sounds, please follow the direction of your ARROW Utilities host, who will check on the status of the alarm and provide further direction.

Administration Updates ➤ Administrative Report Operations/Incidents and Contraventions	Kate P
Financial Report ➤ Finance	Jaimie S
Train Four Borrowing	Jaimie S
Budget Approval ➤ Budget Rate 2025	Jaimie S
Inquiring Agency MOU ➤ <b>CONFIDENTIAL</b>	Cindy D
Tri-Party Agreement ➤ <b>CONFIDENTIAL</b>	Kate P
Bylaw Update ➤ Administration and Procedures Bylaw – second and third reading	Cindy D
Notices of Motions ➤ Committee Meetings ➤ Other	Kate P
Round Table	All
CEO Dialogue	Kate P
Closing Remarks/Adjournment	Ken M





Adoption of March 22, 2024, Meeting Minutes,	CM36-24 THAT the minutes of the March 22, 2024, meeting as presented be adopted.	Chair Ken Mackay declared as adopted
Board Committee Updates	CM37-24 MOVED BY Gordon Harris THAT all Board Committee verbal reports be received for information.	Second By Robert Parks APPROVED UNANIMOUSLY
Administrative Report	CM38-24 MOVED BY Kristina Kowalski THAT the Administrative Reports be received for information.	Second By Willis Kozak APPROVED UNANIMOUSLY
Financial Report	CM39-24 MOVED BY William Choy THAT the Board receive the Q1 Financial Statements Report for information.	Second By Bill Hamilton APPROVED UNANIMOUSLY
Approval to Borrow	CM40-24 MOVED BY Stephen Dafoe 1) THAT the Borrowing Debenture motion CM16-24 passed on January 26, 2024, be rescinded. CM41-24 MOVED BY Willis Kozak 2) THAT the Board sanctions the approval to borrow as follows: a) That in order to facilitate the ongoing capital expenditures related to the Train 4 Expansion project; that the sum of \$22,000,000 be borrowed by way of Uncommitted Multi-draw Construction Operating Line from the	Second By Jeff Acker APPROVED UNANIMOUSLY  Second By Steven vanNieuwkerk APPROVED UNANIMOUSLY



	<p>Toronto-Dominion Bank (“TD” or the “Bank”).</p> <p>b) That the Uncommitted Multi-draw Construction Operating Line facility is to be repaid via a long-term financing by February 28, 2026, or upon completion of construction and commissioning, whichever is earlier.</p> <p>c) That the facility shall bear an interest during the currency of the facility at a rate not exceeding the variable Prime rate +1% or 1 month and 3-month Canadian Overnight Repo Rate Average + Spread of up to 2% fixed from time to time by TD. Payable on Demand.</p>	
Administration and Procedure Bylaw	<p>CM42-24 MOVED BY Jeff Acker THAT the Board receive first reading of the proposed Administration and Procedures bylaw and that amendments be brought back to the September 13, 2024, meeting for review and approval, after consultation with the HR and Governance Committee, and that Administration complete all necessary public and stakeholder notices in advance, as required.</p>	<p>Second By Willis Kozak APPROVED UNANIMOUSLY</p>



Line Break Update	CM43-24 MOVED BY Robert Parks THAT the Board receive the Line Break Update for information.	Second By Gordon Harris APPROVED UNANIMOUSLY
Projected Budget - 2025 Rates	CM44-24 MOVED BY William Choy THAT the projected budget report be received for information.	Second By Willis Kozak APPROVED UNANIMOUSLY
Inquiry Update	CM45-24 MOVED BY Robert Parks THAT the Board move into closed session at 11:53 am.  CM46-24 MOVED BY Stephen Dafoe THAT the Board come out of closed session at 12:35 pm.  CM47-24 MOVED BY Steven vanNieuwkerk THAT the Board approve: 1) THAT the Board of Directors direct Administration to engage in a conversation with the 'inquiring representatives' to discuss the differences between membership and a customer relationship, and the nuances between governance and administrative boards.  CM48-24 MOVED BY Jeff Acker 2) THAT the Board of Directors direct Administration to provide the 'inquiring	Second By Jeff Acker. APPROVED UNANIMOUSLY  Second By Bill Hamilton APPROVED UNANIMOUSLY  Second By Kristina Kowalski APPROVED UNANIMOUSLY  Second By Robert Parks



	<p>representatives' proposed changes to their presented draft Memorandum of Understanding.</p> <p>CM49-24 MOVED BY Willis Kozak THAT the Board of Directors direct Administration to seek the services of a Chartered Business Valuator.</p>	<p>APPROVED UNANIMOUSLY</p> <p>Second By Neal Comeau APPROVED UNANIMOUSLY</p>
Communication Advisory Committee Meeting Update	<p>CM50-24 MOVED BY Kristina Kowalski THAT the Board receive the Communication Advisory Committee Meeting update for information purposes.</p>	<p>Second By Willam Choy APPROVED UNANIMOUSLY</p>
Legal Matter-Confidential	<p>CM51-24 MOVED BY Neal Comeau THAT the Board move into closed session at 12:47pm.</p> <p>CM52-24 MOVED BY Rick Smith THAT the Board come out of closed session at 12:57pm.</p> <p>CM53-24 MOVED BY Willis Kozak THAT the Board receive the Legal Matter Report for information purposes.</p>	<p>Second By Robert Parks APPROVED UNANIMOUSLY</p> <p>Second By Jeff Acker APPROVED UNANIMOUSLY</p> <p>Second By Gordon Harris APPROVED UNANIMOUSLY</p>
Notices of Motion		
Closing Remarks/Adjournment	<p>Chair Ken Mackay adjourned the meeting at 12:59 p.m.</p>	



Next Meeting	September 13th, 2024.
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These minutes approved this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

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

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

Recorder:  
Colleen Moody  
Executive Assistant

UNADOPTED



**September 13, 2024**  
**Administrative Report**

<b>Purpose of Report</b>	This report provides a summary of operations, incidents and contraventions, and any public relations matters.
<b>Attachments</b>	Operations Report (May-July 2024) Incidents & Contraventions Report (May 1 – July 31, 2024)
<b>Alignment to Board’s Strategic Plan</b>	Respecting our environment - release water of the highest possible quality into the NSR Organizational excellence - enhance the health, well-being 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 to the environment Social - improves service delivery and community relations Governance - promotes transparency and accountability
<b>Background and Discussion</b>	<p><b><u>Regulatory Services / Incidents and Contraventions:</u></b>  A total of eight incidents/contraventions this period (May – July).  One lost time injury: trip and fall resulting in laceration/infection.  Five environmental contraventions: Includes six Outfall trunk pipeline Sanitary Sewer Overflow (SSO) locations, one Morinville forcemain wastewater release, and one digester biogas release.  Two near miss environmental contraventions: Outfall trunk pipeline collapses.</p> <p><b><u>Operations:</u></b>  Over the course of May through July a number of localized issues caused operational disruptions both within the transmission system and within the plant site.</p>

**Report Date:** September 13, 2024  
**Author/Title:** Dwayne Cikaluk, Director of Operations  
Wade Teveniuk, Director of Regulatory Services  
Cindy de Bruijn, Director of Information and Strategic Services  
**Approved by:** Kate Polkovsky, CEO

A major wet weather event which resulted in two pipe collapses on the Outfall Transmission line resulted in a substantial increase of solids loading affecting the plant BNR process and digester process. This additionally resulted in the secondary digester losing its gas seal due to the influx of heavy solids.

A line collapse on June 26 on the Morinville forcemain forced the diversion of flow to the Morinville lagoons. Excavation and repairs were completed, and the system resumed normal operation within 3 days.

The Fort Saskatchewan pump, SP#4, failed due to an impeller failure. The pump is currently in the final stages of repair.

The Parkland pump station channel grinder failed due to excessive solids entering the station during a wet weather event. The grinder was removed from the station for a complete replacement.

The Fort Saskatchewan 5kv switchgear project experienced a second intrusion into the station site on June 6 resulting in the theft of genset cables. Engineering was following up on a replacement plan to work with the contractor to rectify the issue.

As part of the 5 kv switchgear plant site capital project, a component of the project required power to be terminated for 8 hours. This planned power outage significantly impacted both the stability and functioning of the BNR treatment process.

**Public Relations:**

We received one formal odour complaint from the Spruce Grove lagoons, although when we dispatched an operator to conduct H2S readings at the site (which is what causes the odour) no odour was sensed, and all readings indicated there was no H2S in the air. These tests were conducted approximately 2 hours from when the complaint was received. Administration continues to exercise odour mitigation efforts in the area to reduce the likelihood of odour complaints.

We received one resident complaint from the Lakeshore Estates community in Parkland County regarding the completed rehabilitation work on the Parkland Gravity line. Residents in the area are using the Utility Right of Way (URW) as walking trails and they want topography and natural foliage restored to their desired standard. This issue is a matter for the County to resolve as they hold title on the URW and completed the access permit close out in April.

**Report Date:** September 13, 2024

**Author/Title:** Dwayne Cikaluk, Director of Operations  
Wade Teveniuk, Director of Regulatory Services  
Cindy de Bruijn, Director of Information and Strategic Services

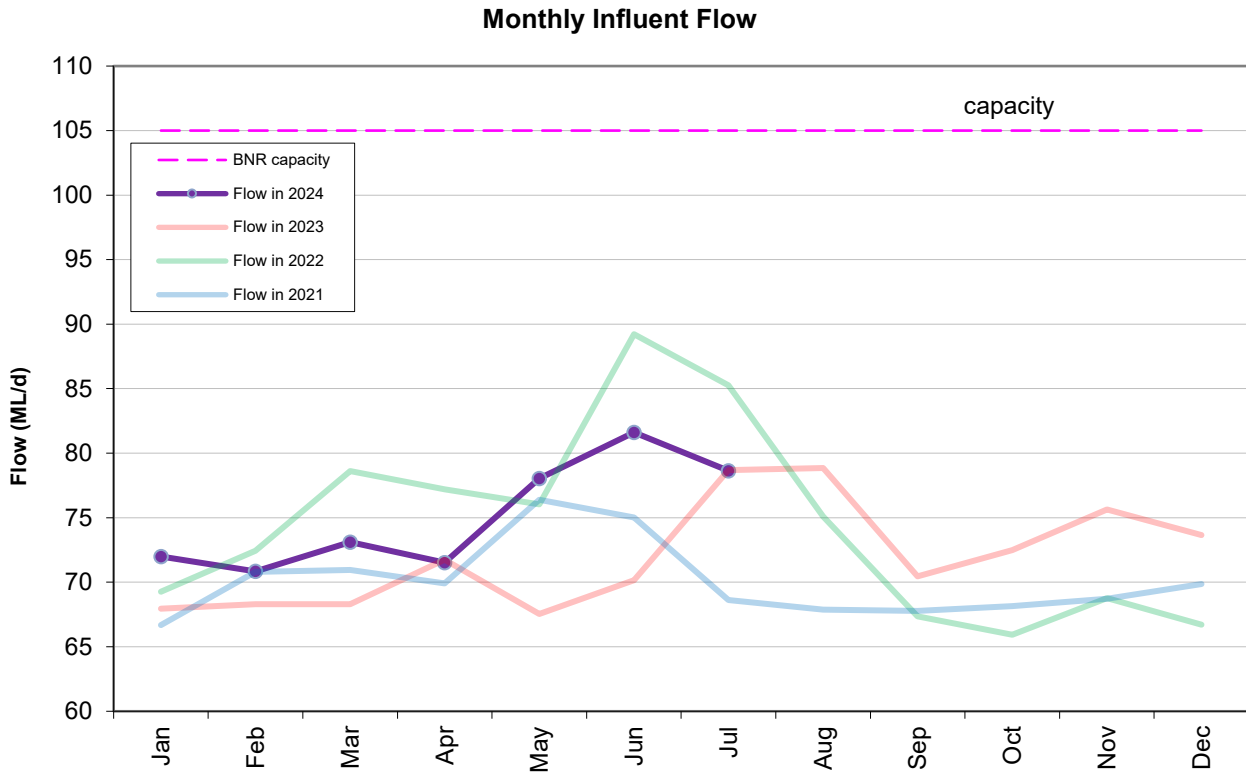
**Approved by:** Kate Polkovsky, CEO

<b>Recommendation</b>	This report is for information purposes.
<b>Implications of recommendation(s):</b>	
<b>Financial</b>	N/A
<b>Legal / Risk</b>	Regarding the use of the URW without permission and the risk of injury and hence liability, we consulted with ARROW's lawyer who indicated that because we are permitted to access the underground infrastructure of the sewer lines but the land itself belongs to the county, we are unlikely to face any responsibilities if residents are unlawfully accessing the area and are injured.
<b>Environmental / Safety</b>	N/A
<b>Organizational Impacts</b>	N/A
<b>External Impacts</b>	N/A

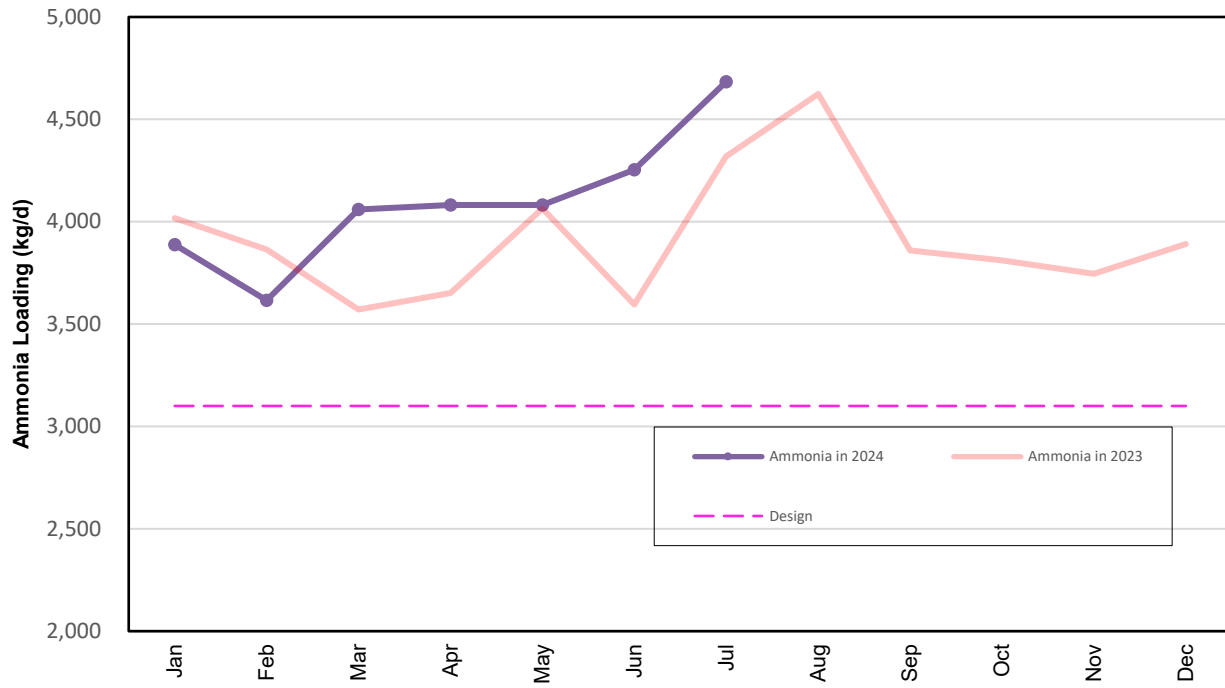
**Report Date:** September 13, 2024  
**Author/Title:** Dwayne Cikaluk, Director of Operations  
Wade Teveniuk, Director of Regulatory Services  
Cindy de Bruijn, Director of Information and Strategic Services  
**Approved by:** Kate Polkovsky, CEO

## Operations Report May - July 2024

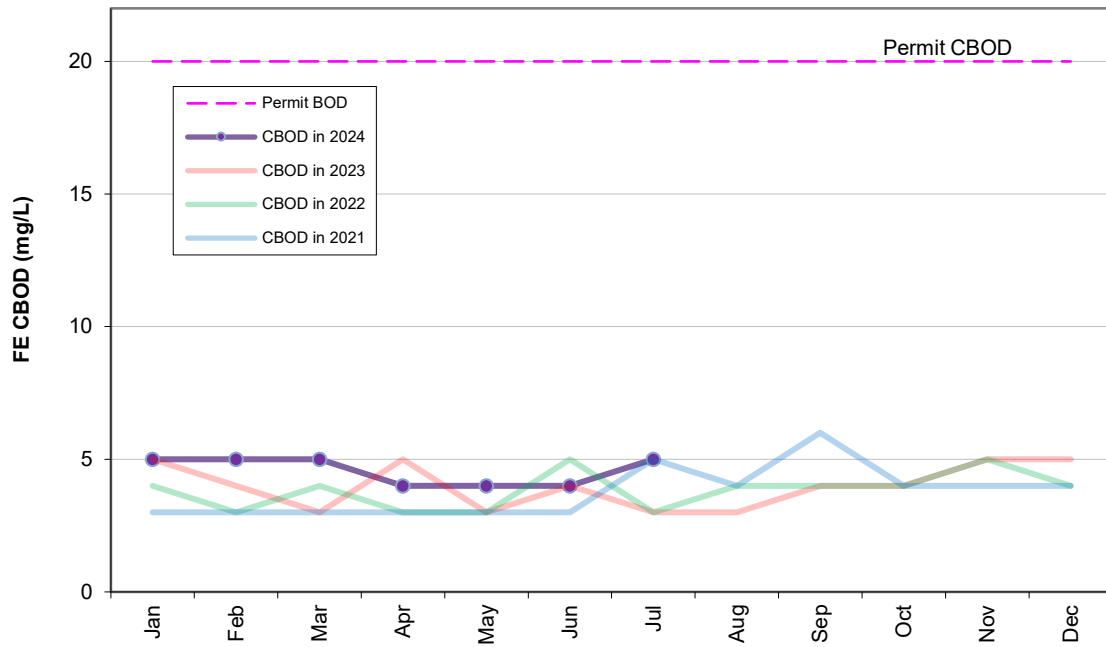
### Treatment Targets by Concentrations



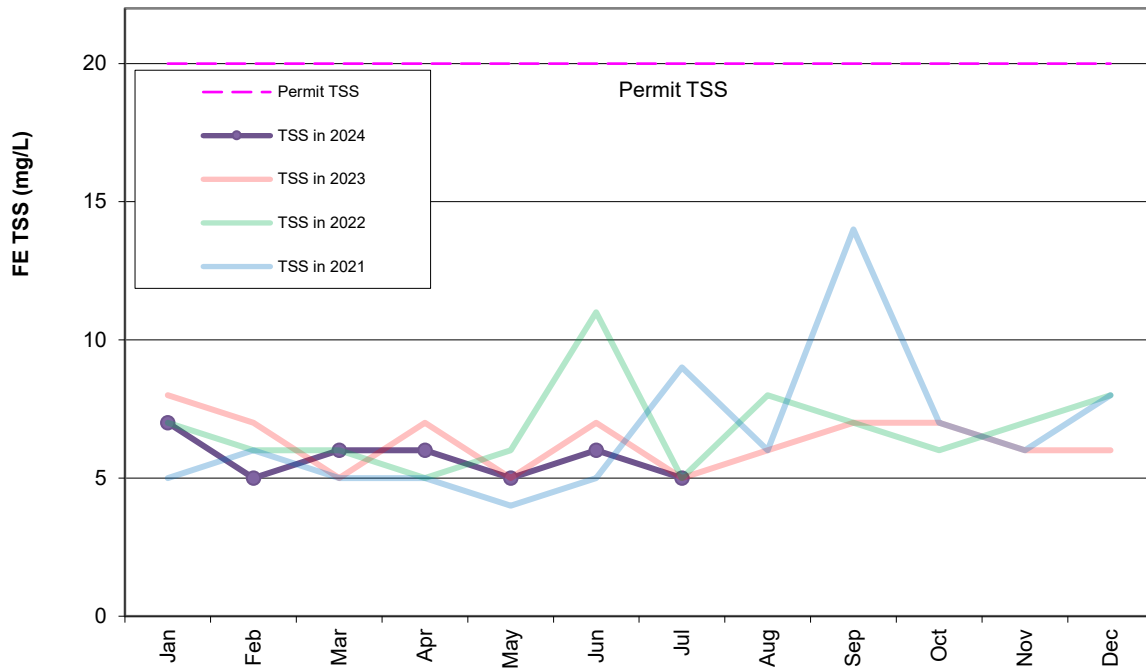
**Monthly Influent Ammonia Mass Loading**



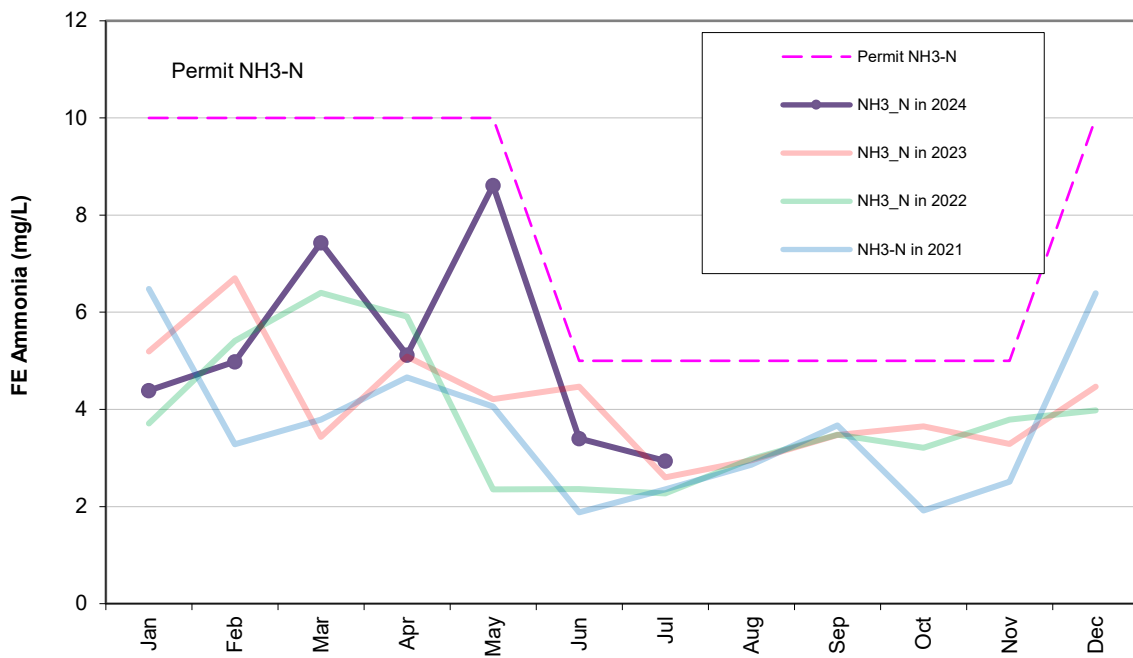
**Monthly Effluent Carbonaceous Biological Oxygen Demand**



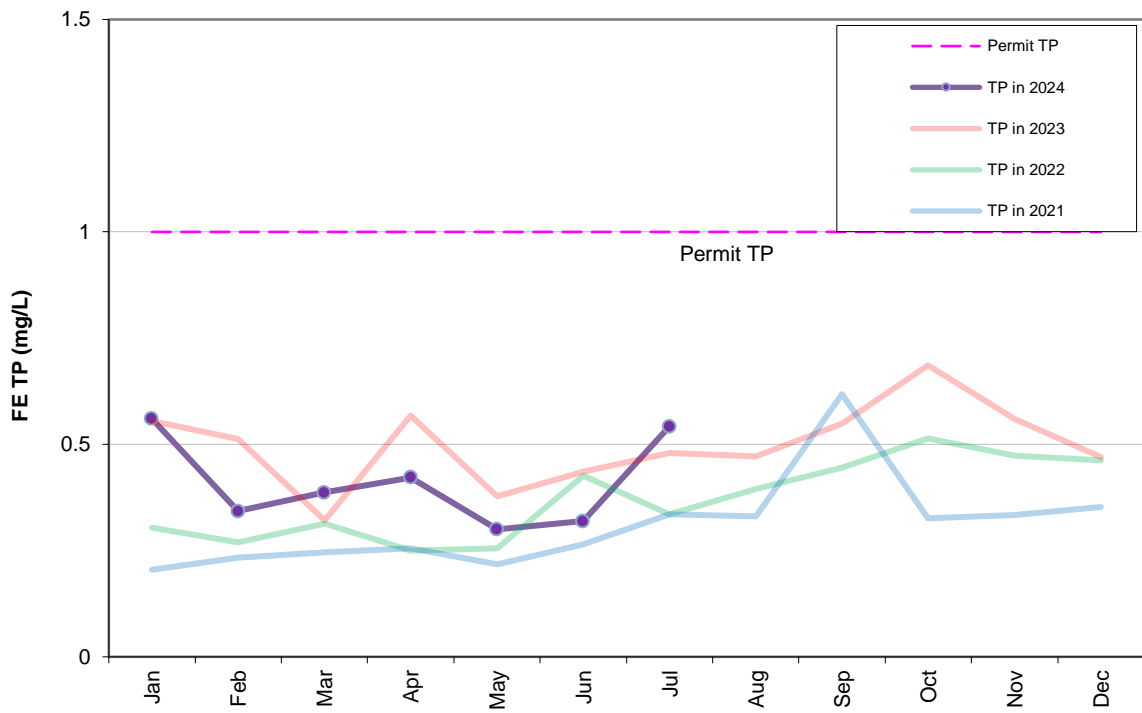
Monthly Effluent Total Suspended Solids



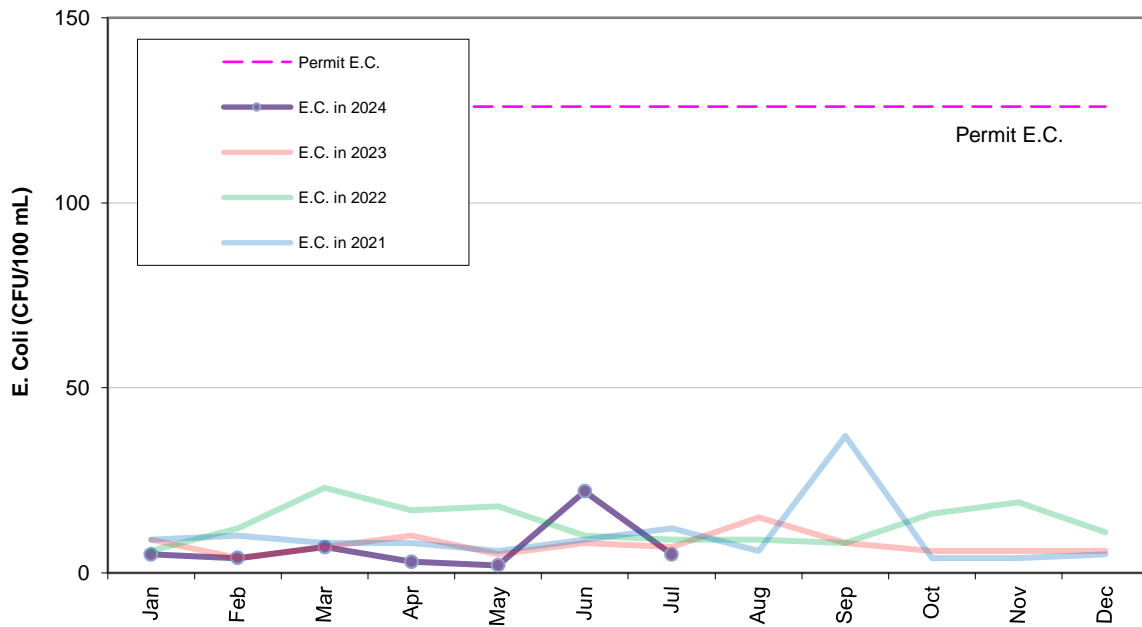
Monthly Effluent Ammonia



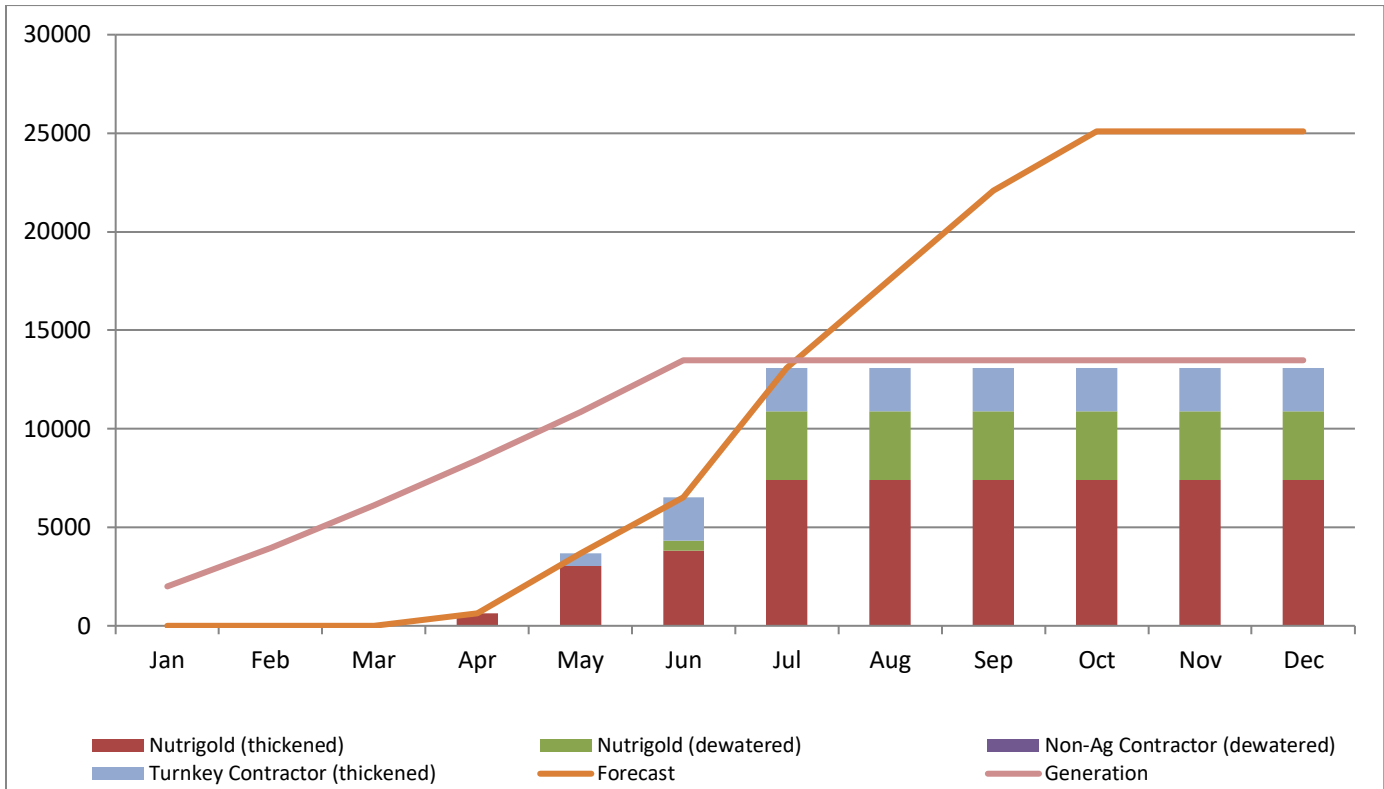
### Monthly Effluent Total Phosphorus



### Monthly Effluent E. Coli



## Biosolids May - July 2024



Aug 14 Update from EPCOR: approximately 3600 DT of thickened material was hauled, and 3000 DT dewatered material was hauled in July. EPCOR has updated year end and has increased forecast to 25000 DT based on progress in July and estimated remaining levels of thickened material remaining in cells.

## **Regulatory/Incidents/Contraventions Summary**

Date: July 31, 2024

Reporting Period: May 1, 2024, to July 31, 2024

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### **Incident Classification:** Lost Time Injury

**Date:** May 1, 2024

**Location:** Morinville Pump Station

#### **Description of Events:**

An Electrical/Instrumentation (E/I) Technician tripped on an in-use water hose in the Morinville pump station wet well resulting in the worker falling onto the concrete floor and some grating. The impact resulted in a strained right shoulder and laceration to right elbow. The worker was able to return to work on their next shift, but the laceration became infected a week later thus resulting in a lost time and WCB claim. The worker returned to work May 13<sup>th</sup> after further treatment.

#### **Recovery and control actions:**

May 1: The E/I Tech was immediately transported to hospital for assessment and treatment.

#### **Causes and future actions:**

- Congested area and poor housekeeping
  - Constrained movement
  - Inadequate compliance to the system standards: A field level hazard assessment was completed however the identified controls were not implemented as identified.
  - Removed extra hoses from the wet well for proper storage.
  - Involved workers received refresher Field Level Hazard Assessment (FLHA) training.
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### **Incident Classification:** Near Miss Environmental Contravention

**Date:** May 22, 2024

**Location:** 175m West of old 66 Street and Valour Ave (195 Ave)

#### **Description of Events:**

A section of the gravity Outfall sewer trunk crown failed creating a sink hole allowing clay and soil to enter the pipeline. The lower section of the pipeline remained intact and contained and conveyed all wastewater.

#### **Recovery and control actions:**

Claim shell repair was executed and site restoration completed.

#### **Causes and future actions:**

Corrosion of gaskets due to H<sub>2</sub>S.

Utility Master Plan development to support proactive repairs and prioritize ongoing asset replacement and upgrades.

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**Incident Classification:** Near Miss Environmental Contravention

**Date:** June 4, 2024

**Location:** 300m East of Old 66 St, South of 195 Ave

**Description of Events:**

A section of the gravity Outfall sewer trunk pipe crown failed creating a sink hole allowing a gap for clay and soil to enter the pipeline. The lower section of the pipeline remained intact and contained and conveyed all wastewater.

**Recovery and control actions:**

Repaired compromised section and completed site restoration.

**Causes and future actions:**

Corrosion of pipeline due to H<sub>2</sub>S.

Utility Master Plan development to support proactive repairs and prioritize ongoing asset replacement and upgrades.

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**Incident Classification:** Environmental Contravention

**Date:** June 4, 2024

**Locations:**

1. 280 m East of 127 St (Range Road 250) and South of 195 Ave (Township Road 542), Sturgeon County.
2. 40 m East of Hunters Green Golf Course: 10845-195 Ave Edmonton, AB
3. Parking lot of Hunters Green Golf Course
4. 50 m West of a residential property: 24451 Township Road 542

**Contaminant:** Untreated Wastewater

**Estimated Volume of Releases:**

1. 15 m<sup>3</sup>
2. 5 m<sup>3</sup>
3. 0.5 – 10 m<sup>3</sup>
4. 0.3 m<sup>3</sup>

**Descriptions of Events:**

An intense regional wet weather event significantly impacted St. Albert and Sturgeon County late on the evening of June 3 and continued to about 1:00 am on June 4. Morinville flows were directed to the Morinville wet weather storage lagoon prior to the onset of the forecasted rain.

Sanitary sewer overflows (SSOs) occurred at the following gravity system manholes:

1. Manhole (904-MH-13). The wastewater was contained in a ditch.
2. Manhole (904-MH-21). The wastewater was contained in a ditch.
3. START manhole (905-MH-11B). The wastewater pooled and was contained in the parking lot.
4. Manhole (904-MH-19). No standing wastewater but debris was found around the manhole.

Wastewater did not enter any body of water for any of the SSOs.

**Recovery and control actions:**

All SSOs were reported to Alberta Environment & Protected Areas (AEPA).

No downstream blockages or restrictions were discovered.

Vacuum and water trucks were mobilized to remove any standing wastewater and flush the affected areas.

**Causes and future actions:**

The wet weather event surpassed the transmission system's capacity.

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**Incident Classification:** Environmental Contravention

**Date:** June 4, 2024

**Location:** 30 m West of the T-intersection of Range 251 and Township Road 542, Sturgeon County

**Contaminant:** Untreated Wastewater

**Estimated Volume of Release:** 33 m<sup>3</sup>

**Description of Events:**

An intense regional wet weather event significantly impacted St. Albert and Sturgeon County late on the evening of June 3 and continued to about 1:00 am on June 4. Morinville flows were directed to the Morinville wet weather storage lagoon prior to the onset of the forecasted rain. A sanitary sewer overflow (SSO) occurred at St. Albert forcemain manhole (902-MH-06). The released wastewater was contained near the manhole and did not enter any body of water. The Air Relief Valve (ARV) within the manhole was releasing wastewater.

**Recovery and control actions:**

SSO reported to Alberta Environment & Protected Areas (AEPA). Vacuum and water trucks were mobilized to remove any standing wastewater and flush the affected areas.

**Causes and future actions:**

The rain event scoured any built-up solids and inundated the wastewater collection system. Through inspection of the manhole (902-MH-06) it was confirmed that the ARV was not damaged, however debris had prevented it from sealing properly resulting in the wastewater discharge from the forcemain.

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**Incident Classification:** Environmental Contravention

**Date:** June 5, 2024

**Location:** 485m West of old 66 St on 195 Ave

**Contaminant:** Untreated Wastewater

**Estimated Volume of Release:** 28 m<sup>3</sup>

**Description of Events:**

An intense regional wet weather event significantly impacted St. Albert and Sturgeon County late on the evening of June 3 and continued to about 1:00 am on June 4. Morinville flows were directed to the Morinville wet weather storage lagoon prior to the onset of the forecasted rain to reduce flows to the St Albert Regional Trunk (START) and the Outfall Gravity Transmission lines.

June 5: Discovered two active sanitary sewer overflows (SSOs) from manholes 904-MH-38 and 904-MH-39 on the Outfall Gravity line. Wastewater did not enter any waterbody.

**Recovery and control actions:**

SSOs were reported to Alberta Environment & Protected Areas (AEPA).

June 5: Vacuum trucks and a water truck mobilized to remove wastewater out of manholes.

Contractor mobilized to set up pump around upstream from both surcharging manholes to divert flows.

With this pump around the vacuum trucks were able to maintain control of further significant SSO.

When the SSO stopped, the vacuum trucks, and water truck completed flushing and removing water from the ground surrounding the manholes.

The pump around system remained in place and was monitored. No further SSO occurred. Site remediation completed.

**Causes and future actions:**

The intense rain fall received over night June 3, caused soil erosion and additional stress to the aging Outfall Gravity Transmission line resulting in a collapse of the aging Outfall Gravity Transmission line. Initially the wastewater was still flowing, it is suspected the surrounding soil fell into the break sites partially blocking the line resulting in restricted flows and a slow surcharge from the manholes 904-MH-38 and 904-MH-39.

Utility Master Plan development to support proactive repairs and prioritize ongoing asset replacement and upgrades.

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**Incident Classification:** Environmental Contravention

**Date:** June 9, 2024

**Location:** ARROW Wastewater Treatment Plant

**Contaminant:** Digester Biogas

**Estimated Volume of Release:** 5105 m<sup>3</sup>

**Description of Events:**

The biogas seal on the secondary anaerobic digester was compromised, and intermittently released biogas into the atmosphere over a 14-hour period.

**Recovery and control actions:**

Release reported to Alberta Environment & Protected Areas (AEPA).

Followed recovery SOP. Transferred product to help equalize digesters.

**Causes and future actions:**

An intense regional wet weather event occurring overnight June 3, 2024, caused soil erosion and additional stress to the aging Outfall gravity transmission pipeline. This resulted in a pipeline crown collapse and a significant amount of solids (soil) entering the wastewater flow within the intact lower section of the pipeline. Solids loading to the wastewater treatment plant peaked at an 81% increase over average loading. Ongoing increased solids loading over the subsequent days after the wet weather event resulted in upset process conditions at the wastewater treatment plant, including the digesters. The compromised section of the pipeline was excavated for repair.

Utility Master Plan development to support proactive repairs and prioritize ongoing asset replacement and upgrades.

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**Incident Classification:** Environmental Contravention

**Date:** June 26, 2024

**Location:** ~900m South of Highway 642 (100 Ave) on east side of Range Road 252 near Morinville, AB.

**Contaminant:** Untreated wastewater

**Estimated Volume of Release:** 3.86 m<sup>3</sup>

**Description of Events:**

A drop in pressure and increased flow was observed in the Morinville forcemain pipeline. The observed parameters triggered an automated redirection of wastewater flows to the Morinville wet weather storage lagoon. Discovered the break site by the pooling of wastewater in a farmer's field.

**Recovery and control actions:**

- Land Services contract support successfully contacted affected landowners and informed them of the situation.
- The affected section of the forcemain was isolated. Contractors were dispatched to secure the area.
- Vacuum trucks mobilized to remove the standing wastewater.
- June 28: Repairs to the compromised section of the pipeline were completed.
- June 29: The forcemain was placed back in service.

**Causes and future actions:**

The forcemain had ruptured along the side of the pipe. Age and piping materials most likely contributed to the failure.

The replacement pipe joint and couplers procured are of a made of newer materials and improved quality.

The landowner requested to assess at harvest time to determine what restoration work will be required.

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**September 13, 2024**  
**Financial Update – Quarter Two**

<b>Purpose of Report</b>	This report serves to provide an update on financial reporting up the end of June 30, 2024 (the second quarter of operations).
<b>Attachments</b>	Q2 2024 Financial Statements
<b>Recommendation</b>	That the Board receive the report for information.
<b>Alignment to Board’s Strategic Plan</b>	Organizational excellence - enhance the health, well-being and safety of all employees and contractors
	Responsible leadership - keep utility rates reasonable and predictable for member municipalities
<b>Alignment to ESG Principles</b>	Governance - addresses and mitigates organizational risk
	Governance - promotes transparency and accountability
	Governance - ensures effective policy and financial oversight
<b>Background and Discussion</b>	Financial results as of June 30, 2024, remain consistent with budget expectations for both operating and capital.
<b>Implications of recommendation(s):</b>	
<b>Financial</b>	As above.
<b>Legal / Risk</b>	N/A
<b>Environmental/Safety</b>	N/A
<b>Organizational Impacts</b>	N/A
<b>External Impacts</b>	N/A



Financial Statements of

**ARROW UTILITIES**

As of June 30, 2024



**Statement of Financial Position**  
**June 30, 2024**  
(in thousands of dollars)

	2024 June 30 YTD	2023 Dec 31 Actuals
<b>FINANCIAL ASSETS</b>		
Cash	\$ 15,461	\$ 35,132
Receivables from Commission members (Note 13)	5,309	3,907
Other receivables	1,456	1,484
Investments (Note 4)	1,058	10,120
	<u>23,285</u>	<u>50,643</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 13)	25,045	27,386
Debt (Notes 5,12)	99,027	87,461
Deferred revenues	375	375
Other liabilities	-	469
	<u>124,447</u>	<u>115,691</u>
<b>NET DEBT</b>	<u>(101,162)</u>	<u>(65,048)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 6)	324,437	275,262
Inventory held for consumption	1,295	1,172
Prepaid expenses	348	239
	<u>326,080</u>	<u>276,673</u>
<b>ACCUMULATED SURPLUS (Note 8)</b>	<u>\$ 224,918</u>	<u>\$ 211,625</u>

Contractual commitments and contingent liabilities (Note 10)



**Statement of Operations**  
**For the Period Ended June 30, 2024**  
**(in thousands of dollars)**

	2024 Budget	2024 June 30 YTD	2023 Actual
<b>REVENUES</b>			
Treatment charges (Note 13)	\$ 64,864	\$ 33,247	\$ 54,541
Investment income	1,200	679	1,289
Other revenue	1,923	0	78
<b>Total revenues</b>	<b>67,987</b>	<b>33,927</b>	<b>55,908</b>
<b>EXPENSES (Note 9)</b>			
Operation and Management	30,104	17,349	43,051
Communications and Stakeholder Relations	1,242	622	
Corporate services	1,743	1,148	2,925
Engineering	1,617	530	997
Regulatory services	1,542	830	1,629
Board	229	154	257
<b>Total expenses</b>	<b>36,477</b>	<b>20,633 -</b>	<b>48,859</b>
<b>Excess of revenues over expenses</b>	<b>31,510</b>	<b>13,294</b>	<b>7,049</b>
Accumulated surplus at beginning of year	211,625	211,625	204,576
<b>Accumulated surplus at end of period</b>	<b>\$ 243,135</b>	<b>\$ 224,919</b>	<b>\$ 211,625</b>



**Statement of Changes in Net Debt**  
**For the period ending June 30, 2024**  
**(in thousands of dollars)**

	2024 Budget	2024 June 30 YTD	2023 Actual
<b>Excess of revenues over expenses</b>	\$ 31,510	\$ 13,294	\$ 7,049
Acquisition of tangible capital assets	(84,550)	(49,175)	(49,207)
Amortization of tangible capital assets	10,000	-	9,265
Loss on disposal of tangible capital assets	-	-	309
Change in inventory held for consumption	-	(123)	(240)
Change in prepaid expenses	-	(109)	(107)
<b>Change in net debt</b>	<b>(43,040)</b>	<b>(36,114)</b>	<b>(32,931)</b>
Net debt at beginning of year	(65,048)	(65,048)	(32,117)
<b>Net debt at end of period</b>	<b>\$ (108,088)</b>	<b>\$ (101,162)</b>	<b>\$ (65,048)</b>



**September 13, 2024**  
**Train 4 Borrowing**

<b>Purpose of Report</b>	To obtain approval to borrow debentures or seek funding from other lending institutions for the capital expenditures related to the Train 4 Expansion Project.
<b>Attachments</b>	N/A
<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 - addresses and mitigates organizational risk
	Governance - ensures effective policy and financial oversight
<b>Background and Discussion</b>	<p>On August 19, 2024, the Province of Alberta approved the request to temporarily increase ARROW’s debt limit to accommodate the borrowing requirement to complete the Train 4 Expansion Project. Due to the timing and nature of grant funding, loan applications, and other approvals to be received from the Province, the cash flow needs of the project continues to be closely monitored. As such, up to \$95 million is required to be borrowed through a debenture or other lending institutions to facilitate the cashflow needs on the project.</p> <p>The Train 4 project total budget is estimated to be \$195 million with \$49 million total project spent at the end of July 2024. The funding sources are:</p> <ul style="list-style-type: none"> <li>\$30 million – Alberta Provincial Debenture (approved June 16, 2023)</li> <li>\$22 million - TD Operating loan (approved on June 14, 2024)</li> <li>\$50 million – Alberta Provincial Grant Fund (awaiting Provincial disbursement)</li> <li>\$93 million – Minimum New Request to Approve (with up to \$95 million being requested to manage potential cash flow timing)</li> </ul> <p>Alternative funding options are required to be considered given the position that was experienced at the beginning of the year when the Province denied the request to borrow the additional dollars for the project. This resulted in the need to engage other lending institutions for funding</p>

**Report Date: September 13, 2024**  
**Author/Title:** Jaimie Spurgeon  
**Approved by:** Kate Polkovsky

	<p>support. Although Ministerial Order to increase our debt limit temporarily is in place, the ability to continue to borrow from the Province is unknown at this time. However, this will be evaluated and considered on how to approach funding flexibility and opportunities.</p> <p>To ensure timely approval is established, Administration is seeking two approvals from the Board that would allow for flexibility and opportunity to review the various financing options available.</p> <ol style="list-style-type: none"> <li>1. To borrow up to \$95 million in principal amount through a debenture or other lending institution.</li> </ol> <p>This request would allow ARROW to evaluate the various options and be able to understand the financing options that would best fit the financial strategy of the organization.</p> <ol style="list-style-type: none"> <li>2. To borrow up to \$95 million from Toronto-Dominion Bank (TD)</li> </ol> <p>Administration has the option to enter into a financing arrangement with Toronto Dominion (TD) for up to \$95 million. With this opportunity, ARROW would be charged interest owing on only the amount that has been withdrawn. If no funds are withdrawn, no interest costs would be incurred. This provides ARROW the flexibility to secure the loan on hand while pursuing and analyzing other financing options.</p> <p>With these approvals, it would allow Administration to continue its commitment and time to evaluate the various options to ensure that ARROW's financial position is managed accordingly with careful consideration of long-term impact to the organization.</p>
<p><b>Recommendation</b></p>	<ol style="list-style-type: none"> <li>1) THAT the Board sanctions the approval to borrow up to \$95,000,000 principal amount through a debenture or other lending institute for the capital expenditures related to the Train 4 Expansion Project, whereas: <ol style="list-style-type: none"> <li>a) The interest rate of any borrowing agreement does not exceed 8%per annum and would be repaid in addition to the principal owing</li> <li>b) Where possible, that the principal and interest is combined and made payable in equal semi-annual, or annual instalments over a period not exceeding 20 years in accordance with the terms of the loan or debenture agreement.</li> </ol> </li> <li>2) THAT the Board sanctions the approval to borrow as follows: <ol style="list-style-type: none"> <li>a) That in order to facilitate the ongoing capital expenditures related to the Train 4 Expansion project; that the sum of \$95,000,000 be borrowed by way of Uncommitted Multi-draw Construction</li> </ol> </li> </ol>

**Report Date: September 13, 2024**  
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	<p>Operating Line from The Toronto-Dominion Bank (“TD” or the “Bank”).</p> <p>b) That the Uncommitted Multi-draw Construction Operating Line facility is to be repaid via a long-term financing by December 31, 2025, or upon completion of construction and commissioning, whichever is earlier.</p> <p>c) That the facility shall bear an interest during the currency of the facility at a rate not exceeding the variable Prime rate +1% or 1 month and 3-month Canadian Overnight Repo Rate Average + Spread of 1-2% fixed from time to time by TD. Payable on Demand.</p>
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**Implications of recommendation(s):**

<b>Financial</b>	If not approved, ARROW would not have sufficient funds to complete the project.
<b>Legal / Risk</b>	If not approved and inability to support the cashflow, ARROW be held liable for breach of contract and any related costs of not completing the project.
<b>Environmental / Safety</b>	N/A
<b>Organizational impacts</b>	Inability to address current demand and prepare for future growth with the expansion of the plant
<b>External impacts</b>	Significant reputational risk should we breach the contract.

**Report Date: September 13, 2024**  
**Author/Title:** Jaimie Spurgeon  
**Approved by:** Kate Polkovsky



**September 13, 2024**

**Proposed 2025 Operating and Capital Budget Report**

<b>Purpose of Report</b>	To obtain the Board’s approval of the 2025 Utility Rate and the 2025 Operating and Capital Budget
<b>Attachments</b>	2025 Budget Report
<b>Alignment to Board’s Strategic Plan</b>	Responsible leadership - keep utility rates reasonable and predictable for member municipalities
	Organizational excellence - enhance the health, well-being and safety of all employees and contractors
<b>Alignment to ESG Principles</b>	Governance - promotes transparency and accountability
	Governance - ensures effective policy and financial oversight
	Governance - addresses and mitigates organizational risk
<b>Background and Discussion</b>	<p>As part of ARROW’s annual budget process, the Board is required to approve the subsequent year’s Utility Rate to which the operating and capital budget is established.</p> <ul style="list-style-type: none"> <li>• Administration is proposing a 2025 Utility Rate of \$2.05/ m3</li> <li>• An alternative option of \$2.10/m3 has also been brought forward that would result in an approximate \$1.5 million increase in revenue.</li> <li>• Any additional revenue generated is recommended to be applied towards the Emergent Line Repair Capital Budget</li> <li>• 2025 Operating Budget - \$72.3 million (including non-cash items such as amortization etc.)</li> <li>• 2025 Capital Budget- \$11.8 million</li> </ul>
<b>Recommendation</b>	<p>THAT the 2025 Operating budget of \$61.156 million be approved.</p> <p>THAT the 2025 Capital Budget of \$11.75 million be approved.</p> <p>THAT the flow rate be set at \$2.05 cubic metre effective January 1, 2025, for an attributed revenue of \$71.85 million.</p> <p>THAT effective January 1, 2025, the following Load Based rates be set at:</p> <ul style="list-style-type: none"> <li>• \$0.4756/kg for Chemical Oxygen Demand (COD) and Biological Oxygen Demand (BOD)</li> </ul>

**Report Date: September 13, 2024**  
**Author/Title:** Jaimie Spurgeon  
**Approved by:** Kate Polkovsky

	<ul style="list-style-type: none"> <li>• \$0.3783/kg for Total Suspended Solids (TSS)</li> <li>• \$0.3281/kg for Oil and Grease (O&amp;G)</li> <li>• \$2.0630/kg for Total Kjeldahl Nitrogen (TKN)</li> <li>• \$15.1885/kg for Total Phosphorus (TP)</li> </ul>
<b>Implications of recommendation(s):</b>	
<b>Financial</b>	N/A
<b>Legal / Risk</b>	N/A
<b>Environment/ Safety</b>	N/A
<b>Organization impacts</b>	N/A
<b>External impacts</b>	N/A

**Report Date: September 13, 2024**  
**Author/Title:** Jaimie Spurgeon  
**Approved by:** Kate Polkovsky

# 2025 BUDGET REPORT



# Land Acknowledgement



We respectfully acknowledge that we serve a region across Treaty 6 territory, traditional lands of First Nations and Metis peoples. As treaty people, Indigenous and non-Indigenous, we share the responsibility as stewards of this beautiful land and the water that connects our lands.

May we tread lightly on this land and water, respecting its ecological balance and preserving it for future generations. May we listen to the wisdom of all peoples learning from their deep connection to the land and water, working together in harmony and partnership.

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# Executive Summary

ARROW Utilities, a Capital Region Commission (ARROW Utilities or The Commission), is pleased to present the 2025 Proposed Budget, offering a comprehensive overview of our corporate and financial plans for the upcoming year and beyond. This budget reflects the direction set by the Board’s Strategic Plan, ensuring alignment with our long-term goals.

The 2025 Proposed Budget is organized into 3 key sections:



**Overview:** This section includes a message from the Chair and the Chief Executive Officer (CEO), and an overview of ARROW Utilities, encompassing our corporate narrative and organizational structure.



**Strategic Frameworks:** This section includes the Board Strategic plan, Corporate Business plan, budget framework, and corporate budget.



**Financial Summaries:** Details revenue sources, expenditures, and budgets by departments.

This proposed budget aims to ensure financial stability while supporting the strategic initiatives that will drive ARROW Utilities forward.

# A Message from the Chair of the Board

As Chair of the Board, I am proud to support the proposed 2025 Budget and Financial Plan. This document is a testament to our ongoing commitment to long-range planning and diligent stewardship of our resources. This budget underscores our dedication to delivering essential services that meet the evolving needs of our communities in a manner that, while posing some short-term pressures, will stabilize rates in the future.

This comprehensive plan reflects a collaborative effort between the ARROW Utilities Administration and the Board, focusing on both current priorities and future growth. We recognize the significant challenges posed by inflationary pressures and increased area growth. Our approach ensures that we maintain a balance between immediate requirements and long-term sustainability.

We are confident that this budget will enable us to continue providing exceptional used water management services, supporting regional, residential, and industry growth. Our focus remains on serving our Member Municipalities and their ratepayers effectively, ensuring a robust infrastructure that supports the prosperity and health of our communities.

Warm regards,

Ken MacKay, Board Chair



# A Message from the Chief Executive Officer

I am pleased to present the proposed 2025 Budget and Financial Plan. In developing this document, Administration was guided by the Board's Strategic Plan, the Provincial Operating Permit, and the corporate direction. These plans are forward-thinking and priority-driven, ensuring that we are planning for the future while delivering essential and efficient services that provide sustainable long-term servicing.

The plan and budget result from a significant amount of work and collaboration. ARROW Utilities, a Capital Region Commission, has dedicated considerable effort and worked closely with the Board to develop this proposed budget, along with capital and financial planning. As with many organizations, both private and public, we face notable inflationary pressures and increased demands on Commission services due to growth and the evolving world. Additionally, our ability to generate revenue is governed by the principle of rate equitability. We remain committed to ensuring that capital growth and maintenance costs are equitably distributed among current and future ratepayers, balancing immediate needs with long-term sustainability.

In the near term, we will prioritize long-term financial sustainability by implementing processes to prioritize workflows, delineate scopes and budgets, and plan proactively for the future while enhancing financial policies.

I look forward to continuing to deliver excellent essential services while meeting the opportunities and challenges of the year ahead, ensuring responsible growth and evolution in support of used water management.

Sincerely,

Kate Polkovsky, CEO



## BOARD OF DIRECTORS

The Board of Directors is comprised of one elected official from each member municipality who acts in a governing fiduciary capacity. The 2024 Board of Directors are:



**Councillor Ken MacKay**  
Board Chair, City of St. Albert



**Councillor Gordon Harris**  
Board Vice Chair, City of Fort Saskatchewan



**Councillor Steven VanNieuwkerk**  
City of Beaumont



**Councillor Bill Hamilton**  
City of Leduc



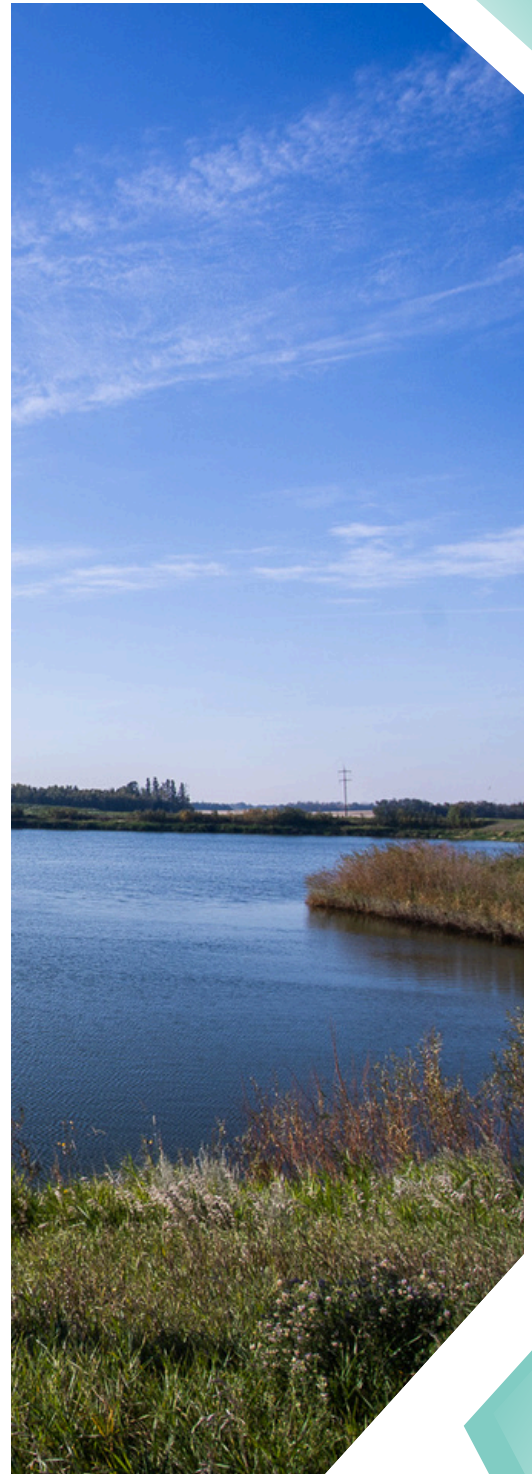
**Mayor Jeff Acker**  
City of Spruce Grove



**Councillor Rick Smith**  
Leduc County



**Councillor Kristina Kowalski**  
Parkland County





**Councillor Robert Parks**  
Strathcona County



**Councillor Neal Comeau**  
Sturgeon County



**Councillor Lynn Bidney**  
Town of Bon Accord



**Councillor Willis Kozak**  
Town of Gibbons



**Councillor Stephen Dafoe**  
Town of Morinville



**Mayor William Choy**  
Town of Stony Plain



# “What do you see in a drop of clear water?”



“We see something brought back into clarity through human ingenuity.”

# Overview

## ABOUT ARROW UTILITIES

Wastewater (also referred to as used water) processing has a key objective: returning the vitality and potential of a precious resource back into the ecosystem and our economy. Epic in scale but quiet in operation, it is a technological achievement that can go unnoticed while tirelessly functioning in the background of our lives and livelihoods. We are the protectors of this vital resource, guarding its viability for future generations.

For nearly 40 years as leaders of best practices, ARROW Utilities has supported the Alberta Capital Region in providing essential services to residents and industries through processing and reclaiming water. This is achieved all whilst protecting our environment and continually seeking opportunities to provide value through the circular economy.

With our province poised to transform Canada’s energy future, we are ready to let fly with our vision and leadership—making a critical difference in water reuse while protecting the region’s role in the broader global economy. Sustainability has driven us for decades, and now, that same principle guides our participation in bold new endeavours. Recovered used water can unlock boundless new forms of energy, and we are taking aim at that better future.

## HISTORY OF ARROW UTILITIES

The name ARROW Utilities, while a new brand, has a long-standing history in the region. Technical discussions at the provincial level in the '80s led to a decision by the Government of Alberta to design and build a centralized used water treatment plant to serve the growing region surrounding Edmonton.

During the early years of operation, ARROW Utilities was known as the Alberta Sewage Commission, and it was later updated to the Alberta Capital Region Wastewater Commission (ACRWC).

Operationally, the management and day-to-day operation of the Commission were contracted to an American firm until the early 2000s, at which time the transition was made to bring that work in-house and staff up the Commission. While the third-party operation provided competent day-to-day service delivery, very little was done on Repair, Maintain, Replace (RMR) and long-term planning for asset replacement and maintenance.



39

Years of operations

390K+

Albertans serviced

13

Municipalities

55+

Employees

The transition into the 2010s yielded a greater focus on asset management, rate protection, and the capital plan attributed to the Commission while maintaining existing levels of service.

As the Commission began examining the opportunities associated with water reuse and the hydrogen industry as a means for diversified revenues and rate stabilization, stewardship work was prioritized to advocate for grants and government funding. With this change, the need to create a brand and update the name to ARROW Utilities, a Capital Region Commission was implemented to augment this work.

ARROW Utilities is rooted in our connection to the environment, the people who collaborate and deliver water reclamation at various levels, and the Member Municipalities that ARROW Utilities serves.

## OUR VALUES

### Accountability

We understand our responsibilities to our Member Municipalities and to those who rely on our service

### Communication

We communicate timely and relevant material to Member Municipalities and others. We focus on advocacy, education, awareness, and topics related to water reclamation.

### Leadership

Due to the oversight of our board and the expertise of our leaders and staff, we are known as leaders in the water reclamation field.

### Safety

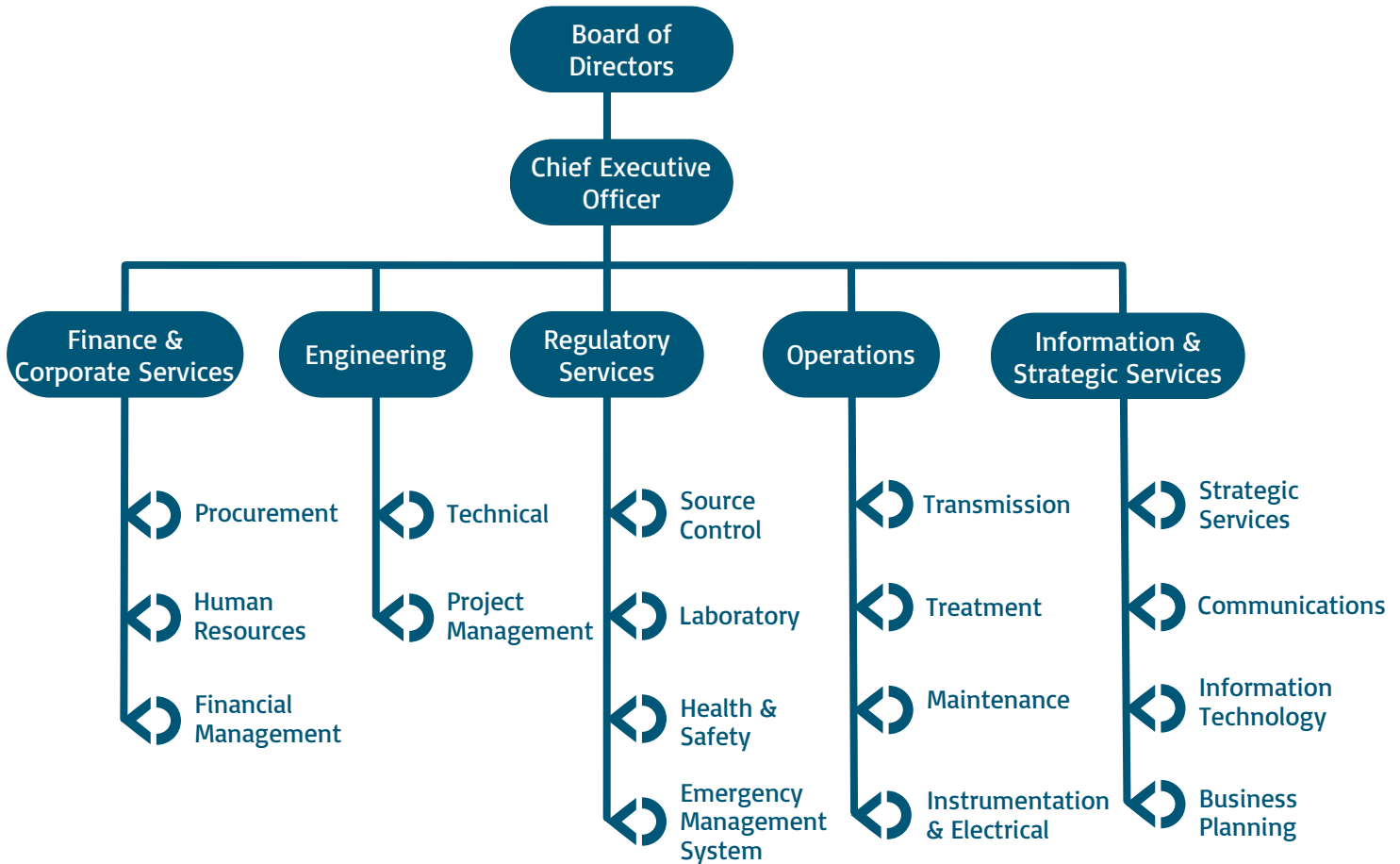
We know that safety begins with us. We provide our staff with the best opportunities to learn how to protect themselves, the environment, and each other. We are keenly aware of our role in keeping citizens and the environment free from any negative effects that may be a part of our work.

### Innovation

We are interested in exploring new ideas and opportunities that will benefit and improve our water processing systems.

## ORGANIZATIONAL STRUCTURE

ARROW Utilities is committed to delivering reliable used water transmission and treatment services through a sustainable rate structure. The Commission supports growth and ensures that adequate capacity is always available to accommodate the expanding needs of the Member Municipalities. Organizationally, ARROW Utilities is comprised of five departments supporting sustainable work.

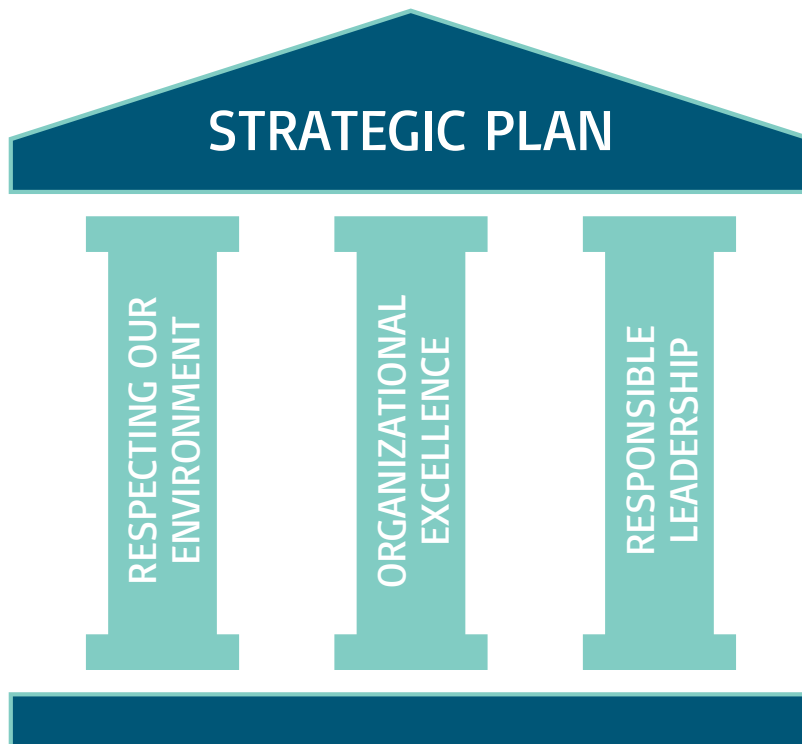


Water, as both a precious resource and a limited commodity, is fundamental to meeting the basic needs of each community. Long-term strategies for managing our water resources will remain a crucial focus for both the province and our regions.

# Strategic Framework

## BOARD STRATEGIC PLAN

The 2023-2026 Board Strategic Plan provides the overall strategy and direction for Administration and the 13 Member Municipalities over a three-year term. The Board’s Strategic Plan describes key priority areas and focuses on three main pillars: Respecting Our Environment, Organizational Excellence, and Responsible Leadership.



This structured framework provides direction and clarity in guiding focused programs outside of regulatory obligations. It offers both a long-term vision and a guide to short-term actions. Additionally, the Board Strategic Plan outlines the corporate values that are disseminated through the organization and are reflected in the work and the brand.

### Respecting Our Environment

Everything that the Commission does has an impact on the environment. Whether building infrastructure, treating used water, or putting reclaimed water back into the North Saskatchewan River, the Commission is interacting with the built and natural environment. ARROW Utilities’ overall desire is to minimize the environmental footprint and leave the water more pristine than when it entered into our systems

## Organizational Excellence

ARROW Utilities is a strong organization, from the members of the Board to all members of the Commission’s staff. By respecting everyone's contribution, ARROW Utilities provides the greatest value to our Member Municipalities and the industries in which we work.

Our intent is to get the best out of people. To make that happen, we will develop and model processes and practices that build people up. We will provide the ARROW Utilities team with the necessary tools to be successful.

## Responsible Leadership

ARROW Utilities is dedicated to our Member Municipalities through service excellence, responsive communication, and fiscal accountability. With these practices in place, we lead by example.

We are fortunate to be able to rely on the expertise from within the organization, from the Member Municipalities and from our regional stakeholders. It is this expertise, whether from Indigenous peoples, municipalities, industry, or other community groups, that provides the Commission with strong and responsible leadership now and into the future.

## CORPORATE BUSINESS PLAN

ARROW Utilities' Corporate Business Plan is a three-year (2023-2026) plan that outlines specific activities to advance the Board’s Strategic Plan, enhance corporate excellence, and promote continuous improvement throughout ARROW Utilities.

### Pillar 1: Respecting Our Environment

#### Improve Water Quality in the North Saskatchewan

Maintain active participation in Alberta Environmental Protected Areas' Water Management Advisory Council.

Collaborate with AEPA in development terms for the Commission’s 2025 operating permit renewal.

Optimize water treatment to the highest practical quality before returning it to the North Saskatchewan River.

**Reduce Sanitary Sewer Overflows**

Enhance our wet weather management plan.

Collaborate with members to reduce occurrences of high flow levels into the ARROW Utilities systems.

Promote and educate on the opportunities for equitable water usage.

**Anticipate and Respond to Climate Change**

Prioritize climate resilience by designing infrastructure that can adapt to the impacts of climate change over the next 50 years.

**Indicators**

Plant operations are optimized and meet or exceed regulatory requirements.

Wet weather management plans for each Member Municipality and ARROW Utilities are approved and in progress of being implemented.

**Pillar 2: Providing Organizational Excellence**

**Provide a positive work environment for ARROW Utilities Staff**

Organize employee events year-round.

Encourage social gatherings inclusive to all departments within the organization.

Create a policy recognizing and prioritizing equity, diversity, and inclusion across ARROW Utilities and its members.

Enhance the Health, Well-Being and Safety of All Employees and Contractors

Explore a peer-support program for ARROW Utilities.

Provide enhanced opportunities for training of staff.

Provide access to and streamline relevant Human Resource programs.

Formalize a Staff and Leadership Succession Planning Process

Develop long-term training programs to support staff achieve their career goals

Formalize Human Resource recruitment processes.

Indicators

Lost time due to injury is well below the average of competitor facilities.

Staff are supported in their development at ARROW Utilities.

### Pillar 3: Building Responsible Leadership

Engage with the Broader Community to increase awareness of ARROW Utility and its work

Dedicate time and resources to develop proactive communication strategies.

Concentrate on broadly engaging with topics related to advocacy, education, and raising awareness about ARROW Utilities and its activities.

**Provide Opportunities for Board Development**

Establish a Board-led mentoring program for new Commission member representatives.

Engage the Education committee throughout the year on Board training opportunities.

**Build Partnerships that Benefit the Commission and the Community**

Increase advocacy efforts with other government bodies that will enable ARROW Utilities to increase its capacity for processing reclaimed water.

Engage with and listen to Indigenous people and groups within the region.

Regularly meet with all ARROW Utilities Member Municipal Councils to engage them and seek their support on water reuse initiatives.

**Maintain reasonable and predictable water rates for Member Municipalities.**

Continue to collaborate with Member Municipalities to explore solutions that ensure water rates remain reasonable and predictable.

Identify new potential revenue opportunities while ensuring ongoing infrastructure replacement as needed.

Advocate existing partners for new, value-add funding streams.

Explore options for the expansion of ARROW Utilities' network of members and infrastructure.

Indicators

Resources are allocated to the development and execution of a communications plan.

ARROW Utilities' partners have a deeper understanding of ARROW Utilities' role in restoring high-quality water to the river and promoting water equity across the province.

Members are confident that ARROW Utilities is taking all possible measures to maintain water rates at the lowest practical levels, enabling them to budget for future years with stability and minimal rate volatility.

“While protecting our environment, we also seek opportunities to provide more value through the circular economy.”

## BUDGET FRAMEWORK

The Budget Framework serves as ARROW Utilities' roadmap for consistently meeting regulatory standards, maintaining service levels, and advancing the priorities outlined in the Board's Strategic Plan. It details the Commission's financial expenses and revenues, including recommendations for new operating activities and capital investments needed to sustain existing delivery models and ensure that ARROW Utilities is well-positioned to support future growth and development within the regional context.

In developing the budget, key strategic objectives include:



### **Continuously improving collaboration and engagement with the Board of Directors and key stakeholders.**

- ↳ Ensuring that the Board's Strategic Direction is well-understood and integrated into the development of budget principles and guidelines.



### **Maintaining current service levels and enhancing efficiency through digital technology and capacity building in key areas.**

- ↳ Reviewing each department's operational needs by modernizing business practices and systems, building depth in personnel to minimize risk, expanding institutional knowledge, and capitalizing on continuous improvement initiatives.



### **Long-term financial management and fiscal sustainability.**

- ↳ Establishing a forward-thinking rate model that incorporates best practices, capital maintenance, growth, and financial reserves.



### **Asset management planning.**

- ↳ Developing a utility master plan to ensure effective asset management, including ongoing maintenance and replacement planning.
- ↳ Effectively managing ongoing cyber threats and implementing measures to protect technological assets.



### **Growth and expansion.**

- ↳ Collaborating with Member Municipalities to understand anticipated regional growth within their respective communities to ensure expanding needs are met with effective water reclamation and used water management solutions.

The framework provides clarity and a balanced approach to long-range investment and financial projections while maintaining a detailed focus on short-term actions.

## CORPORATE BUDGET

For the 2025 Budget, Administration is presenting a one-year budget for the Board's approval as ARROW Utilities is working towards an in-depth, forward-looking financial rate model. The model incorporates leading practices, capital growth and maintenance planning, risk management, financial reserves, and fiscal sustainability while balancing current and future ratepayer equity. This will ensure that the most current economic climate and costs are reflected in the delivery of the operational and capital needs of the Commission.

As the organization advances in achieving its strategic goals and priorities, it aims to foster continuous improvement and enhance resilience to better support the region. ARROW Utilities has focused on financial restructuring, strengthening financial policies and practices, and updating the rate model by continuously improving the model's data inputs. The 2025 Budget is divided into two components: the operating and the capital budget.

### Operating Budget

The 2025 Proposed Operating Budget of \$63 million results in a rate of \$2.05/m<sup>3</sup>, a \$0.20/m<sup>3</sup> rate increase from the prior year. This rate continues the work that ARROW Utilities has established to ensure financial sustainability and fiscal responsibility to manage the rising inflationary costs and address the current and long-term impacts of debt financing. For an average basic household of four members with a utilization of 15 m<sup>3</sup>, the average ratepayer would see an increase of \$35/year or \$2.92 per month.

Proposed Rate: **\$2.05**



Average basic household monthly water usage for a family of 4 is **15m<sup>3</sup>**



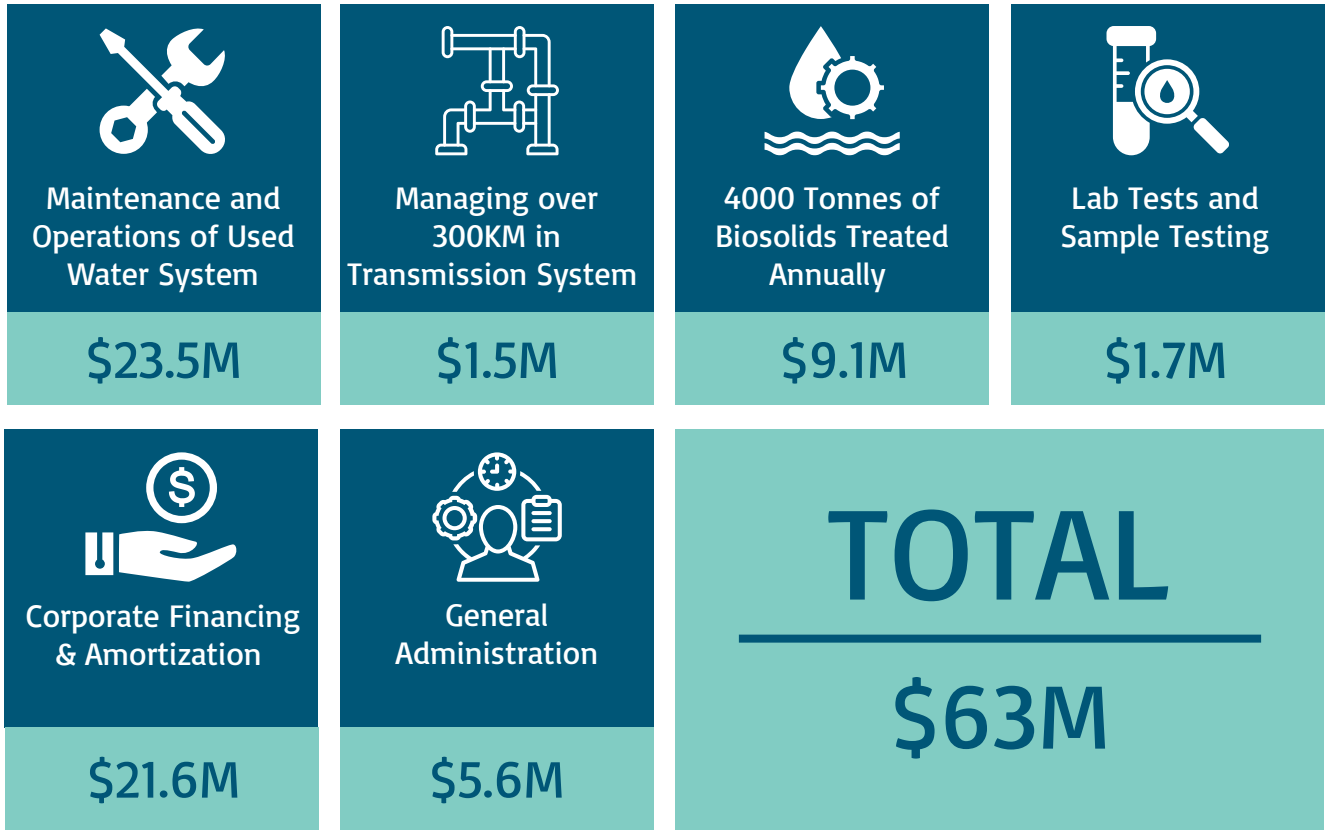
Average increase to ratepayer is **\$35/year** or **\$2.92/month**



Daily cost per household for the recycling of used water is **\$1.01**

### Distribution of Operating Budget by Services

The operating budget funds the required services to maintain and support the used water treatment plant, the transmission system, laboratory services, and the source control program, ensuring that ARROW Utilities meets all its regulatory and legislative requirements.



### Capital Budget

The 2025 proposed capital budget includes investments to support the renewal of existing assets and manage the Commission's growth infrastructure needs. This ensures that ongoing funding and strategic prioritization are established to maintain current assets and plan for future growth.

For 2025, nine capital projects are proposed, totalling \$11.8 million. Of this amount, \$11 million is allocated to six RMR projects, while \$0.8 million is dedicated to three Growth projects. The Growth projects focus on studies, design, and planning before construction or full infrastructure implementation. A summary of each project's key points can be found in Appendix A: 2025 Capital Project Charters.

Project Type	2025 Capital Project Charter	Cost
RMR	Emergency Line Repair	\$5,000,000
RMR	Plant Emergency Backup Power System	\$468,330
RMR	Start and Outfall Line Replacement Program	\$5,000,000
RMR	Headworks Electrical and HVAC Upgrades	\$203,500
RMR	Digester Electrical and HVAC Upgrades	\$181,500
RMR	Modernize DeltaV Workstations	\$125,000
Growth	Beaumont Line Twinning	\$120,000
Growth	Parkland Sanitary Transmission System Twinning	\$400,000
Growth	Enterprise Resource Planning (ERP)	\$250,000
Total		\$11,748,330

# Financial Summaries

<b>2025 Operating Budget</b>		
<b>In Thousands of Dollars (\$000s)</b>		
	<b>2024*</b>	<b>2025</b>
<b>Revenue</b>	<b>67,987</b>	<b>73,700</b>
<b>Expenses</b>		
Board	229	289
Information and Strategic Services	1,242	1,820
Finance and Corporate Services & CEO Office	1,743	4,955
Engineering Services	1,617	1,652
Regulatory Services	1,542	1,677
Operations and Maintenance	30,102	34,100
<b>Total Operating Expenses</b>	<b>36,475</b>	<b>44,493</b>
Financing Costs	4,447	7,400
Amortization	9,267	9,267
<b>Total Expenses</b>	<b>50,189</b>	<b>61,160</b>
<b>Excess Revenues over Expenses**</b>	<b>17,798</b>	<b>12,540</b>

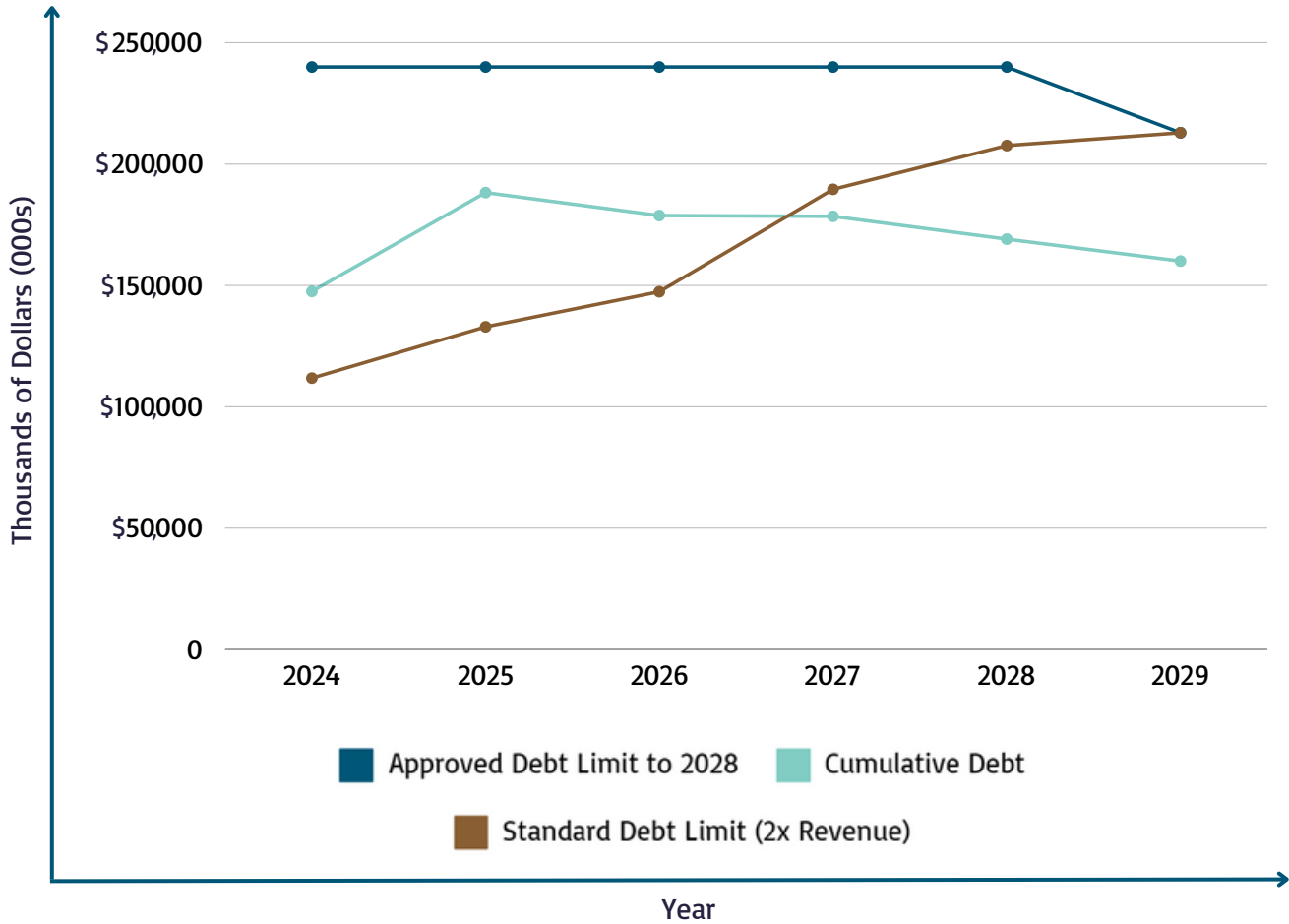
*\*Due to the nature of changes to the financial presentation for 2025, some components of 2024 are unable to be restated for comparison*

*\*\*The balance of revenues over expenses will be adjusted to accommodate for cash/non-cash items such as amortization expenses, principal repayments and other capital funding requirements.*

<b>2025 - 2029 Capital Plan</b>						
	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>Total</b>
<b>Investment Type - RMR</b>						
Emergency Line Repair	5,000,000	5,000,000	5,250,000	5,512,500	5,788,125	26,550,625
Plant Emergency Backup Power	470,000	4,250,000				4,720,000
Start/Outfall Line Replacement Program	5,000,000	5,000,000	5,000,000	15,000,000	15,000,000	45,000,000
Digester Electrical and HVAC Upgrades	181,500		1,650,000			1,831,500
Headworks Electrical and HVAC Upgrades	203,500		1,850,000			2,053,500
Modernize Delta V Workstations	125,000					125,000
<b>Total RMR</b>	<b>10,980,000</b>	<b>14,250,000</b>	<b>13,750,000</b>	<b>20,512,500</b>	<b>20,788,125</b>	<b>80,280,625</b>
<b>Investment Type - GROWTH</b>						
Beaumont Line Twinning	120,000		18,435,000	1,196,000		19,751,000
Parkland Sanitary Transmission	400,000		4,300,000			4,700,000
Enterprise Resource Planning (ERP) System	250,000	1,000,000				1,250,000
<b>Total Growth</b>	<b>770,000</b>	<b>1,000,000</b>	<b>22,735,000</b>	<b>1,196,000</b>	<b>-</b>	<b>25,701,000</b>
<b>Total Capital</b>	<b>11,750,000</b>	<b>15,250,000</b>	<b>36,485,000</b>	<b>21,708,500</b>	<b>20,788,125</b>	<b>105,981,625</b>

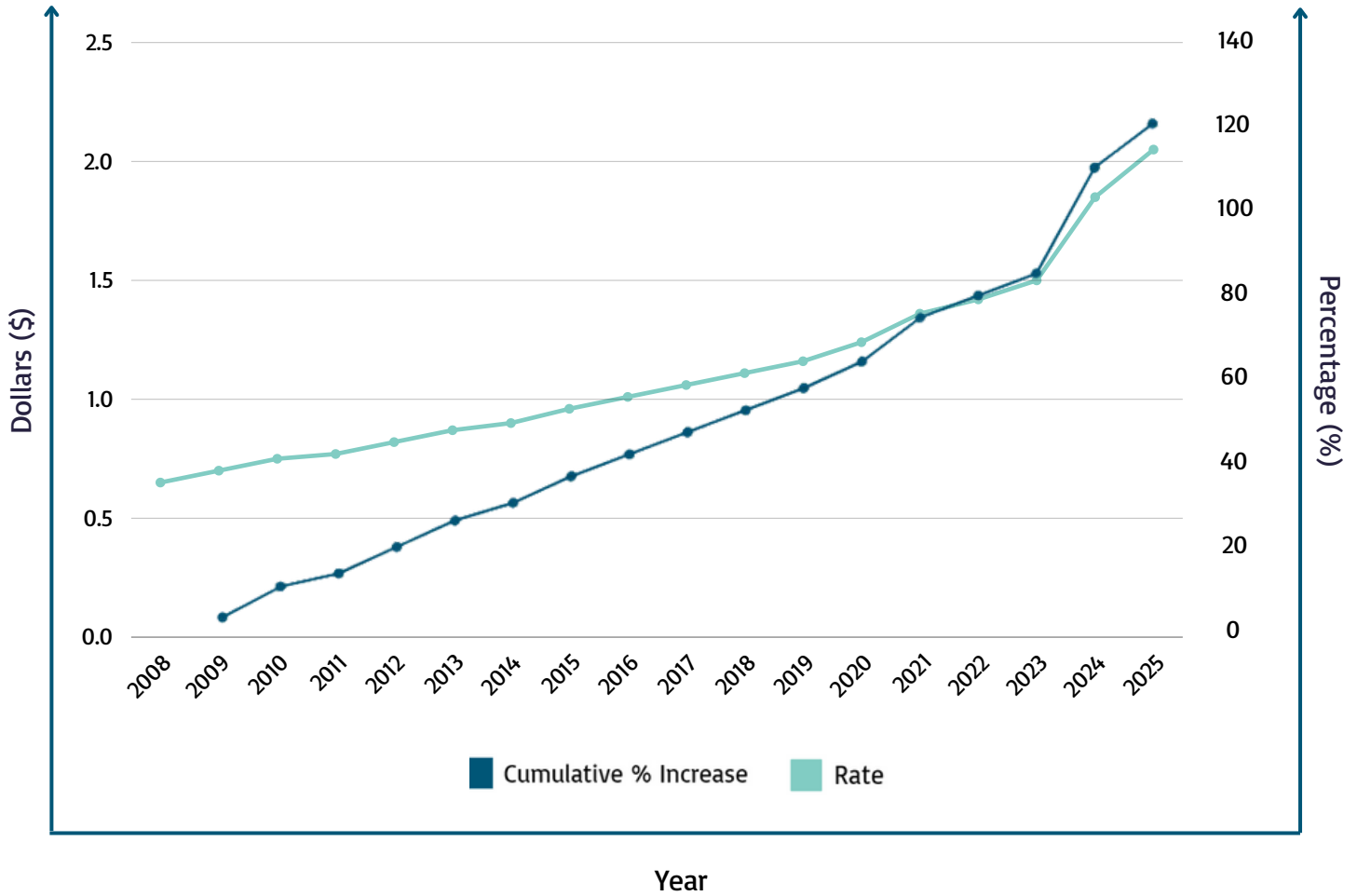
*\*The 2025 - 2029 Capital Plan delineates the known capital projects that are required to maintain current infrastructure needs and immediate growth requirements. The capital plan will evolve subject to the completion of the Utility Master Plan (UMP).*

Annual Debt Limit



On August 18, 2024, ARROW Utilities obtained approval from the Province of Alberta to temporarily increase the debt limit to allow for the opportunity to borrow additional funding. This temporary debt limit ends on December 31, 2028.

### Historical Rates



Over the last ten years, nominal cumulative increases in rates have resulted in the need for higher-than-normal rate proposals to accommodate growth needs and support ARROW Utilities' cash position.



## OPERATING REVENUES AND EXPENDITURES SOURCES

### Revenue

Administration proactively seeks alternative revenue sources while maintaining service levels. Revenue from rates and fees, grants, permits, and overstrength charges help offset the baseline flow rate to provide a full-cost recovery model.

- 🔹 **Flow Rate Revenue:** the baseline flow rate that is charged to users.
- 🔹 **Load-Based Revenue:** fees charged to commercial users for utilizing services that exceed the standard levels of usage.
- 🔹 **Grants and Other Revenue:** include grants provided by various levels of government, investment income, and other minor fees and charges.

### Expenditures

The impact of inflation on contracted services, materials, goods, and supplies continues to exert pressure on the costs associated with delivering ARROW Utilities' services. Administration continues to seek ways to streamline and reduce expenses while ensuring that continuous improvement remains a core principle across all business units.

- 🔹 **Salaries, Wages, and Benefits:** includes base salaries, merit increases, pension, employment insurance, health care costs, and training and development.
- 🔹 **Contracted and General Services:** includes contracts for services such as biosolids disposals and hauling, maintenance, laboratory services, and network infrastructure contracts. It also includes external professional and consulting services for audit, legal, engineering, communications and insurance premiums.
- 🔹 **Materials, Goods, Supplies and Utilities:** various goods, including items such as operating and program supplies, chemicals and equipment, computer and telephone hardware and software, and utilities.
- 🔹 **Other Expenditures:** includes Corporate contingency and bank charges.
- 🔹 **Debenture Principal and Interest Repayment:** Relates to debt payments on long-term debentures.
- 🔹 **Amortization of Tangible Capital Assets:** the systematic write-off of a capital asset over its expected period of use.

## BUDGET BY DEPARTMENT

### Board of Directors

The Board of Directors is ARROW Utilities' governing body that establishes the strategic vision and provides the organization's overall governance. The Board is comprised of one elected official from each member municipality.

Board of Directors			
	2024	2025	Variance
Salaries, Wages, & Benefits (Honorariums)	55,000	83,000	28,000
Contracted and General Services	143,000	143,000	-
Materials, Goods Supplies, and Utilities	31,000	63,000	32,000
<b>Total</b>	<b>\$229,000</b>	<b>\$289,000</b>	<b>\$60,000</b>

#### Key variances from 2024 to 2025 Budget include:

- An increase to salary and benefits expenses in the form of honorariums to support board development and related engagements.
- Increase in Public Relations due to one-time expenditures supporting ARROW Utilities' 40th anniversary.

## Finance and Corporate Services & CEO Office

The Finance and Corporate Services department is responsible for the day-to-day financial operations, long-term financial strategy, human resources, procurement services, and inventory management. The department's budget includes the CEO's office, corporate expenditures related to long-term debt expense, insurance and amortization, and legal.

Finance and Corporate Services & CEO Office			
	2024	2025	Variance
Salaries, Wages, & Benefits	951,000	1,086,000	135,000
Contracted and General Services	718,000	749,000	31,000
Materials, Goods Supplies, and Utilities	66,000	111,000	45,000
Other Expenditures (Contingency)	8,000	3,009,000	3,001,000
Debenture Principal and Interest Repayments	4,447,000	4,447,000	2,953,000
Amortization of Tangible Capital Assets	-	9,267,000	9,267,000
<b>Total</b>	<b>\$6,190,000</b>	<b>\$21,622,000</b>	<b>\$15,432,000</b>

### Key variances from 2024 to 2025 Budget include:

- Increases in salary and benefits expenses include annualized salary adjustments and one FTE (full-time equivalent) to build capacity and depth within financial services.
- Addition of budget for Amortization due to the changes in financial reporting and audit requirements.
- Increase to long-term debt interest expense related to the Train 4 Project.
- Increase in other expenditures related to contingency to support unplanned and emergent operational or capital requirements.

## Information and Strategic Services

The Information and Strategic Services department, formerly known as Communications and Stakeholder Relations, oversees the organization's information technology, internal and external communications, and provides strategic and business planning services. The department's budget covers expenses for corporate computer hardware and software, IT projects, as well as public relations and communication efforts.

Information and Strategic Services			
	2024	2025	Variance
Salaries, Wages, & Benefits	564,000	876,000	312,000
Contracted and General Services	62,000	207,000	145,000
Materials, Goods Supplies, and Utilities	616,000	737,000	121,000
<b>Total</b>	<b>\$1,242,000</b>	<b>\$1,820,000</b>	<b>\$578,000</b>

### Key variances from 2024 to 2025 Budget include:

- Increases to salaries and benefits include annual salary adjustments and additional FTEs to support the implementation of new technology, enhance corporate business planning and strategic alignment, and manage risks associated with document control and records management.
- Increase in contracts and general services primarily for consultation on business and asset valuation, as well as other initiatives.
- Increase in IT projects related to cybersecurity and resilience.

## Engineering Services

The Engineering Services department manages the technical aspects and project management for engineering capital projects. The department's budget primarily covers the personnel and consulting services needed to execute ARROW Utilities' engineering capital projects successfully.

Engineering Services			
	2024	2025	Variance
Salaries, Wages, & Benefits	904,000	938,000	34,000
Contracted and General Services	712,000	712,000	-
Materials, Goods Supplies, and Utilities	1,000	2,000	1,000
<b>Total</b>	<b>\$1,617,000</b>	<b>\$1,652,000</b>	<b>\$35,000</b>

### Key variances from 2024 to 2025 Budget include:

- Increase mainly related to salary and benefits related to annualized salary adjustments.

## Regulatory Services

The Regulatory Services department oversees the Environmental Management System (EMS), Health and Safety, the Source Control Program, and Laboratory Services. These services ensure compliance and proper permitting, facilitating timely regulatory reporting. The department's budget primarily covers supplies and contracted services needed to support these functions.

Engineering Services			
	2024	2025	Variance
Salaries, Wages, & Benefits	1,201,000	1,303,000	102,000
Contracted and General Services	208,000	203,000	(5,000)
Materials, Goods Supplies, and Utilities	133,000	171,000	38,000
<b>Total</b>	<b>\$1,542,000</b>	<b>\$1,677,000</b>	<b>\$135,000</b>

### Key variances from 2024 to 2025 Budget include:

- Increase in salary and benefits related to annual salary adjustments and the creation of two new FTEs. These changes are intended to better manage the workforce and make more efficient use of resources by reallocating funds from contracted services, reducing overtime, and eliminating the need for seasonal staff.
- Increase in Contracts and Supplies due to inflationary impacts.

## Operations and Maintenance Services

Operations and Maintenance Services oversees plant operations, the transmission system, and the mechanical and electrical technical aspects. In addition to the main used water treatment plant, the department is responsible for nearly 300 kilometres of pipeline, five pump stations, and five receiving stations, and accounts for over half of ARROW Utilities' operating budget.

Operations and Maintenance Services			
	2024	2025	Variance
Salaries, Wages, & Benefits	4,008,000	4,183,000	175,000
Contracted and General Services	19,999,000	23,298,000	3,299,000
Materials, Goods Supplies, and Utilities	6,095,000	6,619,000	524,000
<b>Total</b>	<b>\$30,102,000</b>	<b>\$34,100,000</b>	<b>\$3,998,000</b>

### Key variances from 2024 to 2025 Budget include:

- Increase in salary and benefits related to annual salary adjustments and the reallocation of funds to establish a millwright apprentice program. This program will enable cross-training, support workforce planning, and ensure that ongoing preventive and corrective maintenance plans are kept up to date.
- Increase is mainly related to the Biosolids Disposal contract due to increased pricing.
- Increase in other contracted services, supplies, and chemicals due to inflationary impacts.

# Appendices

## Appendix A: 2025 Capital Project Charters

<b>CHARTER NAME:</b>	<b>Emergency Line Repair</b>	
<b>DEPARTMENT:</b>	Engineering	
<b>YEAR:</b>	2025	
<b>PHASE:</b>	Construction	
<b>TYPE:</b>	RMR	Emergency repair of existing assets
<b>ALIGNMENT TO STRATEGIC PLAN</b>	Respecting our environment - reduce	
	SSOs	
	Governance - addresses and mitigates organizational risk.	
	Environment - addresses our impact on the environment	
<b>SCOPE STATEMENT:</b>	Recurring funding for emergency breaks in the transmissions system	

<b>PROJECT CHARTER JUSTIFICATION</b> (including the current state that created the need, opportunities and benefits if the project proceeds, and challenges/issues/risks if the project is delayed or cancelled):	Due to the age of the transmission system and environmental stresses such as freeze/thaw cycles and wet weather events, transmission line breaks occur every year, which require adequate financial resources to repair in a timely fashion to mitigate any further organizational risks that may occur.		
<b>STAKEHOLDER IDENTIFICATION</b> (including internal and external):	Internal: Operations, Regulatory Services External: All municipalities, adjacent residents, Alberta Environment		
<b>TIMELINE:</b>	Annual Fund		
<b>FINANCIAL INFORMATION:</b>	Investment Year:	2025	\$ 5,000,000
		2026	\$ 5,000,000
		2027	\$ 5,250,000
		2028	\$ 5,512,500
		2029	\$ 5,788,125

<b>CHARTER NAME:</b>	<b>Plant Emergency Backup Power System</b>		
<b>DEPARTMENT:</b>	Engineering		
<b>YEAR:</b>	2025		
<b>PHASE:</b>	Design and Construction		
<b>TYPE:</b>	RMR	Enhance existing backup power system to meet existing risks and future growth	
<b>ALIGNMENT TO STRATEGIC PLAN</b>	Respecting our environment -release water of the highest possible quality into the NSR		
	Environment - addresses our impact to the environment		
	Governance - addresses and mitigates organizational risk.		
<b>SCOPE STATEMENT:</b>	Upgrade the WWTP backup power system to provide full backup power to the entire plant site during utility outages.		
<b>PROJECT CHARTER JUSTIFICATION</b> (including current state that created the need, opportunities and benefits if the project proceeds, and challenges/issues/risks if the project is delayed or cancelled):	<p>The existing plant backup generator has insufficient capacity to provide backup power to all critical plant equipment currently in place and future planned equipment related to the Train 4 MBR expansion and water reuse pump station. The plant backup power system will be expanded to meet process requirements necessary to achieve treatment targets and maintain reuse water supply to customers. The backup power system will provide complete backup power to the entire plant site during utility outages. The new backup power system design should consider redundancy to provide a portion of the required power in case of generator failure. The backup power system shall be integrated into the WWTP power distribution to manage local outages or interruptions.</p> <p>The project will also consider the incorporation of the existing 650 kW backup generator located in Area 60 into the staging of the overall plant backup power system, as well as the proposed backup generator to be installed at the new water reuse pump station. ARROW Utilities’ intent is to decommission and remove the existing backup generator following successful construction and commissioning of the new backup system.</p>		
<b>STAKEHOLDER IDENTIFICATION</b> (including internal and external):	Internal – Operations External – Air Products		
<b>TIMELINE:</b>	2025-2026		
<b>FINANCIAL INFORMATION:</b>	Investment Year	2025	\$ 470,000
		2026	\$ 4,250,000
		2027	
		2028	
		2029	

<b>CHARTER NAME:</b>	<b>Start/Outfall Line Replacement Program</b>	
<b>DEPARTMENT:</b>	Engineering	
<b>YEAR:</b>	2025	
<b>PHASE:</b>	Design and Construction	
<b>TYPE:</b>	RMR	Replacement of transmission infrastructure
<b>ALIGNMENT TO STRATEGIC PLAN</b>	Respecting our environment - reduce	
	SSOs	
	Environment - addresses our impact to the environment	
	Governance - addresses and mitigates organizational risk.	
<b>SCOPE STATEMENT:</b>	Replacement of concrete structures in gravity lines	

<b>PROJECT CHARTER JUSTIFICATION</b> (including current state that created the need, opportunities and benefits if the project proceeds, and challenges/issues/risks if the project is delayed or cancelled):	Start and Outfall transmission lines are gravity-fed concrete structures. As such, they are more perceptible to H2S decay. Historically, as part of the asset replacement program, funds were placed yearly for portion replacement with PVC or HDPE piping. Over 16000 lineal meters of piping are listed as critical for replacement in these two lines. The program would intend to complete 1 to 2 segments, including manhole replacement per year. Lengths of segments and depths of segments are inconsistent across the network, so if a more extended segment with more depth is intended, one segment may only be completed. Yearly investigations will occur with those classified as closest to failure for candidate choice. 2025 resumption of funding is required to continue this program and reduce failure risk. The Charter will be adjusted annually to accommodate any carry-forward or higher-risk sections.		
<b>STAKEHOLDER IDENTIFICATION</b> (including internal and external):	Internal: Operations, Engineering, Regulatory Services External: Municipalities, Adjacent Residents		
<b>TIMELINE:</b>	Annual Fund		
<b>FINANCIAL INFORMATION:</b>	Investment Year	2025 2026 2027 2028 2029	\$ 5,000,000 \$ 5,000,000 \$ 5,000,000 \$ 15,000,000 \$ 15,000,000

<b>CHARTER NAME:</b>	<b>Headworks Electrical and HVAC Upgrades</b>	
<b>DEPARTMENT:</b>	Engineering	
<b>YEAR:</b>	2025	
<b>PHASE:</b>		
<b>TYPE:</b>	RMR	This is RMR because it is replacing existing equipment.
<b>ALIGNMENT TO STRATEGIC PLAN</b>	Respecting our environment -release water of the highest possible quality into the NSR	
	Organizational excellence - Enhance the Health, Well-Being and Safety of all Employees and Contractors	
	Responsible leadership - Keep Utility rates Reasonable and Predictable for Member Municipalities	
	Environment - enhances energy efficiency.	
	Social - improves service delivery and community relations	
	Governance - addresses and mitigates organizational risk	
<b>SCOPE STATEMENT:</b>	Replace 20-MCC-401, 20-MCC-402E, 20-PB-A, 20-PB-C, 20-AH-201, 20- AH-206, 20-AH-214	

<b>PROJECT CHARTER JUSTIFICATION</b> (including current state that created the need, opportunities and benefits if the project proceeds, and challenges/issues/risks if the project is delayed or cancelled):	All the MCCs, HVAC, and Panel Boards (breaker boxes) in the scope statement are from 1984 and have greatly exceeded their service life. They are inefficient by modern standards, don't allow for effective power monitoring, and are full of obsolete parts. If we don't proceed with replacement, it's increasingly likely we will have a catastrophic failure that will be more expensive than direct replacement and have large operational impacts.		
<b>STAKEHOLDER IDENTIFICATION</b> (including internal and external):	Internal Stakeholders: O&M, Engineering		
<b>TIMELINE:</b>	Design in 2025 for installation in 2026.		
<b>FINANCIAL INFORMATION:</b>	Investment Year	2025 2026 2027 2028 2029	\$ 203,500   \$ 1,850,000

<b>CHARTER NAME:</b>	<b>Digester Electrical and HVAC Upgrades</b>	
DEPARTMENT:	Engineering	
YEAR:	2025	
PHASE:		
TYPE:	RMR	This is RMR because it is replacing existing equipment.
ALIGNMENT TO STRATEGIC PLAN	Respecting our environment - release water of the highest possible quality into the NSR	
	Organizational excellence - Enhance the Health, Well-Being and Safety of all Employees and Contractors	
	Responsible leadership - Keep Utility rates Reasonable and Predictable for Member Municipalities	
	Environment - enhances energy efficiency	
	Social - improves service delivery and community relations	
	Governance - addresses and mitigates organizational risk	
SCOPE STATEMENT:	Replace 50-MCC-401, 50-MCC-402, 50-PB-50A, 50-PB-50C, 50-AH-205, 50-AH-207	

PROJECT CHARTER JUSTIFICATION (including current state that created the need, opportunities and benefits if the project proceeds, and challenges/issues/risks if the project is delayed or cancelled):	All the MCCs, HVAC, and Panel Boards (breaker boxes) in the scope statement are from 1984 and have greatly exceeded their service life. They are inefficient by modern standards, don't allow for effective power monitoring, and are full of obsolete parts. If we don't proceed with replacement, it's increasingly likely we will have a catastrophic failure that will be more expensive than direct replacement and have large operational impacts.		
STAKEHOLDER IDENTIFICATION (including internal and external):	Internal Stakeholders: O&M, Engineering		
TIMELINE:	Design in 2025 for installation in 2027.		
FINANCIAL INFORMATION:	Investment Year	2025 2026 2027 2028 2029	\$ 181,500   \$ 1,650,000

<b>CHARTER NAME:</b>	<b>Modernize DeltaV Workstations</b>	
<b>DEPARTMENT:</b>	Operations	
<b>YEAR:</b>	2025	
<b>PHASE:</b>	RMR	
<b>TYPE:</b>		Explanation
<b>ALIGNMENT TO STRATEGIC PLAN</b>	Organizational excellence - Provide a Positive Work Environment for the ARROW Utilities Staff	
	Respecting our environment - release water of the highest possible quality into the NSR	
	Social - ethical practice that optimizes employee satisfaction and safety.	
	Social - improves service delivery and community relations.	
<b>SCOPE STATEMENT:</b>		

<b>PROJECT CHARTER JUSTIFICATION</b> (including current state that created the need, opportunities and benefits if the project proceeds, and challenges/issues/risks if the project is delayed or cancelled):	<u>Current State</u> It has been over six years since the last DeltaV workstation upgrade (as of 2024). We have already had one hard drive failure in 2022 and one in 2023. It is best practice to replace all operator workstations every five years to keep these failures to an absolute minimum, as these workstations are the primary tool used for operating the plant.	
	<u>Opportunities</u> This would allow for a domain controller that would allow for centralized control of login credentials, allowing for personalized logins, which is a very basic but crucial way to mitigate cyber security risks.	
	<u>Challenges/Issues/Risks</u> We will likely see more hard drive failures if we don't go ahead. We have only had operator workstations fail so far. A failure of a more critical station, such as the main controller server (Pro-Plus) or the historian server (application station), would make operations during downtime much more difficult.	
<b>STAKEHOLDER IDENTIFICATION</b> (including internal and external):		
<b>TIMELINE:</b>		
<b>FINANCIAL INFORMATION:</b>	Investment Year	\$ 125,000
	2025	
	2026	
	2027	
	2028	
	2029	

<b>CHARTER NAME:</b>	<b>Beaumont Line Twinning</b>
<b>DEPARTMENT:</b>	Engineering
<b>YEAR:</b>	2025
<b>PHASE:</b>	Design and Construction

<b>TYPE:</b>	Growth	Additional sewer line added to the asset inventory
<b>ALIGNMENT TO STRATEGIC PLAN</b>	Respecting our environment - reduce SSOs	
	Social - improves service delivery and community relations	
	Governance - addresses and mitigates organizational risk.	
<b>SCOPE STATEMENT:</b>	Growth to the south in Beaumont and Leduc requires additional transmission capacity. The project will add the required capacity to service this area.	

<b>PROJECT CHARTER JUSTIFICATION</b> (including current state that created the need, opportunities and benefits if the project proceeds, and challenges/issues/risks if the project is delayed or cancelled):	<p>Beaumont and Leduc County have seen significant growth since 2016. Beaumont was the third fastest-growing community in Alberta between 2016 and 2021. These areas continue to grow quickly. Beaumont has provided modelling data that shows that sewer surcharges are imminent adjacent to the lift station and that the existing sewer does not have adequate capacity. The existing 525 mm sewer has been twinned partially with a 1200 mm pipe and a lift station to pump the used water from the 1200 mm storage pipe back to the 525 mm sewer. This is just a short-term solution for wet weather control. With the area development downstream from the lift station, the existing 525 mm sewer will not have enough capacity even for dry weather. This project will twin from the current pipe end at RR244 to the Southeast Regional Trunk main on 9 St. south of TWNSHP 510 in Nisku.</p> <p>ARROW Utilities will conduct its own modelling to confirm Beaumont’s model outputs. Design will continue as this is a necessary project, but construction dollars will shift if the capacity of our model is confirmed.</p>		
<b>STAKEHOLDER IDENTIFICATION</b> (including internal and external):	<p>Internal: Operations, Engineering, Regulatory Services                  External: Beaumont, Leduc County</p>		
<b>TIMELINE:</b>	2025-2027		
<b>FINANCIAL INFORMATION:</b>	Investment Year		
		2025	\$ 120,000
		2026	
		2027	\$ 18,435,000
		2028	\$ 1,196,000
		2029	

<b>CHARTER NAME:</b>	<b>Parkland Sanitary Transmission System Twinning</b>	
<b>DEPARTMENT:</b>	Engineering	
<b>YEAR:</b>	2025	
<b>PHASE:</b>	Design and Construction	
	Growth	Additional sewer line added to the asset inventory
<b>ALIGNMENT TO STRATEGIC PLAN</b>	Respecting our environment - reduce	
	SSOs	
	Social - improves service delivery and community relations	
	Governance - addresses and mitigates organizational risk	
<b>SCOPE STATEMENT:</b>	Growth in Spruce Grove requires additional transmission capacity. The project will add the required capacity to service this area.	

<b>PROJECT CHARTER JUSTIFICATION</b> (including current state that created the need, opportunities and benefits if the project proceeds, and challenges/issues/risks if the project is delayed or cancelled):	Spruce Grove has seen significant growth. These areas continue to grow quickly. Spruce Grove modelling data shows that sewer surcharges are imminent, and the existing sewer does not have adequate capacity. This project will twin from manhole 903-MH-46 along Grove Dr to 903-MH-53 on Jennifer Heil Way for approximately 817 meters. ARROW Utilities will conduct modelling in 2025 with a design to follow. Construction is slated for 2026, but modelling output will determine if construction can be delayed.		
<b>STAKEHOLDER IDENTIFICATION</b> (including internal and external):	Internal: Operations, Engineering, Regulatory Services External: Beaumont, Leduc County		
<b>TIMELINE:</b>	2025-2026		
<b>FINANCIAL INFORMATION:</b>	Investment Year	2025 2026 2027 2028 2029	\$ 400,000   \$ 4,300,000

<b>CHARTER NAME:</b>	<b>ERP (Enterprise Resource Planning)</b>	
DEPARTMENT:	Financial & Corporate Services	
YEAR:	2025	
PHASE:		
TYPE:	Growth	This project is considered a growth project as it is tied to modernization of the financial reporting software to better manage, report, and project annualized budgets.
ALIGNMENT TO STRATEGIC PLAN	Responsible leadership - Engage with the Broader Community to Increase the Awareness of the Commission and its work	
	Responsible leadership - Keep Utility rates Reasonable and Predictable for Member Municipalities	
	Governance - promotes transparency and accountability.	
	Governance - ensures effective policy and financial oversight.	
SCOPE STATEMENT:	Investigate and implement updated financial management and reporting software to support the organization.	

<p><b>PROJECT CHARTER JUSTIFICATION</b> (including current state that created the need, opportunities and benefits if the project proceeds, and challenges/issues/risks if the project is delayed or cancelled):</p>	<p><b>Current State</b> – The Commission has utilized Great Plains for the last 15 years, and as of 2026, there is no longer any support through the Microsoft Platform. Currently, ARROW Utilities utilizes Excel to manage organizational budgets, while Accounts Payable is a component of inventory flow through Great Plains.</p> <p><b>Issue</b> - ARROW Utilities has an average budget of approximately \$60M and exclusively utilizes Excel to manage the financial spending of both the operating and capital accounts. The attributed reserves incorporate a tremendous amount of possible error due to the number of concurrently run spreadsheets. Additionally, Microsoft will no longer provide any update support to the program within the next two years; as such, it is recommended that both accounts payable be migrated and budget management incorporated into an updated program better suited to the organization.</p> <p><b>Opportunities</b> – Administration believes that investing in a better-suited program to manage, project and report on budgets proactively will have the ability to streamline the annual budget systems, support multi-department collaboration in quarterly budget projections and ensure reserve tracking is more proactive and actively managed and reported.</p>
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	<p>Phase 1 of the project (2025) includes a consulting investigation to determine a listing of the best-suited software to support ARROW. Phase 2 of the project (2026) would include implementing new software for use within 2027.</p> <p>Risks – The risk of not modernizing the software is continued manual processes within Excel of budgets, Accounts Payable, is at risk if program challenges occur not being able to actively process payments and batches.</p>		
<p><b>STAKEHOLDER IDENTIFICATION</b> (including internal and external):</p>	<p>IT, Operations, Engineering Services, Regulatory Services</p>		
<p><b>TIMELINE:</b></p>	<p>2025 Consulting  2026 software purchasing, customization and implementation  2027 utilization</p>		
<p><b>FINANCIAL INFORMATION:</b></p>	<p>Investment Year</p>	<p>2025  2026  2027  2028  2029</p>	<p>\$ 250,000  \$ 1,000,000</p>



**September 13, 2024**  
**Inquiring Agency MOU**

<b>Purpose of Report</b>	To provide the Board with an update on this matter.
<b>Attachments</b>	MOU FINAL
<b>Alignment to Board's Strategic Plan</b>	Responsible leadership - build partnerships that benefit the commission and the community
	Responsible leadership - keep utility rates reasonable and predictable for member municipalities
<b>Alignment to ESG Principles</b>	Social - promotes diversity, equity, inclusion, and accessibility
	Social - improves service delivery and community relations
	Governance - addresses and mitigates organizational risk
<b>Background and Discussion</b>	The draft MOU was presented to the inquiring agency who accepted all the Board's recommended changes.
<b>Recommendation</b>	THAT the Board of Directors direct the CEO to sign the MOU on the organization's behalf.
<b>Implications of recommendation(s):</b>	
<b>Financial</b>	N/A
<b>Legal / Risk</b>	Legal from both parties has been involved in the development of this MOU and are satisfied with its contents.
<b>Environmental / Safety</b>	N/A
<b>Organizational impacts</b>	If the agreement is entered in to, a project plan to execute next steps will be developed.
<b>External impacts</b>	There will be public announcement of the MOU.

**Report Date: September 13, 2024**  
**Author/Title: Cindy de Bruijn**  
**Approved by: Kate Polkovsky**



**September 13, 2024  
Tri-Party Agreement**

<b>Purpose of Report</b>	<b>To provide an update to the status of the Tri-Party agreement and Rate</b>
<b>Alignment to Board's Strategic Plan</b>	Responsible leadership - build partnerships that benefit the commission and the community
	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>The long-term servicing of Air Products (AP) through a contractual agreement has a multitude of layers in order to delineate the terms and conditions attributed to the Level of Service (LOS), risk, rate and ongoing relationship between AP and ARROW.</p> <p>The Tri-party agreement is intended to capture risk management based on planned and unplanned outages, de-risking ARROW when the contributed asset design principles defer from those of ARROW. For example, the location and frequency of check valves, as well as retirement and amortization of assets based on contractual length.</p> <p>Foundationally, many of these items have continued to become clearer how they should be dealt with contractually as meetings, design progression, and continued research has progressed. The industrial delivery of water re-use as considered as a commodity is not common practice within North America, there are very few case studies to draw best practices from. While much of the global utility world is quietly observing the progression of this project, slow careful considerations have been placed on all aspects.</p>

**Report Date: September 13, 2024**  
**Author/Title: Kate Polkovsky**  
**Approved by: Kate Polkovsky**

	<p>One of the items that has progressed tediously and was a required component as an input into the Tri-party agreement was the creation and review of the water re-use rate structure.</p> <p>This rate structure will be finalized in and approved by the Board in budget 2026 for implementation in Q1 2026. The negotiated and reviewed inputs with AP are getting closer to being finalized and refined.</p> <p>The model differs from a traditional rate model in both the return on investment of human capital and invested capital, as well as how assets are amortized, retired and projected to be decommissioned.</p> <p>North American cases have provided good examples on the ROI on invested capital, as recommended by the third party consultant set at 9.028% with staffing costs having a 12% revenue attributed to services.</p> <p>Currently the final component that is being both engaged and researched is the cost of commodity. It is projected to incorporate a \$1.94/m<sup>3</sup> into the rate scheme attributing to a total revenue of approximately \$10M with a net revenue of approximately \$3M. This rate is currently a high-level projection based on tender specifications and localized contract time of 20 years. As the project progresses through 2025, equipment shop drawings, cost of borrowed dollars, and any changes to projected staffing requirements will be solidified to support the finalization of the rate.</p>
<b>Recommendation</b>	THAT the report is received for information only.
<b>Implications of recommendation(s):</b>	
<b>Financial</b>	<p>Amortization of assets over the timeframe differs from conventional projections, incorporating a demobilization of the pump station and pipeline.</p> <p>The cost of commodity directly affects the rate in which re-investment and reserve accumulation are projected.</p>
<b>Legal / Risk</b>	While AP is endeavoring to negotiate the lowest rate possible, all items within the rate structure are defensible based on research throughout North America.
<b>Environmental / Safety</b>	N/A
<b>Organizational impacts</b>	N/A
<b>External impacts</b>	N/A

**Report Date:** September 13, 2024  
**Author/Title:** Kate Polkovsky  
**Approved by:** Kate Polkovsky



September 13, 2024

**Administration and Procedures Bylaw (second and third reading)**

<b>Purpose of Report</b>	For the Board to approve proposed changes to the Administration and Procedures Bylaw.
<b>Attachments</b>	<ol style="list-style-type: none"> <li>1) Administration-and-Procedures-By-Law ARROW (original bylaw)</li> <li>2) Administration-and-Procedures-By-Law WORKING COPY OF REDLINED VERSION July 8 2024 (version that tracks changes – original changes in red, from first reading on June 14, 2024 highlighted in yellow)</li> <li>3) Administration-and-Procedures-ByLaw SEPTEMBER 2024 – FINAL PDF VERSION (final, official formatted version)</li> </ol>
<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
	Responsible leadership - build partnerships that benefit the commission and the community
<b>Alignment to ESG Principles</b>	Governance - promotes transparency and accountability
	Governance - ensures effective policy and financial oversight
	Social - improves service delivery and community relations
<b>Background and Discussion</b>	<p>On June 14, 2024, Administration presented proposed changes to the Administration and Procedures Bylaw to reflect the organization’s recent name change, as well as redefine municipality to better align to language used in the Municipal Government Act.</p> <p>Feedback was gathered at the Board meeting, and a revised version was presented to the Governance and Human Resources Committee on July 8, 2024. The final version proposed for Board approval is what the committee is recommending.</p>
<b>Recommendation</b>	<p>Second reading:          THAT the proposed changes to the Administration and Procedures Bylaw recommended by the Governance and Human Resources Committee be approved by the Board of Directors.</p> <p>Third reading:</p>

	THAT the proposed changes the Administration and Procedures Bylaw recommended by the Governance and Human Resources Committee be approved by the Board of Directors.
<b>Implications of recommendation(s):</b>	
<b>Financial</b>	N/A
<b>Legal / Risk</b>	Revised bylaw will be shared with appropriate Ministerial offices.
<b>Environmental / Safety</b>	N/A
<b>Organizational impacts</b>	N/A
<b>External impacts</b>	N/A

**BEING BYLAWS OF THE BOARD OF DIRECTORS OF THE ALBERTA  
CAPITAL REGION WASTEWATER COMMISSION**

**WHEREAS** the Alberta Capital Region Wastewater Commission was established by the Alberta Capital Region Wastewater Commission Regulation, AR 129/85;

**AND WHEREAS** the Commission is a continued commission pursuant to s. 602.47 of the *Municipal Government Act*, RSA 2000, c. M-26;

**AND WHEREAS** the Board of Directors of the Commission wishes to enact Bylaws respecting certain matters set out ins. 602.09(1) of the *Municipal Government Act*, RSA 2000, c. M-26, as more particularly set out herein;

**NOW THEREFORE** the Board of Directors of the Alberta Capital Regional Wastewater Commission hereby enacts as follows:

**1. DEFINITIONS**

1.1. In this By-Law:

- (a) "Act" shall mean the *Municipal Government Act* RSA 2000, c. M-26, as amended from time to time;
- (b) "Board" shall mean the Board of Directors of the Alberta Capital Region appointed pursuant to Section 4 of this Bylaw;
- (c) "Chair" shall mean the Chair of the Board;
- (d) "Chief Executive Officer" or "CEO" shall mean the CEO of the Commission appointed by the Board pursuant to Section 5 of this By-Law;
- (e) "Commission" shall mean the Alberta Capital Region Wastewater Commission;
- (f) "Committee" shall mean any Ad-Hoc Committee established pursuant to Section 6 of this By-Law;
- (g) "Members" shall mean the individuals appointed to the Board by the Municipalities;
- (h) "Municipalities" shall mean the City of Fort Saskatchewan, City of Leduc, City of Spruce Grove, City of St. Albert, Leduc County, Parkland County, Strathcona County, Sturgeon County, City of Beaumont, Town of Bon Accord, Town of Gibbons, Town of Morinville, and Town of Stony Plain subject to any addition or withdrawal of Members pursuant to Section 10.4 of this Bylaw

from time to time;

- (i) "Vice-Chair" shall mean the Vice-Chair of the Commission appointed pursuant to Section 4 of this By-Law.

## **2. APPOINTMENT OF BOARD MEMBERS**

2.1. The Municipal Council of each of the Municipalities shall by resolution appoint one member of Council to the Board at the Council's organizational meeting.

2.2. The term of each Board member's appointment shall be specified by the appointing Municipality but such term shall be no less than one year.

2.3. In the event that:

- (a) A Board member ceases to be a member of Council;
- (b) A Board member is absent from all regular council meetings held during any period of 8 consecutive weeks starting with the date the first meeting is missed, whether or not the absence is excused is authorized pursuant to ss. 174(2) of the Act or in accordance with a bylaw under s. 144.1 of the Act, or;
- (c) There are extenuating circumstances which, in the opinion of the majority of the Board, warrant the termination of the appointment of a Board member and appointment of a replacement member by the appointing Municipality

the appointing Municipality may by resolution terminate the appointment of the Board member and appoint a replacement Board Member at the next council meeting following the event referred to in subsection (a)-(c) herein, but in any event no later than the Council's next organizational meeting.

2.4. In the event that a Municipality appoints a member of Council other than the Municipality's chief elected official as a member of the Board the appointing municipality's chief elected official shall not be a member of the Board.

## **3. BOARD MEETINGS AND COMMITTEE MEETINGS**

3.1. The Board shall meet on and at such date, time and place determined by the Board or as may be directed from time to time by the Chair.

3.2. A quorum for meetings of the Board shall be a majority of Members of the Board.

3.3. Except as otherwise provided, the business of the Board or of a Committee thereof shall be conducted at meetings of the Members of the Board or the Committee.

- 3.4. Notice of the time and place of any regularly scheduled meeting of the Board or of a Committee need not be given to the Members of the Board or the Committee.
- 3.5. Each Member of the Board or of a Committee shall have one (1) vote and all Members shall vote except in conflict of interest situations of a personal nature.
- 3.6. A vote on a matter shall not be recorded unless specifically directed by the Chair or requested by any Member of the Board.
- 3.7. In the absence of the Chair and the Vice-Chair from a meeting of the Board, those present may elect one of their Members to preside as Chair at the meeting.
- 3.8. The agenda for all meetings of the Board and for meetings of Committees of the Board shall be prepared by the CEO and approved by the Chair or the Chair of the Committee involved as the case may be.
- 3.9. Members of the Board, at the discretion of the Chair of a meeting of the Board, shall be entitled to speak more than once on any matter before the Board and the mover shall be entitled to close the debate on any matter.
- 3.10. With respect to motions before the Board the following shall apply:
  - (a) General - no seconder required;
  - (b) Referral or Deferral - debatable;
  - (c) Tabling - nondebatable;
  - (d) Amending - no seconder required;
  - (e) Separation - can be requested
  - (f) Reconsideration - must be made by voter on prevailing side of original motion at same meeting or by notice of motion;
  - (g) Notices of Motion In writing prior to distribution of Agenda or by proper waiving of Rules of Procedure or by verbal notice at a meeting for the next meeting.
- 3.11. In the event that a question shall arise as to the rules of procedure to be followed at a meeting of the Board or a Committee thereof, and if the procedure to be followed has not been otherwise dealt with in a bylaw, policy or procedure adopted by the Board, Robert Rules of Order shall apply to such question.
- 3.12. Any motion to waive a rule of procedure established by a bylaw of the

Board, or, in the absence of a bylaw, by Roberts Rules of Order, shall require an affirmative vote by two-thirds (2/3) of all Board Members in attendance at the meeting.

- 3.13. The Board and any Committee thereof shall cause minutes to be kept of each Board or Committee meeting and minutes of all Committee meetings, once adopted, shall be distributed promptly to all Board Members.

#### **4. CHAIR AND VICE-CHAIR**

- 4.1. The Board shall annually elect from amongst its members a Chairman to serve for a term beginning no earlier than November 1 of the year in which the appointment occurs and ending no later than November 30 of the following year
- 4.2. The Board shall annually elect from amongst its Members a Vice-Chair to serve for a term, beginning no earlier than November 1 of the year in which the appointment occurs and ending no later than November 30 of the following year.
- 4.3. In the absence of the Chair, the Vice-Chair shall preside at all regular and special meetings of the Board and shall perform all other duties of the Chair.
- 4.4. The Chair shall be paid such remuneration, travelling and other expenses by the Commission as may be approved from time to time by the Board.
- 4.5. The Chair shall be an ex-officio Member of any committee appointed by the Board from time to time in addition to any other Members appointed to such committee.
- 4.6. Notwithstanding that the term of office of the Chair or the Vice-Chair may have expired, the Chair and the Vice-Chair shall remain in office until such time as a successor has been appointed.

#### **5. CEO AND OTHER OFFICIALS**

- 5.1. The Board shall appoint a CEO who shall act as the administrative head of the Commission.
- 5.2. The CEO shall:
  - (a) Ensure that the Commission's programs and policies, as approved by the Board, are implemented;
  - (b) Advise and inform the Board on the operation and affairs of the Commission, and;
  - (c) Perform the duties and functions and exercise the powers assigned to the CEO by the Board from time to time.

- 5.3. The Board may appoint such other officials as the Board shall deem necessary from time to time to serve the needs of the Commission and shall define the duties and responsibilities of any such official so appointed.

## **6. AD HOC COMMITTEES**

- 6.1. The Board may establish Ad Hoc Committees as the Board deems necessary and expedient for the orderly and efficient handling of the affairs of the Commission. The Board will also establish the terms of reference for such Committees, the duties and responsibilities, and the duration of the Committee.
- 6.2. The Chair of any Committee shall be selected by the Committee.
- 6.3. The Chair of any Committee shall preside at meetings of the Committee and in the absence of the Committee Chair those present may elect one of their Members to preside as Chair at the meeting.
- 6.4. Meetings of any Committee shall be held on such day, time and place as may be determined from time to time by the Committee and the Committee Chair shall be at liberty to call a special meeting of the Committee.
- 6.5. The quorum for Committee meetings shall be the majority of Members that comprise the Committee.

## **7. SEAL**

- 7.1. The Board shall adopt a seal of the Commission and the seal shall be in the custody of the CEO.
- 7.2. The seal of the Commission shall only be affixed to any document by the CEO, or their delegate, as authorized by the Board.

## **8. FINANCIAL REPORTS AND BANKING**

- 8.1. The Board shall cause to be kept proper books of account and records and such books of account and records together with all papers and other documents relating to the Commission shall be kept at the office of the Commission and shall be open during reasonable business hours to the inspection and examination of every Member of the Board.
- 8.2. The Board shall appoint an auditor or auditors who are permitted to conduct audits in the Province of Alberta.
- 8.3. The Board shall cause minutes to be made and books to be provided for the purpose of recording all Resolutions passed by and of all proceedings of any meeting of the Board and any Committee and shall cause to be recorded the names of all persons present at such meeting.

- 8.4. The Board shall at all times ensure that the requirements of the Act relating to the delivery of reports, financial statements and information to the Members of the Commission are met.
- 8.5. The Board shall from time to time appoint a bank or banks as banker or bankers for the Commission and the Board shall designate those officials and Members of the Board who are authorized to sign cheques on behalf of the Board.

**9. HONORARIA AND EXPENSES FOR BOARD MEMBERS**

- 9.1. The Board shall from time to time designate the remuneration payable to Members of the Board and provide for the reimbursement of Members of the Board for expenses incurred in the course of their duties as Members of the Board.

**10. ADDITION AND REMOVAL OF MUNICIPALITIES**

- 10.1. The Commission may agree to the addition of a municipality as a member of the Commission if, in the sole discretion of the Commission, there is sufficient capacity for the supply of services to the municipality and the addition of the municipality as a member is in the best interest of the Commission.
- 10.2. The addition of a municipality as a member of the Commission shall require the approval of two-thirds (2/3) of the Members of the Board and be subject to any terms and conditions established by the Board.
- 10.3. Without limitation to Section 10.2 herein, the Board may in its sole discretion require a municipality to make a payment to the Commission as a condition of the addition of that municipality as a member of the Commission. Any such payment shall be an amount determined by the Board to be reasonable, and may include but shall not be limited to:
  - (a) A one-time membership fee payable to the Commission reflecting a proportionate share of the formation costs of the Commission plus applicable debt servicing costs;
  - (b) A proportionate share of the capital costs incurred by the Commission for the provision of services; and
  - (c) Any costs related to the provision of services by the Commission to the new member.
- 10.4. The withdrawal of any one or more of the Municipalities as a member of the Commission shall require the approval of two-thirds (2/3) of the Members of the Board and be subject to any terms and conditions established by the Board.

- 10.5. Without limitation to Section 10.4 herein, the Board may require a Municipality to enter into an agreement with the Commission as a condition of withdrawal of the Municipality as a member of the Commission. The form and terms and conditions of such agreement shall be determined by the Board, and may include but shall not be limited to:
- (i) the transition period for the withdrawal of the Municipality as a member of the Commission;
  - (ii) the withdrawing Municipality's entitlement, if any, to services from the Commission after its withdrawal;
  - (iii) the withdrawing Municipality's responsibility, if any, to pay for a portion of the Commission's debt servicing or capital costs;
  - (iv) the withdrawing Municipality's entitlement, if any, to ownership of any portion of the assets of the Commission used in the delivery of services, and;
  - (v) any other matter determined by the Board to be required to be addressed as a term of condition of the Member's withdrawal.
- 10.6. The Commission shall notify the Minister of Municipal Affairs of any change in the membership of the Commission within 60 days of the change in membership.

## **11. DISPOSAL OF ASSETS BY THE MEMBERS**

- 11.1. The CEO, or their designate, has the authority to dispose of any assets owned by the Commission, including machinery, equipment, computers and office supplies, subject to the following restrictions:
- (a) The disposal of any asset or assets with a fair market value or proposed sale price of more than fifty thousand (\$50,000.00) dollars shall require the approval of two-thirds (2/3) of the Members of the Board and be subject to any terms and conditions established by the Board;
  - (b) The disposal of any land or assets identified as engineering structures shall require the approval of two-thirds (2/3) of the Members of the Board and be subject to any terms and conditions established by the Board.
- 11.2. The CEO may seek the Board's approval to dispose of an asset or assets other than those identified in Subsections 11.1(a) and (b) above if, in the opinion of the CEO, the approval of the Board is necessary or desirable.

**12. DISESTABLISHMENT**

- 12.1. Approval of (two-thirds) 2/3 of the Members of the Board is required to disestablish the Commission.
- 12.2. In the event that the Board approves the disestablishment of the Commission, the Board must at the time of approval specify further particulars of the procedure for the disestablishment including:
  - (a) a timeline for disestablishment of the Commission, and;
  - (b) the treatment of assets and liabilities upon disestablishment of the Commission, which shall take into account each Municipality's respective contributions to the Commission in the form of any assets contributed to the Commission and historical consumption by the Municipality and include a process for the collection and disposition of any property and assets owned by the Commission and the discharge, assignment or transfer of the Commission's obligations.
- 12.3. The Commission shall, as of the date of the Board's decision to approve disestablishment of the Commission, cease to provide services or begin the process of ceasing to provide services except to the extent that the Commission is legally required to do so or as required for the beneficial winding-up of the business or affairs of the Commission.

**13. PROVISION OF COMMISSION'S SERVICES**

- 13.1 The Commission is authorized to supply sewage transmission and treatment services to its Members and to any additional persons to whom the Board decides to supply services to from time to time (the "Wastewater Services")
- 13.2 Without limitation to Section 13.1 herein, the Commission may in its discretion supply reclaimed water generated by the provision of the Treatment Services to any person to whom the Board decides to supply such reclaimed water to from time to time. The rates and applicable terms and conditions with respect to the supply of effluent water referred to herein shall be determined by the Board.

**14. AMENDMENTS**

- 14.1. This Bylaw may be amended from time to time upon thirty (30) days' notice of motion and approval of two-thirds (2/3) of the Members of the Board.

**15. SEVERABILITY AND REPEAL**

- 15.1. Should any provision or part of this Bylaw be found to have been improperly enacted, for any reason, then such provision or part shall be

severable from the remainder of this Bylaw and the Bylaw remaining after such severance shall be effective and enforceable as if the provision or part found to be improperly enacted had not been enacted as part of this Bylaw.

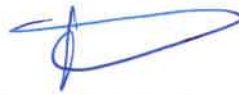
- 15.2 Bylaws No. 1, 2, 3, 4, 5 and 6 of the Board of Directors of the Alberta Capital Region Wastewater Commission are hereby repealed as of the effective date of this Bylaw.

ENACTED at a meeting of the Board of Directors of the ALBERTA CAPITAL REGION WASTEWATER COMMISSION at a meeting duly held on the 16<sup>th</sup> day of June, 2023.



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Chairperson



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Chief Executive Officer

**BEING BYLAWS OF THE BOARD OF DIRECTORS OF  
ARROW UTILITIES: A CAPITAL REGION COMMISSION**

**WHEREAS** ARROW Utilities: A Capital Region Commission was established by ~~the Alberta Capital Region Wastewater Commission~~ ARROW Utilities: A Capital Region Commission Regulation, AR 129/85;

**AND WHEREAS** the Commission is a continued commission pursuant to s. 602.47 of the *Municipal Government Act*, RSA 2000, c. M-26;

**AND WHEREAS** the Board of Directors of the Commission wishes to enact Bylaws respecting certain matters set out ins. 602.09(1) of the *Municipal Government Act*, RSA 2000, c. M-26, as more particularly set out herein;

**NOW THEREFORE** the Board of Directors of ~~the Alberta Capital Regional Wastewater Commission~~ ARROW Utilities: A Capital Region Commission hereby enacts as follows:

**1. DEFINITIONS**

1.1. In this By-Law:

- (a) "Act" shall mean the *Municipal Government Act* RSA 2000, c. M- 26, as amended from time to time;
- (b) "Board" shall mean the Board of Directors of ARROW Utilities: A Capital Region Commission~~the Alberta Capital Region~~ appointed pursuant to Section 4 of this Bylaw;
- (c) "Chair" shall mean the Chair of the Board;
- (d) "Chief Executive Officer" or "CEO" shall mean the CEO of the Commission appointed by the Board pursuant to Section 5 of this By-Law;
- (e) "Commission" shall mean ~~the Alberta Capital Region Wastewater Commission~~ ARROW Utilities: A Capital Region Commission;
- (f) "Committee" shall mean any Ad-Hoc Committee established pursuant to Section 6 of this By-Law;
- (g) "Members" shall mean the individuals appointed to the

Board by the ~~member Municipalities~~ Municipal Authorities,  
inclusive of the City of Fort Saskatchewan, City of Leduc,  
City of Spruce Grove, City of St. Albert, Leduc County,  
Parkland County, Strathcona County, Sturgeon County,  
City of Beaumont, Town of Bon Accord, Town of Gibbons,  
Town of Morinville, and

Town of Stony Plain subject to any addition or withdrawal of Members pursuant to Section 10.4 of this Bylaw from time to time.;

~~(h) "Municipal Authorities" means a municipality, improvement district, special area, and includes a Metis settlement, an Indian reserve, and an armed forces base.~~

~~(h) "Municipalities" shall mean the City of Fort Saskatchewan, City of Leduc, City of Spruce Grove, City of St. Albert, Leduc County, Parkland County, Strathcona County, Sturgeon County, City of Beaumont, Town of Bon Accord, Town of Gibbons, Town of Morinville, and Town of Stony Plain subject to any addition or withdrawal of Members pursuant to Section 10.4 of this Bylaw~~

- (i) "Vice-Chair" shall mean the Vice-Chair of the Commission appointed pursuant to Section 4 of this By-Law.

## 2. APPOINTMENT OF BOARD MEMBERS

- 21. The ~~Municipal-elected~~ Council of each of the ~~Municipalities~~ ~~Municipal Authorities~~ shall by resolution appoint one member of ~~their~~ Council ~~or governing body~~ to the Board. ~~at the Council's organizational meeting.~~

~~2.2.~~ The term of each Board member's appointment shall be specified by the appointing ~~Municipality~~ ~~Municipal Authority~~, ~~but such term shall be no less than one year.~~

- 23 In the event that:

- (a) A Board member ceases to be a member of ~~their~~ Council ~~governing body~~;
- (b) A Board member is absent from all regular council meetings held during any period of 8 consecutive weeks starting with the date the first meeting is missed, whether or not the absence is excused is authorized pursuant to ~~sections~~ 174(2) of the Act or in accordance with a bylaw under s. 144.1 of the Act, or;
- (c) There are extenuating circumstances which, in the opinion of the majority of the Board, warrant the termination of the appointment of a Board member and appointment of a replacement member by the appointing ~~Municipality~~ ~~Municipal Authority~~.

the appointing ~~Municipality~~ ~~Municipal Authority~~ may by resolution terminate the appointment of the Board member and appoint a replacement Board Member at the next council meeting following the event referred to in subsection (a)-(c) herein, but in any event no later than the Council's next organizational meeting.

- ~~24. A Board member shall not be absent for more than two consecutive meetings without obtaining prior approval from the Board Chair. Failure to comply with this provision may result in a review of the member's status on the Board.~~

2.4.2.5. In the event that a ~~Municipality~~Municipal Authority appoints a member of Council other than the ~~Municipality~~Municipal Authority's chief elected official as a member of the Board, the appointing ~~municipality~~Municipal Authority's chief elected official shall not be a member of the Board.

**3. BOARD MEETINGS AND COMMITTEE MEETINGS**

31. The Board shall meet on and at such date, time and place determined by the Board or as may be directed from time to time by the Chair.

- 32 Aquorum for meetings of the Board shall be a majority of Members of the Board.
- 33 Except as otherwise provided, the business of the Board or of a Committee thereof shall be conducted at meetings of the Members of the Board or the Committee.

- 34 Notice of the time and place of any regularly scheduled meeting of the Board or of a Committee need not be given to the Members of the Board or the Committee.
- 35 Each Member of the Board or of a Committee shall have one (1) vote and all Members shall vote except in conflict of interest situations of a personal nature.
- 36 A vote on a matter shall not be recorded unless specifically directed by the Chair or requested by any Member of the Board.
- 37 In the absence of the Chair and the Vice-Chair from a meeting of the Board, those present may elect one of their Members to preside as Chair at the meeting.
- 38 The agenda for all meetings of the Board and for meetings of Committees of the Board shall be prepared by the CEO and approved by the Chair or the Chair of the Committee involved as the case may be.
- 39 Members of the Board, at the discretion of the Chair of a meeting of the Board, shall be entitled to speak more than once on any matter before the Board and the mover shall be entitled to close the debate on any matter.
- 310 With respect to motions before the Board the following shall apply:
- (a) General - no seconder required;
  - (b) Referral or Deferral - debatable;
  - (c) Tabling - nondebatable;
  - (d) Amending - no seconder required;
  - (e) Separation - can be requested
  - (f) Reconsideration - must be made by voter on prevailing side of original motion at same meeting or by notice of motion;
  - (g) Notices of Motion In writing prior to distribution of Agenda or by proper waiving of Rules of Procedure or by verbal notice at a meeting for the next meeting.

311. In the event that a question shall arise as to the rules of procedure to be followed at a meeting of the Board or a Committee thereof, and if the procedure to be followed has not been otherwise dealt with in a bylaw, policy or procedure adopted by the Board, Robert Rules of Order shall apply to such question.
- 312 Any motion to waive a rule of procedure established by a bylaw of the

Board, or, in the absence of a bylaw, by Roberts Rules of Order, shall require an affirmative vote by two-thirds (2/3) of all Board Members in attendance at the meeting.

- 313 The Board and any Committee thereof shall cause minutes to be kept of each Board or Committee meeting and minutes of all Committee meetings, once adopted, shall be distributed promptly to all Board Members.

**4. CHAIR AND VICE-CHAIR**

41. The Board shall annually elect from amongst its members a Chairman to serve for a term beginning no earlier than November 1 of the year in which the appointment occurs and ending no later than November 30 of the following year

42. The Board shall annually elect from amongst its Members a Vice-Chair to serve for a term, beginning no earlier than November 1 of the year in which the appointment occurs and ending no later than November 30 of the following year.

43. In the absence of the Chair, the Vice-Chair shall preside at all regular and special meetings of the Board and shall perform all other duties of the Chair.

44. The Chair shall be paid such remuneration, travelling and other expenses by the Commission as may be approved from time to time by the Board.

45. The Chair shall be an ex-officio Member of any committee appointed by the Board from time to time in addition to any other Members appointed to such committee.

46. Notwithstanding that the term of office of the Chair or the Vice-Chair may have expired, the Chair and the Vice-Chair shall remain in office until such time as a successor has been appointed.

**5. CEO AND OTHER OFFICIALS**

- 5.1. The Board shall appoint a CEO who shall act as the administrative head of the Commission.

- 5.2. The CEO shall:

- (a) Ensure that the Commission's programs and policies, as approved by the Board, are implemented;
- (b) Advise and inform the Board on the operation and affairs of the Commission, and;
- (c) Perform the duties and functions and exercise the powers assigned to the CEO by the Board from time to time.

5.3. The Board may appoint such other officials as the Board shall deem necessary from time to time to serve the needs of the Commission and shall define the duties and responsibilities of any such official so appointed.

## **6. AD HOC COMMITTEES**

61. The Board may establish **Ad** Hoc Committees as the Board deems necessary and expedient for the orderly and efficient handling of the affairs of the Commission. The Board will also establish the terms of reference for such Committees, the duties and responsibilities, and the duration of the Committee.

62. The Chair of any Committee shall be selected by the Committee.

63. The Chair of any Committee shall preside at meetings of the Committee and in the absence of the Committee Chair those present may elect one of their Members to preside as Chair at the meeting.

64. Meetings of any Committee shall be held on such day, time and place as may be determined from time to time by the Committee and the Committee Chair shall be at liberty to call a special meeting of the Committee.

65. The quorum for Committee meetings shall be the majority of Members that comprise the Committee.

## **7. SEAL**

71. The Board shall adopt a seal of the Commission and the seal shall be in the custody of the CEO.

72. The seal of the Commission shall only be affixed to any document by the CEO, or their delegate, as authorized by the Board.

## **8. FINANCIAL REPORTS AND BANKING**

8.1. The Board shall cause to be kept proper books of account and records and such books of account and records together with all papers and other documents relating to the Commission shall be kept at the office of the Commission and shall be open during reasonable business hours to the inspection and examination of every Member of the Board.

8.2. The Board shall appoint an auditor or auditors who

are permitted to conduct audits in the Province of Alberta.

- 8.3. The Board shall cause minutes to be made and books to be provided for the purpose of recording all Resolutions passed by and of all proceedings of any meeting of the Board and any Committee and shall cause to be recorded the names of all persons present at such meeting.

8.4. The Board shall at all times ensure that the requirements of the Act relating to the delivery of reports, financial statements and information to the Members of the Commission are met.

8.5. The Board shall from time to time appoint a bank or banks as banker or bankers for the Commission and the Board shall designate those officials and Members of the Board who are authorized to sign cheques on behalf of the Board.

**9. HONORARIA AND EXPENSES FOR BOARD MEMBERS**

9.1. The Board shall from time to time designate the remuneration payable to Members of the Board and provide for the reimbursement of Members of the Board for expenses incurred in the course of their duties as Members of the Board.

**10. ADDITION AND REMOVAL OF MUNICIPALITIES**

10.1. The Commission may agree to the addition of a ~~municipality~~Municipal Authority as a member of the Commission if, in the sole discretion of the Commission, there is sufficient capacity for the supply of services to the ~~municipality~~Municipal Authority and the addition of the ~~municipality~~Municipal Authority as a member is in the best interest of the Commission.

10.2. The addition of a ~~municipality~~Municipal Authority as a member of the Commission shall require the approval of two-thirds (2/3) of the Members of the Board and be subject to any terms and conditions established by the Board.

10.3. Without limitation to Section 10.2 herein, the Board may in its sole discretion require a ~~municipality~~Municipal Authority to make a payment to the Commission as a condition of the addition of that ~~municipality~~Municipal Authority as a member of the Commission. Any such payment shall be an amount determined by the Board to be reasonable, and may include but shall not be limited to:

- (a) A one-time membership fee payable to the Commission reflecting a proportionate share of the formation costs of the Commission plus applicable debt servicing costs;
- (b) A proportionate share of the capital costs incurred by the Commission for the provision or services; and

- (c) Any costs related to the provision of services by the Commission to the new member.
- 10.4. The withdrawal of any one or more of the ~~Municipalities~~ Municipal Authorities as a member of the Commission shall require the approval

of two-thirds (2/3) of the Members of the Board and be subject to any terms and conditions established by the Board.

10.5. Without limitation to Section 10.4 herein, the Board may require a ~~Municipality~~Municipal Authority to enter into an agreement with the Commission as a condition of withdrawal of the ~~Municipality~~Municipal Authority as a member of the Commission. The form and terms and conditions of such agreement shall be determined by the Board, and may include but shall not be limited to:

- (i) the transition period for the withdrawal of the ~~Municipality~~Municipal Authority as a member of the Commission;
- (ii) the withdrawing ~~Municipality~~Municipal Authority's entitlement, if any, to services from the Commission after its withdrawal;
- (iii) the withdrawing ~~Municipality~~Municipal Authority's responsibility, if any, to pay for a portion of the Commission's debt servicing or capital costs;
- (iv) the withdrawing ~~Municipality~~Municipal Authority's entitlement, if any, to ownership of any portion of the assets of the Commission used in the delivery of services, and;
- (v) any other matter determined by the Board to be required to be addressed as a term of condition of the Member's withdrawal.

10.6. The Commission shall notify the Minister of Municipal Affairs of any change in the membership of the Commission within 60 days of the change in membership.

## **11. DISPOSAL OF ASSETS BY THE MEMBERS**

11.1. The CEO, or their designate, has the authority to dispose of any assets owned by the Commission, including machinery, equipment, computers and office supplies, subject to the following restrictions:

- (a) The disposal of any asset or assets with a fair market value or proposed sale price of more than fifty thousand (\$50,000.00) dollars shall require the approval of two-thirds (2/3) of the Members of the Board and be subject to any terms and

conditions established by the Board;

- (b) The disposal of any land or assets identified as engineering structures shall require the approval of two-thirds (2/3) of the Members of the Board and be subject to any terms and conditions established by the Board.

11.2. The CEO may seek the Board's approval to dispose of an asset or assets other than those identified in Subsections 11.1(a) and (b) above if, in the opinion of the CEO, the approval of the Board is necessary or

desirable.

12. **PISESTABUSHMENT DISESTABLISHMENT**

- 12.1. Approval of (two-thirds) 2/3 of the Members of the Board is required to disestablish the Commission.
- 12.2. In the event that the Board approves the disestablishment of the Commission, the Board must at the time of approval specify further particulars of the procedure for the disestablishment including:
- (a) a timeline for disestablishment of the Commission, and;
  - (b) the treatment of assets and liabilities upon disestablishment of the Commission, which shall take into account each **MunicipalityMunicipal Authority's** respective contributions to the Commission in the form of any assets contributed to the Commission and historical consumption by the **MunicipalityMunicipal Authority** and include a process for the collection and disposition of any property and assets owned by the Commission and the discharge, assignment or transfer of the Commission's obligations.
- 12.3. The Commission shall, as of the date of the Board's decision to approve disestablishment of the Commission, cease to provide services or begin the process of ceasing to provide services except to the extent that the Commission is legally required to do so or as required for the beneficial winding-up of the business or affairs of the Commission.

13. **PROVISION OF COMMISSION'S SERVICES**

- 13.1 The Commission is authorized to supply sewage transmission and treatment services to its Members and to any additional persons to whom the Board decides to supply services to from time to time (the "Wastewater Services")
- 13.2 Without limitation to Section 13.1 herein, the Commission may in its discretion supply reclaimed water generated by the provision of the Treatment Services to any person to whom the Board decides to supply such reclaimed water to from time to time. The rates and applicable terms and conditions with respect to the supply of effluent water referred to herein shall be determined by the Board.

**14. AMENDMENTS**

14.1. This Bylaw may be amended from time to time upon thirty (30) days' notice of motion and approval of two-thirds (2/3) of the Members of the Board.

**15. SEVERABILITY AND REPEAL**

15.1. Should any provision or part of this Bylaw be found to have been

improperly enacted, for any reason, then such provision or part shall be

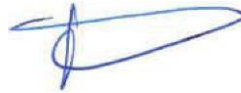
severable from the remainder of this Bylaw and the Bylaw remaining after such severance shall be effective and enforceable as if the provision or part found to be improperly enacted had not been enacted as part of this Bylaw.

- 15.2 Bylaws No. 1, 2, 3, 4, 5 and 6 of the Board of Directors of ~~the Alberta Capital Region Wastewater Commission~~ ARROW Utilities: A Capital Region Commission are hereby repealed as of the effective date of this Bylaw.

ENACTED at a meeting of the Board of Directors of ~~the ALBERTA CAPITAL REGION WASTEWATER COMMISSION~~ ARROW Utilities: A Capital Region Commission at a meeting duly held on the 16<sup>3</sup><sup>th</sup> day of ~~June~~ September, 2023~~2024~~.

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Chairperson



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Chief Executive Officer

**BEING BYLAWS OF THE BOARD OF DIRECTORS OF  
ARROW UTILITIES: A CAPITAL REGION COMMISSION**

**WHEREAS** ARROW Utilities: A Capital Region Commission was established by ARROW Utilities: A Capital Region Commission Regulation, AR 129/85;

**AND WHEREAS** the Commission is a continued commission pursuant to s.602.47 of the *Municipal Government Act*, RSA 2000, c. M-26;

**AND WHEREAS** the Board of Directors of the Commission wishes to enact Bylaws respecting certain matters set out ins. 602.09(1) of the *Municipal Government Act*, RSA 2000, c. M-26, as more particularly set out herein;

**NOW THEREFORE** the Board of Directors of ARROW Utilities: A Capital Region Commission hereby enacts as follows:

**1. DEFINITIONS**

1.1 In this By-Law:

- a) "Act" shall mean the *Municipal Government Act* RSA 2000, c. M- 26, as amended from time to time;
- b) "Board" shall mean the Board of Directors of ARROW Utilities: A Capital Region Commission appointed pursuant to Section 4 of this Bylaw;
- c) "Chair" shall mean the Chair of the Board;
- d) "Chief Executive Officer" or "CEO" shall mean the CEO of the Commission appointed by the Board pursuant to Section 5 of this By-Law;
- e) "Commission" shall mean ARROW Utilities: A Capital Region Commission;
- f) "Committee" shall mean any Ad-Hoc Committee established pursuant to Section 6 of this By-Law;
- g) "Members" shall mean the individuals appointed to the Board by the member Municipal Authorities, inclusive of the 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, and Town of Stony Plain subject to any addition or withdrawal of Members pursuant to Section 10.4 of this Bylaw from time to time;
- h) "Municipal Authorities" means a municipality, improvement district, special area, Metis settlement, Indian reserve, and an armed forces base.
- i) "Vice-Chair" shall mean the Vice-Chair of the Commission appointed pursuant to Section 4 of this By-Law.

## **2. APPOINTMENT OF BOARD MEMBERS**

2.1 The elected Council or governing body of each of the Municipal Authorities shall by resolution appoint one member of their Council or governing body to the Board.

2.2 The term of each Board member's appointment shall be specified by the appointing Municipal Authority.

2.3 In the event that:

- a) A Board member ceases to be a member of Council/governing body;
- b) A Board member is absent from all regular council meetings held during any period of 8 consecutive weeks starting with the date the first meeting is missed, whether or not the absence is excused is authorized pursuant to section 174(2) of the Act or in accordance with a bylaw under s.144.1 of the Act, or;
- c) There are extenuating circumstances which, in the opinion of the majority of the Board, warrant the termination of the appointment of a Board member and appointment of a replacement member by the appointing Municipal Authority.

the appointing Municipal Authority may by resolution terminate the appointment of the Board member and appoint a replacement Board Member at the next council meeting following the event referred to in subsection (a)-(c) herein, but in any event no later than the Council's next organizational meeting.

2.4 A Board member shall not be absent for more than two consecutive meetings without obtaining prior approval from the Board Chair. Failure to comply with this provision may result in a review of the member's status on the Board.

2.5 In the event that a Municipal Authority appoints a member of Council other than the Municipal Authority's chief elected official as a member of the Board, the appointing Municipal Authority's chief elected official shall not be a member of the Board.

## **3. BOARD MEETINGS AND COMMITTEE MEETINGS**

3.1 The Board shall meet on and at such date, time and place determined by the Board or as may be directed from time to time by the Chair.

3.2 A quorum for meetings of the Board shall be a majority of Members of the Board.

3.3 Except as otherwise provided, the business of the Board or of a Committee thereof shall be conducted at meetings of the Members of the Board or the Committee.

3.4 Notice of the time and place of any regularly scheduled meeting of the Board or of a Committee need not be given to the Members of the Board or the Committee.

3.5 Each Member of the Board or of a Committee shall have one (1) vote and all Members

shall vote except in conflict of interest situations of a personal nature.

3.6 A vote on a matter shall not be recorded unless specifically directed by the Chair or requested by any Member of the Board.

3.7 In the absence of the Chair and the Vice-Chair from a meeting of the Board, those present may elect one of their Members to preside as Chair at the meeting.

3.8 The agenda for all meetings of the Board and for meetings of Committees of the Board shall be prepared by the CEO and approved by the Chair or the Chair of the Committee involved as the case may be.

3.9 Members of the Board, at the discretion of the Chair of a meeting of the Board, shall be entitled to speak more than once on any matter before the Board and the mover shall be entitled to close the debate on any matter.

3.10 With respect to motions before the Board the following shall apply:

- a) General - no seconder required;
- b) Referral or Deferral - debatable;
- c) Tabling - nondebatable;
- d) Amending - no seconder required;
- e) Separation - can be requested
- f) Reconsideration - must be made by voter on prevailing side of original motion at same meeting or by notice of motion;
- g) Notices of Motion In writing prior to distribution of Agenda or by proper waiving of Rules of Procedure or by verbal notice at a meeting for the next meeting.

3.11 In the event that a question shall arise as to the rules of procedure to be followed at a meeting of the Board or a Committee thereof, and if the procedure to be followed has not been otherwise dealt with in a bylaw, policy or procedure adopted by the Board, Robert Rules of Order shall apply to such question.

3.12 Any motion to waive a rule of procedure established by a bylaw of the Board, or, in the absence of a bylaw, by Roberts Rules of Order, shall require an affirmative vote by two-thirds (2/3) of all Board Members in attendance at the meeting.

3.13 The Board and any Committee thereof shall cause minutes to be kept of each Board or Committee meeting and minutes of all Committee meetings, once adopted, shall be distributed promptly to all Board Members.

#### **4. CHAIR AND VICE-CHAIR**

4.1 The Board shall annually elect from amongst its members a Chairman to serve for a term beginning no earlier than November 1 of the year in which the appointment occurs and ending no later than November 30 of the following year.

4.2 The Board shall annually elect from amongst its Members a Vice-Chair to serve for a term, beginning no earlier than November 1 of the year in which the appointment occurs and ending no later than November 30 of the following year.

4.3 In the absence of the Chair, the Vice-Chair shall preside at all regular and special meetings of the Board and shall perform all other duties of the Chair.

4.4 The Chair shall be paid such remuneration, travelling and other expenses by the Commission as may be approved from time to time by the Board.

4.5 The Chair shall be an ex-officio Member of any committee appointed by the Board from time to time in addition to any other Members appointed to such committee.

4.6 Notwithstanding that the term of office of the Chair or the Vice-Chair may have expired, the Chair and the Vice-Chair shall remain in office until such time as a successor has been appointed.

## **5. CEO AND OTHER OFFICIALS**

5.1 The Board shall appoint a CEO who shall act as the administrative head of the Commission.

5.2 The CEO shall:

- a) Ensure that the Commission's programs and policies, as approved by the Board, are implemented;
- b) Advise and inform the Board on the operation and affairs of the Commission, and;
- c) Perform the duties and functions and exercise the powers assigned to the CEO by the Board from time to time.

5.3 The Board may appoint such other officials as the Board shall deem necessary from time to time to serve the needs of the Commission and shall define the duties and responsibilities of any such official so appointed.

## **6. AD HOC COMMITTEES**

6.1 The Board may establish Hoc Committees as the Board deems necessary and expedient for the orderly and efficient handling of the affairs of the Commission. The Board will also establish the terms of reference for such Committees, the duties and responsibilities, and the duration of the Committee.

6.2 The Chair of any Committee shall be selected by the Committee.

6.3 The Chair of any Committee shall preside at meetings of the Committee and in the absence of the Committee Chair those present may elect one of their Members to preside as Chair at the meeting.

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## **7. SEAL**

7.1 The Board shall adopt a seal of the Commission and the seal shall be in the custody of the CEO.

7.2 The seal of the Commission shall only be affixed to any document by the CEO, or their delegate, as authorized by the Board.

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8.1 The Board shall cause to be kept proper books of account and records and such books of account and records together with all papers and other documents relating to the Commission shall be kept at the office of the Commission and shall be open during reasonable business hours to the inspection and examination of every Member of the Board.

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9.1 The Board shall from time to time designate the remuneration payable to Members of the Board and provide for the reimbursement of Members of the Board for expenses incurred in the course of their duties as Members of the Board.

## **10. ADDITION AND REMOVAL OF MUNICIPALITIES**

10.1 The Commission may agree to the addition of a Municipal Authority as a member of the Commission if, in the sole discretion of the Commission, there is sufficient capacity for the supply of services to the Municipal Authority and the addition of the Municipal Authority as a member is in the best interest of the Commission.

10.2 The addition of a Municipal Authority as a member of the Commission shall require the approval of two-thirds (2/3) of the Members of the Board and be subject to any terms and conditions established by the Board.

10.3 Without limitation to Section 10.2 herein, the Board may in its sole discretion require a Municipal Authority to make a payment to the Commission as a condition of the addition of that Municipal Authority as a member of the Commission. Any such payment shall be an amount determined by the Board to be reasonable, and may include but shall not be limited to:

- a) A one-time membership fee payable to the Commission reflecting a proportionate share of the formation costs of the Commission plus applicable debt servicing costs;
- b) A proportionate share of the capital costs incurred by the Commission for the provision of services; and
- c) Any costs related to the provision of services by the Commission to the new member.

10.4 The withdrawal of any one or more of the Municipal Authorities as a member of the Commission shall require the approval of two-thirds (2/3) of the Members of the Board and be subject to any terms and conditions established by the Board.

10.5 Without limitation to Section 10.4 herein, the Board may require a Municipal Authority to enter into an agreement with the Commission as a condition of withdrawal of the Municipal Authority as a member of the Commission. The form and terms and conditions of such agreement shall be determined by the Board, and may include but shall not be limited to:

- a) the transition period for the withdrawal of the Municipal Authority as a member of the Commission;
- b) the withdrawing Municipal Authority's entitlement, if any, to services from the Commission after its withdrawal;
- c) the withdrawing Municipal Authority's responsibility, if any, to pay for a portion of the Commission's debt servicing or capital costs;
- d) the withdrawing Municipal Authority's entitlement, if any, to ownership of any portion of the assets of the Commission used in the delivery of services, and;

- e) any other matter determined by the Board to be required to be addressed as a term of condition of the Member's withdrawal.

10.6 The Commission shall notify the Minister of Municipal Affairs of any change in the membership of the Commission within 60 days of the change in membership.

## **11. DISPOSAL OF ASSETS BY THE MEMBERS**

11.1 The CEO, or their designate, has the authority to dispose of any assets owned by the Commission, including machinery, equipment, computers and office supplies, subject to the following restrictions:

- a) The disposal of any asset or assets with a fair market value or proposed sale price of more than fifty thousand (\$50,000.00) dollars shall require the approval of two-thirds (2/3) of the Members of the Board and be subject to any terms and conditions established by the Board;
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11.2 The CEO may seek the Board's approval to dispose of an asset or assets other than those identified in Subsections 11.1(a) and (b) above if, in the opinion of the CEO, the approval of the Board is necessary or desirable.

## **12. DISESTABLISHMENT**

12.1 Approval of (two-thirds) 2/3 of the Members of the Board is required to disestablish the Commission.

12.2 In the event that the Board approves the disestablishment of the Commission, the Board must at the time of approval specify further particulars of the procedure for the disestablishment including:

- a) a timeline for disestablishment of the Commission, and;
- b) the treatment of assets and liabilities upon disestablishment of the Commission, which shall take into account each Municipal Authority's respective contributions to the Commission in the form of any assets contributed to the Commission and historical consumption by the Municipal Authority and include a process for the collection and disposition of any property and assets owned by the Commission and the discharge, assignment or transfer of the Commission's obligations.

12.3 The Commission shall, as of the date of the Board's decision to approve disestablishment of the Commission, cease to provide services or begin the process of ceasing to provide services except to the extent that the Commission is legally required to do so or as required for the beneficial winding-up of the business or affairs of the Commission.

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13.1 The Commission is authorized to supply sewage transmission and treatment services to its Members and to any additional persons to whom the Board decides to supply services to from time to time (the "Wastewater Services")

13.2 Without limitation to Section 13.1 herein, the Commission may in its discretion supply reclaimed water generated by the provision of the Treatment Services to any person to whom the Board decides to supply such reclaimed water to from time to time. The rates and applicable terms and conditions with respect to the supply of effluent water referred to herein shall be determined by the Board.

**14. AMENDMENTS**

14.1 This Bylaw may be amended from time to time upon thirty (30) days' notice of motion and approval of two-thirds (2/3) of the Members of the Board.

**15. SEVERABILITY AND REPEAL**

15.1 Should any provision or part of this Bylaw be found to have been improperly enacted, for any reason, then such provision or part shall be severable from the remainder of this Bylaw and the Bylaw remaining after such severance shall be effective and enforceable as if the provision or part found to be improperly enacted had not been enacted as part of this Bylaw.

15.2 Bylaws No. 1, 2, 3, 4, 5 and 6 of the Board of Directors of ARROW Utilities: A Capital Region Commission are hereby repealed as of the effective date of this Bylaw.

ENACTED at a meeting of the Board of Directors of ARROW Utilities: A Capital Region Commission at a meeting duly held on the 13th day of September, 2024.

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Chairperson

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Chief Executive Officer

## General Information Updates – September 13, 2024

This document is intended to provide the Board with basic information updates that don't require a full agenda slot. Should a board member want additional dialogue, they can request the item be added to the agenda upon agenda approval, or during the round table portion of the agenda.

Previous Agenda Item	Update Information
Name Change	On July 24, ARROW received confirmation from Municipal Affairs that our submission of the adopted resolution has been included as part of the Minister's package for consideration. Timing of decision is dependent on the Minister's schedule.
Fort Saskatchewan/Sherritt	There has been no response from Fort Saskatchewan on this legal matter.
Kids with Cancer Event	On June 21, 2024, ARROW, in partnership with PCL and AE, hosted two young cancer survivors through the Kids with Cancer Society for a Little Builders Big Dreams event. A brief video can be found here: <a href="https://www.egnyte.com">Train 4 (egnyte.com)</a>
Occupational Health and Safety Management System Gap Assessment	A Health and Safety consultant conducted a gap assessment of ARROW's Health and Safety Management System (HSMS) to evaluate how well our HSMS meets established provincial standards set by Occupational Health and Safety (OHS). The assessment included record and documentation reviews, observations of workplace conditions and practices, and employee interviews. Overall, the assessment concluded our HSMS is strong and effective though some items were identified for improvement A corrective action plan has been developed to systematically address the identified gaps.
Environmental Management System (EMS) - Environmental Aspects Register	Identifying environmental aspects and impacts (causes and effects) associated with ARROW's operational activities are a pillar of the EMS. ARROW commits to reviewing our identified Environmental Aspects Register annually and approached this year's review by involving more subject matter experts across the organization. The review resulted in the identification of several new Operational Controls, which are controls ARROW has in place to enhance our overall environmental performance and help mitigate adverse environmental impacts. Also, several new opportunities associated with the aspects and impacts were identified.
Laboratory Assessment	The bi-annual accreditation assessment of ARROW's Laboratory was conducted June 18/19 by the

	<p>Canadian Association for Laboratory Accreditation (CALA). The assessment was very successful identifying only minor nonconformities to the ISO 17025 Laboratory Standard, thus ARROW's Lab maintains its accreditation status, as required within our Alberta Environment &amp; Protected Areas Operating Approval.</p>
<p>Alberta Environment &amp; Protected Areas Operating Approval</p>	<p>After months of collaboration, ARROW and Alberta Environment &amp; Protected Areas have agreed upon the terms and conditions of an Approval Amendment for the Construction of Train 4. Once the Approval Amendment is issued to ARROW, the application for the 2025 ten-year Approval renewal will be finalized and submitted.</p>
<p>Train 4</p>	<p>No additional updates. Latest video posted to the ARROW website on June 24, 2024.  <a href="https://arrowutilities.ca/wp-content/uploads/2024/07/Train-4-June-Video-Web.mp4">https://arrowutilities.ca/wp-content/uploads/2024/07/Train-4-June-Video-Web.mp4</a></p>
<p>Train 4 Borrowing Bylaw</p>	<p>On June 21, ARROW received confirmation from Municipal Affairs that the process for debt limit increase was initiated. As of the end of August 2024, this was formally approved by the Minister.</p>
<p>Cyber Security</p>	<p>On September 3rd, 2024, Arctic Wolf monitoring detected that a vulnerability scan was run against 2 targets on ARROW corporate networks. The SSL VPN service was disabled by ARROW staff. A firewall rule was implemented to block all traffic and the compromised accounts were reset. The firmware on the SonicWall firewalls was patched to the latest version, addressing the vulnerability. All user VPN credentials were reset with new passwords. The SSL VPN service was restarted and monitored for connections. There was minimal impact operationally. Only 2 systems were scanned before the threat actor was removed from the network. No files or credentials were compromised, and no data was exfiltrated. Impact was minimized by Arctic Wolf's quick response to the intrusion, and rapid reaction by ARROW IT staff. Long-term policy and process modifications are being considered to ensure similar events are avoided in the future.</p>

Line Break Updates	There are no new breaks. The last section of breaks that occurred June 6, 2024, along Valour Ave have had the new piping sections placed and connected to the system on June 26, 2024. The area will be completed, and construction demobilization was scheduled for August 8, 2024, weather permitting.
Septic Awareness Week	September 16-20, 2024, is Septic Awareness Week and ARROW will be collaborating with the 13 municipal members on the Clogstoppers awareness campaign. Please keep an eye on your personal and work social media accounts and please share our campaign with your followers.
Human Resources and Culture	An employee with 19 years tenure will be retiring in September, and we are recruiting for their replacement. We have a temporary lab technician (former summer student) who is filling in for a long-term medical leave until October. We have also recruited for two roles: An additional IT analyst to support the introduction of our new computerized maintenance management system and increased need for cyber security measures, and a permanent part-time Source Control Technician.