

**WINDSOR UTILITIES COMMISSION
BOARD OF COMMISSIONERS MEETING
PUBLIC MEETING MINUTES
WEDNESDAY, FEBRUARY 26, 2020**

A public meeting of the Windsor Utilities Commission Board of Commissioners was held on Wednesday, February 26, 2020, in the Boardroom at 787 Ouellette Avenue, Windsor, Ontario.

ATTENDANCE

Commissioners: Drew Dilkens (Chair), Julian Hawkins, Doug Lawson, Kieran McKenzie, Jim Morrison, Mario Sonego, Joanne Gignac and Egidio Sovran

Management: President & CEO Helga Reidel, VP Corporate Services & CFO Matt Carlini, VP Customer Operations and Business Development & COO John Wladarski, VP Water Operations Garry Rossi, VP Hydro Operations James Brown, Director of Regulatory Affairs and Corporate Secretary Paul Gleason, Director of Customer Service Robert Spagnuolo, Director of Water Engineering Chris Manzon, Director of Water Operations Dave Melnyk, Director of Human Resources Suzanne Leonard, Director Finance Geoff Boose, Manager Corporate Communications Barbara Peirce Marshall, Manager Water Operations, Grant Switzer, Manager Project Management Office Dragan Savic, Compliance Coordinator Monica Reid, Controller Brian Pougnet, and Recording Secretary Nicole Dumais.

Guests: Cynthia Swift - KPMG, Tony Ardovini – City of Windsor, Andrea Orr – ENWIN Board, Abe Taqtaq – ENWIN Board, Leo Muzzatti – ENWIN Board, Brian Cross – Windsor Star and Rob Hindi – AM800.

CALL TO ORDER & DECLARATION OF CONFLICTS OF INTEREST

There being a quorum and proper notices received, the Chair called the meeting to order at 10:34 a.m.

No conflicts of interest were declared.

CONSENT AGENDA

Moved and seconded

That the following Consent Agenda items be received or approved as recommended:

3.1 WUC Board Public Meeting Minutes of November 20, 2019 be approved.

-CARRIED

COMMUNICATIONS AGENDA

4.2 There was a question on why watermain breaks appeared high in the August/September timeframe. Aging infrastructure and the Tecumseh Water Tower being out of service put additional stresses on the distribution system. Breaks are still within the five-year average.

4.3 There was discussion on labour relations with respect to the IBEW. The Water contract was concluded last year, but the Services contract negotiations are still ongoing. The Services union has recently applied for a “no-board” report.

4.5 This was a very favourable report. The EWU Audit & Finance Committee suggested putting out a media release to share the good news. A release will go out following this meeting.

4.8 This was the first year that “water” related questions have been added to the survey. Surveys are usually performed every two years, but ENWIN has decided to conduct them annually, in order to stay in tuned with our customers’ needs. There was discussion on the different concerns with respect to the 18 – 34 age group. They are requesting that information be available through technology (i.e. text messaging).

4.10 The Vice President Corporate Services & CFO distributed copies of a more detailed document describing Directors & Officers Insurance details to each of the board members for their personal information.

4.12 There was general concern that the sinking fund did not meet the benchmark set (1.24% lower) and paid 1.26% in fees. Overall, the fund made money (8.7%) and is still on course to repay the debenture by 2042. The Board can still change the make-up or mix of the funds. There was discussion about the proposed timing to put out an RFP for an investment adviser and management was encouraged to do whatever it can to advance the process.

Moved and seconded

That the following Communication Agenda items be received as recommended:

- 4.1 ENWIN Group President & CEO Report
- 4.2 Water Operations Report
- 4.3 VP Customer Operations & Business Development Report
- 4.4 Corporate Communications & Public Relations Report
- 4.5 MECP Inspection Results Report
- 4.6 Contract Approval Summary Report
- 4.7 ENWIN Utilities Ltd. Officer’s Certificate (2019) required under the WSOA

- 4.8 2019 Customer Service Survey Report
- 4.9 Enterprise Risk Management Report
- 4.10 2019-2020 Insurance Renewal Summary Report
- 4.11 Workplace Hazardous Material Information System (WHMIS) Audit Report
- 4.12 2019 WUC Sinking Fund Report
- 4.13 2019 S&P Debt Rating Report
- 4.14 EWU Group and WUC 2020 Meeting Dates
- 4.15 Windsor Utilities Commission Board Work Plan
- 4.16 WUC Initiatives Tracking Report

-CARRIED

ENWIN EXECUTIVE REPORTS

5.1 PROGRESS REPORT AND RECOMMENDATIONS – FLUORIDE IMPLEMENTATION

Helga Reidel informed the Board that a conference call was had with our wholesale water customers (Town of LaSalle and Town of Tecumseh) as well as the Windsor Essex County Health Unit, to inform them of the presentation that would be made to the Board.

It was noted that the consultant on this project was the same used for the corrosion control program. Jacobs is well known in the industry and well versed in corrosion control. They are already familiar with the WUC water treatment and distribution system.

A PowerPoint presentation entitled, “Fluoride Implementation Plan: Consultant Recommendations” was presented by Garry Rossi.

Highlights include:

Technical Memo 1: Fluoride Additive – Additives come in powder and liquid form and have different manufacturing processes. It was determined that WUC would use a high-purity grade fluorosilicic acid. This is not a by-product and contains the lowest trace amounts of lead and arsenic. The liquid additive is also safer as it will have minimal interaction with employees.

Technical Memo 2: Fluoride Reintroduction Point & Effects – Reintroduction will occur in the original location in the clearwell. The phosphoric acid injection point will be moved downstream of the clearwell. Additional bench scale testing will be conducted to review the effects on the corrosion control program.

Technical Memo 3: High Level Design of the Final System – An initial design was delivered with a cost estimate of \$635K. The consultant also recommends further pipe loop testing to provide the highest degree of certainty that lead levels will not be adversely affected.

Why further testing? Research shows that Windsor is the first known instance in North America where a municipality is adding fluoride to a system with a corrosion control program. The reverse is usually the case. Even though the consultant believes the risk is low, they are still recommending a 12 month pipe loop study to test the effects of fluoride on lead pipes with the orthophosphate protective layer.

Lead service pipes will be excavated from an ongoing watermain capital program, placed on skids and moved to the existing pipe loop (used for the corrosion control study) that is currently set up at the water treatment plant. The loop is connected directly to the water distribution system (pipe off of Wyandotte Street). The loop will mimic the water usage in a typical customer home by turning off and on at different times of the day to mimic showering, cooking, etc. The 12 month study will allow us to study the effects on the lead pipes through the four seasons.

We will also partner with academia and consultants and publish and present results within the water industry.

Timeline:

May 2020 – Start the pipe loop study
Q1 2021 – Procure the fluoride additive
Q2 2021 – Review pipe loop data
Q2 2021 – Begin fluoride implementation
May 2021 – Apply for water license amendment
November 2021 – Commission fluoride system

Although there were comments/concerns about the length of the study, it was understood that this project is too important and that water safety is paramount.

Moved and seconded

That management BE AUTHORIZED to proceed with **Option A** which includes:

- 1) May 2020 – Conduct pipe loop assessment of fluoride addition to measure any effects on lead release for a period of 12 months.
- 2) 1st Quarter 2021 – Proceed with procurement of High-Purity grade fluorosilicic acid.
- 3) 2nd Quarter 2021 – Review the preliminary pipe loop data for the effect of fluoride addition on lead services and report back to the WUC Board on next steps.
 - a. If the results are negligible and support implementation of the fluoride system, then continue to implement the conceptual design as detailed in Technical Memorandum 3.
 - b. If the results confirm increased lead leaching into the drinking water supply, then postpone the implementation plan and begin discussions on potential next steps.

- 4) May 2021 – Should the data support the implementation of the fluoride system, apply for amendment to the drinking water system license and permit through the MECP.
- 5) November 2021 – Should the data support the implementation of the fluoride system, commission the new fluoride system.
- 6) Ongoing – Continue to monitor the Drinking Water system for lead exceedances.

This recommendation will support the lowest risk implementation of fluoride into WUC's drinking water system while ensuring that pipe loop scales are evaluated long term to ensure there are no observed increases in lead releases.

-CARRIED

5.2 VARIANCE TO WUC 2020 CAPITAL BUDGET

Moved and seconded

THAT management be authorized to overspend the approved 2020 Capital budget by **\$1.1M** for a total 2020 capital spend of **\$27.9M** in order to support the scheduled projects.

-CARRIED

5.3 STRATEGIC PLAN 2020

Helga Reidel reminded board members that we are reviewing our business lines (i.e. DEW and water sales to other municipalities). We are also exploring other business lines and the potential of bringing on partners to expand on what we do.

A Commissioner asked if there was any capital fund impact on the exploration of regionalization versus the lead removal program. There was concern that funds would be diverted from the lead program. All funds are set for the renewal of watermains, with a priority of lead removal that has been agreed upon between WUC and the City of Windsor. Another priority is a redundant intake.

Moved and seconded

That the strategic plan for 2020 to 2024 BE APPROVED with the understanding that it is a "living document" to be reported upon quarterly.

-CARRIED

5.4 WINDSOR UTILITIES COMMISSION AUDIT PLANNING REPORT – 2019

Moved and seconded

That the WUC Audit Planning Report for December 31, 2019 BE RECEIVED.

-CARRIED

5.5 NOVENTA PILOT PROJECT – DISTRICT ENERGY WINDSOR (DEW) ALTERNATIVE HEATING/COOLING SUPPLY TO AQUATIC CENTER

Moved and seconded

That the report describing the Noventa Pilot Project – District Energy Windsor (DEW) Alternative Heating/Cooling Supply to Aquatic Centre be received;

AND That WUC authorize management to give consideration to proposals received from Noventa, analyze the possible financial benefit and/or cost to WUC and report to WUC with further recommendations.

-CARRIED

IN CAMERA SESSION

Moved and seconded

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

6.1 Windsor Utilities Commission In-Camera Meeting Minutes of November 20, 2019

s. 239(2)(i) a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the municipality or local board which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization

s. 239(2)(a) the security of the property of the municipality or local board

s. 239(2)(f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose

s. 239(2)(k) a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board

6.2 Listing of Open Legal Matters: Semi-Annual Update (Q3/Q4 2019)

s. 239(2)(f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose

6.3 DEW Ownership Options

s. 239(2)(i) a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the municipality or local board which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization

s. 239(2)(f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose

6.4 Sinking Fund Policy Legal Opinion

s. 239(2)(f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose

-CARRIED

The In Camera session commenced at 11:45 a.m.

The In Camera session concluded at 12:45 p.m.

RESUME PUBLIC MEETING SESSION

Moved and seconded
That the Commission move to resume the public meeting session.

-CARRIED

TRANSMISSION OF RECOMMENDATIONS

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

-CARRIED

Moved and seconded
That the Windsor Utilities Commission In-Camera Meeting Minutes of November 20, 2019 be approved.

-CARRIED

Moved and seconded
That the List of Open Legal Matters: Semi-Annual Update (Q3/Q4 2019) report be received.

-CARRIED

Moved and seconded
That the DEW Ownership Options report be received based on changes discussed and agreed as amended.

-CARRIED

Moved and seconded
That the Sinking Fund Policy Legal Opinion report be received based on changes discussed and agreed as amended.

-CARRIED

MEETING TERMINATION

Moved and seconded

That the meeting be terminated.

-CARRIED

Meeting terminated at 12:46 p.m.

Recording Secretary

Board Chair

Attachments: Fluoride Implementation Plan: Consultant Recommendations