

**WINDSOR UTILITIES COMMISSION
BOARD OF COMMISSIONERS MEETING
PUBLIC MEETING MINUTES
WEDNESDAY, SEPTEMBER 18, 2019**

A public meeting of the Windsor Utilities Commission Board of Commissioners was held on Wednesday, September 18, 2019, in the Boardroom at 787 Ouellette Avenue, Windsor, Ontario.

ATTENDANCE

Commissioners: Drew Dilkens (chair), Julian Hawkins, Doug Lawson, Kieran McKenzie, Jim Morrison, Mario Sonogo, Irek Kusmierczyk and Egidio Sovran

Regrets:

Management: President & CEO Helga Reidel, VP Shared Services & COO John Wladarski, VP Water Operations Garry Rossi, VP Hydro Operations Jim Brown, Director of Finance Matt Carlini, 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, Manager of Communications & Public Relations Barbara Peirce Marshall, Manager of Technology Services Marcelo Vinhaes, Controller Brian Pougnet and Recording Secretary Nicole Dumais.

Guests: None.

CALL TO ORDER & DECLARATION OF CONFLICTS OF INTEREST

There being a quorum and proper notices received, the Chair called the meeting to order at 10:31a.m.

No conflicts of interest were declared.

CONSENT AGENDA

A question was asked about the use of Sole Source forms and if they are used appropriately. ENWIN has a similar purchasing policy as the City of Windsor. ENWIN's policy can be more restrictive, but follows the same rules. The Sole Source form still has an approval process with multiple sign-offs and is not used just as a matter of expediency.

3.4 Filter Bed Rehabilitations - There was a question about possible risks in running with different filter bed designs and if the difference was manageable. The VP of Water Operations explained that operational controls were changed to make up for the differences and still maintain water quality.

A change was requested in the board and committee schedule that the Audit & Finance Committee meetings start at 11:00 a.m. instead of 10:30 a.m. This change will be reflected for the remainder of 2019 and all of 2020.

Moved and seconded

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

- 3.1 WUC Board Public Meeting Minutes of June 19, 2019 be approved.
- 3.2 WUC Strategic Planning Session Meeting Minutes of June 19, 2019 be approved.
- 3.3 2020 Board and Committee Meeting Schedule be approved and implemented, subject to the amendment to the start time for Audit & Finance Committee meetings.
- 3.4 Filter Bed Rehabilitations
 - That the WUC Board of Commissioners APPROVE the Filter Bed Rehabilitations Report for \$5,563,000 to be spent in budget years 2020 to 2025 as per the "Budget Year Table", subject to annual review, for the Filter Bed Rehabilitations project;
 - And, That the WUC board of Commissions RECEIVE the \$1,703,345 Sole Source to AWI and the \$580,462 Sole Source to Gemite.

-CARRIED

COMMUNICATIONS AGENDA

4.2 ENWIN Group President & CEO Report – The CEO advised the Board that capital charges for WUC are not currently in the budget for building renovation work to be completed at the WTP. An update will be provided to the Board in November.

The CEO advised the Board of a story that the Toronto Star is working on regarding water quality and in particular lead statistics. Both ENWIN's VP of Water Operations and Manager of Communications and Public Relations continue to respond to requests for information and are prepared to respond to any misinformation in the article when published.

The CEO advised of a meeting recently held with the Mayor of Leamington regarding the possibility of a regional water supply (link with the Union Water System). A study will be undertaken to advise on the feasibility of such a connection.

The CEO and Director of Finance will meet with Standard & Poors (S&P) next week to discuss WCU's financial rating.

4.3 Water Operations Report – A question was asked about the origin of the one Adverse Water Quality Incident (AWQI) in Q2. The sample was taken from a sample station. As there was chlorine in the sample, there was likely an error in the collection of the sample or at the laboratory.

A question was asked about the causes of Boil Water Advisories (BWA). The usual causes are low chlorine, a positive in total coliform or main breaks (usually due to watermain construction).

4.9 Customer Value Map – The Director of Customer Service spoke about the customer service survey and the class of customers that exist with ENWIN. The main takeaways that customers are looking for are: 1. Low cost 2. Good reliability and 3. Safety of hydro and water. Customer Service will focus on the top 10 issues for each customer service class. Most customer requests are related to communication and catering to customers' needs (more targeted, focused and customized).

Office hours will also be reviewed.

Mayor Dilkens will provide the CEO a City contact with regard to the City's notification system.

4.14 Cyber Security Bulletin – The Manager of Technology Services provided a report on ENWIN's internal commitment to meet all requirements with respect to Cyber Security. There was also discussion on the third-party service providers used by ENWIN. ENWIN is looking at doing a "table top" exercise to test all processes.

Moved and seconded

That the following Communication Agenda items be received as recommended:

- 4.1 Draft WUC Audit & Finance Committee Meeting Minutes of September 4, 2019 be received.
- 4.2 ENWIN Group President & CEO Report be received.
- 4.3 Water Operations Report be received.
- 4.4 VP Shared Services Report be received.
- 4.5 Corporate Communications & Public Relations Report be received.
- 4.6 Contract Approval Summary be received.
- 4.7 Contract Award – Outsourced Internal Audit Services report be received.
- 4.8 Strategic Plan Implementation – September 2019 Progress Report be received.
- 4.9 Customer Value Map be received.
- 4.10 WUC Financial & Corporate Compliance Report Quarter Ending Q2 2019 be received.
- 4.11 EWU Group and WUC 2019 Meeting Dates be received.
- 4.12 Windsor Utilities Board Work Plan be received.
- 4.13 WUC Initiatives Tracking Report be received.
- 4.14 Cyber Security Bulletin be received.

4.15 Customer Deposit Policy Update be received.

-CARRIED

ENWIN EXECUTIVE REPORTS

5.1 WINDSOR UTILITIES COMMISSION Q2 2019 FINANCIAL REVIEW

Water volumes are continuing the downward trend. Revenues dropped 1.4% in June. Information from the summer is showing this same consistent trend. We have not caught up to the original budget and are behind on billed consumption.

Moved and seconded

That the Windsor Utilities Commission Q2 2019 Financial Review be received, as recommended by WUC Audit & Finance.

-CARRIED

5.2 WINDSOR UTILITIES COMMISSION (“WUC”) 2020-2025 BUSINESS PLAN & 2020 OPERATING AND CAPITAL BUDGET

A “table-dropped” document was reviewed, which provided a sensitivity analysis which was requested by the Audit & Finance Committee. The report provided a history of consumption and the possible risks of the continuous decline of water volume. The report projects outward five (5) years based on billed consumption. Based on current volumes, there will be large revenue shortfalls in 2025. Caution should be used when reviewing the business plan too far out.

It was suggested that this trend be monitored closely over the next few years.

A question was asked if there has been a study done comparing the reduction in volume as it relates to the reduction on expenses. If the volumes continue to slow, this could affect capital.

Moved and seconded

That the WUC 2020-2025 Business Plan and 2020 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 approved effective January 1, 2020 as recommended by the WUC Audit and Finance Committee.

That the Windsor Utilities Commissioners remuneration be approved to increase by 2% from \$8,160 to \$8,323.

That the WUC 2020-2025 Business Plan and the 2020 Operating and Capital Budgets be approved as recommended by the WUC Audit and Finance Committee.

-CARRIED

5.3 CUSTOMER PORTAL UPDATE

Moved and seconded

THAT the Customer Portal Update report BE RECEIVED for information.

-CARRIED

5.4 2019 STRATEGIC PLANNING AND 2020 – 2023 STRATEGIC PRIORITIES (4 YEAR CYCLE)

Moved and seconded

That the Windsor Utilities Commission RECEIVE this report for information, along with the accompanying report of Elenchus Consultants and APPROVE the top strategic priorities for WUC for 2020 through 2023 (subject to review in 2021) as follows:

1. Regionalization / Supply of Water;
2. Investment in Infrastructure / Cost effective water supply (safety and reliability);
3. District Energy Windsor (Invest or Divest); and,

That the Mission statement be amended to read as follows:

Mission: To provide safe and reliable energy and water services in a cost effective, sustainable manner;

And,

That the Windsor Utilities Commission DIRECTS that EWU Management REPORT to WUC by Q1 2020, regarding all management items identified and the tactics/projects, budgets and measureable metrics, to execute on the strategy in 2020 and 2023; and,

That, subject to approval of the plan, that the Commission DIRECT EWU Management to REPORT quarterly on progress to the plan.

-CARRIED

5.5 MARKETING AND PUBLIC RELATIONS CAMPAIGN 2020-2024

There was concern expressed that WUC is not adequately represented in Marketing and Public Relations Campaign (branding). The focus is on ENWIN, which is usually associated with energy side of the business.

Moved and seconded

That the Marketing & Public Relations Campaign 2020-2024 Report BE RECEIVED.

-CARRIED

5.6 WUC SINKING FUND REPORT

Discussion ensued on the additional information emailed to all Commissioners by the CEO regarding increasing the equity component of investments based on changes to the Municipal Act (now allows for more). The CEO suggested meeting with the City of Windsor Legal Department to determine if they will be making a revision to the by-law or providing an exemption to WUC to allow for more flexibility with investments.

The Director of Finance has asked their financial advisor for a historical report so that the WUC Board can make a more informed decision.

One Commissioner indicated his discomfort with some of the companies in the portfolio and chose to oppose this motion.

Moved and seconded

That the WUC Sinking Fund Update report be received, as recommended by the WUC Audit & Finance Committee.

That Management request that the City of Windsor confirm WUC's current Sinking Fund Investment Policy is permissible based on the prudent investment rules as outlined in S418.1 of the current Municipal Act and also limit WUC's investment activities to not exceed the amount of equities permitted under the Windsor Canada Utilities Ltd. investment policy.

-CARRIED
Councillor K. McKenzie - OPPOSED

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 June 19, 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 Draft In-Camera Audit & Finance Committee Meeting Minutes of September 4, 2019

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

6.3 Listing of Open Legal Matters: Semi-Annual Update (Q1/Q2 2019)

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

6.4 Tecumseh Negotiations (Verbal Update)

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

6.5 Water SCADA Network Cyber Security Upgrade

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

6.6 Recruitment and Recommendation of ENWIN Vice President Corporate Services and Chief Financial Officer.

s. 239(2)(b) personal matters about an identifiable individual, including municipal or local board employees.

-CARRIED

The In Camera session commenced at 11:56 a.m.

All non-essential personnel were asked to leave the meeting room at 12:02 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 June 19, 2019 be approved.

-CARRIED

Moved and seconded

That the Draft In-Camera Audit & Finance Committee Meeting Minutes of September 4, 2019 be received.

-CARRIED

Moved and seconded

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

-CARRIED

Moved and seconded

That the Tecumseh Negotiations Verbal Update be received.

-CARRIED

Moved and seconded

That the Water SCADA Network Cyber Security Upgrade report be received and that Management proceed at the direction of the Commission.

-CARRIED

Moved and seconded

That the Recruitment and Recommendation of ENWIN Vice President Corporate Services and Chief Financial Officer be received and that Management proceed at the direction of the Commission.

-CARRIED

MEETING TERMINATION

Moved and seconded

That the meeting be terminated.

-CARRIED

Meeting terminated at 12:06 p.m.

Recording Secretary

Board Chair