



2024

YEAR IN REVIEW

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WHO WE ARE

Aquatera Utilities Inc. is a municipally owned corporation headquartered in the Grande Prairie region and is a leading provider of water, wastewater, and solid waste services throughout Alberta. We play an integral role in growing healthy communities while supporting economic development in our service territories.



MISSION

We provide high-quality, environmentally sustainable utility services and optimize value to customers and Shareholders.



VISION

We are trusted experts delivering ideal solutions and services essential to growing healthy communities.

CORE VALUES



SAFETY

We value each other's safety and the safety of our communities and customers.



TEAMWORK

We work together to achieve common goals and ensure ongoing communication with customers and stakeholders.



QUALITY

We provide quality customer service by delivering high-quality products and services.



RESPECT

We operate with the utmost respect for our customers, employees, Shareholders, general public, and the environment.

CORE PURPOSE

GROWING HEALTHY COMMUNITIES



COMMUNITY SPONSORSHIPS:

- A Step Above Learning Society
- 3D Children's Society
- 5 Pin Bowling
- 2014 & 2016 Rebels Hockey
- Alberta Care
- Alberta Municipalities
- Alberta Winter Games
- Alberta Dreams Foundation
- AB Water & Wastewater Operators Association
- Alzheimers Society
- Annual Spirit Seekers
- Archie Harvey Memorial
- Art Gallery of GP
- Avondale Community School
- Battle River Agricultural Society (Manning)
- Bear Creek Folk Festival
- Big Brothers Big Sisters
- Big Hearts for Big Kids
- Bonnett's Energy Centre
- Canadian Diabetes
- Canadian Mental Health Association
- Canadian Motorcycle Tourism Association
- City of Grande Prairie
- County of Grande Prairie
- County of GP Fire Service
- Crosslink County Sportsplex
- Dave Barr Arena
- Design Works Centre
- Dimsdale Quilt Group
- Dunes Cleanup
- Eastlink Centre
- Ecole Nouvelle Frontiere
- Empire Oilfield
- Experience GP
- Evergreen Park
- Festival of Trees
- Foundation for Life
- Friends of Pride
- Goodwill
- Government of Alberta
- GP Air Cadets
- GP Army Cadets
- GP Aquarians
- GP Broncos
- GP Boys Choir
- GP Chamber of Commerce
- GP Firefighters
- GP & Area Emergency Services
- GP Fastball Association
- GP Minor Baseball
- GP Minor Hockey
- GP Regional Sports Connection
- GP Safe Communities
- GP Skating Club
- GP Stompede
- GP Storm Hockey
- GP Youth Emergency Shelter Society o/a Sunrise House
- GP Warriors Hockey Team
- GP Womens Residence
- GP Wrestling Club
- Grade 3 Reading University
- Grande Gathering Gala
- Grande North Winter Festival
- Grande Spirit Foundation
- GrandeCon/Odyssey House
- Greenview Clayshoot
- Growing the North
- Gymkhana
- Hinton Community Greenhouse
- Hinton Discovery Camp
- Hinton Food Bank
- Hinton Nordic Skiers
- Hinton Walk a Mile
- Home Builders Association
- Hoku Sei Kan Judo Club
- Inclusion GP
- Iron Slinger U15 AA
- GPAC
- Street Performers Festival
- Jasper CNOY
- Jasper Pride Festival
- Jasper - Santas Anon.
- Manning Senior Hockey
- Manning & District Ski Club
- MCMC Summit
- MD of Greenview
- Mighty Peace Watershed Alliance
- Nitehawk
- No Girl Left Behind
- Northwestern Polytechnic
- Northwestern Sports
- Paizley's Purses
- PARDS
- Partner Up Foundation
- Peace Country Ringette
- Peace Wapiti Grad
- Peace Wapiti Skating Oval
- Phillip J. Currie Museum
- Pregnancy Care Centre
- PRISM Wetaskiwin
- Recycling Council of Alberta
- Rotary Dream Home
- Royal Canadian Legion - Wetaskiwin
- SPKAC U18 AAA Ennis Kings
- Roy Bickell Public School
- West 39 Minor Hockey
- Rural Municipalities of Alberta
- Salvation Army
- Town of Sexsmith
- Sexsmith Agricultural Society
- Spirit Seekers
- SPVC U17 Girls
- STARS
- Swan City Rotary
- Swan City Boys Soccer
- Team Alberta
- Team Doepker Curling
- St Joseph's Celtics
- St John Paul II Catholic High School
- Team Myker Curling
- Team Silvernagle Curling
- Teen Adventure Seekers
- The Finishing Touch Grad Society
- Town of Sexsmith
- Tinseltown Market
- Troyanda Society
- United Way
- Velocity Volleyball
- Webster Hall
- Wapiti House
- Wapiti Off Road Association
- Water Management in Alberta's Boreal
- Water North Coalition
- Wembley Ag. Society
- Western Canada Water
- Wetaskiwin Health Foundation
- Wetaskiwin & District Heritage Museum

CEO STATEMENT



As we reflect on 2024, I am incredibly proud of the progress Aquatera has made in delivering essential utility services. Our commitment to growing healthy communities guides our strategic initiatives and ensures we provide high-quality, reliable services to our customers and Shareholders.

This past year, we continued to strengthen our operations through advancements in safety, environmental stewardship, and customer engagement. Our dedicated employees have played a vital role in fostering a workplace culture rooted in collaboration, innovation, and continuous improvement. Their dedication has not only enhanced our operational efficiency but has also strengthened our ability to adapt to evolving industry challenges and opportunities. It is for this reason Aquatera was proud to be recognized as an Alberta Top Employer for a third consecutive year.

Customer and stakeholder engagement remained a top priority in 2024. Through ongoing dialogue and transparency, we have ensured that our services align with the needs and expectations of the communities we serve. Initiatives such as the transition to eBill have allowed us to enhance customer experience while promoting digital innovation.

From an environmental perspective, we have taken significant steps to integrate sustainability into our operations. Our investment in renewable energy, participation in water conservation efforts during Alberta's drought conditions, and commitment to minimizing environmental impact highlight our dedication to sustainable operations. Additionally, infrastructure improvements include the construction of a new clean water reservoir at our water treatment plant site.

We take pride in supporting and giving back to the communities we serve through various initiatives, partnerships, and sustainability efforts. We have provided cash and in-kind sponsorships to over 200 organizations, helping them deliver services and experiences otherwise not available to community members within our service areas.

Wildfires once again impacted the province, with a major wildfire striking the Municipality of Jasper in July 2024, causing significant devastation. Since 2021, Aquatera has provided wastewater services to the municipality, employing four operators. Once we ensured all employees and their families were safe, we were able to keep the plant operating through the crisis with the brave dedication and commitment of both our Jasper employees and employees from our other sites. We also dispatched crews from Grande Prairie to assist in getting the water system running again for the families and businesses returning to the community after the fire.

Financially, Aquatera has remained strong, ensuring stable returns for our Shareholders while making strategic investments in growth and infrastructure. We have successfully balanced financial sustainability with our commitment to fair and transparent rates, ensuring long-term value for both customers and Shareholders.

As we look ahead, we remain focussed on innovation, growth, and strengthening our partnerships with municipalities, and community stakeholders. Our long-term planning, investment in emerging talent, and emphasis on operational excellence will ensure that we continue to be a trusted expert in the utility sector.

Thank you to our employees, customers, Shareholders, and partners for your continued trust and support. Together, we will build on our successes and grow our business by providing essential utility services that have large city capability with small town values.



VAUGHN BEND
Chief Executive Officer

BOARD OF DIRECTORS

www.aquatera.ca/who-we-are/board-of-directors



TRACY ALLARD
Board Chair

Tracy joined the Board of Directors in June 2023 and was appointed Board Chair in 2024. Tracy has extensive experience in business, human resources, governance, and management.



ROB PETRONE
Vice Board Chair

Rob joined the Board of Directors in July 2022 and was appointed Vice Board Chair in 2024. He brings knowledge and experience in senior leadership and risk management, with a commitment to teamwork, change management, performance management and safety excellence.



NASEEM BASHIR
Director

Naseem joined the Board of Directors in June 2023. He believes companies should be built around a core social purpose, with business models that integrate social, behavioral, and technological innovations to balance financial and social impact.



MARY BULMER
Director

Mary joined the Board of Directors in June 2019 and is the Chair of the Human Resources Committee. Mary is an accredited independent director and has had a successful career establishing and leading Human Resources and IT functions in the energy sector.



BARBARA FEIT
Director

Barbara joined the Board of Directors in June 2021 and is the Chair of the Audit & Risk Committee. Barbara has over 30 years' experience in financial, operational and strategic leadership, including 10 years in executive roles with both public and private companies.



ANDREW S. FRASER
Director

Andy served on the Board of Directors from June 2018 to December 2024. He brought extensive Canadian and international experience in executive management.



LIONEL LAFLAMME
Director

Lionel joined the Board of Directors in June 2018. He has an extensive banking background which includes oversight of B.C. and Alberta in both the commercial and agricultural segments.



DEREK VAN TASSELL
Director

Derek joined the Board of Directors in June 2023. Derek has lived in Grande Prairie since 1999 and has practiced Law for over 20 years, receiving his KC designation in 2014 for service to the legal profession.



MARK WILTZEN
Director

Mark joined the Board of Directors in July 2022 and is Chair of the Governance and Environment Committee. Mark is a retired finance executive and former Senior Vice President and Chief Financial Officer of EPCOR Utilities Inc. (EPCOR), a municipally owned power and water utility.

BOARD CHAIR STATEMENT



As I reflect upon the past year, I am grateful for another successful year of operation at Aquatera. At the heart of that continued success is our people. Aquatera has grown into a mature company with resilient teams and a staff that continue to meet the moment when challenges arise. In 2024, we once again celebrated being named one of Alberta's Top 80 employers. It is an honour which reflects the calibre of the organization and our corporate culture founded on excellence and driven by our people.

As Chair of the Board, it is my privilege to lead the Board as we work alongside the senior leadership team vetting management objectives, assessing risk, and setting strategic direction for the future. 2024 was a dynamic year and I want to thank each team member for your contribution to the collective success of Aquatera.

With a strong growth strategy approved by the Board and a focus on results, the efforts of management and employees are meeting the economic challenges and ESG (Environment, Social, and Governance) requirements associated with a utility company.

With operating contracts in place or under development with other municipalities, the Board is confident that the company's strategy will continue to grow returns to its Shareholders. Once again in 2024, Aquatera was able to provide strong dividends paying over \$5.66 million in cash dividend to our Shareholders.

I would like to thank all the company's Directors for their contributions and commitment over the past year. Corporate Governance is well managed by the Board's composition. Our independent Board is an essential part of company governance to meet the Shareholder expectations of growth and results that benefit the regions they represent.

The CEO, the Board, and our Shareholders enjoy a harmonious relationship as we work together for the benefit of our communities.

Each year poses its own challenges, and last year was no exception. In 2024 we had the misfortune of watching the community of Jasper in crisis as fire swept through their neighbourhoods. Aquatera was there through it all supporting the emergency response, communicating with different levels of government, and assisting in any way possible to keep people safe and protect the water supply throughout the crisis. I want to thank the team on the ground in and around Jasper, and those that supported them remotely, for going above and beyond and, once again, demonstrating ingenuity and leadership in the face of such a catastrophe.

In closing, I once again think of our people. Thank you - each and every one - for your dedication and commitment to our corporate culture and our vision. You are the secret to our success, and I look forward to stronger results in the future as we continue to build Aquatera together.



TRACY ALLARD
Board Chair

2024 HIGHLIGHTS



SAFETY & HUMAN RESOURCES

1.45 Total Recordable Incident Rate (TRIR)

90% Certificate of Recognition (COR™) internal audit score

2024 named one of Alberta's Top 80 Employer for the third consecutive year



COMMUNITY GIVING

\$242,000+ cash and gift-in-kind sponsorships donated, supporting over 200 service area organizations

\$13,000+ cash and gift-in-kind donated to contracted service communities

\$25,000+ donated through the Bottle Donation Program (\$1M+ raised since the program's inception)



FINANCIALS

\$5.66M in Shareholders dividends

\$27.3M in capital investments

45,344,100 kgs in carbon credits

\$2M revenue from 45,000,000 kgs of generated carbon credits



RECYCLING

22,000 kgs of Styrofoam processed at the Eco Centre

1,391,190 kgs of recycling collected curbside

19,719 kgs of batteries were recycled from the Landfill & Eco Centre

172,309 kgs of e-waste collected at the Landfill and Eco Centre



WASTE COLLECTION

14,861,158 kgs of garbage collected curbside

79,463,000 kgs of waste disposed at the Landfill

13,027 MWh of electricity generated from captured landfill gas, 2283 MWh of power was exported back to grid - enough power for 1,200 homes per year



WATER & WASTEWATER

23,800 m³/day avg daily water usage

7,292,125 m³ billed water usage (approx. 3,000 Olympic-sized swimming pools)

9,053,253 m³/year raw water diverted

\$3.16M grant funding secured for the River Intake and Storage Pond expansion projects

OPERATING WITH EXCELLENCE



Aquatera's employees are the driving force behind our strong, safety-focussed culture.



Their commitment and insights play a vital role in strengthening our safety practices.



We ensure that we meet our goals in risk reduction, safety engagement, and the safe delivery of water, wastewater, and solid waste services.

SAFETY

In 2024, we enhanced our processes, increased reporting targets, and actively encouraged a proactive approach to identifying workplace risks. Employees have embraced these improvements, helping sustain and strengthen our safety performance. Our employees submitted 1,950 hazardous condition reports, removing hazards from the workplace before they caused injuries. As a result, we recorded a Total Recordable Incident Rate (TRIR) of 1.45, a 23 per cent improvement from the previous year.

To further support workplace safety and injury management, Aquatera began utilizing Occupational Injury Service (OIS), which provides employees with quick access to specialized medical care following workplace injuries. This service streamlines treatment, facilitates early intervention, and helps develop

comprehensive return-to-work plans, ensuring a smoother recovery process for injured employees.

Our commitment to safety was further demonstrated through the successful completion of our Certificate of Recognition (COR™) internal audit, where we achieved a 90 per cent score, maintaining our Partnership in Injury Reduction certification.

We remain dedicated to fostering a safer work environment and continuously improving our safety performance.



ENVIRONMENTAL STEWARDSHIP

As a steward of the environment, Aquatera continues to integrate operational excellence, environmental protection, and sustainability into everything we do. Our commitment to minimizing environmental impacts while protecting public health and safety remains a top priority. We are dedicated to ethical operations and the implementation of sound environmental management practices to ensure long-term sustainability.

In 2023, Aquatera invested in state-of-the-art solar panel technology to generate clean, renewable energy. By 2024, this system supplied approximately 83 per cent of the estimated power needed for the Zone 3 Reservoir and Pump Station. Despite challenges such as weather conditions and an equipment malfunction, which were corrected in mid-May, power production in several months exceeded expectations.

Aquatera took a leadership role in addressing Alberta's severe drought conditions in 2024. With the Wapiti River experiencing its lowest recorded levels in 60 years, we worked closely with our Shareholders to develop a Water Shortage Response Plan. This plan ensures that the public is informed about current conditions and provides clear guidelines for voluntary or mandatory water restrictions. By November 2024, the Alberta Drought Map indicated significant improvement in our region, reducing our status to Drought Stage One - Monitoring and Observation.

Aquatera continues to exceed regulatory compliance through the expertise of our environmental professionals. Our robust Risk Management Policy ensures that daily operations not only meet but surpass regulatory standards. In 2024, all non-compliance occurrences had no material impact on the environment or community, reinforcing our commitment to providing safe, high-quality drinking water and wastewater services. Corrective measures were implemented promptly, leading to an even more reliable system. Additionally, we successfully completed the third iteration of our Long-Term Monitoring Program (LTMP) to assess the impact of our operations on the Wapiti River.

Ensuring the reliability of our infrastructure is essential to maintaining service excellence. In 2024, Aquatera made significant progress in safeguarding our raw water supply. Land acquired in 2023 allowed for the future development of a raw water storage pond near the Water Treatment Plant, optimizing operational costs and increasing water storage capacity. Design work continued throughout 2024, and grant funding of approximately \$3.16 million was secured to support the river intake and storage pond expansion. This initiative strengthens our ability to protect potable water from contamination risks, ensuring the safety of our water supply.

Aquatera's Water Treatment Plant (WTP) remains well-equipped to meet the needs of our growing region. In 2024, daily water usage averaged 23.8 million litres, with peak summer demand reaching 35.7 million litres. With current infrastructure capable of producing approximately 48 million litres per day, we are well-prepared to serve both present and future customers. Strategic plans for long-term growth continue, including phased upgrades to expand treatment capacity to 100 million litres per day. The construction of a new treated water reservoir began in the spring of 2024, with completion expected in 2026. This project will further optimize WTP operations and support future expansion.



NEW Water Reservoir Construction

Aquatera continues to play an active role in protecting and managing our water resources. We remain a key stakeholder in the Mighty Peace Watershed Alliance (MPWA) and have been instrumental in developing and implementing the Wapiti River Water Management Plan (WRWMP). In 2024, we collaborated closely with the Water Act Team to amend our Junior Water Act Licence, incorporating the Water Conservation Objective outlined in the WRWMP. Additionally, Aquatera remains a member of the Peace Airshed Zone Association (PAZA), contributing to air quality monitoring in northwestern Alberta.

ENGAGING WITH STAKEHOLDERS



COMMUNITY

Aquatera is dedicated to uplifting and empowering the communities we serve. Through strategic investments in programs and initiatives that reflect goodwill, foster environmental stewardship, and align with our Core Purpose of Growing Healthy Communities, we strive to create lasting, positive impacts.



Wetaskiwin Open House



Community Presentations

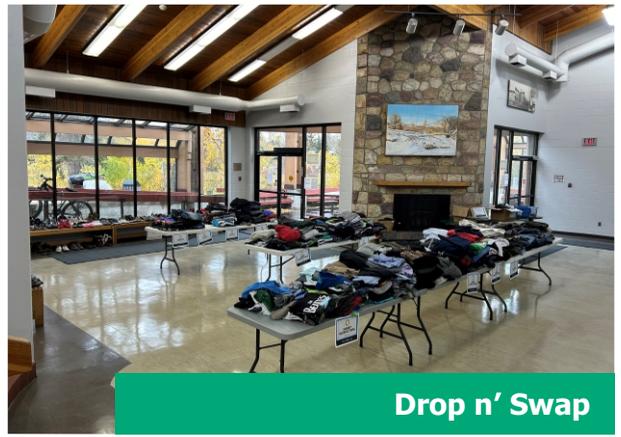
We actively participate in events across all the communities we serve to engage with our customers, demonstrate our commitment to community involvement, and foster trust. These interactions provide valuable feedback and insights into local needs and perceptions, which support our future planning, services, and partnerships with customers, and community stakeholders.

Through our interactive school presentations and facility tours, we make learning about our services and the environment fun and inspiring. We engage and encourage customers to help keep our community clean and healthy through education and awareness.



Community Giving

In 2024, we contributed over \$242,000 through monetary donations and gift-in-kind initiatives, reinforcing our commitment to supporting our communities.



Drop n' Swap

The Drop n' Swap event, provides the community with the opportunity to donate and exchange gently used clothing, promoting sustainability and reducing textile waste. In 2024, the event successfully diverted 4,683 kgs of clothing from the Landfill.



Bottle Donation Program

Through the Bottle Donation Program, in partnership with Recycle Plus, we continued to make a meaningful impact. In 2024, this initiative raised over \$25,000 for local charities.



Litter Pickup Program

The Litter Pickup Program is an Aquatera initiative that engages youth groups in keeping our communities clean, while providing a sponsorship opportunity to local organizations.

CUSTOMER ENGAGEMENT

Aquatera continued to engage customers throughout 2024, inviting residential and commercial customers to participate in our quarterly Win OR Give Customer Satisfaction Survey. This campaign allowed us to engage with customers on a consistent basis while providing an opportunity to contribute feedback regarding changes they would like to see. This input guided the development of targeted marketing campaigns, addressing specific topics important to customers. The results of the 2024 Win OR Give campaign yielded an NPS of 40; anything above 0 is considered good, with 50 considered world class.

Following the launch of our new Customer Information System (CIS) in late 2023, we focussed on transitioning customers from paper billing to electronic billing (eBill) through the Engage Portal, a platform designed to enhance the customer experience by offering easy

access to bills, service requests, and online payments. To encourage the transition of customers to eBilling, we introduced a \$5 incentive, leading to over 4,000 customers switching to eBill in 2024.

By prioritizing customer feedback and digital innovation, we continue to improve our services and strengthen our relationship with those we serve.



SHAREHOLDER ENGAGEMENT AND CORPORATE GOVERNANCE

Shareholder engagement remains a cornerstone of our success, and in 2024, Aquatera demonstrated a strong commitment to fostering meaningful and purposeful dialogue with our Shareholders, strengthening our shared vision for the future.

In 2024, Aquatera remained steadfast in its commitment to strong governance practices, ensuring alignment with our corporate values and long-term sustainability goals. While there were no major governance changes this year, the Board of Directors and Executive team continued to uphold the highest standards of corporate governance. The Board maintained their advisory roles, overseeing key areas of risk

and providing strategic guidance to support Aquatera's mission.

At the Annual Meeting, Mary Bulmer, Barbara Feit, and Andy Fraser were reappointed for additional three-year terms. However, at the end of 2024, we bid farewell to Andy Fraser as he retired. We want to thank Andy for his long and valuable service to Aquatera, our customers and Shareholders.

Quarterly meetings with Shareholders occurred throughout the year reviewing a number of key metrics including quarterly financial results.



Alberta's Top Employer

For a third year, Aquatera Utilities Inc. is honoured to be named among Alberta's Top Employers of 2024. The annual competition recognizes employers who lead their industries in offering progressive workplaces and forward-thinking programs for their employees.



EMPLOYEE ENGAGEMENT

At Aquatera, employee engagement is more than just a metric - it reflects our commitment to creating a workplace where every voice is valued, every idea is heard, and every individual is empowered to contribute to our collective success. In 2024, the passion, dedication, and innovation of our team members continued to drive our organization forward.

To measure employee satisfaction, confidential Employee Engagement Surveys were conducted in May and September. These surveys provided both qualitative and quantitative insights into engagement and satisfaction, helping us identify strengths in our workplace culture as well as areas for improvement. The results indicate high engagement levels, with 89 per cent of employees recommending Aquatera as an employer.

To further enhance engagement, we continued our annual focus groups, creating a collaborative space for employees to discuss survey results and identify action items for

improvement. This initiative strengthens leadership's understanding of employee perspectives while empowering employees to shape Aquatera's culture.

In late 2023, we also established the Staff CEO Council, providing an additional platform for employee feedback. Representatives from each workgroup were nominated to participate, ensuring diverse perspectives are shared. Beginning in 2024, the Council launched quarterly meetings with the CEO, where employees present concerns and ideas, and the CEO provides updates on actioned items from previous discussions.

By prioritizing employee engagement, we continue to build a workplace where collaboration, communication, and continuous improvement thrive.

Our employees also played a significant role, collectively donating \$26,490+ to initiatives in our service region, which Aquatera matched dollar-for-dollar. A key highlight of our sponsorship efforts was our support for the 2024 Alberta Winter Games, including employee volunteer hours.



2024 Alberta Winter Games

EMPLOYEE RETENTION, DEVELOPMENT, AND COMPENSATION

We are committed to attracting, retaining, and developing employees whose values reflect those of Aquatera's, while also harnessing the required skills and qualifications. To attract top employees, we focus on creating an environment where people feel valued, offering development opportunities to encourage growth, and providing fair and equitable compensation.

As part of these efforts, we participated in the Work NW Alberta video campaign, which encouraged individuals to consider relocating to the region to "Make a great living. Live a great life." The video featured local leaders showcasing the area's diverse economy and recreational opportunities, highlighting the many benefits of living and working in the region.

We continue to support the growth of emerging talent by collaborating with various educational

institutions. In 2024, we showcased several initiatives, including our Learn, Thrive, Work campaign, participated in multiple career fairs, and produced Student/Mentor co-op videos that highlighted their internship experiences at Aquatera. During their work terms, students played an active role in important operational projects, gaining meaningful, hands-on experiences.

To further promote careers in the water and wastewater industry, we began discussions with Northwestern Polytechnic (NWP) in 2023 to develop a local Water and Wastewater Operation Certification Program. The program is currently in development, with NWP actively recruiting an instructor. Aquatera will support this initiative by providing on-site practical training, ensuring future industry professionals receive the hands-on experience needed for success.

In 2024, Aquatera hosted the Water|Earth|Innovation (WEI) Conference. Attendees participated in a variety of training to support continuing education requirements in the water, wastewater, and solid waste industries, as well as training to support safety, engineering and personal development.

We attracted over 250 attendees, numerous expert presenters, as well as trade show participants to make it a complete and professional conference experience. It is the premier event in the north for industry professionals and is attracting participants from across Canada as in person and virtual attendance options are offered at the conference.



FINANCIALS



In 2024, Aquatera successfully completed its five-year strategic plan initially developed in 2020 to guide growth and improve operations. The plan focussed on four key priorities: Operational Excellence, which emphasized efficiency, safety, and service reliability; Customer and Shareholder Engagement, aimed at strengthening relationships and communication; Culture, Leadership, and Talent, focussing on employee development and leadership growth; and Financial Success, ensuring responsible management and financial sustainability.

In November 2023, the Board approved the 2024 operating budget and updated capital plan. Investments and borrowings were strategically structured to maintain adequate cash flow for capital expenditures and business growth. The capital plan was developed through collaboration with operating groups, Shareholders, regulators, and master planning processes to support community growth while keeping utility rates reasonable.

Financial reporting tools played a key role in preparing year-end financial statements, supporting Board and management reporting, and ensuring financial stability. Borrowing structures, including swap agreements, provided certainty regarding long-term borrowing rates, while investment ladders diversified the portfolio to mitigate interest rate risks.

Billed water volumes were 0.008% slightly lower than 2023 levels. While drought conditions led to voluntary water restrictions, a cooler, wetter June helped reduce water demand and replenish regional moisture levels.

Operational efficiency and customer service continued to be top priorities. The cash costs to revenue ratio (excluding Franchise Fees) was 60 per cent, and cash flow reached \$30.1 million, surpassing the budgeted target of \$27.8 million. Following extensive collaboration among Aquatera employees, the Board of Directors, and Shareholders, the Board approved the 2024 Business Plan. The 2024 capital plan allocated approximately \$27.3 million for projects addressing business needs and infrastructure investments.

Each utility and wastewater system operates as a self-sustaining entity, with rates reflecting capital needs and any Shareholder-provided subsidies. Utility rates were determined by considering capital and maintenance costs, operational expenses, inflation adjustments, and employee-related expenditures to ensure financial sustainability while delivering reliable service.

Under the Unanimous Shareholders Agreement (USA), annual dividends are paid at the mandatory rate of five per cent. In addition to the mandatory dividend of \$2.5 million, the Board declared a discretionary dividend of \$3 million. Dividends to Shareholders in 2024 totalled \$5.66 million.

The return on equity for 2024 is 10.9 per cent. Debt levels remain conservative; debt-to-equity levels will remain within the established limit of 1:1 into the future.

To date, Aquatera has provided \$314.3 million in benefits to Shareholders directly in the form of cash dividends, franchise fees and payment for service, and indirectly with stock dividends.

VALUED SERVICE



FAIR RATES TO INCREASE CUSTOMER VALUE

We are committed to setting fair and affordable rates while ensuring our operations remain sustainable and our investments support the continued delivery of reliable, high-quality service to our customers.

In 2024, the monthly average water and wastewater rates were \$106.71 for the City of Grande Prairie, \$118.62 for the County of Grande Prairie, \$126.20 for the Hamlet of Clairmont, \$125.22 for the Town of Sexsmith, and \$136.33 for the Town of Wembley.

Utility rates are determined by several key factors, including capital and maintenance costs, operational expenses, and inflation. A comprehensive assessment of these elements ensures financial sustainability while maintaining the high level of service our customers expect.

AQUATERA UTILITIES INC. SHAREHOLDERS



Rates are determined using a financial model that measures the true cost of operating Aquatera which is funded equitably by both current and future customers.

GROWTH PLANS



Aquatera's capital investments are driven by regulatory requirements, risk management, and growth priorities. In 2024, key infrastructure projects continued while new initiatives were launched to support long-term sustainability and regional expansion.

Efforts to optimize existing water and wastewater capacity remain a priority, ensuring efficient service for new developments. Construction began in spring 2024 on an expansion of the Water Treatment Plant reservoir, a project identified in the 2018 Water Supply Master Plan, with completion expected in 2026. In 2022, Aquatera secured \$1.17 million in grant funding for sedimentation and storage pond expansion, with land acquisition and engineering work ongoing.

Environmental stewardship remains a focus, with stormwater management improvements at the landfill progressing in phases. Phase I was completed in 2023, and Phase II is scheduled for 2025. Planning is also underway for a new landfill cell by 2028. A new ultraviolet (UV) disinfection facility is being developed to improve treated wastewater quality, with construction targeted for 2028.

Infrastructure upgrades are advancing across the region. In Grande Prairie, sanitary trunk line and water main upgrades along 101st Street are underway, with completion expected in 2026. In the County of Grande Prairie, the Five Mile Hall area water and wastewater project was completed in 2024. Electrical system upgrades at the Wembley Pumphouse were finalized in spring 2024, enhancing system reliability. While no major capital projects were undertaken in Sexsmith, the Mercer Hill Pump House and Reservoir in Clairmont remains development-ready pending funding.

To enhance infrastructure sustainability, Aquatera launched an Asset Management initiative in 2024, focussing on strategic maintenance, long-term planning, and operational efficiency. A multi-year business strategy, set for completion in 2025, will guide improvements in maintenance work management and asset reliability. By prioritizing predictive maintenance and optimizing inspections, Aquatera is strengthening infrastructure resilience and ensuring continued service reliability across the region.



GROWING THE BUSINESS

Aquatera remains strategically positioned for growth, delivering reliable, high-quality services that meet regulatory environmental standards at competitive rates. Guided by our 2020-2024 Strategic Plan, which outlines a 15-year growth trajectory through a three-phase approach, we continue to focus on driving growth within our core business sectors. Over the past year, we have actively engaged with municipalities to explore potential operational service opportunities, with these discussions continuing into 2025 as part of our commitment to expansion and collaboration.

In 2024, Aquatera continued to provide high-quality, reliable services to municipalities, including the City of Wetaskiwin, Town of Manning, Town of Hinton, Municipality of Jasper, and Silver Pointe Village. Municipal partnerships are central to our mission, and we remain dedicated to supporting communities in maintaining safe and efficient water and wastewater systems. Additionally, we extended our services to industry partners such as Elk Valley Resources and Mondi Hinton, reinforcing our role as a trusted provider in the sector.

Although we operate as a contracted service, we maintain a strong connection with the municipalities we serve. This was recognized when Aquatera was named a finalist for the City of Wetaskiwin's Large Business of the Year Award, hosted by the Leduc, Nisku, and Wetaskiwin Regions Chamber of Commerce.



As the industry faces increasing challenges, including evolving regulatory requirements and a shortage of certified operators, municipalities and businesses are under growing pressure to maintain compliance and operational efficiency. In response, Aquatera is prioritizing workforce development and implementing proactive strategies to adapt to regulatory changes, ensuring we remain well-equipped to meet the industry's evolving demands.

We offer essential utility services that have large city capabilities with small town values to other municipalities.



Prioritizing
workforce
development



Implementing
proactive
strategies



Adapting to
regulatory
changes



Well-equipped
to meet the
industry's demands

Our Business Development team continues to seek new opportunities to support municipalities. In 2024, we actively participated in key networking events, including those hosted by Alberta Municipalities, Rural Municipalities of Alberta, Water North Coalition, Alberta Water & Wastewater Operators Association, Canadian Water & Wastewater Association, and Western Canada Water. These engagements provided valuable opportunities to showcase Aquatera's expertise, connect with industry leaders, and better understand the unique challenges facing municipalities. This collaboration allows us to refine our solutions to meet the specific needs of the communities and businesses we serve.

In response to increasing demand for sustainable water management, we partnered with Riptide Energy Solutions Inc. to supply treated wastewater effluent from our Clairmont Lagoons as an alternative water source for fracturing fluid. This initiative is particularly important given the recent drought conditions in the Peace Region, reducing reliance on fresh water sources such as the Wapiti River and promoting more efficient water reuse. As environmental challenges continue to shape the industry, Aquatera anticipates further growth in this area, reinforcing our commitment to sustainability and responsible resource management.





OUR FUTURE IS GROWING



In 2024, Aquatera proudly marked 21 years of service, reflecting on our enduring commitment to the communities we serve. From our beginnings to today, we have remained dedicated to delivering reliable services, fostering strong partnerships, and making a lasting impact in the Grande Prairie region and beyond. Our success is built on collaboration, innovation, and a shared vision for sustainable growth.

As we look to the future, we remain focussed on optimizing our core services, maintaining transparency, and strengthening our connections with customers and stakeholders. Our commitment to progress and community well-being will continue to drive us forward, ensuring we make a meaningful difference in the lives of those who rely on us.



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