

April 1st, 2024

Dear Heritage Pointe resident,

Corix Utilities would like to inform our Heritage Pointe customers of changes to Wastewater Rates; effective May 1, 2024. Wastewater Rates will increase by 12.3%, or approximately \$11/month for residential customers.

We worked hard to minimize rate increases through the COVID-19 pandemic, however adjustments must now be made to address the inflationary pressures experienced by our utility, as with most sectors of our economy, as illustrated below.

**Consumer Price Index Rates vs.
Corix Rate Adjustments**

Year	Calgary 12-month lagging CPI adjustment	Corix Rate Increase
2019	2.4%	0
2020	1.4%	0
2021	1.1%	2.9%
2022	3.2%	2.0%
2023	7.2%	6.0%
2024	3.8%	12.3%

In our Heritage Pointe operations, we've seen sharp increases in the cost of treatment chemicals and supplies, as well as the cost of external contractors and services. As such, we believe this increase is warranted, and ensures the continued viability of the wastewater service.

Wastewater Treatment Plant Upgrade

Corix has been notified by the City of Calgary that waste activate sludge (WAS) will no longer be accepted for disposal. WAS is a by-product of the Heritage Pointe wastewater treatment process. To comply with the City's new requirement, WAS must be dewatered into a bio-solid state. This necessitates an upgrade to the wastewater treatment plant at an estimated cost of \$3,000,000.

We have completed preliminary design work to find the most cost-effective solution for these upgrades, and detailed design and tendering will occur in 2024. Construction and commissioning is expected in 2025 or early 2026.

This project is contributing to the increase in rates for 2024, however as Corix does not face the same requirement as municipalities for annual balanced budgets, we're able to spread this capital cost over a longer period. This will minimize the need for large rate increases to pay for this near-term capital work.

Thank you for your patience and understanding as we make these needed adjustments and upgrades to your utility services. Should you have questions, please contact Customer Care at customercare@corix.com, or 1.877.577.2112 (M-F, 9 AM to 6 PM).

Sincerely,

Corix Customer Care