

WHO WE ARE

Corix is a leading provider of sustainable water, wastewater, district energy, electricity generation and gas distribution solutions. We serve small-to-medium-sized communities in three Canadian provinces and nineteen US states.

Corix finances, develops, owns, operates, and maintains local utility infrastructure for institutional, municipal, and commercial customers through various utility business models. We currently manage over \$1.74 billion in assets and employ over 800 people. Corix is privately owned by British Columbia Investment Management Corporation (BCI), with corporate offices located in Vancouver, BC and Chicago, IL.

QUICK FACTS

Assets Managed	\$1.74B
Number of Systems	1,367
• Water	740
• Wastewater	599
• District Energy	14
• Other	14
Number of Customers	1MM+

STRONG SPONSORSHIP FROM BCI

BCI is one of North America's largest institutional investors with gross assets under management exceeding \$171.3 billion. In addition to core holdings such as Corix, BCI has an active direct infrastructure investment program that includes water, electric and gas utilities, energy and power companies, liquids transportation pipelines, and rapid transit infrastructure. BCI has consistently supported Corix's growth mandate with capital for new acquisitions and investments, and views Corix as a platform for new growth opportunities.

WHY CORIX?

Part of Corix's strategic vision is to harness economies of scale and long-term partnerships to provide essential utility infrastructure and services to municipalities and small-to-medium sized communities across North America. Our broad utility infrastructure expertise, streamlined organizational structure, and scalable services make Corix a high-value partner. We help communities thrive by building, supplying, owning, and operating utility infrastructure for water, wastewater and energy. The ownership and operations of Columbia Ridge Waterworks Ltd.'s water and wastewater utility aligns with Corix's vision of growth within the BC interior.

CONTACT

Franca Petrucci, Director, Business Development
Corix Utilities Inc.
778.349.0971 | franca.petrucci@corix.com

OUR VISION

"We are the preferred utility delivering solutions our customers want."

Columbia Ridge Water and Wastewater Utility Open House August 26 and 27, 2021



MISCONCEPTIONS AND FACTS

MYTH: Private utilities can set rates as they please.

FACT: Unlike municipalities, private utilities are regulated by the BC Water Comptroller (Water Management Branch), and as such private utilities cannot set rates arbitrarily.

MYTH: If Corix doesn't purchase the Utility, the rates will remain the same.

FACT: Rates will increase, no matter who owns the Utility. Significant capital is required for the water utility; rates have not increased in six years, though operational costs have increased.

UTILITY RATES FOR WATER AND WASTEWATER

Corix is transparent with its customers, providing a clear understanding of how rates are determined for each utility. This transparency provides customers with the understanding that Corix's profits are defined by formulas reviewed and updated by Regulators, and that any excess funds received are returned to customers and not retained by Corix. Rates are currently modeled under Operations and Maintenance (O&M) Mark-Up Regulation. Given the required future capital upgrades, there is an opportunity to request (BC Water Comptroller office) Rate Base Regulation. This request would be more favourably received by the Regulator if Corix has the support of the ratepayers.

Rate Base Regulation	O&M Mark-Up Regulation
<ul style="list-style-type: none"> Currently limited use for water utilities British Columbia. Used for water utilities in other North America jurisdictions. 	<ul style="list-style-type: none"> Traditionally used for British Columbia water utilities.
<ul style="list-style-type: none"> More complex than Operating Margin Model. Best suited for well capitalized utilities. 	<ul style="list-style-type: none"> Straightforward, easy to understand. Suitable for small utilities with limited capital resources.
<ul style="list-style-type: none"> Capital investment recovered through rates retroactively. Ensures that prudent investments in utility infrastructure are made, including the replacement of aging infrastructure. 	<ul style="list-style-type: none"> Rates exclude the recovery of capital investment. Can lead to degradation of utility infrastructure if reserves are insufficient.
<ul style="list-style-type: none"> Customers only pay for the infrastructure that they utilize. No risk of customers paying for future upgrades and not receiving any benefit in return. 	<ul style="list-style-type: none"> Relies on reserve funds for infrastructure upgrades. <ul style="list-style-type: none"> Difficulty in estimating reserve fund contributions for future upgrades. Customers may face an assessment if reserves are insufficient.
<ul style="list-style-type: none"> No intergenerational subsidization for first buyers in new developments. 	<ul style="list-style-type: none"> Creates intergenerational subsidy issue. In a new development the first-time purchaser pays for utility infrastructure through the price of their home. <ul style="list-style-type: none"> Same first-time purchasers then contribute to reserve funds to pay for the future replacement of that utility infrastructure.

REQUIRED CAPITAL EXPENDITURES FOR THE WATER UTILITY

Due to the significant capital required, there is an opportunity to apply to the BC Water Comptroller Office to request the Water Utility use a Rate Base Regulation model instead of the current O&M Mark-Up Regulation. For additional information please visit BC Water Comptroller at <https://www2.gov.bc.ca/gov/content/environment/air-land-water/water/water-licensing-rights/private-water-utilities>.

Capital Expenditure	Definition	Estimated Cost*	Requirements
VT SCADA	<ul style="list-style-type: none"> Supervisory Control and Data Acquisition (SCADA) systems are used to communicate remote data from utilities, and record real-time information for operational integrity purposes. 	\$56,000	<ul style="list-style-type: none"> Operational requirement to monitor the system. Remote monitoring reduces operational costs and allows Corix to respond to immediate issues when required.
Ultraviolet (UV) Disinfection	<ul style="list-style-type: none"> Ultraviolet disinfection is a process used to sterilize human pathogens such as viruses, bacteria and protozoa that are potentially in raw water. 	\$150,000	<ul style="list-style-type: none"> Regulatory requirement under the Drinking Water Protection Act and the Drinking Water Protection Regulation, Section 5, (2). Interior Health 4-3-2-1-0 Drinking Water Guidelines.
Electrical Upgrades	<ul style="list-style-type: none"> Upgrades to the electrical system for UV. 	\$75,000	<ul style="list-style-type: none"> Higher electrical load to support the UV disinfection system.
Standby Generator	<ul style="list-style-type: none"> Back-up electrical system that will ensure full system operation in case of a power loss or outage. 	\$60,000 (cost to be determined)	<ul style="list-style-type: none"> Providing customers with uninterrupted service.
Filtration	<ul style="list-style-type: none"> Collection of suspended impurities in water, enhancing the effectiveness of disinfection. 	\$700,000	<ul style="list-style-type: none"> Requirement to be confirmed.

* Costs are illustrative only and are subject to change based on further analysis and project specific factors.

