

**WINDSOR UTILITIES COMMISSION**  
**AUDIT AND FINANCE COMMITTEE**  
**PUBLIC MEETING MINUTES FOR THE PUBLIC MEETING HELD**  
**WEDNESDAY, SEPTEMBER 16, 2020**

A public meeting of the Windsor Utilities Commission Audit & Finance Committee was held on Wednesday, September 16, 2020 via Zoom Conference call due to the COVID-19 pandemic. ENWIN offices remain closed to the public.

**ATTENDANCE:**

Members: E. Sovran [Chair], J. Hawkins, D. Lawson, J. Morrison

Management: President & CEO, H. Reidel, VP Corporate Services & CFO, M. Carlini, VP Customer Operations and Business Development & COO, J. Wladarski, VP Water Operations, G. Rossi, VP of Hydro Operations, J. Brown, Director of Regulatory Affairs & Corporate Secretary, P. Gleason, Director of Finance, G. Boose, Controller, B. Pougnet, and Governance and Records Coordinator, A. Pelaccia.

Guests: T. Ardovini, City of Windsor  
J. Smith, RBC

**CALL TO ORDER & DECLARATION OF CONFLICTS OF INTEREST**

The Chair noting quorum called the public meeting to order at 11:11 a.m.

No conflicts of interest were declared.

**CONSENT AGENDA**

Moved and seconded

That the following Consent Agenda items be approved as recommended.

WUC Audit & Finance Committee Public Meeting Minutes of June 10, 2020 be approved.

**-CARRIED**

## **COMMUNICATION AGENDA**

With regarding item 4.2, Enterprise Risk Management Report, a Commissioner inquired about the assessment of risks and results noted as more probable than anticipated. Management reviewed the assessment with the Committee and addressed the question to the satisfaction of the Commissioner.

The VP Corporate Services & CFO addressed the commission to provide an overview of item 4.3, WUC Sinking Fund Report. It was noted that investment results were less than anticipated due to the pandemic but a chance remains that the required rate of return will be achieved by the end of 2020 due to growth in equity markets. A Commissioner inquired about the investment mix allocation, and impact to the fund regarding payment delays. Management responded to the satisfaction of the Committee. The Commissioner requested an established procedure for instances where a delay of contribution may be necessary. Management agreed to make future contributions as scheduled unless otherwise authorized by the Commission. Management confirmed that this Committee request will be added to the initiative tracker as an ongoing request of the Committee.

Jason Smith, Investment Manager, RBC, joined the meeting at 11:26 a.m. to provide a presentation. No questions were received. The presenter was thanked and he exited the meeting at 11:42 a.m.

The VP of Water Operations addressed the Committee regarding item 4.5, DWQMS Third Party Audit Results. One minor non-conformance was reviewed, mitigated, and now has been closed. WUC has been recommended for continued certification. With respect to the MECP Inspection, this has been the 9<sup>th</sup> year in row of a perfect score and remains the longest streak in the province. Accolades were provided by the Committee.

Moved and seconded

That the following Communication Agenda items be received as recommended.

- Financial & Corporate Compliance Quarterly Report Q2 2020
- Enterprise Risk Management Report
- WUC Sinking Fund Report
- WUC Q2 2020 Financial Review
- DWQMS Third Party Audit Results
- MECP Inspection Results
- WUC Initiatives Tracking Report
- WUC A&F 2020 Agenda Work Plans
- 2020 Meeting Dates

**-CARRIED**

## **ENWIN EXECUTIVE REPORTS**

### **TRAVEL & BUSINESS EXPENSE POLICY UPDATE**

Moved and seconded

That the Amendments to the Travel and Business Expense Policy BE RECEIVED;

And that the current Travel & Business Expense Policy C001.02 dated August 18, 2015 be recommended to the WUC Board of Commissioners to BE REPEALED;

And that the revised Travel and Business Expense Policy C001.03 be recommended to the WUC Board of Commissioners to BE ADOPTED.

**-CARRIED**

### **WUC 2021 OPERATING AND CAPITAL BUDGET- PRESENTATION**

The Vice President of Corporate Services & CFO provided a presentation to the Committee. The 2019-2024 water plan noted a water rate increase, and the proposed 2021 rates have been developed in accordance with the previously approved plan.

The Committee heard that revenue remains a risk, specifically as consumption continues to drop. Management confirmed that this will be closely monitored. The assumed volumes and proposed rate increases for the 2021 budget were consistent with previous budget assumptions.

It was reported that the 2021 operating expenses were set below the 2020 budget, acknowledging savings in 2020. However, capital funding remains a large challenge, with a significant amount of pipe expiring within the next 10 years. With the number of capital projects required, liquidity will be critical, impacting rates. The 3.8% change in water rates will increase ratepayers' average residential total monthly water bill from \$42.25 to \$43.87.

A Commissioner requested information on the historical rate increases. Management provided a historical overview of rate changes. Local comparators and city size comparators were reviewed.

Commissioners discussed conservative consumption projections. Management identified that a consulting report will be available to review water use projections in November. As operating costs remain lean, it was noted that other municipalities have begun to move to fixed water rates.

Moved and seconded

That the WUC 2021 Operating and Capital Budget - Presentation BE RECEIVED.

**-CARRIED**

## **WUC 2021- 2026 BUSINESS PLAN AND 2021 OPERATING AND CAPITAL BUDGET**

Moved and seconded

That the WUC 2021 – 2026 Business Plan and 2021 Operating and Capital Budgets BE RECEIVED;

That the WUC Schedule A for By-Law Number 94, including a 3.8% water rate increase consistent with the 6 year water plan submitted previously to the MOE, be recommended to the WUC Board of Commissioners for approval;

That the WUC Commission annual commissioner remuneration be recommended to the WUC Board of Commissioners for approval to include an inflationary increase of 2% from \$8,323 to \$8,489;

And that the WUC 2021- 2026 Business Plan and the 2021 Operating and Capital Budgets be recommended to the WUC Board of Commissioners for approval.

**-CARRIED**

## **IN CAMERA SESSION**

Moved and seconded

Pursuant to the Municipal Act section 239 (2), that the Committee be directed to move in camera for the purpose of consideration of the following items of business:

WUC A&F In Camera Meeting Minutes of June 10, 2020

*s. 239(2)(e) litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board.*

Listing of Open Legal Matters: Semi-Annual Update (Q1/Q2 2020)

*s. 239(2)(e) litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board.*

Debt & Sinking Fund Restructuring

*s. 239(2)(e) litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board.*

In camera session commenced at 12:20 p.m.

In camera session concluded at 12:22 p.m.

### **RESUME PUBLIC MEETING SESSION**

Moved and seconded

That the Committee move to resume the public meeting session.

**-CARRIED**

The public Committee meeting reconvened at 12:22 p.m.

### **TRANSMISSION OF RECOMMENDATIONS**

Moved and seconded

That the recommendations discussed in camera be brought forward for consideration.

**-CARRIED**

Moved and seconded

That the WUC A&F Committee In Camera Meeting Minutes of June 10, 2020 be approved.

**-CARRIED**

Moved and seconded

That the information provided related to the Listing of Open Legal Matters: Semi-Annual Update (Q1/Q2 2020) be received.

**-CARRIED**

Moved and seconded

That the information provided related to the Debt & Sinking Fund Restructuring be received.

**-CARRIED**

### **OTHER BUSINESS**

None noted.

### **TERMINATION**

Moved and seconded.

That the meeting be terminated.

**-CARRIED**

The meeting terminated at 12:22 p.m.

---

Recording Secretary

---

Board Chair