

February 18, 2026

Subject: Responses to Questions from The City of Sumas

Dear Mr. Cortez,

Thank you for outlining the Committee's request for additional information and for the opportunity to provide direct responses to Arrow's CUP application. We appreciate the Committee's review and the opportunity to clarify how the proposed conditional use aligns with the City's objectives and regulatory framework.

Please find our responses below.

1. Consistency with the Purpose of Section 20.44.010 SMC

The proposed conditional use is consistent with the purpose established under Section 20.44.010 of the Sumas Municipal Code. The requested permit supports the continued operation of an existing industrial facility within the designated Industrial Zone and contributes to the long-term viability of that operation.

In addition, the proposed activity is an expressly permitted use under Section 20.44.030 SMC. Approval of this application will allow the facility to adapt to evolving market conditions while remaining compliant with applicable zoning and land-use objectives.

2. Benefits to the Public and the City's Tax Base

While the proposed use does not involve large-scale permanent construction, it provides meaningful public benefit through operational stability and economic resilience.

Specifically:

- The proposed use supports the continued operation of the facility, helping ensure it remains economically viable and capable of maintaining employment at the site.
- By diversifying the product mix handled at the facility, the operation is better positioned to withstand fluctuations in individual commodity markets, which in turn helps protect existing jobs over the long term.
- Arrow is prepared to offer a contribution to the city in the amount of \$100 per tank car handled under the proposed use. While future volumes cannot be guaranteed at this time, this contribution would provide incremental revenue to the city as activity increases.

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### 3. Employment Impacts

The proposed use will maintain the employment of seven existing employees at the facility. As volumes grow, there is potential for additional staffing. By way of example, if annual activity were to reach approximately 300 railcars, it would likely support the addition of up to two full-time positions.

In this sense, the proposal both protects existing jobs and creates the potential for incremental employment as business conditions allow. Diversification also helps mitigate the risk of job losses that could otherwise occur due to changing market conditions or external pressures, such as insurance constraints affecting current operations.

### 4. Impacts to the Public, Neighboring Properties, and Resources

The proposed use is not expected to result in adverse impacts to the public or neighboring properties.

- Utility consumption will not increase beyond current levels.
- No additional demand will be placed on City waste management services. The operation generates minimal waste, typically no more than a single 250 gallon tote every six to twelve months, which is removed exclusively by licensed recycling companies.
- The change in use is expected to result in an overall reduction in truck traffic at the facility by up to a third, along with a corresponding reduction in dust generation.
- No routine vapour releases occur during normal operations. The only potential for release arises during the brief installation of an adaptor on sulfur railcars, a short-duration activity that poses no risk to the public.

Unlike some similar operations, Arrow does not vent to atmosphere at any of its locations, reflecting our commitment to responsible operations and good neighbour practices.

### 5. Use of Public Facilities and Offset of Impacts

The proposed use will not increase demand on public facilities. To the contrary, reduced truck traffic is expected to lessen impacts on local road infrastructure.

In addition, the per-railcar contribution described above would provide additional revenue to the City that could be used at its discretion.

We appreciate the Committee's consideration of this information and welcome the opportunity to address any additional questions or concerns during the upcoming meeting.

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Please do not hesitate to contact us if further clarification would be helpful.  
Sincerely,

Matt Cook, CRSP

A handwritten signature in black ink, appearing to read 'M. Cook', with a large, stylized flourish at the end.

Director, HSE and Operational Risk  
Arrow Reload USA Inc.