



ENWIN UTILITIES LTD. BOARD OF DIRECTORS MEETING

PUBLIC SESSION

Wednesday, July 3, 2024 at 9:00 a.m.

Virtual and In Person Session
Boardroom, 4545 Rhodes Dr., Windsor, Ontario

ENWIN Utilities Ltd. Directors

| | |
|-----------------|---------------------|
| G. Fenn (Chair) | A. Orr (Vice-Chair) |
| D. Dilkens | J. Gignac |
| G. Ioanidis | L. Muzzatti |

We acknowledge that we are on land and surrounded by water, which was originally inhabited by Indigenous Peoples who had travelled this area since time immemorial. This territory is honoured by the Wampum Treaties of the Anishinaabe (Ah-nish-in-a-bay), Haudenosaunee (Ho-den-no-show-nee), Leni Lenape (Len-nee-Len-ah-pay), and allied Nations, to peacefully share and care for the resources around the Great Lakes, and the waters that we drink. We would like to acknowledge the presence of the Three Fires Confederacy of the Ojibwe (Oh-jeeb-way), Odawa (Ow-da-wah), and Potawatomi (Pow-tuh-wa-tuh-mee) and the Huron/Wendat Peoples. We are dedicated to honouring Indigenous history and culture while remaining committed to moving forward respectfully with all First Nations, Inuit and Métis.

1. Call to Order & Declarations of Conflicts of Interest

2. Summary of Business

3. Consent Agenda

3.1 [EWU Board Meeting Minutes for April 24, 2024*](#)

4. Communication Agenda

4.1 [President and CEO: Strategic and Operational Report](#)

4.2 [ENWIN Group Financial and Corporate Compliance for Quarter Ending Q1, 2024](#)

4.3 [Regulatory Affairs Update – Hydro](#)

4.4 [Ontario Electrical Distribution Regulation 22/04 – 2023 External Audit](#)

4.5 [WUC Q1 2024 Financial Review](#)

4.6 [Contract Approval Summary – Water*](#)

*Report not considered by a Committee

4.7 [2024-2028 Strategic Plan Progress*](#)

5. ENWIN Executive Reports

5.1 [EWU Q1 2024 Financial Review](#)

5.2 [Delegation of Authority Policy and Purchasing Policies](#)

6. In Camera Session (Materials enclosed under separate cover)

7. Other Business

8. Conclude Meeting

*Report not considered by a Committee

**SUMMARY OF BUSINESS
ENWIN UTILITIES LTD.
BOARD OF DIRECTORS MEETING**

**PUBLIC SESSION
WEDNESDAY, JULY 3, 2024**

| Item | Pg# | Recommendation |
|-----------------------------|---------|--|
| 1. | N/A | Declarations of Conflicts of Interest |
| <i>Consent Agenda</i> | | |
| 3.1 | 5-9 | THAT the EWU In Camera Board Meeting Minutes for April 24, 2024 BE APPROVED. |
| <i>Communication Agenda</i> | | |
| 4 | 10-91 | <p>THAT the following Communication Agenda items BE RECEIVED as recommended:</p> <p>4.1 President and CEO: Strategic and Operational Report</p> <p>4.2 ENWIN Group Financial and Corporate Compliance for Quarter Ending Q1, 2024</p> <p>4.3 Regulatory Affairs Update – Hydro</p> <p>4.4 Ontario Electrical Distribution Regulation 22/04 – 2023 External Audit</p> <p>4.5 WUC Q1 2024 Financial Review</p> <p>4.6 Contract Approval Summary – Water</p> <p>4.7 2024-2028 Strategic Plan Progress</p> |
| <i>Executive Reports</i> | | |
| 5.1 | 92-104 | THAT the EWU Q1 2024 Financial Review report BE RECEIVED AND APPROVED. |
| 5.2 | 105-212 | <p>THAT the Delegation of Authority and Purchasing Policy and Procedure report BE RECEIVED for information as recommended by the Risk & Governance Committee.</p> <p>AND THAT the Delegation of Authority Policy in the form attached at Appendix A and the Purchasing Policy in the form attached at Appendix C BE APPROVED effective August 5, 2024 as recommended by the Risk & Governance Committee.</p> |
| <i>In Camera</i> | | |
| 6 | N/A | That the Board move in camera |

| | | |
|--------------------|-----|--|
| | N/A | That the in-camera session be concluded. |
| <i>Termination</i> | | |
| 7 | N/A | That the meeting be terminated. |

ENWIN UTILITIES LTD.
BOARD OF DIRECTORS MEETING
PUBLIC MEETING MINUTES
WEDNESDAY, APRIL 24, 2024

A public meeting of the ENWIN Utilities Ltd. Board of Directors was held on Wednesday, April 24, 2024 at 4545 Rhodes Drive, Windsor, Ontario and via Zoom Conference call.

ATTENDANCE:

Directors: Garnet Fenn (Chair), Leo Muzzatti, Gregory Ioanidis, Andrea Orr.

Management: President & CEO G. Rossi; Chief Business Development Officer Kris Taylor; Chief Operating Officer- Water R. Spagnuolo; Chief Operating Officer - Hydro J. Brown; Chief Financial Officer M. Carlini; Chief Risk Officer P. Gleason; Chief People Officer M. Bonnici; Director Engineering (Water) C. Manzon; Director of Water Operations D. Melnyk; Director of Hydro Engineering – M. Vinhaes; Director of Information Technology M. Vinhaes; Director of Finance G. Boose; Director of Procurement and Supply Chain R. McIntyre; Director Regulatory Affairs C. Bebbington; Governance and Records Coordinator A. Pelaccia.

Guests: Lorie Gregg, City of Windsor
Cynthia Swift, KPMG

Regrets: Drew Dilkens, Jo-Anne Gignac

CALL TO ORDER & DECLARATION OF CONFLICTS OF INTEREST

The Chair noting quorum called the meeting to order at 8:57 a.m.

No conflicts of interest were declared.

CONSENT AGENDA

Moved and seconded

That the following Consent Agenda items be approved as recommended:

- 3.1 EWU Board Meeting Minutes for February 21, 2024

3.2 Contract Extension – Coagulant

-CARRIED

IN CAMERA SESSION

All guests, excluding the Executive Team, Director of Regulatory Affairs, and the Governance and Records Coordinator were excused from the meeting.

Moved and seconded
That the Board move to an In Camera session.

-CARRIED

The In Camera session commenced at 8:58 a.m.

The In Camera session concluded at 10:18 a.m.

RESUME PUBLIC MEETING SESSION

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

-CARRIED

COMMUNICATION AGENDA

A Board Member provided a correction to item 5.4, Draft EWU Audit & Finance Committee Meeting Minutes of April 10, 2024. The minutes were received as amended.

The President & CEO provided an overview of item 5.5, President and CEO: Strategic and Operational Report. He informed the Board that the new format of this report includes business operations details from the reports that had previously been brought to the Board by each Chief. The Board thanked the CEO and provided their thanks for the new format.

The auditor provided an overview of items 5.7 and 5.8. She noted that she met with the WUC and EWU A&F Committees for a full review and stated that no issues had been found during the audit.

A Board Member inquired about the items noted in red in item 5.11, 2024-2028 Strategic Plan Progress report. The CEO discussed the potential concerns highlighted in the report and a potential strategy to work through the vendor issue in the future.

Moved and seconded

THAT the following Communication Agenda items BE RECEIVED as recommended:

- 5.1 Report of the Chair of the Governance & Human Resources Committee (*Verbal Report*)
- 5.2 Draft EWU Governance & Human Resources Meeting Minutes of March 6, 2024
- 5.3 Report of the Chair of the EWU Audit & Finance Committee (*Verbal Report*)
- 5.4 Draft EWU Audit & Finance Committee Meeting Minutes of April 10, 2024
- 5.5 President and CEO: Strategic and Operational Report
- 5.6 Regulatory Affairs Update – Hydro
- 5.7 WUC 2023 Financial Review
- 5.8 2023 Audited Financial Statements – WUC
- 5.9 Contract Approval Summary – Water
- 5.10 2023 Annual Report Draft – Windsor Canada Utilities Ltd.
- 5.11 2024-2028 Strategic Plan Progress

-CARRIED

ENWIN EXECUTIVE REPORTS

6.1 COMMITTEE CHARTERS AND SCHEDULE

The Director of Regulatory Affairs reviewed the Committee charters with the Board.

Board Members reviewed and discussed the Charters, including changes to Committee responsibilities due to the creation of a new Risk & Governance Committee. The Board made suggestions to amend the Charters, which were approved as amended and Management promised to provide the updated versions via e-mail after the meeting.

Moved and seconded.

THAT the Committee Charters and Schedule report BE RECEIVED for information.

AND THAT the Risk & Governance Committee Charter, Human Resources & Compensation Committee Charter, Audit & Finance Committee Charter, Executive Committee Charter, and updated Board and Committee Schedule in the forms attached as Appendices A to E BE APPROVED as amended by the Board.

AND THAT the following Directors BE APPOINTED to the Risk & Governance Committee: Garnet Fenn, Andrea Orr, Leo Muzzatti, Drew Dilkens, and Gregory Ioanidis, with Gregory Ioanidis appointed as Chair.

AND THAT the following Directors BE APPOINTED to the Human Resources & Compensation Committee: Garnet Fenn, Andrea Orr, Gregory Ioanidis, and Leo Muzzatti, with Leo Muzzatti appointed as the Chair.

AND THAT Andrea Orr BE APPOINTED as Chair of Audit & Finance Committee.

-CARRIED

6.2 EWU 2023 FINANCIAL REVIEW

The Auditor verified that item 6.2 and 6.3 was reviewed by the A&F Committee. She confirmed that no deficiencies were found during the audit and had the full support of Management.

Moved and seconded.

THAT the EWU 2023 Financial Review report BE RECEIVED AND APPROVED.

-CARRIED

6.3 EWU AUDITED FINANCIAL STATEMENTS

Moved and seconded.

THAT the EWU 2023 Audited Financial Statements report BE RECEIVED for information;

AND THAT the EWU 2023 Audited Financial Statements BE APPROVED.

-CARRIED

OTHER BUSINESS

The Chair requested a review of upcoming AI legislation to be provided at the Risk & Governance Meeting.

TERMINATION

Moved and seconded

That the meeting be terminated.

-CARRIED

ENWIN Utilities Ltd. Board of Directors Meeting
Public Meeting Minutes

Wednesday, April 24, 2024

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The meeting terminated at 10:44 a.m.

Recording Secretary

Board Chair



AGENDA SUBMISSION

Memorandum

To: EWU Board of Directors
EWE Board of Directors
WCU Board of Directors

2024 06 26

From: Garry Rossi

RE: President & CEO: Strategic and Operational Report

ENWIN PRESIDENT & CEO REPORT

As we wrap up Q2, we have much to reflect on. Last week the ENWIN Executive Team had the opportunity to host the Board Retreat for all the Board members at Willistead Manor. The full day retreat focused on Energy Policy, Cyber Security, Security of Supply, Risk & Growth, and included presentations from Sussex Strategy, Grant Thornton, and Gartner.

Happening Around ENWIN

On April 19th, we hosted Managers, Directors, and Executives for an all-day All Managers Meeting. The theme of the event was Development and Planning. The day started off with a Leadership workshop presented by "Performance Unleashed". The remaining time was spent reviewing the various corporate initiatives including the introduction of a new "Strategy Week" which was previously Budget Week. Although there is still a focus on building a sustainable budget, "Strategy Week" is structured to allow opportunities for staff to share new ideas through a new framework and present them to the Executive team. The day concluded with a presentation on "The Future of AI is Now" from Gartner. The aim was to provide insights and be thought provoking on how to implement AI in our day to day to help us be more effective at delivering value to our customers.



EWU Board of Directors
 EWE Board of Directors
 WCU Board of Directors

We celebrated Earth Day by presenting our new rooftop solar panels that are now generating power. With over 3000 solar panels, we're generating enough clean, renewable electricity to power about 300 homes annually.



The Executive Team hosted a Town Hall in late May to inform staff of the progress being made toward our strategic goals. Each Executive had the opportunity to provide an update on their respective areas.

ENWIN in the Community & Beyond

ENWIN staff had the opportunity to attend several community events, such as the Multicultural Centre Gala, St. Clair College's Ford Innovation Day (acting as mentors to young students) and the United Way's Women United Luncheon.



EWU Board of Directors
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Members of the Executive Team attended a GridSmartCity Roundtable event, where topics such as DSO readiness and cybersecurity/AI were greatly highlighted. Coming in the Fall is the GridSmart City Fall Forum which ENWIN Utilities and Essex Power will be co-hosting. This is a two-day industry education event which will be held at Caesars Windsor. More information to come on this large industry event!



ENWIN was a stop on the OMERS President's Roadshow on May 30th in Windsor, wherein OMERS senior executives engaged with plan members to foster stronger relationships through immersive interactions and informative sessions, symbolizing their dedication to enhancing stakeholder engagement.



EWU Board of Directors
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On June 8th ENWIN participated in the City of Windsor's "Meet a Machine" event at the WFCU Centre. Machines of all shapes and sizes, including emergency vehicles, construction equipment, military trucks, buses, forestry trucks, race cars, tow trucks and much more, were displayed for children to discover and explore. ENWIN teams have been long-time supporters of this event, and are arguably the most popular exhibit, providing bucket truck rides to families in attendance.



ENWIN attended the Telecom Summit on June 17th & 18th learning more about the digital economy and accelerated innovation through collaboration, and the MEARIE Conference on June 19th – 21st focusing on leadership, risk management and HR solutions.

INFORMATION TECHNOLOGY

A significant amount of work has been completed and invested in converting to the new SAP S4/HANA platform. Over 40 staff along with our consultant PricewaterhouseCoopers are working through testing with an expected Go-Live in the summer. The conversion will not only result in a better user experience but the transfer from the previous version to the new platform involves moving from an on-premise structure to a cloud-based structure. That should help to mitigate risk and improve cyber security. Functionality and productivity improvements will be assessed once implemented.

EWU Board of Directors
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CUSTOMER CARE

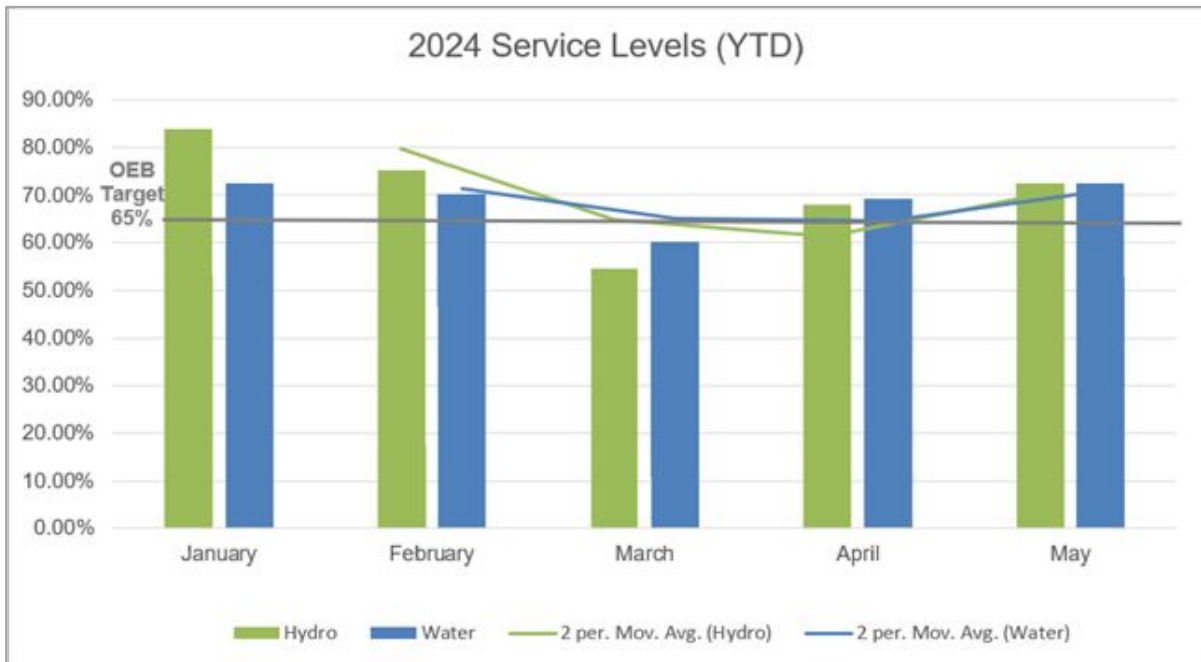
Stormwater

Customer Care leaders continue to work with the City of Windsor and technology vendors to prepare the implementation of the new stormwater rates that will launch in January 2025. May billing statements included inserts that communicated the upcoming changes and promoted a public information session – Customer Care participated in this session on June 12 at the WFCU Centre. Customer Service Representatives are tracking stormwater-specific calls, although they are minimal (two received to date).

Call Statistics

Call volumes increased in May by 11%, which was expected after the termination of the moratorium on winter credit disconnections. YTD service levels continue to trend at 71%, exceeding the OEB target of 65%.

Water queue service levels increased slightly from 68% to 69% YTD, while call volumes decreased by less than 1%.



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COMMUNICATIONS AND PUBLIC RELATIONS

ENWIN Mobile (Trikl) App and myENWIN

The refreshed ENWIN mobile app has been live for two months and has received positive reviews in app stores. Since launching, the new app has been downloaded over 4,000 times, exceeding the total users of the former app.

An additional app enhancement is scheduled for Q3 delivery, of user-configured (custom) payment reminder notification integration with myENWIN – upon delivery of this upgrade an additional promotional campaign will target paper-based billing customers with a QR-code printed on envelope backs, simplifying smartphone access to myENWIN enrolment.

Community Support

ENWIN showcased its environmental commitment through participation and sponsorship of ERCA's tree-planting event on April 28. ENWIN's employee volunteers and their families assisted in planting over 2,000 native trees in the City of Windsor. ENWIN has long supported this event through the Community Support Program.



EWU Board of Directors
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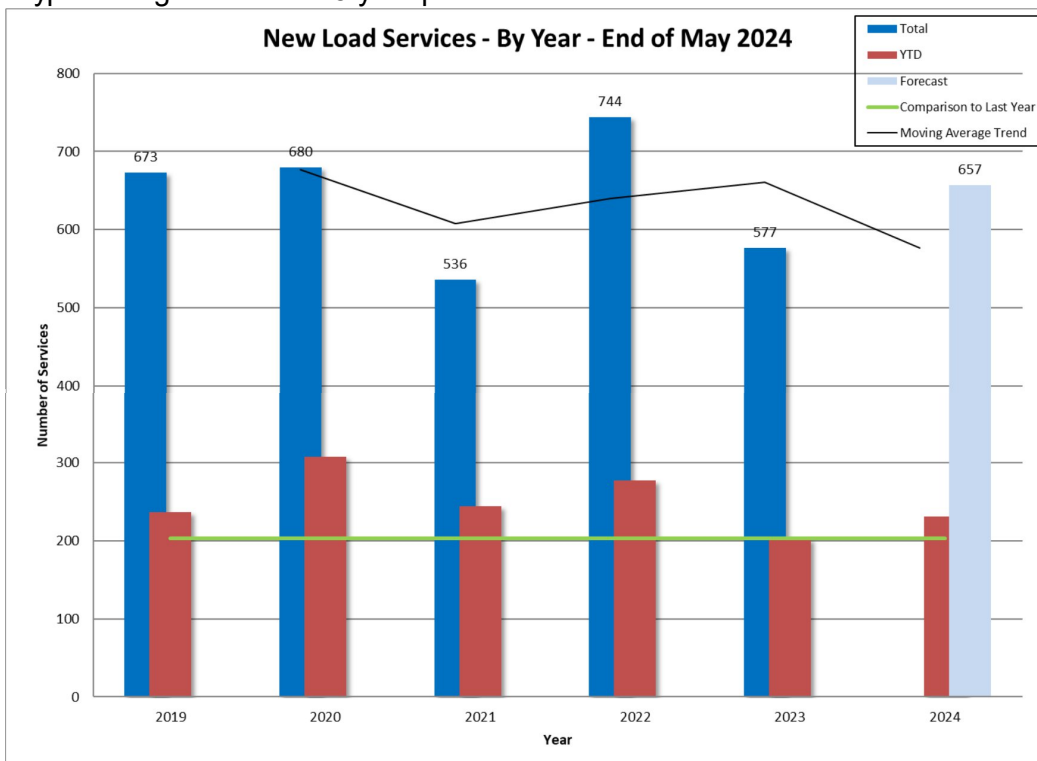
ENWIN team members attended a strategizing breakfast hosted by the *Windsor Essex Child Youth Advocacy Centre* (WECYAC) on May 16th, joining community leaders in collaborative discussions toward program enhancement recommendations for children and youth impacted by crime and trauma. This is ENWIN's second year supporting WECYAC through a donation from the Community Support Program.



TECHNICAL SERVICES

New Load Services

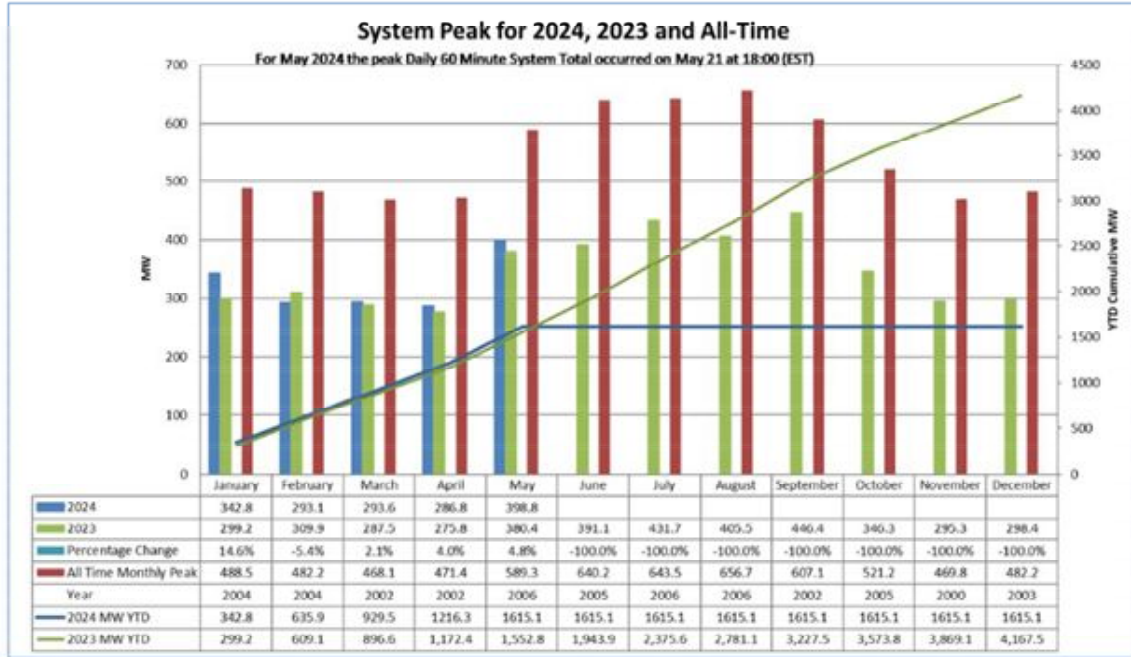
New load services have increased since the last reporting period which is more indicative of a typical year. Currently, trending is on pace for mid-600 new services connections which is in the typical range for the last 5-year period.



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HYDRO CONTROL ROOM

The graph below shows the monthly system peaks for 2024 and previous years for historical reference. System peaks remain consistent across the system and anticipated load increases related to electrification have not yet been realized to date.



HYDRO OPERATIONS

Hydro Operations continues being busy with engineering, capital construction and completing operation and maintenance activities during the first quarter of 2024. Capital investment (31%) is approximately 5% ahead of investment for this time last year (26%), and preventive maintenance work is also slightly ahead of expectations, with the exception of pole inspections which are just starting after training of the pole inspectors. Major projects such as the Riverside Vista project are underway. The Lauzon Transformer Station feeder relocation has been completed and the site has been turned back to Hydro One to begin their work on the next phase of the project. The Feeder Ring project is progressing with 4 of 8 reclosers expected to be installed by the end of June. The Sandwich Street roadwork project is nearly complete and ENWIN is urging Bell to transfer its infrastructure onto the new poles so that the old poles can be removed, and the other utilities can proceed with their work. This year's storm activity has been much quieter than last.

Lingering issues with long lead stock items and near stock-outs persist. There are now no new 100kVA submersible transformers in stock with one expected to be delivered by the end of June, and another three expected by July 10th. We have two used transformers that could be placed back into service if necessary.

EWU Board of Directors
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ENWIN is working with a company that uses AI to analyze satellite imagery to develop a plan for tree trimming. The expectation is that the plan will result in less tree trimming and a lower cost while still maintaining reliability with respect to tree contacts. ENWIN is negotiating a pilot with this company in order to determine if lower total costs are achievable while maintaining reliability. A plan for 2025 tree trimming will be developed this year.

CAPITAL PROJECTS

- System Access (Customer Connections, Roadworks) ●
- System Renewal (End of Life Replacements) ●
- System Service (System Enhancements) ●
- General Plant (Tools, Equipment) ●

PREVENTATIVE & CORRECTIVE MAINTENANCE

- Transformer and Switch Operations and Maintenance ●
- Lines Operations and Maintenance ●
- Pole Inspection and Maintenance ●

CORPORATE PROJECT HIGHLIGHTS

- Feeder Ring ●
- Riverside Vista ●
- Sandwich Street ●
- University of Windsor EV Impact Study Collaboration ●

- Activities in support of Initiative will not be completed on time without adjustments to scope or resources.
- Activities in support of Initiative are at risk of not being completed on time and deserve attention.
- No risks or issues.

As noted above, the Sandwich Street roadwork project schedule is at risk as Bell needs to transfer their infrastructure onto the new poles provided by ENWIN and at time of writing have not done so. ENWIN is pressing with Bell to get the transfers completed so that ENWIN can remove the poles and other utilities can then proceed with their work in the project.

WATER OPERATIONS**Highlights****Sandwich St. Reconstruction**

The Sandwich Street Watermain reconstruction project involves replacing approximately 2km of 100-year-old cast iron watermain between Chappell and Chewitt. ENWIN has been working closely with Windsor-Detroit Bridge Authority (WDBA) to ensure the Watermain is completed in conjunction with the road work to minimize the impact of the construction on the Sandwich Community. Watermain installation is expected to be completed in June and will be followed by moving services over to the new watermain. Staff have been working closely with members of the neighborhood to minimize disruption, including attending Sandwich BIA meetings, and adjusting dates and times of disconnection to suit business needs.

Cyanotoxin Research Study

ENWIN is a proud sponsor of a research study being conducted by the University of Windsor and led by Dr. Saad Jasim from SJ Environmental Consultants on the optimized removal of cyanotoxins using ozone treatment from the Detroit River water source. Cyanotoxins are created by algae blooms and have the potential to compromise animal and human health. With the increasing of water temperature and nitrogen runoffs, algae blooms are becoming an increasing area of concern. Thankfully, WUC's water treatment process includes Ozonation, which destroys algae and degrades cyanotoxins to keep our drinking water safe. This study is aimed at optimizing the ozone treatment process at different water pH and temperature levels, which will help ENWIN operations optimize the water treatment process when algae is present.



Lake St. Clair and Lake Erie Algae Blooms (2015)

EWU Board of Directors
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Water Conferences

WUC was happy to be a Major Sponsor of the 67th annual International Association for Great Lakes Research (IAGLR) conference this year. Hosted by the University of Windsor and located at Caesars Windsor, the event drew over 800 participants from across the Great Lakes region and beyond. Topics on the agenda included great lakes water quality and pollution, which directly impacts our source water. The conference also addressed how to work with indigenous partners when creating restoration action plans. Commissioner and Councilor, Kieran McKenzie, also attended the conference along with Robert Spagnuolo, COO-Water and Dan Mitchell, Supervisor of Water Production.



WUC was also present at a variety of water conferences this year. Dan Mustac, Manager of Water Operations, in collaboration with Rodan, presented at the Canadian Infrastructure Benchmarking Initiative (CIBI) conference on our ability to use our backup generators to peak shave and save millions in electricity costs. Spencer Johnston, Manager of Engineering attended the Smart Water Network (SWAN) conference and spoke about a pilot run last year on a new leading edge lead service detection system. Lastly, CIMA+, engineering consultant on the Security of Supply project, presented at the ACE24 conference about our innovative idea to connect water systems with Union Water to provide backup capability.

EWU Board of Directors
 EWE Board of Directors
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A.H. Weeks Office Renovations

The A.H. Weeks water treatment plant will be undergoing renovations starting this year to create a new visitor entrance, meeting room, and additional office space. Tenders for the contract have now been received and the project is on budget and on schedule to be completed in 2024.

Security of Supply Update

Work continues to progress on the Security of Supply initiative in collaboration with Union Water Supply System. Another Joint Board Meeting between Union Water Supply Systems and the WUC Commissioners will be scheduled in the coming months to request approval for the next stage in design, approval on a shortlist of financial consultants, and the creation of the Steering Committee.

CAPITAL PROJECTS

- Water Production ●
- Watermain Reconstruction ●

PREVENTATIVE & CORRECTIVE MAINTENANCE

- Water Production ●
- Water Distribution ●
- Watermain Breaks ●

CORPORATE PROJECT HIGHLIGHTS

- Central Corridor Feedermain ●
- Chlorine Valve Project ●

- Activities in support of Initiative will not be completed on time without adjustments to scope or resources.
- Activities in support of Initiative are at risk of not being completed on time and deserve attention.
- No risks or issues.

With the reallocation of capital funds approved at our last board meeting, all projects are now back on track to be completed on time and without adjustment to scope or resources.

EWU Board of Directors
EWE Board of Directors
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RECOMMENDATION

All ENWIN Boards

THAT the report of the ENWIN President & CEO BE RECEIVED for information.



Garry Rossi
ENWIN President & CEO



AGENDA SUBMISSION

To: EWU Audit & Finance Committee and Board of Directors
EWE Board of Directors
WCU Audit & Finance Committee and Board of Directors
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2024 05 08
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From: Paul Gleason
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Re: ENWIN Group Financial and Corporate Compliance for Quarter Ending Q1, 2024

The undersigned hereby certify the following:

1. In our respective capacities as Officers of ENWIN Utilities Ltd. (“**EWU**”), ENWIN Energy Ltd. (“**EWE**”), and Windsor Canada Utilities Ltd. (“**WCU**”), hereinafter collectively referred to as the “**ENWIN Group**”, we have knowledge of the matters set forth herein.
2. In respect to the above report period, the ENWIN Group have, as and when required and on a timely basis, made all payments required to be made pursuant to:
 - a. The *Income Tax Act* (Canada), including source deductions and remittances regarding employee wages;
 - b. The Canada Pension Plan, including source deductions and remittances regarding employee wages together with all employer contributions required to be made thereunder;
 - c. All pension plans applicable to employees of the ENWIN Group including source deductions and remittances for employees and also employer contributions;
 - d. The *Workplace Safety and Insurance Act, 1997* (Ontario), including all premiums and other obligations of the ENWIN Group pursuant to the *Workplace Safety and Insurance Act, 1997*;
 - e. The *Excise Tax Act* (Canada), including Harmonized Sales Tax;

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- f. The *Corporations Tax Act* (Ontario);
 - g. The *Electricity Act, 1998* (Ontario); and
 - h. All settlement amounts due to the Independent Electricity System Operator (“IESO”).
3. There are no arrears, penalties, fines, or other special assessments relating to any of the matters cited in section 2 above for the report period, nor any facts or circumstances in our knowledge likely to result in such an occurrence, except for the following: None.
4. The internal financial reports presented to the Boards of Directors for the report period were prepared consistent with the ENWIN Groups’ accounting practices.
5. Management’s internal business process owners, including Directors and Executives have certified and attested to compliance with all requirements related to the legislated, regulatory, and corporate activities for the report period, with no conditions reported out of compliance except the following:
- a. EWU is required, at least once in each calendar year, to review each non-residential customer’s rate classification to determine, based on the rate classification requirements set out in the rate order, whether the customer should be assigned to a different rate classification. Management requires that this review be conducted and completed in Q1 each year.
- This year, Management discovered inconsistencies in the reports it uses to review customers in the GS < 50 kW rate classification. More specifically, the reports contained artificially high readings of peak demand for several customers. As such, Management is manually reviewing and confirming each customer’s peak demand using data from the Sensus Advanced Metering Infrastructure to determine whether they must be reclassified.
- Management expects the review to be complete by May 31, 2024, and it has created a CPAR to determine the root cause of the inconsistencies in its reports. Please note that the reports at issue are not used for customer billing. As a result, the inconsistencies noted above did not have any impact on customers’ bills.
6. To the best of our knowledge, the ENWIN Group have met the necessary reporting and operational requirements of:
- a. Independent Electricity System Operator (“IESO”);
 - b. Requirements under *the Business Corporations Act* (Ontario);
 - c. Canadian Standards Association;

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- d. Ontario Regulation 22/04 (under the *Electricity Act, 1998*);
- e. Ontario Electrical Safety Code;
- f. Distribution System Code;
- g. Reporting Requirements under Trust Indenture(s);
- h. Reporting Requirements under Bondholder Agreement;
- i. Water System Operating Agreement;
- j. *Municipal Freedom of Information and Protection of Privacy Act* (Ontario);
- k. Reporting Requirements to external agencies (Statistics Canada, Royal Bank of Canada, City of Windsor, Standard and Poors);
- l. Reporting Requirements under the *Accessibility for Ontarians with Disabilities Act* (Ontario);
- m. *Employment Standards Act, 2000* (Ontario);
- n. *Family Responsibility and Support Arrears Enforcement Act, 1996* (Ontario);
- o. Reporting Requirements of the Information and Privacy Commissioner of Ontario;
- p. Reporting Requirements to the Ontario Energy Board;
- q. Reporting Requirements to Infrastructure Health and Safety Association;
- r. Reporting Requirements to the Ministry of Energy, Northern Development and Mines;
- s. Reporting Requirements to Ministry of Finance;
- t. Reporting Requirements to the Canada Revenue Agency;
- u. Reporting Requirements to Service Canada;
- v. Reporting Requirements to Environment Canada;
- w. Reporting Requirements to the Ministry of the Environment, Conservation and Parks;
- x. Reporting Requirements to the Ministry of Labour;

ENWIN Group A&F Committees
and Boards of Directors

2024 05 08

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- y. Reporting Requirements to the Ministry of Transportation; and
 - z. Reporting Requirements to the Technical Standards and Safety Authority.
7. We understand that the members of the Boards of Directors will rely on this report in respect to their review of financial and regulatory matters relating to the ENWIN Group.

RECOMMENDATION

EWU Risk & Governance Committee

THAT the ENWIN Group Financial and Corporate Compliance for Quarter Ending Q1, 2024 report BE RECEIVED for information and RECOMMENDED to the Board of Directors for receipt.

EWU Audit & Finance Committee

THAT the ENWIN Group Financial and Corporate Compliance for Quarter Ending Q1, 2024 report BE RECEIVED for information and RECOMMENDED to the Board of Directors for receipt.

EWU Board of Directors

THAT the ENWIN Group Financial and Corporate Compliance for Quarter Ending Q4, 2024 report BE RECEIVED for information.

EWE Board of Directors

THAT the ENWIN Group Financial and Corporate Compliance for Quarter Ending Q4, 2024 report BE RECEIVED for information.

WCU Audit & Finance Committee

THAT the ENWIN Group Financial and Corporate Compliance for Quarter Ending Q4, 2024 report BE RECEIVED for information and RECOMMENDED to the Board of Directors for receipt.

WCU Board of Directors

THAT the ENWIN Group Financial and Corporate Compliance for Quarter Ending Q4, 2024 report BE RECEIVED for information.

ENWIN Group A&F Committees
and Boards of Directors

2024 05 08

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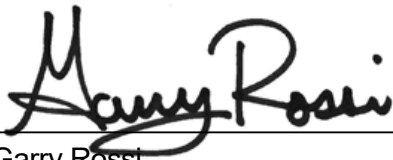
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Matt Carlini
Chief Financial Officer



Paul Gleason
Chief Risk Officer



Garry Rossi
President & CEO



AGENDA SUBMISSION

To: EWU Board of Directors
.....

..... 2024 06 17

From: Claire Bebbington
.....

Re: Regulatory Affairs Update – Hydro
.....

At the Risk & Governance Committee meeting, members discussed the Regulatory Affairs – Water report (Appendix A), and their responsibility for overseeing same under the Water System Operating Agreement (WSOA) and applicable legislation.

Management will provide the EWU Board with a report clearly delineating the responsibilities of EWU and the Windsor Utilities Commission (WUC) under the WSOA and applicable legislation. This may result in changes to reporting to EWU and/or WUC. However, in the meantime and as suggested by one Committee member, the Regulatory Affairs – Water report will be provided to the Risk & Governance Committee and the EWU Board as an appendix to this Regulatory Affairs – Hydro report, which is received for information.

In addition, as requested, there will be a new section added to the Regulatory Affairs – Hydro report listing bills in the Ontario and Canada legislatures that will become law and have an impact on EWU's business in the near future.

SUMMARY

This Regulatory Affairs Update – Hydro report (Report) is intended to provide the ENWIN Utilities Ltd. (EWU) Board and its Audit & Finance Committee with an update regarding important activities in regulatory affairs. In particular, this report will address:

1. OEB Business Plan
2. OEB Benefit-Cost Analysis Framework
3. OEB Customer Complaint Summary
4. Upcoming Legislation

DISCUSSION

1. OEB Business Plan

The Ontario Energy Board (OEB) released its 2024-2027 Business Plan¹, which is informed by its Strategic Plan and the Minister of Energy's Letter of Direction dated November 29, 2023. The Business Plan provides insight into the OEB's core activities, priority initiatives, and budget for the coming years.

The Business Plan demonstrates that the OEB is continuing to modernize and aggressively pursue initiatives to support Ontario's growth and increasing electrification. For example, the OEB is implementing a technology transformation program, with an estimated cost of \$5.5M from 2024 to 2027. In addition, the OEB plans to work with industry to:

- Continue to review adjudicative policies, reporting and record keeping requirements (RRRs), the intervenor framework, and its Consolidation/Mergers, Acquisitions, amalgamations and Divestitures Policy (MAADs Policy).
- Review the Total Cost Benchmarking (TBC) Model, with exploratory analysis and consultation starting in 2024.
- Review electricity distributor remuneration, including incentive rate-setting mechanisms and electricity distributor spending patterns to see where incremental incentives are warranted (e.g. customer service, resilience, and managing peak loads to defer distribution system needs).
- Conduct a Generic Proceeding regarding Cost of Capital and Other Matters (EB-2024-0063), which will consider, among other things, the capital cost methodology, including the return on equity formula and deemed capital structure for electricity distributors, to ensure they meet the fair return standard.
- Review infrastructure unit costs in the electricity sector for new subdivisions, residential communities, and small commercial and industrial electrification service.

¹ [OEB - 2024-2027 Business Plan](#)

- Continue to execute the Reliability and Power Quality Review (RPQR) initiative by gathering information from electricity distributors, highlighting best practices to increase system resilience, setting minimum targets for restoring service and customer communications after high impact/low frequency storms, and providing guidance for system hardening.

2. OEB Benefit-Cost Analysis Framework

On May 16, 2024, the OEB released its Benefit-Cost Analysis (BCA) Framework, which is to be used by electricity distributors to assess the feasibility of using distributed energy resources (DERs) (including any resource or program, whether in-front or behind-the-meter) as non-wires solutions (NWS) when addressing defined electricity system needs. EWU will have to use the BCA Framework in its next Cost of Service Application, as well as for any investments with projected capital costs greater than \$2 million.² In particular, a Distribution System Test (DST) must be used to determine whether a NWS, a traditional poles-and-wires solution, or a combination of the two provides the greatest net benefit in meeting a system need.

The OEB has given electricity distributors the discretion to conduct a pre-assessment to identify whether there is a reasonable expectation that a NSW may be a viable approach to meeting an identified need, which must be filed with the OEB even if a BCA is not required. In addition, electricity distributors may explain qualitative and broader system impacts of their investments to support deploying a solution contrary to the DST. However, the OEB has not specified what kind or amount of evidence it will require. As such, while Management supports considering NWS when it makes investments, it is concerned that the regulatory burden associated with this BCA Framework may be substantial.

3. OEB Customer Complaint Summary

| Customer ³ | Complaint |
|-----------------------|---|
| Customer #1 | <ul style="list-style-type: none"> • Customer complaint to the OEB regarding arrears on her account, arguing that she was a victim of fraud. • EWU reviewed the account in question and concluded that there is no fraud in this situation. EWU advised the consumer that she is accountable for the outstanding arrears. • The consumer indicated she is open to paying the arrears, subject to the fraud investigation finding no evidence of fraud. |

² The NWS Guidelines for Electricity Distributors, which were issued on March 28, 2024, to replace the prior Conservation and Demand Management (CDM) Guidelines, also require that electricity distributors document their consideration of NWS when making capital investment decisions with an expected capital cost of \$2 million or more as part of distribution system planning (excluding general plant investments).

³ Customer identities have been removed for privacy purposes

4. Upcoming Legislation

4.3

The following are bills in the Ontario or Canada legislature that will become law and have an impact on EWU operations in the near future:

| Bill | Summary | Status |
|--|---|--|
| Bill 194, Strengthening Cyber Security and Building Trust in the Public Sector Act, 2024 | <p>Enact the Ontario <i>Enhancing Digital Security and Trust Act, 2024</i>, to address cyber security and AI systems in public sector entities.</p> <p>Require public sector entities (i.e. WUC) to provide information to the public about the use of AI systems, develop an accountability framework, and take steps toward risk management.</p> | Second reading debated |
| Bill 190, Working for Workers Five Act, 2024 | <p>Amendments to the Ontario <i>Employment Standards Act, 2000</i> (must disclose if job posting is for an existing vacancy; prohibition against requiring a doctor's note as evidence to use <i>Employment Standards Act, 2000</i> sick leave; increased fines applicable for convictions).</p> <p>Amendments to the <i>Occupational Health and Safety Act</i> (must provide menstrual products on certain construction sites and provide clean washrooms; new definition of workplace harassment and sexual harassment to include virtual activities, information that must be posted may be posted in a readily acceptable electronic format).</p> | Second reading ordered, referred to standing committee |
| Bill S-6, An Act Respecting Regulatory Modernization | <p>Amend the Canada <i>Electricity and Gas Inspection Act</i> and the Canada <i>Weights and Measures Act</i>.</p> <p>Allow the Director to establish plans for the verification of meters by any means (e.g. use of sampling methods to verify electric meter measurements, which would help Measurement Canada only sample what is required to verify accurate readings and save time and money), and enable the Minister to permit a trader to temporarily use any device even if the device has not been approved by the Minister or examined by an inspector.</p> | Passed by the Senate, second reading in House of Commons in progress |

EWU Board

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| | | |
|--|---|---|
| <p>Bill C – 27 An Act to enact the Consumer Privacy Protection Act, the Personal Information and Data Protection Tribunal Act and the Artificial Intelligence and Data Act</p> | <p>Enact the <i>Consumer Privacy Protection Act</i>, the <i>Personal Information and Data Protection Tribunal Act</i>, and the <i>Artificial Intelligence and Data Act</i>.</p> <p>Most notably, the <i>Canada Consumer Privacy Protection Act</i> would replace part of the <i>Canada Personal Information Protection and Electronic Documents Act</i>.</p> <p>See report to the Board in June explaining this Bill in further detail.</p> | <p>Second reading completed, consideration in Committee</p> |
|--|---|---|

4.3

Management will take all necessary steps to ensure compliance with any new laws.

RISK ANALYSIS

There are risks and costs associated with the OEB's initiatives as they have the potential to drive significant change in the industry. Management will mitigate these risks by allocating the necessary resources to actively participate in the OEB's initiatives. In so doing, management will take every opportunity to advocate for its interests, and it will leverage its membership in the EDA and relationships with other electricity distributors to ensure the OEB knows the impact of its initiatives on EWU and its customers. Finally, Management will allocate the resources required to understand any new rules, requirements or opportunities resulting from these initiatives and ensure regulatory compliance.

FINANCIAL MATTERS

There are costs associated with the OEB's initiatives, including participating actively in those initiatives, and updating EWU's practices and policies as required by the OEB. However, Management expects to manage these costs within budget.

RECOMMENDATION:

EWU Board of Directors

THAT the Regulatory Affairs Update - Hydro report BE RECEIVED for information.



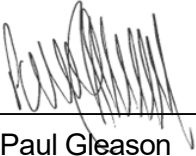
Claire Bebbington
Director, Regulatory Affairs

EWU Board

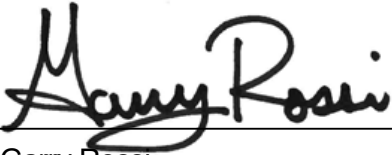
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2024 06 17

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Paul Gleason
Chief Risk Officer



Garry Rossi
President & CEO

encls: Appendix A: Regulatory Affairs Update - Water

Appendix A



AGENDA SUBMISSION

To: WUC Board of Commissioners
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2024 06 13
.....

From: Claire Bebbington
.....

Re: Regulatory Affairs Update - Water

SUMMARY

The Regulatory Affairs Update – Water (Report) is intended to provide the Windsor Utilities Commission (WUC) with an update regarding important issues and activities in regulatory affairs.

DISCUSSION

Attached at Appendix A, you will find the Water Quality Report for Q1. There were no adverse water quality incidents (AWQI) in the first quarter of 2024.

One (1) AWQI occurred since the last meeting of the WUC Board. On April 19, 2024, a result of 1 CFU/100ml of Total Coliform was reported at George Ave Pumping Station with a free chlorine residual reading of 1.46 mg/L. Flushing and re-sampling was conducted at the AWQI location for two (2) consecutive days. In addition, due to our sampling schedule, re-sampling was conducted prior to the adverse notification from the sub-contracted laboratory. All re-sampling results were well within the acceptable levels for drinking water as defined in the Ontario *Safe Drinking Water Act, 2002* and its regulations.

RISK ANALYSIS

Based on the re-sampling conducted, Management is confident that the AWQI was isolated, and likely caused by a sampling error. Management reported the AWQI in compliance with the Ontario *Safe Drinking Water Act, 2002* and the regulations thereunder.

FINANCIAL MATTERS

N/A

WUC Board of Commissioners 2

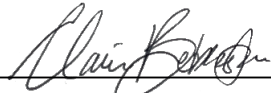
2024 06 13

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RECOMMENDATION:

Windsor Utilities Commission

THAT the Regulatory Affairs Update - Water report BE RECEIVED for information.



Claire Bebbington
Director, Regulatory Affairs



Paul Gleason
Chief Risk Officer



Garry Rossi
Chief Executive Officer

Encls: Appendix A – Q1 2024 Water Quality Report



WATER QUALITY REPORT 2024

Q1 – JANUARY TO MARCH 2024

1.0 Reportable Incidents

| Incident Date | Parameter | Result | Unit of Measure | Corrective Action | Corrective Action Date |
|-------------------------|-----------|--------|-----------------|-------------------|------------------------|
| No Reportable Incidents | | | | | |

Please refer to the colour chart below when reviewing the data summarized herein:

| | |
|--------|--|
| Green | Indicates results are in compliance |
| Yellow | Indicates results are in compliance however above the half Maximum Acceptable Concentration (MAC) or IMAC level. |
| Red | Indicates results are not in compliance or not within the operational guideline |

1.1 Microbiological Testing

Microbiological testing conducted this quarter as per Schedule 10 of Regulation 170/03, is summarized in the below table. No adverse water quality incident has occurred during this period.

| | Number of Samples | Range of E.Coli Results (min#)-(max#) CFU/100 mL | Range of Total Coliform Results (min#)-(max#) CFU/100 mL | Number of HPC Samples | Range of HPC Results (min#)-(max#) CFU/1 mL Spread Plate |
|--------------|-------------------|--|--|-----------------------|--|
| Raw | 64 | 0 - 1200 ⁽¹⁾ | 29 - 12200 ⁽¹⁾ | 64 | 120 - 1950 ⁽¹⁾ |
| Treated | 394 | 0 - 0 ⁽²⁾ | 0 - 0 ⁽²⁾ | 267 | <10 - 80 ⁽³⁾ |
| Distribution | 505 | 0 - 0 ⁽²⁾ | 0 - 0 ⁽²⁾ | 271 | < 10 - 570 ⁽³⁾ |

(1) No standard available – Results indicate the overall Raw Water Quality
 (2) Not Detectable – Standard expressed as maximum
 (3) < 500 – Internal Target as Best Management Practice
 Note – CFU – Colony Forming Units, HPC – Heterotrophic Plate Counts

1.2 Operational Testing

Operational testing conducted this quarter as per Schedule 7 of Regulation 170/03 is summarized in the below table. All values were in compliance.



WATER QUALITY REPORT 2024

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| | Number of Samples | Target | Range of Results (min#)-(max#) | Average Results | Unit of Measure |
|-----------|-------------------|------------------------|--------------------------------|-----------------|-----------------|
| Turbidity | 91 | < 1 BMP ⁽⁴⁾ | 0.03 - 0.04 | 0.04 | NTU |
| Chlorine | 91 | >= 0.05 | 1.48 - 1.59 | 1.54 | mg/L |

(4) Best Management Practices

1.3 Additional Testing Required

Summary of additional testing and sampling carried out in accordance with the Section 5, subsection 5.1 of the Licence,

| Parameter | Date Sampled | Running Annual Average | Unit of Measure |
|------------------------|-----------------------|------------------------|-----------------|
| Bromate - Treated | 1-Apr-23 to 31-Mar-24 | 0.004 | mg/L |
| Bromate - Distribution | 1-Apr-23 to 31-Mar-24 | 0.004 | mg/L |

1.4 Inorganic Parameters

Inorganic testing conducted this quarter as per Schedule 23 of Regulation 170/03 is summarized in the below table. All values were in compliance.

| Parameter | MAC OR IMAC | Sample Date | Result Value | Unit of Measure | In Compliance |
|------------------------|-------------|------------------|-----------------|-----------------|---------------|
| Antimony | 0.006 | January 10, 2024 | 0.0001 | mg/L | Yes |
| Arsenic | 0.01 | January 10, 2024 | 0.0002 | mg/L | Yes |
| Barium | 1 | January 10, 2024 | 0.0181 | mg/L | Yes |
| Boron | 5 | January 10, 2024 | 0.017 | mg/L | Yes |
| Cadmium | 0.005 | January 10, 2024 | 0.000011 | mg/L | Yes |
| Chromium | 0.05 | January 10, 2024 | 0.00050 <MDL | mg/L | Yes |
| Lead | 0.01 | January 10, 2024 | 0.00005 <MDL | mg/L | Yes |
| Mercury | 0.001 | January 10, 2024 | 0.00000010 <MDL | mg/L | Yes |
| Selenium | 0.05 | January 10, 2024 | 0.00023 | mg/L | Yes |
| Sodium | 20 | January 10, 2024 | 10.7 | mg/L | Yes |
| Uranium | 0.02 | January 10, 2024 | 0.00011 | mg/L | Yes |
| Fluoride | 1.5 | January 10, 2024 | 0.58 | mg/L | Yes |
| Nitrite ⁽⁵⁾ | 1 | January 10, 2024 | 0.010 <MDL | mg/L | Yes |
| Nitrate ⁽⁵⁾ | 10 | January 10, 2024 | 0.92 | mg/L | Yes |

(5) Lead, Nitrite, Nitrate results are from Max resolution in the Distribution system



WATER QUALITY REPORT 2024

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1.5 Organic Parameters

Organic testing conducted this quarter as per Schedule 24 of Regulation 170/03 is summarized in the below table. All values were in compliance.

| Parameter | MAC OR IMAC | Sample Date | Result Value | Unit of Measure | In Compliance |
|---|-------------|--------------------------|----------------|-----------------|---------------|
| Alachlor | 0.005 | January 10, 2024 | 0.00050 <MDL | mg/L | Yes |
| Atrazine + N-dealkylated metabolites | 0.005 | January 10, 2024 | 0.0010 <MDL | mg/L | Yes |
| Azinphos-methyl | 0.02 | January 10, 2024 | 0.0020 <MDL | mg/L | Yes |
| Benzene | 0.001 | January 10, 2024 | 0.00010 <MDL | mg/L | Yes |
| Benzo(a)pyrene | 0.00001 | January 10, 2024 | 0.0000050 <MDL | mg/L | Yes |
| Bromoxynil | 0.005 | January 10, 2024 | 0.00050 <MDL | mg/L | Yes |
| Carbaryl | 0.09 | January 10, 2024 | 0.0050 <MDL | mg/L | Yes |
| Carbofuran | 0.09 | January 10, 2024 | 0.0050 <MDL | mg/L | Yes |
| Carbon Tetrachloride | 0.002 | January 10, 2024 | 0.00010 <MDL | mg/L | Yes |
| Chlorpyrifos | 0.09 | January 10, 2024 | 0.0010 <MDL | mg/L | Yes |
| Diazinon | 0.02 | January 10, 2024 | 0.0010 <MDL | mg/L | Yes |
| Dicamba | 0.12 | January 10, 2024 | 0.0010 <MDL | mg/L | Yes |
| 1,2-Dichlorobenzene | 0.2 | January 10, 2024 | 0.00020 <MDL | mg/L | Yes |
| 1,4-Dichlorobenzene | 0.005 | January 10, 2024 | 0.00020 <MDL | mg/L | Yes |
| 1,2-Dichloroethane | 0.005 | January 10, 2024 | 0.00020 <MDL | mg/L | Yes |
| 1,1-Dichloroethylene (vinylidene chloride) | 0.014 | January 10, 2024 | 0.00010 <MDL | mg/L | Yes |
| Dichloromethane | 0.05 | January 10, 2024 | 0.00050 <MDL | mg/L | Yes |
| 2,4-Dichlorophenol | 0.9 | January 10, 2024 | 0.00025 <MDL | mg/L | Yes |
| 2,4-Dichlorophenoxy acetic acid (2,4-D) | 0.1 | January 10, 2024 | 0.0010 <MDL | mg/L | Yes |
| Diclofop-methyl | 0.009 | January 10, 2024 | 0.00090 <MDL | mg/L | Yes |
| Dimethoate | 0.02 | January 10, 2024 | 0.0025 <MDL | mg/L | Yes |
| Diquat | 0.07 | January 10, 2024 | 0.0070 <MDL | mg/L | Yes |
| Diuron | 0.15 | January 10, 2024 | 0.010 <MDL | mg/L | Yes |
| Glyphosate | 0.28 | January 10, 2024 | 0.010 <MDL | mg/L | Yes |
| Haloacetic Acids (HAA5) ⁽⁶⁾ | | | | | |
| (Note: shows latest running annual average) | | | | | |
| Q1 2024 = 0.0050 <MDL mg/L | 0.080 | Running Annual Average = | 0.0050 <MDL | mg/L | Yes |
| Q4 2023 = 0.0050 <MDL mg/L | | | | | |
| Q3 2023 = 0.0050 <MDL mg/L | | | | | |
| Q2 2023 = 0.0050 <MDL mg/L | | | | | |



WATER QUALITY REPORT 2024

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|---|-------|--------------------------|--------------|------|-----|
| Malathion | 0.19 | January 10, 2024 | 0.0050 <MDL | mg/L | Yes |
| MCPA | 0.1 | January 10, 2024 | 0.010 <MDL | mg/L | Yes |
| Metolachlor | 0.05 | January 10, 2024 | 0.00050 <MDL | mg/L | Yes |
| Metribuzin | 0.08 | January 10, 2024 | 0.0050 <MDL | mg/L | Yes |
| Monochlorobenzene | 0.08 | January 10, 2024 | 0.00010 <MDL | mg/L | Yes |
| Paraquat | 0.01 | January 10, 2024 | 0.0010 <MDL | mg/L | Yes |
| Pentachlorophenol | 0.06 | January 10, 2024 | 0.00050 <MDL | mg/L | Yes |
| Phorate | 0.002 | January 10, 2024 | 0.00050 <MDL | mg/L | Yes |
| Picloram | 0.19 | January 10, 2024 | 0.0050 <MDL | mg/L | Yes |
| Polychlorinated Biphenyls (PCB) | 0.003 | January 10, 2024 | 0.00005 <MDL | mg/L | Yes |
| Prometryne | 0.001 | January 10, 2024 | 0.00025 <MDL | mg/L | Yes |
| Simazine | 0.01 | January 10, 2024 | 0.0010 <MDL | mg/L | Yes |
| THM's⁽⁶⁾ | | | | | |
| (Note: shows latest running annual average) | | | | | |
| Q1 2024 = 0.0064 mg/L | 0.100 | Running Annual Average = | 0.0102 | mg/L | Yes |
| Q4 2023 = 0.014 mg/L | | | | | |
| Q3 2023 = 0.0144 mg/L | | | | | |
| Q2 2023 = 0.00615 mg/L | | | | | |
| Terbufos | 0.001 | January 10, 2024 | 0.00050 <MDL | mg/L | Yes |
| 2,3,4,6-Tetrachlorophenol | 0.1 | January 10, 2024 | 0.00050 <MDL | mg/L | Yes |
| Triallate | 0.23 | January 10, 2024 | 0.0010 <MDL | mg/L | Yes |
| Trichloroethylene | 0.05 | January 10, 2024 | 0.00010 <MDL | mg/L | Yes |
| 2,4,6-Trichlorophenol | 0.005 | January 10, 2024 | 0.00050 <MDL | mg/L | Yes |
| Trifluralin | 0.045 | January 10, 2024 | 0.0010 <MDL | mg/L | Yes |
| Vinyl Chloride | 0.001 | January 10, 2024 | 0.00020 <MDL | mg/L | Yes |

(6) – THM's and HAA5 results are from Max resolution in the Distribution system

Note – MDL – Method Detection Limit



AGENDA SUBMISSION

To: ENWIN Utilities Audit & Finance Committee
ENWIN Utilities Board of Directors
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2024 05 24
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From: Marvio Vinhaes
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Re: Ontario Electrical Distribution Regulation 22/04 – 2023 External Audit

SUMMARY

Audits are conducted by third parties to ensure work being conducted by ENWIN is in accordance with construction and safety standards established through Ontario Electrical Distribution Regulation 22/04. Each year mandated external audits are conducted on our compliance with the regulation. This year again, the Electrical Safety Authority (ESA) allowed auditors and LDCs to continue to perform remote audits.

DISCUSSION

The external audit, conducted remotely, concluded on May 3, 2024. The audit report commended ENWIN for its continuous advancements in establishing robust internal safety standards and controls throughout 2023. Notably, ENWIN has consistently developed, refined, and implemented crucial procedures and policies in alignment with Ontario Regulation 22/04 (refer to “Closing Statements” in the Audit Report).

The auditor highlighted several strengths within ENWIN's Electrical Distribution Safety framework and recommended the continuation of several current processes (refer to “Management Responses” in the Audit Report). The following recommendations were made for further enhancement:

EWU Audit & Finance Committee
EWU Boards of Directors

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- Upon receiving future direction from either the OEB or ESA, the distributor should consider aligning its current maintenance practices with the new C22.3 No. 11 Maintenance CSA Standards.
- ENWIN should investigate integrating the new CSA Standards for overhead (OH) and underground (UG) systems, particularly considering “Climate Change,” into its current design processes.

These recommendations will be addressed by the engineering department and are slated for completion by the end of the year.

The audit findings were positive, with no instances of non-compliance or areas marked as needing improvement. The auditor praised the organization’s efforts and encouraged the staff to maintain their momentum in striving for superior regulatory compliance.

RISK ANALYSIS

Risk is minimal due to ENWIN’s consistently favorable audit results in regard to Ontario Regulation 22/04.

FINANCIAL MATTERS

N/A

RECOMMENDATION:

EWU Audit & Finance Committee

That the Ontario Regulation 22-04 2023 External Audit Report BE RECEIVED for information.

EWU Board of Directors

That the Ontario Regulation 22-04 2023 External Audit Report BE RECEIVED for information.

Marvio Vinhaes
Director Hydro Engineering

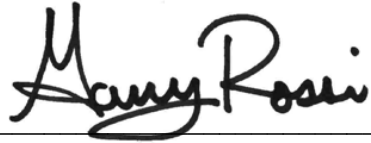
Jim Brown
VP Hydro Operations

EWU Audit & Finance Committee
EWU Boards of Directors

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2024 05 24

4.4



Garry Rossi
President & CEO

Appendix A:

2023 Ontario Regulation 22-04 Audit Report – May 16, 2024

CONFIDENTIAL

Ontario Regulation 22/04 (Electrical Distribution Safety)



AUDIT REPORT
2023

Prepared For:

ENWIN Utilities Ltd.

Conducted & Submitted By:

Simeon Go, CET, ASA, CUSA

Date of Audit:

May 1,2,3, 2024

Date of Audit Report:

May 16, 2024

CONFIDENTIAL
ONTARIO REGULATION 22-04
AUDIT REPORT – ENWIN UTILITIES LTD.

For 2023

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CONFIDENTIAL
ONTARIO REGULATION 22-04
AUDIT REPORT – ENWIN UTILITIES LTD.

For 2023

4.4

Scope:

Description of the Distributor

ENWIN Utilities Ltd. is Windsor's Local Distribution Company, responsible for the distribution of electricity and the servicing and maintenance of Windsor's power line infrastructure. As well, ENWIN Utilities Ltd. is a management services company providing fleet, billing, collections, credit, financial, human resources, customer service, and information technology services to Windsor Utilities Commission and the City of Windsor.

The company has 310 employees (Hydro and Water) that include supervisory, clerical, and technical positions, representing a wide-range of skills, training, and knowledge.

ENWIN Utilities Ltd. operates and maintains a 27.6 /16.0 kV, distribution systems in its franchise area. The distributor has 2,703 overhead circuit kilometer of line and 1,965 underground circuit kilometers of line. The company has four Municipal Substations and one Transformer Station situated at various locations. The total service area is 121 sq. km. Note: Number of Customers - 91,421 (as of January 2023)

* Source- ENWIN Utilities Website

Description of the Auditor:

Simeon Go is a Certified Engineering Technician (CET), an Accredited Safety Auditor (ASA) to the International Safety Rating System (ISRS, based on Loss Control Management System) and a Certified Utility Safety Administrator (CUSA).

Simeon has extensive audit and training experience in the electric utility industry. He has been involved in auditing various departments in Toronto Hydro using both the ISRS and the Workwell auditing processes. By developing training materials, and providing audit methods, he has delivered training to all levels of management and operating staff on Electrical Safety and Auditing topics. Since 2005, Simeon audited some distributors in the Niagara Region area and some in the Northern part of Ontario on their compliance to O. Reg. 22/04. He retired in December 2018 as the Manager, Health, Safety and Environment for Energy+ Inc.

Period covered for Audit:

ENWIN Utilities Ltd. belongs to Group 3. For 2023, the audit period of local distribution companies that belong to Group 3 has been set from May 1, 2023 to April 30, 2024. The deadline for report submission to the ESA is July 31, 2024.

CONFIDENTIAL
ONTARIO REGULATION 22-04
AUDIT REPORT – ENWIN UTILITIES LTD.

For 2023

4.4

Objective and Scope of the Audit:

To conduct a comprehensive review of the processes, guidelines, and standards used by ENWIN Utilities Ltd. to design, construct, install, use, maintain, repair, extend, connect and disconnect the electrical installation and equipment forming the distribution system as to avoid or reduce the possibility of electrical hazards.

Auditing Methodology followed:

The following standard audit practices were followed to assess the level of conformance to the provincial safety regulation:

1. Review of ENWIN Utilities Ltd.'s existing processes, guidelines, and standards. (Done remotely)
2. Sit down meeting with knowledgeable personnel (Done remotely)
3. Site visits. (DDI and Field Picture vs. Design Standard)

Description of the Audit Process:

Remote Auditing

Background:

By definition a “remote audit, also known as an e-audit, is exactly the same as an audit but using electronic means to remotely obtain audit evidence and evaluate it objectively in order to determine the extent of conformity to the audit criteria. “

Four facets of a traditional audit could be affected when the audit is performed remotely, however with the changing technology remote auditing is doable and the 4 stages can still be done:

1. Interviewing. This can be conducted remotely using teleconference technology/telephone.
2. Inspecting and verifying documents and records. (Remotely done)
3. Counting and measuring (physical examination). (Remotely done)
4. Observing tasks, processes, inputs and output (Remotely done)

In order to monitor the COVID 19 situation and mitigate the virus's effects on domestic health and society, the Canadian government kept up its collaboration with the WHO, foreign partners, and Canadian provinces and territories in 2023. ESA is satisfied with either remote or in-person audits and is leaving the decision to agreement between Auditor and Auditee.

On January 18, 2024, the Director of Hydro Engineering of ENWIN Utilities Ltd. emailed the Auditor, Simeon Go to proceed with the remote audit. The distributor worked with their IT Department to set up a virtual ShareFile system and coordinate with staff to provide digital

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materials needed for the audit. The auditing option was mutually agreed upon by the two parties to be on May 1,2,3, 2024, utilizing emails, teleconferencing and other electronic means.

ENWIN’s IT Department and Engineering Department set up the ShareFile where all audit questions, process maps, timelines, and documents needed for verification could be uploaded for both parties, (Auditor and LDC’s staff) have access.

The Coordinator and Engineering Director diligently uploaded all required responses, records, documentations, processes, and standards into 6 folders set up in the ShareFile as requested by the Auditor.

Process Maps/Audit Questions/Virtual Shared Folders (SharePoint)

SharePoint: ENWIN Utilities set up the SharePoint, virtual drive. *(Note: SharePoint is a software for sending, receiving, and organizing your business files online. It can be used as a password-protected area for sharing information with clients and partners, and it is an easy way to share files that are too large to e-mail.)*

Audit Questions: Prepared questions were emailed to the LDC for its knowledgeable personnel to respond. Responses and documentations were stored in the ENWIN’s SharePoint virtual drive.

Documentation: All documents/processes/standards that were verified remotely via the ENWIN’s SharePoint and are shown in the “Record Verification Evidences” part of this Audit Report.

The Auditor emailed a “Process Map” to the distributor that outlined those responsibilities of Key Players: Auditor, ENWIN’s Coordinator, ENWIN’s Director and ENWIN’s knowledgeable personnel on OR 22/04. ENWIN Utilities designated the following knowledgeable personnel to respond to the audit questions and provide the requested documents relevant to respective sections of the regulation:

| Section | Designated Knowledgeable Personnel | Date Responses and Documents uploaded into the ShareFile /Interview |
|-----------------------------|--|---|
| 4- Safety Standards | Daniel Manzon, Nimal Weeratunga, Kirsten Stone Marvio Vinhaes, Marian Dent, Jerome Labbe, Roger Bastiaan, Dragan Savic, Steve Bastounas, | Uploading of Responses/Documents: 3 rd /4 th of April 2024 Interview: May 1,2,3,2024 |
| 5-When Safety Standards Met | Marianne Dent, Kirsten Stone, Steve Bastounas, Marvio Vinhaes, | Uploading of Responses/Documents: 3 rd /4 th of April 2024 Interview: May 1,2,3,2024 |

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|---|---|--|
| 6-Approval of Electrical Equipment | Kirsten Stone, Marvio Vinhaes, Renee McIntyre, Tom Roelens, Kristian Kasemets, Kate Carter, | Uploading of Responses/Documents: 3rd/4th of April 2024 Interview: May 1,2,3,2024 |
| 7-Approval of Plans, Drawings, and Specifications | Steven Bastounas, Dragan Savic, Marianne Dent, Jessie Bondy, Marvio Vinhaes, Kirsten Stone, Washington Nguyen, Justin Orton, Keegan Kendal, Kate Carter | Uploading of Responses/Documents: 3rd/4th of April 2024 Interview: May 1,2,3,2024 |
| 8-Inspection and approval of construction | Marianne Dent, Jessie Bondy, Michelle Bonnici, Costin Beliciu, Mike Richards, Nick Swintak, Justin Orton, Sylvia Culmone, Steven McWilliam, Marvio Vinhaes, Greg Alzmer, Nicole Richardson, Jessie Bondy, Kate Carter | Uploading of Responses/Documents: 3rd/4th of April 2024 Interview: May 1,2,3,2024 |

Marvio Vinhaes was designated as the main contact for the audit.

To verify compliance with sections 4,5,6,7 & 8 of Ontario Regulation 22/04, the Auditor verified remotely all uploaded responses/documents in the virtual SharePoint drive to include: plans, standard design drawings and specifications, maintenance checklists/procedures/instructions/certified equipment test results, Record of Inspections, Certificate of Approvals, etc.

Opening Meeting (May 1, 2024- Done Remotely- MS Teams)

The auditor conducted the opening meeting remotely. The meeting was held in order to provide ENWIN Utilities personnel with an overview of the audit process and the five sections of the regulation subject for assessment by an independent external auditor. With the audit checklist, the auditor explained the remote auditing process map to ENWIN Utilities’ competent and qualified personnel who were knowledgeable of company’s operations and the provincial regulation 22/04.

Closing Meeting: (May 3, 2024 Done Remotely- MS Teams)

The auditor conducted a “closing-out meeting” with ENWIN Utilities’ personnel whereby the auditor presented his overall audit findings and recommendations. Also, the auditor mentioned the requirement to develop actions plan for audit recommendations.

Independence Statement:

I, Simeon Go hereby declare that: I am an independent Auditor and with no conflict of interest with my client that affects my ability to provide a fair Audit Report.

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Auditor's Opinion (s):

1. According to interviews and documentation, ENWIN Utilities Ltd. complied with OR 22/04 sections 4, 5, 6, 7, and 8 in 2023. The distributor carried out the action plans mentioned in the audit for 2022. Based on how ENWIN Utilities Ltd. operates, certain parts of the regulation were determined to be "not applicable." This report contains the specifics of those conclusions, suggestions, and the Management Response.
2. It was established through interviews and record verification that the distributor upheld a first-rate health and safety policy and program in 2023 to safeguard its workers, contractors, and the general public. The Infrastructure Health and Safety Association (IHSA) awarded ENWIN Utilities its COR Certification.
3. According to information obtained through interviews with Safety Department staff, "Senior Management conducted their required number of workplace observations," in 2023. objectives for the required work area observations have been set.
4. Even after the pandemic restrictions were lifted, ENWIN kept depending on its staff to supply the city's homes, businesses, and hospitals with safe and dependable power. While some of its staff members are working in the office, ENWIN's crews provide an essential service by being on call for emergencies day or night and by working on important projects in the community to ensure that customers have access to power. In order for its workers to be able to return home to their families at the end of the day, the distributor is also making every effort to ensure that risks are reduced and worker safety is maintained.
5. The PR Officer's interview revealed that ENWIN Utilities had carried on with its Electrical Safety Public Education Campaign. The campaign's early phases make use of "opportunities existing in the Corporate Communications budget and adding safety messaging to a variety of outgoing communications, such as: in-house design and printing of materials for distribution; taglines on email messages and media releases; website banner and page."
6. The following were some of the Public Safety Promotion activities: a) social media: Consumer safety-related posts have been distributed on a regular basis on Facebook and Twitter. This is a blend of posts developed by the ESA and content created by ENWIN. b) The Windsor Spitfires Campaign: The Windsor Spitfires are still sponsored by ENWIN. On the arena's large screen during games, safety messages are shown. Furthermore, safety messaging is conveyed throughout the game's AM800 broadcast. c) Audio-visual Promotion Blackburn Radio networks carried safety messages for eight weeks in the early summer. This was done in collaboration with Essex Powerlines. d) On Hold Messaging: When customers are on hold, safety messaging is delivered through the phone system. e) Safety Village: Safety information was distributed to children at two events at the safety village. Once over the summer at the fire safety day and second in the fall at a Halloween event.

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7. The distributor's Human Resources Department used the SAP success factor software to maintain its training matrix in 2023, according to interview and training records. Employee safety training, such as WHMIS, First Aid/CPR, Regulation 22/04 and CVP Awareness Training, Underground Proficiency, Utility Work Protection Code, Journeyman Power Linesperson Certification, etc., was still offered by the distributor in 2023. The E-learning Management System (EMS) was still being used by the distributor.
8. Document verifications revealed that ENWIN Utilities continued in taking part in the ESA-initiated "Due Diligence Inspection" (DDI) program in 2023. The ESA inspector visited the following locations and made the following observations:

| Date | Location | Findings |
|-----------------|---|---|
| August 14, 2023 | Brock, Milen and College-Radial branch back up (WO#22023349) | 1 NI – Field Changes not recorded- WL3-Work instructions indicate lead length at south 3.4 M=m and measures to center 3.1 m and indicates for 3.3 m west but measures 2.7 m center of pole. |
| August 21, 2023 | Lambton St. Windsor -Spring Garden Pole Replacement | 2 Safety Related Observations, 2 Miscellaneous Observations |
| August 28, 2023 | Columbia Court and Parlington- South Windsor Pole Replacement (WO#22025213) | 1 NI, and 6 Safety related observations Station 18- Arrestor not located in same location as the drawing |

- Note: 1) It was verified that the distributor responded to the ESA to correct the deficiencies reported by the Inspector. 2). Safety related observations and Miscellaneous Observations: These observations affect the safety of the public or LDC personnel, and may or may not fall under Regulation 22/04. No response required from the LDC unless specifically requested by the ESA.
9. Records and interviews revealed that a small number of public safety concerns were reported to ENWIN in 2023. After looking into every public complaint, the distributor was able to address the issues and closed after getting in touch with the ESA.

Key Audit Findings:

Section 4: Safety Standards

Objective:

To determine whether the distribution system and the electrical installations and electrical equipment forming part of such systems are designed, constructed, installed, protected, used, maintained, repaired, extended, connected and disconnected so as to reduce the probability of exposure to electrical hazards, and to determine whether the safety standards in Section 4 of the Regulation have been met. (Clause 3.1.5 of Technical Guidelines – Design)

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Requirements and Audit Results Summary

| SECTIONS | C | NC | NI | N/A |
|--|----------|----|----|-----|
| 4.3 A maintenance program to inspect electrical installations operating at or below 750 volts that are not a direct part of a distribution system (i.e., ancillary equipment) that includes the following: a) Inspection of electrical equipment to ensure proper operating condition; b) A regular schedule for maintenance exists and is followed. - Confirm the maintenance program exists and that the distributor follows the program. (e.g., records or logs of inspection; maintenance checklists.) | X | | | |
| 4.4 A maintenance program to inspect all overhead distribution lines, including secondary distribution lines, that includes the following: a) Inspection of electrical equipment to ensure proper operating condition; b) A regular schedule for maintenance exists and is followed. - Confirm the maintenance program exists and that the distributor follows the program. (e.g., records or logs of inspection; maintenance checklists.) | X | | | |
| 4.5 A maintenance program to inspect all underground distribution lines, including secondary distribution lines, that includes the following: a) Inspection or testing of electrical equipment to ensure proper operating condition; b) A regular schedule for maintenance exists and is followed. -Confirm the maintenance program exists and that the distributor follows the program. (e.g., records or logs of inspection; maintenance checklists.) | X | | | |
| 4.6 A maintenance program to inspect all distribution stations, that includes the following: a) Inspection or testing of electrical equipment to ensure proper operating condition; b) A regular schedule for maintenance exists and is followed. - Confirm the maintenance program exists and that the distributor follows the program. (e.g., records or logs of inspection; maintenance checklists.) | X | | | |

C-complies, NI- Needs Improvement, NC Non-compliance, N/A –Not Applicable

Audit Results:

Section 4.3 – C

- The audit confirmed that ENWIN Utilities Ltd. carried out its Inspection and Maintenance policies and procedures in 2023, as mandated by Section 4 of the O. Reg. 22/04. These procedures and policies regulate the maintenance of overhead and underground distribution facilities as well as the stations. According to the procedure, "work orders that are tied to each asset and have already been scheduled so that they can be assigned to individual technicians to be inspected" or "maintenance plans are created through SAP."

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2. It became clear from interviews that ENWIN's skilled and competent inspectors were still conducting routine system patrols and making the right decisions about whether to fix high- and low-priority items while they were on the job. The "SAP" (System Application & Products) notification number was still generated in SAP documents in 2023 when repairs needed to be made and completed.

Section 4.4 – C

4. Pole Inspection and Testing Program was carried out by ENWIN Utilities in 2023. The program's goals are to: a) evaluate the condition of one-third of the city's poles annually; and b) identify any "problems" with the system, such as malfunctioning equipment or unusual damages. The equipment, lines, braces, insulators, pins, transformers, insulator ties, crossarms, and other components are to be inspected for damage, deterioration, or failure. "This is done by student inspectors, who receive yearly training on inspection expectations and protocols."
5. Interviews and records showed that in 2023, ENWIN continued to use its IML PD-500 Resistograph drill to test wood poles. Following the resistograph drill's successful implementation in 2022, ENWIN is currently updating its methodology to incorporate resistograph strength readings into the evaluation of wood pole health index ratings. When the resistograph drill and results were assessed, they were discovered to be highly precise and improve the capacity to determine the condition of wood poles with greater accuracy.
6. Based on records and interviews, ENWIN carried out its Vegetation Management (VM) Program in 2023. A vegetation management contractor that specializes in live line tree trimming is hired to handle the actual trimming, giving them the safety orientation to carry out VM services close to ENWIN lines. Through an app that was developed internally, ENWIN continued to check if the contractors had completed trimming a certain section of the trees. The segments of the service territory that need tree trimming can be viewed by ENWIN and the tree trim contractors via the ESRI Tree Trimming portal. The contractor modifies the segment to trimmed on the ESRI portal after it has been trimmed in the field.
7. In addition, the area's trimming and compliance with ENWIN standards are confirmed by an ENWIN inspector. Area B was completed and trimmed in 2023: Note: Area B, includes Windsor residents south of Riverside Dr, North of Tecumseh Rd East, and between Howard Ave and St Patrick's Ave / Huron Church Rd.
8. ENWIN Utilities carries out its program for overhead infrared scanning. A FLIR infrared camera is used to scan the main feeder trunks and equipment. Following up on the issues as soon as feasible, the overhead department finds the hot spots during the initial scans. The equipment is closely inspected by Overhead to look for any indications of overloading or overheating. To make sure they are tight, every connection is examined. The equipment will be scanned again the following year in comparable weather conditions if there are no overheating indications. In the event that deterioration becomes apparent, the equipment will be fixed or replaced as necessary. The IR Scans scheduled for 2023 have been rescheduled for 2024 due to staffing constraints and suggestions to reschedule the scans to be completed in the summer, when equipment would be available.

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Section 4.5 - C

9. According to records and interviews, ENWIN Utilities Ltd. carried out the following underground infrastructure inspections and maintenance in 2023:
- Handholes and Manholes: The inspection and maintenance of handhole structures is completed annually by internal staff. Structural inspections of manholes are inspected over a period of 5 years, with manholes in a more deteriorated condition given priority for re-inspection. A 3rd party expert conducts the inspections and gives recommendations for rehabilitation.
 - Submersible Transformers, Pad mount Transformers, Minipad Transformers, and Switchgears: completed annually 1/3 of the total number. Also, the distributor conducted maintenance for live-front PMHs units through a Dry-Ice Cleaning Program. Yearly 25 units are cleaned using the Dry-Ice blasting. Units are prioritized based on poor health or reported conditions and will be cleaned more frequently if required
 - Inspection of Equipment within Customer-Owned Vaults: completed annually as opposed to 3 years as required by the OEB.
- NOTE: a) The structural condition of ENWIN manholes was good
10. ENWIN endeavored to continue in digitizing equipment inspections for both overhead and underground systems in 2023. Three-phase transformer health inspection measurements were added to ENWIN's SAP system so that inspectors could use tablets and the SAP Work Manager app to conduct inspections.

Section 4.6 – C

11. According to records and interviews, ENWIN carried out substation maintenance and inspections in 2023, which included the following:
- Substation Safety/Security Checks: perform routine inspection of the buildings and fence the enclosed stations within its service area.
 - Oil and Dissolved Gas Analysis: to prevent build-up of combustible gases and help determine if there are any internal faults or deterioration of the insulation.
 - Transformer Ratio, Breaker Contact and Relay Tests, Station Battery Maintenance, Environmental Tests.
 - Station Battery Maintenance: to ensure that the battery back -up system for substations and MTSs are routinely checked for voltage, cell polarity, and specific gravity.

Records showed that ENWIN's competent personnel continued to inspect 27.6 kV substations monthly, and findings were recorded in the "Monthly Stations Safety/Security Check" form.

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Observation/Suggestion

- There was one pole fire incident in 2023. It was reported and investigated.
- The Stations prefer to gather and keep their inspection and maintenance data on paper and in Excel, which is feasible given there are only 4 MTS and 1 TS, even though SAP is used for all OH & UG distribution asset inspections. While SAP systems are currently being upgraded, it might be possible to integrate all inspections into the software with the new module offerings that are under review.
- At present, ENWIN possesses a copy of the latest C22.3 No.11:22 standard. The requirements found in OEB's distribution system code appendix C serve as the primary foundation for the present asset management and maintenance programs. In the event that OEB or ESA provide guidance in the future, ENWIN intends to examine the C22.3 No.11:22 standard's requirements and look into ways to align its inspection and maintenance procedures.

Record Verification references: (Uploaded in the Virtual SharePoint Drive)

2023 Maintenance Binder: Section 4 to include the following evidences: Summary of 2023 OH Maintenance Record, 2023 Summary of UG Maintenance and Inspection Records, Summary of Station Maintenance, and Inspection Records. 2023 COMPLIANCE WITH OEB DISTRIBUTION INSPECTION STANDARDS.

OH. System Inspection Field Report: This is a drive-by inspection that covers 1/3 of the city every year. It is designed to inspect every pole in the system as well as any attached equipment or cabling. This satisfies the Poles/Supports, Hardware and Attachments, Equipment Installations, and Vegetation and Right of Way inspection requirements of the OEB.

Supporting Documents for Overhead Equipment, Cables, and Poles:

- OH, and UG KPIs, 2023 Health Index KPIs, Pole Inspection Measurement Point Matrix

Supporting Documents for Underground Equipment and Structures

- In 2023, as seen in the inspection notification sheet:
Handholes and manholes: Number Inspected: 137 (handholes) 69 (manholes)
 Number needs repair: 0 (handholes) 13 (manholes)
- Note: inspections that had data issues within SAP, the asset manager has scheduled periodic reviews throughout the year and during inspections to review and confirm all data is being correctly collected, as well as all inspections being completed.
- PMH Switching Units Dry Ice Cleaning and IR Scanning Reports. 16 PMS were cleaned. 1 Hot Spot and fixed.

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Supporting Documents for Stations, Sub-stations, and Customer-Specific Transformer Stations

- Completed “Monthly Safety /Security Checks” forms, completed “Secondary Containment Inspection Checklist” forms, Completed “SAM Station Battery Maintenance Report” forms, Insulation Resistance Test, Relay Results Report.

Section 5: When Safety Standards Met

Objective: To meet the requirements of Section 5.0 of *Regulation 22/04* (Electrical Distribution Safety), the distributor is to ensure that there are processes and Standard Designs in place for the design and installation of overhead and underground lines and distribution stations.

Requirements and Audit Results Summary

| Sections | Systems/Procedures & Audit Evidence | C | NC | NI | N/A |
|----------|---|---|----|----|-----|
| (5.1) | Electrical installations operating at 750 volts or below that are not a direct part of a distribution system that meet the requirements set out in Rules 2-100 to 86-404 of the ESC are deemed to meet the safety standards set out in subsections 4 (2) and (3). O. Reg. 22/04, s. 5 (1); O. Reg. 220/17, s. 1 (1). | X | | | |
| (5.2) | Overhead distribution lines that meet the requirements of CSA Standard C22.3 No. 1-15 Overhead Systems or the requirements set out in Rules 2-100 to 2-404 of section 2 and in sections 3, 4, 10, 12, 14, 18, 26, 28, 36, 75, 80 and 84 of the ESC are deemed to meet the safety standards set out in subsections 4 (2) and (4). O. Reg. 22/04, s. 5 (2); O. Reg. 220/17, s. 1 (2). | X | | | |
| (5.3) | Underground distribution lines that meet the requirements of CSA Standard C22.3 No. 7-15 Underground Systems or the requirements set out in Rules 2-100 to 2-404 of section 2 and in sections 3, 4, 10, 12, 14, 18, 26, 28, 36, 75, 80 and 84 of the ESC are deemed to meet the safety standards set out in subsections 4 (2) and (5). O. Reg. 22/04, s. 5 (3); O. Reg. 220/17, s. 1 (3). | X | | | |
| (5.4) | Distribution stations that meet the requirements set out in Rules 2-100 to 2-404 of section 2 and in sections 3, 4, 10, 12, 14, 18, 26, 28, 36, 75, 80 and 84 of the ESC or that meet the requirements of National Electrical Safety Code C2-2017 are deemed to meet the safety standards set out in subsections 4 (2) and (6). O. Reg. 22/04, s. 5 (4); O. Reg. 220/17, s. 1 (4). | X | | | |

C-complies, NI- Needs Improvement, NC Non-compliance, N/A –Not Applicable

Audit Results:

Sections 5.1, 5.2, 5.3, and 5.4 (C)

1. The distributor continued filing the latest copy of the CSA standards for stations, overhead and underground in 2023. ENWIN is a registered license holder on the CSA website and, as a member of the USF, it has access to the USF standards through a Certificate of Approval

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that has been signed and stamped by a professional engineer. The Canadian Electrical Code Part 1 and the Ontario Electrical Safety Code are also on file.

3. In 2023, ENWIN kept up the process whereby: a) internal design guidelines and work instructions directing the use of ENWIN construction standards are included in any work that the engineering department plans to undertake. Design and construction standards are developed, modified, and approved by a P.Eng. Drawings for all approved projects include the ENWIN approved construction standards.
4. Records and interviews revealed that ENWIN Competent personnel were trained on the approved design standards. The audit confirmed that crews are using iPads in the field to consult construction standards when they need more information.
5. To appropriately oversee all approved Standard Designs, ENWIN carried on implementing its Control System in 2023. ENWIN's CAD department and record retention folder setup is used to manage and track all design and construction standards, according to an interview. As soon as a standard is developed and/or altered, the CAD department releases all final revisions for usage.
6. It was revealed during the interview that each ENWIN design and construction standard's individual standard border records any updates and modifications related to it. The border shows the most recent revision together with the rationale for any updates. It was confirmed that the distributor follows a formal procedure when it comes to updating Design Standards.
7. Records and interviews revealed that the internal material management committee of ENWIN was still meeting almost every quarter. The committee talks about problems with materials and equipment, new technologies, substitutes for current technologies, and any annual modifications to the materials and equipment already in place.
8. Training records revealed that SPIDA Calc software usage was covered in the training received by ENWIN engineers and technologists. The internal SPIDA training manuals have also been developed by the Engineering Department. Experience, use, and SPIDA Calc's assistance were taken into consideration when developing the manuals.
9. According to records and interviews, ENWIN's crew followed good utility practices to ensure the safety of its workers by beginning their work (maintenance of distribution lines and equipment) with a tailboard meeting (job planning) where all aspects/hazards of the day's work are discussed, including: traffic control procedures, personal protective equipment (PPE), and safe work practices. Similarly, the utility work protection code (UWPC) and the limits of approach were important topics of discussion, if applicable.

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10. Document verification revealed that ENWIN kept up its efforts in 2023 to guarantee professional engineer memberships are current at the time plans are certified or signed. It was confirmed that professional engineers affiliated with ENWIN who attest to plans and standards are required to maintain their "current" membership with PEO. The PEO serves as a reminder to members to update their information and pay annual dues prior to their membership expiring.

Record Verification references: (Uploaded in the Virtual ShareFile Drive)

“Standard Procedure Modification Process” C of A USF Standards, SPIDACalc Training Tracker
 Canadian Electrical Code Part 1 25th Edition, Certificate of Revocation (USF), CSA c22.3 No. 7, CSA C22.3 No.1 OESC 28th Edition, OH Standards Manual, UG Standards Manual. Approved Design Standards for OH and UG in separate binders with list of authorized users. Various Design Standards approved and signed by P. Eng. in 2023

ENWIN Materials Management Committee Meeting February 10th, July 13th, 2022

Various samples of approved Design Standards. These standards are with “revision history”– License number verified- P. Eng. 90357070 (License Holder Directory). Work instruction for the development and maintenance of Construction Standards.

Standard Folder Records. A list of secondary connection standards signed and approved by a Professional Engineer.

Section 6: Equipment Approval

Objective: to determine whether the distributor uses option 1(a) or 1(b) to approve electrical equipment that is part of a distribution system. If equipment is approved under 1(b), then equipment is to be tested and inspected (Section 2 below) in accordance with procedures that are adequate for that purpose.

Requirements and Audit Results Summary

| SECTIONS | C | NC | NI | N/A |
|---|------------|----|----|-----|
| 6.1 Electrical equipment that is part of a distribution system is approved if, (a) its design and construction meet any of the standards for approval of equipment set out in Rule 2-024 of the ESC; or (b) its design and construction comply with a code or standard under a rule of the distributor that provides an assurance of safety of the equipment that is the equivalent of the assurance of safety provided by the standards referenced in clause (a). O. Reg. 22/04, s. 6 (1). | X X | | | |

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| 6.2 For the purpose of establishing whether electrical equipment is approved under clause (1) (b), the equipment shall be tested and inspected in accordance with testing and inspection procedures that are adequate for that purpose. O. Reg. 22/04, s. 6 (2). | X | | | |
|--|---|--|--|--|

C-complies, NI- Needs Improvement, NC Non-compliance, N/A –Not Applicable

Audit Results:

Section 6.1 a and b (C)

1. According to records and interviews, ENWIN Utilities Ltd. carried out its official equipment approval procedure, which was authorized by the Manager of Engineering, in 2023. According to the procedure, ENWIN Utilities Ltd. kept up with the "Rule of the Distributor" when it came to obtaining equipment approval for both major and non-major items when necessary.
2. The following items were still part of the distributor's equipment approval procedure in 2023:
 - SAP Inventory Control System: The goal is to give storekeepers easy access to the most recent information so they can provide better customer service.
 - Receiving Procedures: Payments cannot be made during a receipt transaction; this is the first stage in accepting materials from vendors.
 - Material Return Procedures: These procedures are designed to precisely document the material that has been recovered from a particular work order, cost center, or general ledger. The goal of transformer returns is to document the removal and recovery of all in-service transformers, guaranteeing appropriate asset redirection and disposal action.
 - Batch returns and reel deposits: This makes sure trucks are loaded with empty reels to be returned to the right vendors.
3. Interviews confirmed that SAP is used for the storage, coordination, and ordering of ENWIN's standardized and approved materials and equipment. Materials and equipment are either reserved and ordered through a capital project work order, or they are ordered when the inventory count reaches a predetermined reorder point. Additionally, all major equipment that has been approved and is listed in SAP refers to the approved standards, specifications, and/or model numbers, all of which are linked to the relevant CSA standard for electrical equipment.
4. A warehouse storekeeper's interview revealed that ENWIN Utilities continued using an incoming "inspection checklist" for equipment received in 2023 when receiving materials and equipment. When new equipment is received, stockroom staff members have access to the checklist, which is kept on file. Until all inspections are completed, no major equipment is formally received. Every piece of information is documented on an equipment checklist and

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kept on file for at least five years. Every equipment check list is kept in Engineering's Standards Engineers files.

5. In addition, ENWIN continued checking to make sure that the equipment it purchased from a vendor or vendors complies with Electrical Safety Code Rule 2-024. Once it was confirmed that the materials and equipment had been produced in accordance with the relevant standard or specification, the Standards Engineer proceeded to sign off on the equipment. The purchasing department sends the approved shop drawings back to the supplier or manufacturer so that the order can continue.
6. The distributor carried out the following procedures in 2023 regarding vendor non-compliance: Equipment or material will be returned to the supplier or vendor after inspection and if noncompliance is found. Completing and adhering to the "SAP Return Process" and "SAP Transformer Returns and Processing" is mandatory.
7. The interview revealed that ENWIN Storekeeper kept verifying that vendor-supplied equipment complied with the established standards. The steps that ENWIN utilities take are: Review of the shop drawing and vendor feedback. Vendor noted deviations from distributor specifications and that engineering and stores visually inspected the equipment prior to receiving it. The application of equipment generated check lists compliant with standards and specifications. Before putting equipment in the field, ENWIN has the P&C group test it for control functionality and verification.
8. According to interviews, the Engineering Department must formally evaluate and review every piece of equipment used on ENWIN's distribution system before approving it for use. The ENWIN engineering, purchasing, and stores/warehouse departments work together to update the list of authorized equipment. The competent person completes and documents the inspection to ensure that there are no unwarranted hazards. The distributor was still adhering to its "Material Return Procedures," according to an interview. "Accurately recording the material recovered from each specific work order issued by the distributor" is the stated goal.
9. Projects completed within the audit period demonstrated that the distributor's project engineers and technicians continued to prepare standard bills of material. These BOMs were exclusively made up of equipment that had been approved, at the very least specifying the mechanical and electrical properties of the equipment to be used for each Standard Design, to guarantee that only approved equipment is utilized during construction.
10. ENWIN continued to follow its protocol to ensure that the electrical equipment underwent appropriate testing and inspection in 2023. The Underground Planning and P&C (Protection and Control) departments of ENWIN regularly test the functionality of every major piece of equipment. The transformer acceptance test involves measuring the primary and secondary windings of Padmount Distribution Transformers to confirm insulation resistance. After being gathered by Stores, the records are sent to Engineering for a five-year period of storage.

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11. The record indicated that ENWIN has a formal procedure for testing equipment. The following were completed in 2023 using the Equipment Trial Form or the New Product Approval for: Condu Disc and 4-way band Steel Connecting Link.
12. In 2023, equipment malfunctions did occur. The Non-Conformance Report and Corrective Action Report (CAR Process) was used to look into the failures' underlying cause.
- Sample: Overhead transformer, 100kVA, 16kV:120/240V: The unit failed due to water ingress causing a line to ground fault. The water ingress occurred through the HV bushing at the top clamp. The gaskets appear to have been over compressed causing water to ingress when/if the tank experiences a negative pressure condition. The bushing, clamp and gasket comes pre-assembled from the part manufacturer, and only the complete assembly is installed during manufacturing of the transformer.

Record References: (Uploaded in the Virtual SharePoint Drive)

ENWIN Utilities New Material Approval System, Major Equipment Category Summary, Major Materials Return Form, Major, Minor Equipment Record Retention List, New Product Approval Form, SAP Receiving Stock Toll calibration, Various approved Equipment Specifications Transformers, cables, etc.), Various Purchase Orders, Equipment on Trial Project- with completed Field Evaluation; Testing Inspection Procedures; SAP Return Process; SAP Transformer Returns and processing, Equipment Checklist, etc.

ENWIN Materials Committee – Terms of Reference: To maximize the efficiency and safety of the materials with which ENWIN Utilities Ltd designs and constructs and maintains its hydro-electric infrastructure. Hold quarterly meeting. Verified: Materials Committee Meeting Minutes in 2023.

Various New product Approval form – Equipment Approval Process (- Instruction # 31-02-001-2011/05/17) – to include: Approval through ESC Rule 2-024, Approval to the Rule of the Distributor, Approval through Good Utility Practice.

Verified: Receiving Procedures - included – detailed inspection and receipt, material discrepancy detailed procedures, technical inspection items, special receiving procedures, etc.

Various completed & Signed Equipment Approval forms with Certification Records & test results for: Cables, Wood & Concrete Poles, In-line Disconnect Switch, Fuses, Insulators, Transformers, Load Break switches, Switchgear, Lightning Arrester, Reclosers, and Minor Equipment.

Section 7: Approval of plans, drawings, and specifications for installation work

Objective: to determine whether the distributor ensures that work prior to installation is based on 1(a) plans prepared by a professional engineer and/or based on 1(b) the distributor's standard design drawings or standard design specifications; and that the

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plans, standard design drawings and standard design specifications have been reviewed and approved by 2(a) a professional engineer or by 2(b) the Authority

Requirements and Audit Results Summary

| SECTIONS | C | NC | NI | N/A |
|---|---|----|----|-----|
| <p>7.1 Before beginning work on an electrical installation that is or may form part of a distribution system, a distributor shall ensure that the installation work is based,</p> <p>(a) on plans that have been prepared by a professional engineer and that the plans have been reviewed and approved in accordance with subsections (2) to (7); or</p> <p>(b) on the distributor's standard design drawings or standard design specifications that have been assembled by a professional engineer, by an engineering technologist certified by the Ontario Association of Certified Engineering Technicians and Technologists or by another competent person and that those standard drawings and specifications have been reviewed and approved in accordance with subsections (2) to (7). O. Reg. 22/04, s. 7 (1); O. Reg. 272/04, s. 2.</p> | X | | | |
| <p>7.2 Review and approval of plans, standard design drawings and standard design specifications under this section shall be carried out,</p> <p>(a) by a professional engineer, who may or may not be the professional engineer who prepared the plans or assembled the standard design drawings or standard design specifications; or</p> <p>(b) by the Authority at the request of the distributor. O. Reg. 22/04, s. 7 (2).</p> | X | | | |
| <p>7.3 Where, after reviewing the plans, standard design drawings or standard design specifications under clause (2) (a), a professional engineer is satisfied that the safety standards set out in section 4 are met, he or she shall prepare a certificate and provide it to the distributor. O. Reg. 22/04, s. 7 (3).</p> | X | | | |
| <p>7.4 A certificate under subsection (3) constitutes approval of the plans, standard design drawings or standard design specifications. O. Reg. 22/04, s. 7 (4).</p> | X | | | |
| <p>7.5 Where, after reviewing the plans, standard design drawings or standard design specifications under clause (2) (b), the Authority is satisfied that the safety standards set out in section 4 are met, it shall approve them and provide a certificate of approval to the distributor. O. Reg. 22/04, s. 7 (5).</p> | X | | | |
| <p>7,6 The plans, standard design drawings or standard design specifications, along with the certificate, shall be kept by the distributor and made available to the Authority upon request. O. Reg. 22/04, s. 7 (6).</p> | X | | | |

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|--|---|--|--|--|
| 7.7 This section does not apply with respect to work on an electrical installation that involves the replacement of one piece of electrical equipment with another piece of electrical equipment of the same voltage and characteristics. O. Reg. 22/04, s. 7 (7). | X | | | |
|--|---|--|--|--|

C-complies, NI- Needs Improvement, NC Non-compliance, N/A –Not Applicable

Audit Results:

Section (7.1,7.2,7.3, 7.4, 7.5) - C

1. Based on records and interviews, ENWIN Utilities carried out its Design Approval Process in 2023. ENWIN has a policy of "using Standard Designs and/or plans that have been approved by a Professional Engineer" when designing and constructing new distribution plants. This policy is not applicable to like-for-like emergency (trouble) work, where replacement of plants is allowed to happen without the need for a standard design or plan that has been approved by a professional engineer. Note: Ensuring that construction is carried out in compliance with the authorized Standard Designs and Plans is the responsibility of the Director, Operations, or their designated.
2. Records and interviews revealed that employees could still access internal specifications and standards in SharePoint. The engineering department maintains hard copies of CSA, OESC, and other standards, and the director of hydro engineering downloads and saves PDF versions of these documents.
3. Documents showed that work instructions are fulfilled by an ENWIN-trained individual who is competent in applying the Standard Designs correctly and in line with the distributor's job planning procedure. Upon examination, it was discovered that the project plans, work instructions, and drawings had been approved by a professional engineer and had received a "Certificate of Approval."
4. The distributor continued to track plans, standard design drawings, and as-built files for ENWIN's Hydro CAD and SAP. Additionally, updates to Standards and Specifications are monitored in the documents. Included in the procedure are: Project files are kept and can be made available upon ESA's request. The Project File Document Checklist stipulates that an As-Built drawing must be submitted. Note: Interviews revealed that the Geomatics Department oversees the management of as-built drawings.
5. The audit confirmed that in processing attachment applications, ENWIN Utilities Ltd. continued in using the third-party "attacher approach". ENWIN "will review and approve those third-party designs to ensure their compliance with ESA Regulation 22/04," according to records. The procedure involved the distributor "evaluating the request and assessing whether the attachment can be installed on the current poles or if any "make ready" work needs to be done to accommodate the attachment and preserve necessary clearances." Applications with third-party attachments that were processed in 2023 were examined and confirmed to be in order.

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6. Personnel from ENWIN's Human Resources Department confirmed during interviews that the distributor kept up its efforts to determine the qualifications needed for any designated Engineers and Competent Persons. Documents revealed that before being hired, the appropriate education of technologists and engineers was verified. The Engineering Manager is in charge of overseeing all Technologists and Engineers and evaluates and authorizes their work. Documents demonstrated the experience, education, and competence of technologists and engineers in carrying out their assigned tasks.

Section 7.6 - C

7. ENWIN kept up its document control system for Standard Designs in 2023. Included in the document control system were the following: CAD files, standard drawing titles and numbers, the professional engineer's signature as the approving authority, revision blocks with signature spaces for revision approval, etc. When developing and updating Constructions Standards, the CAD Department, Technologists, and Engineers are in charge of adhering to the guidelines. The standard design specifications, standard design drawings, and the certificate are stored in project folders and are accessible to the Authority (ESA) upon request.
8. Plans, standard design drawings, and standard design specifications are not submitted by ENWIN to the ESA for certification. Rather, Professional Engineers working for ENWIN review and approve these.

Section 7.7 - C

9. In 2023, ENWIN worked on a few "like for like" or emergency scenarios that didn't need design approval, like replacing a single cross arm or rotten pole. Repairs were made in emergency situations, and before the system was put into service, a qualified individual made sure there were no unnecessary risks and that the distributor's construction verification program's requirements were followed (CVP).

Observation:

Upon examination of the plans and drawings included in the OR 22/04, Section 7 audit document, it appears that a few of them (sketches) lack legends.

It was underlined that a legend is an essential component of any proposed distribution plans or drawings for an electric utility since it offers accurate definitions for every symbol and graphical element used in the diagrams. Ensuring regulatory compliance, promoting effective shareholder communication, and enabling complex electrical system analysis all depend on it.

The distributor will investigate the possibility of incorporating the legends into sketches.

Record References: (Uploaded in the Virtual SharePoint Drive):

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ESA Regulation 22/04 Work Instructions 31-01-001 Design General- Effective 2011-05-17; Third Party Attachments Process; Design Review Process (Simplified Flow Chart)

Verified various OH/UG/Projects. (With Certificate of Approval signed by P. Eng, Work order, Standard Drawings, Bill of Materials, etc.):

OH, Line Plans: 2023-HS.0306-083 Final-signed, 2023-HS.0306-139-A8 - Stamped-signed, etc.
 UG, Line Plans: 2022-HS.0338-003-Final 2023-09-06-signed; 2023-HS.0362 St Clair and Askin IFC-signed, etc.

Verified Various As-built Drawings: HE.0092-12_As-Built; HS.0306-083_As-Built, 2022-HN.1189 R3-as built, etc.

Third Party Projects: Various 3rd Party Attachment Projects: with Signed Engineering Drawing, with Make Ready Report, with Pole Data Sheet, with SPIDACalc Analysis Report, Permit Maps. With Permit Attachment on Poles.: 004728 - 2750 Tecumseh Rd W. Food Basics; CHS MNSI-095-1P

Customer Service Applications: Various Service applications with signed Certificate of Approval by a P. Eng. And with “As-built” Drawings: 2023.HN.1217 R3-signed; 2023-HN.1241 Final-signed, etc.

Various Design Standard Drawings; with title block, notations, revision history, and approval by a P. Eng. etc.: 6.1.1.V_APPROVED_KSL SB; 12.1.1.N_ksl sb approved, etc.

Training/Certificate/License: SPIDACalc training, CVP Training, Training Certificates of Technicians, “Current” Status of Professional Engineers, Technologist Certificates, Training Matrix

Section 8: Construction Approval and Inspections

Objective: to determine whether the distributor ensures that construction of a system has been inspected and approved under the options **2(a) by a professional engineer, 2(b) by qualified persons** identified in the distributor’s construction verification program, or by **2(c) the Authority.**

Requirements and Audit Results Summary

| SECTIONS | C | NC | NI | N/A |
|--|---|----|----|-----|
| 8.1 Before putting a distribution system into use, a distributor shall ensure that the construction of the system has been inspected and approved in accordance with this section. O. Reg. 22/04, s. 8 (1). | X | | | |
| 8.2 An inspection under this section shall be carried out, (a) by a professional engineer on behalf of the distributor; (b) by qualified persons identified in a construction verification program developed by the distributor and approved by the Authority; or (c) by the Authority | X | | | |

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|--|---|--|--|---|
| at the request of the distributor. O. Reg. 22/04, s. 8 (2). | | | | |
| 8.3 A professional engineer who carries out an inspection under clause (2) (a) shall prepare a record of the inspection. O. Reg. 22/04, s. 8 (3). | | | | X |
| 8.4 Where the professional engineer is satisfied on the inspection that the safety standards set out in section 4 are met, he or she shall prepare a certificate to that effect and provide it, along with the record of inspection, to the distributor. O. Reg. 22/04, s. 8 (4). | | | | X |
| 8.5 A person who carries out an inspection under clause (2) (b) shall inspect the system in accordance with the methods and techniques described in the approved construction verification program referred to in that clause and prepare a record of the inspection. O. Reg. 22/04, s. 8 (5). | X | | | |
| 8.6. Where the person carrying out the inspection under clause (2) (b) is satisfied on the inspection that the safety standards set out in section 4 are met, he or she shall prepare a certificate to that effect and provide it, along with the record of inspection, to the distributor. O. Reg. 22/04, s. 8 (6). | X | | | |
| 8.7 A distributor who obtains a certificate pursuant to an inspection under clause (2) (a) or (b) shall keep the certificate and record of inspection and make them available to the Authority on request. O. Reg. 22/04, s. 8 (7). | X | | | |
| 8.8 Where the Authority is satisfied on an inspection carried out under clause (2) (c) that the safety standards set out in section 4 are met, the Authority shall prepare a certificate to that effect and provide it, along with the record of inspection, to the distributor. O. Reg. 22/04, s. 8 (8). | X | | | |
| 8.9 A certificate under subsection (4), (6) or (8) constitutes approval that the system may be put into use. O. Reg. 22/04, s. 8 (9). | X | | | |

C-complies, NI- Need Improvement, NC Non-compliance, N/A –Not Applicable

Audit Results

Sections (8.1 and 8.2) -C, 8.5, 8.6- C

1. Documents revealed that ENWIN changed its Construction Verification Program in 2022. (CVP). The program has been approved by the Electrical Safety Authority (ESA). On October 31, 2022, the program was submitted, and on January 10, 2023, ESA approved it. (EUL-CVP011023, ESA Certificate Number).
2. The approved CVP still included, among other things, the procedure for completing the Energization Certificate, the standards for conducting an inspection and filling out the General Record of Inspection, and an updated list of qualified and competent individuals.

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3. After being reviewed, the engineering plans and drawings that were turned in for the audit were found to be certified by a licensed professional engineer and to have been created before construction ever started. Based on the information from the records and the interview, the distributor resolved any instances of non-compliance and/or field changes that were noted on the inspection record by following the procedures outlined in the Construction Verification Program (CVP).
4. Documentation indicated that the general requirements pertaining to the following were still in place for ENWIN's approved CVP: preservation of the Record of Inspection, Work in Progress Inspection, Inspection by Sampling, Deviations from Plans, Like-for-Like Replacement, Third Party Attachments, Inspection/Certificate Combination Statement, etc.
5. Records of Inspection (ROIs) remained in project files in 2023; they were scanned and connected to the work order. Further investigation of the records revealed that any line replacement or repair work carried out for maintenance purposes or in an emergency (referred to as "trouble calls") must be accompanied by a record of inspection and certificate completed by a Competent Person.
6. Documents and interviews showed that the distributor's competent staff was still in charge of arranging and reviewing applications for third-party attachments. The distributor continued to provide an Energization Certificate before the system was put into service for construction projects carried out by third parties, such as new lines. A copy of the certificate is sent to the attacher, and the technician at ENWIN Utilities keeps a copy in the project folder.
7. The interview disclosed that the Human Resources Department of ENWIN continued in overseeing and arranging employee training in 2023. Training records indicated that "refresher" training on the OR 22/04 and the CVP was given to "competent" staff members listed in the approved CVP. Staff members receive instruction on the CVP and its constituent processes, with a particular emphasis on the need to design and construct ENWIN's OH/UG infrastructures in accordance with OR 22/04. Additionally, HR keeps track of all employees' training records in a "multi-dimensional matrix."

Section 8.7 - C

8. The interview and documentation revealed that ENWIN maintains all ROIs and Certificates in project folders, which it makes available upon request to the auditor and ESA.

Record References (Uploaded in the Virtual ShareFile Drive):

Approved Construction Verification Program (CVP)- modified CVP was submitted October 31, 2022 and approved by ESA on January 10, 2023. (ESA Certificate Number EUL-CVP011023)

Various PDF copies of ROIs for the following jobs were remotely verified:

Emergency or Like for Like
 OH/UG Projects

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Service Applications

Third Party, Trouble Reports and Metering. Verified Training Records of ENWIN Utilities Ltd. personnel.

2023 Audit Focus Items:

| Focus Items | Findings/Suggestions |
|--|---|
| 1. Energized Temporary Distribution Work | <p>Copy of the bulletin has been uploaded in LMS system to be reviewed by the applicable hydro staff.</p> <p>Have work instructions that address the need to leave sites always in safe condition. Do not allow energized parts or conductors with equipment that a customer or LEC is expected to work on.</p> <p>Utilize mechanical barriers from time to time to restrict and block access to sites or equipment, as well as make use of properly rated line covers and blankets to provide visual indicators that energized conductor is in the area.</p> |
| 2. Metering standards or specifications | <p>Developed a Metering Standards Manual to satisfy these requirements. Reference to Conditions of Service requirements</p> |
| 3. Recognition of OESC Code Bulletin 2-31-* in the event that new distribution stations are being planned or built | <p>Copy of the bulletin has been uploaded in our LMS system to be reviewed by the applicable hydro staff. Currently not planning/designing any distribution station.</p> <p>Suggestion: include the requirement mentioned in the ESA Bulletin in current Section 7 process</p> |
| 4. Maintenance | <p>Continue to meet and/or exceed all inspection requirements outlined in OEB DSC Appendix C.</p> <p>Evaluating different asset management software offerings that will allow us to better prioritize replacements and maintenance activities, easily assign risk to assets, and geospatially plan replacement projects to move toward a risk-based approach as outlined in the standard.</p> |

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Closing Statements:

Even with organizational changes and retirements and new hires in 2023, ENWIN Utilities Ltd. was still making progress toward a strong internal safety standard and control. ENWIN continued in creating, adjusting, and putting into effect important procedures and policies associated with Ontario Regulation 22/04. This report evaluates the Electrical Distribution Safety Regulation's five main sections (Sections 4, 5, 6, 7, 8) and offers recommendations for improvement.

The Auditor expresses gratitude to Marvio Vinhaes, P. Eng. for his leadership and active participation in this year's audit process, showcasing his dedication to upholding a safety culture at ENWIN. After demonstrating their efforts to adhere to OR 22/04, ENWIN management and employees are urged to keep moving forward in their pursuit of excellence in regulatory compliance.

The audit confirmed that ENWIN Utilities Ltd. carried out infrastructure upgrades in 2023. Furthermore, the distributor kept funding its ongoing Pole Inspection Program. Records indicated that poles were still being examined and evaluated for longevity, strength, and durability. As they arise, any possible safety concerns are dealt with. Pole inspections "are managed through a mobile data collection platform utilizing tablets," according to an interview. SAP and GIS are daily synchronized with this data. Additionally, ENWIN kept up their annual pole inspection and testing program in 2023 by using their IML PD-500 Resistograph drills.

It was confirmed that the operations team at ENWIN kept up with their inspection and maintenance schedule for the UG, Stations, and OH. This program encourages planning of all maintenance work and is in good alignment with the minimum requirements of both the Distribution System Code (Appendix C) and Regulation 22/04.

ENWIN continued to implement its approved and modified Construction Verification Program (CVP) in 2023. Documents revealed that all of the distributor's capital projects are inspected and certified by competent personnel to be free from unnecessary risk. To confirm that maintenance operations adhere to the guidelines outlined in Sections 4 and 5, 6, 7, and 8 of the OR 22/04, records of inspections are maintained in project folders.

All industries are impacted by climate change, including the electric utility sector. Like all other electric utilities, ENWIN is vulnerable to severe weather conditions like freezing rain, strong winds, tornadoes, and the like, which could seriously harm its electric distribution network. The distributor is aware that localized weather phenomena such as the derecho, tornadoes, ice storms, floods, and yearly heat waves are signs of a more widespread phenomenon known as climate change. Therefore, in order to guarantee that risks are kept to a minimum and that their work is grounded in science and climate trends, ENWIN is dedicated to keeping an eye on and modifying their current planning and construction procedures.

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The observations and results obtained during this assessment are representative of the conditions during the assessment remotely made by the Auditor to ENWIN Utilities Ltd. on May 1,2,3, 2024. The statements made in this report are based solely on the information obtained to date as part of the above referenced assessment. The information presented herein is based on the review of documentation provided, observations and interviews conducted. The Auditor has used his professional judgment in analyzing this information and formulating its conclusions and recommendations. No other warranty, expressed or implied, as to the accuracy of the information or recommendations is included or intended in this report.

Management's Response:

Part of the report is ENWIN Utilities Ltd. Management's response to the Audit findings. Included are action plans for the recommendations with a timetable.

Simeon Go
External Independent Auditor

May 16, 2024



Marvio Vinhaes. P. Eng.
Director, Engineering

May 16, 2024

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Appendix A: Management Response

| Recommendations | Person Responsible | Target Date |
|--|--|-------------|
| <u>Section 4 & 5.6</u> | | |
| 1. Continue to Implement the inspection and maintenance program for overhead, underground and distribution stations in accordance to Distribution System Code Appendix “C” and be aligned with the Asset Management Plan and the Distribution System Plan. | 1. Marvio Vinhaes | 1. Ongoing |
| 2. Continue to use only approved design standards for service installation and for rebuild projects. Continue for the Materials Committee to meet monthly. | 2. Kirsten Stone | 2. Ongoing |
| 3. Continue to implement its Equipment Approval process. Continue to maintain the Material List (both major equipment and non-major) and retain P. Eng approved Certified test Results. Continue to follow its “Material Return Procedures.” | 3. Kirsten Stone | 3. Ongoing |
| 4. Continue to use the form and process for “Equipment on Trial” | 4. Kirsten Stone | 4. Ongoing |
| 5. Continue to ensure P. Engineers of Engineering Consultants have “current status” with the PEO. | 5. Marvio Vinhaes | 5. Ongoing |
| 6. Upon its future direction from either OEB or ESA the distributor should look into aligning its current maintenance practice to the new C22.3 No. 11 Maintenance CSA Standards | 6. Marvio Vinhaes | 6. TBD |
| <u>Section 7</u> | | |
| 1. Continue to ensure that all “as built” drawings are updated and inputted into the GIS. | 1. Justin Orton | 1. Ongoing |
| 2. Continue to follow-up third party attachment relocation to new pole line and conduct inspection to ensure no undue hazards exist. | 2. Steve Bastounas | 2. Ongoing |
| 3. Continue to ensure that all installation work is based on Standard Designs (with associated certificates of approval) and in accordance with the ENWIN Utilities’ job planning process. | 3. Steve Bastounas | 3. Ongoing |
| 4. Continue to effectively implement Third party attachment process and complete the necessary inspection and certificate to ensure no undue hazards exist. | 4. Steve Bastounas | 4. Ongoing |
| 5. ENWIN should look into aligning the new CSA Standards for OH, UG due to “Climate Change” to its current design process. | 5. Marvio Vinhaes | 5. TBD |
| <u>Section 8</u> | | |
| 1. Continue to conduct a review of the OR 22/04 and the Construction Verification Program to all competent and/or qualified personnel. Refresher agenda item should include findings of the recent OR 22/04 audit and DDI findings, if any. | 1. Marvio Vinhaes | 1. Ongoing |
| 2. Continue to ensure that only competent/qualified persons are signing off all CVP forms and properly follow the process for completing Record and Certificate of inspection for projects, for emergency situations (i.e., like-for-like), and for meter replacements | 2. Marianne Dent Jessie Bondy Roger Bastiaan | 2. Ongoing |

Signature: 

Print Name: Marvio Vinhaes, M. Sc., P. Eng.

Title or Professional Designation: Director, Engineering

Date: May 16, 2024



AGENDA SUBMISSION

To: EWU A&F Committee & Board of Directors
 WUC A&F Committee & Board of Commissioners.....

2024 05 16

From: Geoff Boose

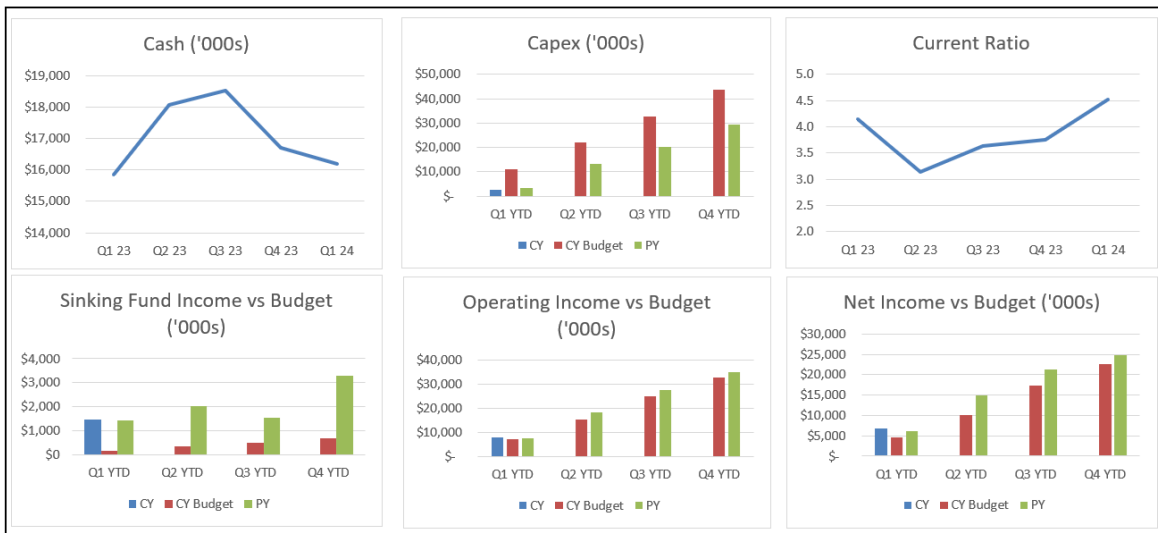
Re: WUC Q1 2024 Financial Review

SUMMARY

This report is being submitted to provide a financial update on the Windsor Utilities Commission (WUC).

DISCUSSION

The WUC's overall financial results were better than expectations. Operating income surpassed budget and sinking fund performance further improved net income compared to budget.



EWU A&F Committee & Board of Directors
WUC A&F Committee & Board of Commissioners

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RISK ANALYSIS

The results reported to the Committee and Commission within this agenda submission are for internal reporting purposes and are intended to provide an update of the company's financial performance relative to budget and prior year. The figures are not audited and do not contain all of the note disclosure that would be present in a full audited financial statement.

FINANCIAL MATTERS

Financial Highlights

The summarized financial results for WUC for quarter ending March 31, 2024 and comparable periods are provided in the table below:

| Financial Highlights | | | | | | |
|-------------------------------|--------------|--------------|--------------|--------------|------------|---------------|
| Quarter Ended March 31 | | | | | | |
| | Q1 2024 | Q1 2024 | Variance | Q1 2023 | Variance | 2024 |
| | YTD | YTD | Fav | YTD | Fav | Annual |
| in (\$000's) | Actual | Budget | (Unfav) | Actual | (Unfav) | Budget |
| Water revenue | 15,184 | 15,079 | 105 | 14,396 | 788 | 64,435 |
| Miscellaneous revenue | 146 | 542 | (396) | 182 | (36) | 2,177 |
| | 15,330 | 15,621 | (291) | 14,578 | 752 | 66,612 |
| Operating expenses | 7,623 | 8,540 | 917 | 7,103 | (520) | 33,902 |
| Operating income / EBITDA | 7,707 | 7,081 | 626 | 7,475 | 232 | 32,710 |
| Depreciation | 2,201 | 2,618 | 417 | 2,573 | 372 | 10,471 |
| Net finance expense | 100 | 71 | (29) | 155 | 55 | 285 |
| (Gain) loss on sale of assets | (4) | - | 4 | 28 | 32 | - |
| Net operating income | 5,410 | 4,392 | 1,018 | 4,719 | 691 | 21,954 |
| Sinking fund income | 1,485 | 169 | 1,316 | 1,440 | 45 | 676 |
| Net income | 6,895 | 4,561 | 2,334 | 6,159 | 736 | 22,630 |

Forecast

A financial forecast for 2024 has been included in Appendix A. Net income is expected to be greater than budget attributed to sinking fund performance while operating income is expected to be less than budget due to lower than expected development charge revenue. Development charge revenue in the amount of \$1.5 million was budgeted, however, the project associated with this revenue has been deferred by the City and is now expected to take place in 2025.

EWU A&F Committee & Board of Directors
WUC A&F Committee & Board of Commissioners

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2024 05 16

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A reconciliation of the forecast to budget is provided below:

| Forecast Reconciliation (\$000's) | | |
|-----------------------------------|------------------|---|
| Account | Amount | Description |
| Net Income - 2024 Budget | \$ 22,630 | |
| Revenue | 160 | favourability is being projected through the end of the year |
| Cost of production | 458 | favourable variance from utilities |
| Distribution maintenance | 166 | favourable variance within distribution mains and hydrants |
| Administration & general | 94 | favourable variance in liability insurance premiums |
| Salaries and benefits | (70) | lower shared and direct salaries/benefits |
| Depreciation | 300 | favourable variance due to lower opening balance on PP&E |
| Sinking fund income | 771 | favourability based on Q1 performance |
| Interest income | (30) | small variance |
| Loss on disposal | 4 | small variance |
| Various | (1,448) | development charge variance due to deferral of eligible project |
| Net Income - 2024 Forecast | \$ 23,035 | |

RECOMMENDATION:

EWU Audit & Finance Committee

THAT the WUC Q1 2024 Financial Review report BE RECEIVED for information and BE RECOMMENDED to the ENWIN Utilities Ltd. Board of Directors for receipt.

EWU Board of Directors

THAT the WUC Q1 2024 Financial Review report BE RECEIVED for information.

WUC Audit & Finance Committee

THAT the WUC Q1 2024 Financial Review report BE RECEIVED for information and BE RECOMMENDED to the Windsor Utilities Commission Board of Commissioners FOR APPROVAL.

WUC Board of Commissioners

THAT the WUC Q1 2024 Financial Review report BE RECEIVED AND APPROVED.

EWU A&F Committee & Board of Directors
WUC A&F Committee & Board of Commissioners

4

2024 05 16

4.5



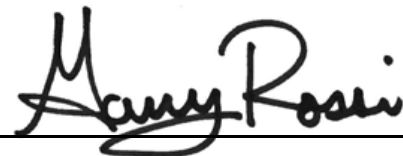
Geoff Boose
Director, Finance



Rob Spagnuolo
Chief Operating Officer - Water



Matt Carlini
Chief Financial Officer



Garry Rossi
President and CEO

Encls.

- Appendix A - WUC Q1 2024 Financial Review Statements
- Appendix B - WUC Q1 2024 Income Statement Variance Analysis
- Appendix C - WUC Q1 2024 Detailed Capital Expenditures
- Appendix D - WUC Q1 2024 Key Operational Metrics Summary
- Appendix E - WUC Q1 2024 Key Financial Indicators

Appendix A



**Windsor Utilities Commission
Financial Review Package
March 31, 2024
Unaudited**

| <u>Consolidated WUC</u> | Page No. |
|------------------------------|----------|
| Balance Sheet..... | i |
| Income Statement..... | ii |
| Statement of Cash Flows..... | iii |

WINDSOR UTILITIES COMMISSION

Balance Sheet

(In thousands of Canadian Dollars)

**4.5**

March 31, 2024, with comparative information for 2023

| | March 2024 | March 2023 | December 2023 |
|---|-------------------|-------------------|-------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 16,199 | \$ 15,860 | \$ 16,712 |
| Investments | 14,326 | 12,452 | 12,994 |
| Accounts receivable | 15,562 | 11,844 | 12,966 |
| Inventory | 1,084 | 814 | 1,049 |
| Other assets | 497 | 456 | 299 |
| | 47,668 | 41,426 | 44,020 |
| Non-current assets: | | | |
| Property, plant and equipment | 377,795 | 361,909 | 377,319 |
| Investment, sinking fund | 30,615 | 26,596 | 29,130 |
| Notes receivable | 5,221 | 5,756 | 5,221 |
| | 413,631 | 394,261 | 411,670 |
| Total assets | \$ 461,299 | \$ 435,687 | \$ 455,690 |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable and accruals | \$ 6,648 | \$ 6,181 | \$ 4,518 |
| Due to related parties | 3,789 | 3,695 | 7,130 |
| Current portion of customer deposits | 90 | 104 | 90 |
| | 10,527 | 9,980 | 11,738 |
| Non-current liabilities: | | | |
| Customer deposits | 178 | 225 | 178 |
| Deferred revenue - customer contributions | 14,820 | 15,049 | 14,877 |
| Due to related party - revolving credit agreement | 51,456 | 51,437 | 51,450 |
| Employee future benefits | 2,842 | 2,802 | 2,866 |
| | 69,296 | 69,513 | 69,371 |
| Total liabilities | 79,823 | 79,493 | 81,109 |
| Equity | | | |
| Contributed surplus | 61,854 | 61,854 | 61,854 |
| Retained earnings | 319,622 | 294,340 | 312,727 |
| | 381,476 | 356,194 | 374,581 |
| Total liabilities and equity | \$ 461,299 | \$ 435,687 | \$ 455,690 |

WINDSOR UTILITIES COMMISSION

Statement of Income

(In thousands of Canadian Dollars)

**4.5**

March 31, 2024, with comparative information for 2023

| | YTD - March 31, 2024 | | | YTD - March 31, 2023 | | Annual | 2024 |
|---|----------------------|-----------------|-----------------|----------------------|---------------|------------------|---------------|
| | Actuals | Budget | Variance | Actuals | Variance | Budget | Forecast |
| Revenue: | | | | | | | |
| Fixed revenues | \$ 5,639 | \$ 5,638 | \$ 1 | \$ 5,400 | \$ 239 | \$ 22,552 | \$ 22,553 |
| Consumption revenues | 4,330 | 4,247 | 83 | 4,081 | 249 | 19,310 | 19,310 |
| Suburban wholesale | 729 | 746 | (17) | 648 | 81 | 3,735 | 3,894 |
| Watermain levy | 4,486 | 4,448 | 38 | 4,267 | 219 | 18,838 | 18,838 |
| Total revenue | 15,184 | 15,079 | 105 | 14,396 | 788 | 64,435 | 64,595 |
| Other income | 146 | 542 | (396) | 182 | (36) | 2,177 | 681 |
| Operating expenses: | | | | | | | |
| Cost of water production | 1,998 | 2,638 | 640 | 2,030 | 32 | 10,298 | 9,840 |
| Transmission / distribution maintenance | 2,270 | 2,316 | 46 | 2,010 | (260) | 9,142 | 8,976 |
| Community relations | 51 | 68 | 17 | 39 | (12) | 276 | 267 |
| Customer billing and collections | 509 | 539 | 30 | 506 | (3) | 2,158 | 2,102 |
| Administration and general | 574 | 785 | 211 | 501 | (73) | 3,314 | 3,220 |
| Property and tools maintenance | 770 | 784 | 14 | 706 | (64) | 3,181 | 3,176 |
| Salaries & benefits | 1,165 | 1,135 | (30) | 1,041 | (124) | 4,395 | 4,465 |
| Regulatory | - | - | - | - | - | 37 | 37 |
| Employee future benefits | 286 | 275 | (11) | 270 | (16) | 1,101 | 1,123 |
| | 7,623 | 8,540 | 917 | 7,103 | (520) | 33,902 | 33,206 |
| Operating income / EBITDA | 7,707 | 7,081 | 626 | 7,475 | 232 | 32,710 | 32,070 |
| Other expenses: | | | | | | | |
| Depreciation | 2,201 | 2,618 | 417 | 2,573 | 372 | 10,471 | 10,171 |
| Finance income | (446) | (475) | (29) | (392) | 54 | (1,900) | (1,870) |
| Finance expense | 546 | 546 | - | 547 | 1 | 2,185 | 2,185 |
| Loss (gain) on sale of assets | (4) | - | 4 | 28 | 32 | - | (4) |
| | 2,297 | 2,689 | 392 | 2,756 | 459 | 10,756 | 10,482 |
| Net income before sinking fund | 5,410 | 4,392 | 1,018 | 4,719 | 691 | 21,954 | 21,588 |
| Finance income - sinking fund | 1,485 | 169 | 1,316 | 1,440 | 45 | 676 | 1,447 |
| Net income | \$ 6,895 | \$ 4,561 | \$ 2,334 | \$ 6,159 | \$ 736 | \$ 22,630 | 23,035 |

WINDSOR UTILITIES COMMISSION

Statement of Cash Flows
(In thousands of Canadian Dollars)

**4.5**

March 31, 2024, with comparative information for 2023

| | March 2024 | March 2023 | December 2023 | Forecast 2024 |
|--|-----------------------|-----------------------|------------------------|------------------------|
| Operating activities: | | | | |
| Comprehensive income for the year | \$ 6,895 | \$ 6,159 | \$ 24,546 | \$ 23,035 |
| Adjustments for: | | | | |
| Depreciation and amortization | 2,259 | 2,630 | 10,370 | 10,401 |
| Amortization of deferred revenue customer contribution | (57) | (57) | (230) | (230) |
| Amortization of debt issuance costs | 5 | 5 | 19 | 20 |
| Actuarial loss (gain) on employee future benefits | - | - | 155 | - |
| (Gain) loss on investments | (1,686) | (1,620) | (3,996) | (2,242) |
| Net finance costs | 325 | 372 | 1,134 | 1,079 |
| (Gain) loss on disposal of property, plant and equipment | (4) | 28 | 2,827 | (4) |
| | <u>7,737</u> | <u>7,517</u> | <u>34,825</u> | <u>32,059</u> |
| Changes in: | | | | |
| Accounts receivable | (2,596) | 362 | (760) | (546) |
| Inventory | (34) | 12 | (223) | (35) |
| Other assets | (199) | (145) | 27 | (154) |
| Accounts payable and accruals | 2,132 | 446 | (1,217) | 6,552 |
| Accounts payable due to related parties | (3,341) | (3,418) | 17 | (3,341) |
| Customer deposits | - | - | (61) | 10,234 |
| Employee future benefits | (24) | (15) | (107) | (76) |
| | <u>(4,062)</u> | <u>(2,758)</u> | <u>(2,324)</u> | <u>12,634</u> |
| Interest received | 216 | 180 | 1,032 | 1,086 |
| Interest paid | (541) | (537) | (2,166) | (2,166) |
| | <u>3,350</u> | <u>4,402</u> | <u>31,367</u> | <u>43,613</u> |
| Investing activities: | | | | |
| Acquisition of investments | (1,132) | - | (700) | (1,782) |
| Proceeds on disposal of property, plant and equipment | 33 | (7) | 208 | 33 |
| Acquisition of property, plant and equipment | (2,764) | (3,245) | (29,408) | (44,956) |
| | <u>(3,863)</u> | <u>(3,252)</u> | <u>(29,900)</u> | <u>(46,705)</u> |
| Financing activities: | | | | |
| Decrease in amount owing from notes receivable | - | - | 535 | 535 |
| | <u>-</u> | <u>-</u> | <u>535</u> | <u>535</u> |
| Net change in cash and cash equivalents | (513) | 1,150 | 2,002 | (2,557) |
| Cash, Beginning of Period | 16,712 | 14,710 | 14,710 | 16,712 |
| Cash, End of Period | \$ 16,199 | \$ 15,860 | \$ 16,712 | \$ 14,155 |

Appendix B

Windsor Utilities Commission
Income Statement Variance Analysis
March 31, 2024



| (\$000's) | 2024 YTD Actual | 2024 YTD Budget | Variance fav (unfav) | % Variance | Reason(s) for variance ¹ |
|---|-----------------------|-----------------------|----------------------------|---------------|--|
| Revenue | | | | | |
| Revenue | \$ 15,184 | \$ 15,079 | \$ 105 | 1% | |
| Other income | 146 | 542 | (396) | -73% | development charge revenue will not be recorded in 2024, eligible project deferred to 2025 |
| Expenses | | | | | |
| Cost of water production | 1,998 | 2,638 | 640 | 24% | timing - OTP demolition costs evenly budgeted throughout year, limited costs incurred to date; Savings within cost of water production utilities |
| Transmission / distribution maintenance | 2,270 | 2,316 | 46 | 2% | |
| Community relations | 51 | 68 | 17 | 25% | |
| Customer billing and collections | 509 | 539 | 30 | 6% | |
| Administration and general | 574 | 785 | 211 | 27% | favourability in professional and consulting fees, liability insurance and other administrative items |
| Property and tools maintenance | 770 | 784 | 14 | 2% | |
| Salaries & benefits | 1,165 | 1,135 | (30) | -3% | |
| Employee future benefits | 286 | 275 | (11) | -4% | |
| Other expenses | | | | | |
| Depreciation | 2,201 | 2,618 | 417 | 16% | timing of capital spend vs.budget and lower opening balance than expected |
| Finance income | 446 | 475 | (29) | -6% | |
| Finance expense | 546 | 546 | - | 0% | |
| Loss (gain) on sale of assets | (4) | - | 4 | 0% | |
| Sinking fund | | | | | |
| Finance income - sinking fund | 1,485 | 169 | 1,316 | 779% | sinking fund performance of 5.10% YTD vs. budget of 2.38% plus impact of higher 2023 returns on opening balance |
| Net income | 6,895 | 4,561 | 2,334 | 51% | |

¹reason for variance provided if greater than 2% and \$100,000

Appendix C

Windsor Utilities Commission

Capital Expenditures

March 31, 2024

(in thousands of Canadian dollars)

Unaudited



| Capital Expenditures | YTD 2024 Actuals | Annual Budget | Annual Forecast | Forecast vs. Budget | Variance Analysis ¹ |
|--|------------------|---------------|-----------------|---------------------|---|
| Watermain Renewal & Improvements | 1,361 | 18,952 | 22,939 | (3,987) | overspend to account for shortfalls in Feedermain and Generator projects as well as \$1.2 million carryover from 2023 |
| Watermain Renewal & Improvements | 1,361 | 18,952 | 22,939 | (3,987) | |
| Provincial, 6th Concession, Cabana | 13 | 3,006 | 13 | 2,993 | moved Cabana to 2025, Moved Provincial to 2026 (may be further delayed due to CR 42 / Banwell) |
| New Tower | 0 | 100 | 189 | (89) | |
| Anchor / Banwell Trunk | - | 1,000 | 1,000 | - | |
| Central Feedermain Project | 77 | 10,594 | 11,674 | (1,080) | revised projections |
| Reservoir & Feedermain Projects | 90 | 14,700 | 12,876 | 1,824 | |
| Lead Investigation Pilot | 12 | - | 12 | (12) | |
| Assetic asset management | - | 10 | 10 | - | |
| Engineering Projects | 12 | 10 | 22 | (12) | |
| Hydrants | 53 | 200 | 200 | - | |
| Valves | 19 | 210 | 210 | - | |
| Services | 73 | 211 | 211 | - | |
| Fill Stations | - | 10 | 10 | - | |
| Tools | 24 | 25 | 25 | - | |
| Transmission & Distribution Projects | 168 | 656 | 656 | - | |
| New Small Meters <1.5 (New Customer Connections) | 35 | 222 | 301 | (79) | revised projections based on demand |
| RF to RF Small Meters <1.5 (Warranty Capital Replacement) | - | 780 | 500 | 280 | revised projections based on current failure trend |
| Non RF to RF Small Meters <1.5 | 62 | - | 150 | (150) | revised projections based on current failure trend |
| Replace / Install Large Meters >1.5 | 39 | 80 | 39 | 41 | |
| Meter reading modernization | - | 30 | 30 | - | |
| Meters | 136 | 1,111 | 1,020 | 91 | |
| Pump Assessment and Rebuild Program | 13 | 150 | 25 | 125 | current pump refurbishment project is still on-going so we can't proceed with the next one |
| Valve Acuator Replacements | - | 35 | 35 | - | |
| Chemical Feed Systems and Analyzers (Ozone, Chlorine, Fluoride, Turbidity) | 26 | 40 | 120 | (80) | |
| UPS Battery Replacements | 7 | - | 7 | (7) | |
| Mixer Rebuild Program | - | 40 | 40 | - | |
| Chlorine System Maintenance | - | 90 | 90 | - | |
| APC Station Upgrades | - | 80 | - | 80 | |
| SCADA Hardware Replacements (PLCs) | 12 | 50 | 50 | - | |
| CT Calculation Improvements | 2 | - | 135 | (135) | as per 2023 carryover request |
| Tools - Water Production | 9 | - | 9 | (9) | |
| Water Production Capital Programs | 68 | 485 | 510 | (25) | |
| Screen Assessment and Repairs | 2 | 225 | 150 | 75 | due to OTP demolition and part lead time project will be completed in |
| Screening System | 2 | 225 | 150 | 75 | |
| Vacuum Valve Replacement | 12 | - | 12 | (12) | |

| Capital Expenditures | YTD 2024 Actuals | Annual Budget | Annual Forecast | Forecast vs. Budget | Variance Analysis ¹ |
|--|------------------|---------------|-----------------|---------------------|--|
| Low Lift Pump Suction Columns | - | 100 | - | 100 | project may proceed later in the year depending on resources |
| Pumps & Valves | 12 | 100 | 12 | 88 | |
| Motor Protection Relays | - | 35 | 35 | - | |
| Electrical & Controls Equipment | - | 35 | 35 | - | |
| Safety Upgrades | - | 10 | 10 | - | |
| Site | - | 10 | 10 | - | |
| AJ Brian Pumping Station | 14 | 370 | 207 | 163 | |
| O2 Feedline Insulation | - | 20 | 20 | - | |
| Ozone Nitrogen Feed System | 16 | 150 | 150 | - | |
| PSU Surge Protection | - | 35 | 35 | - | |
| Ozone System | 16 | 205 | 205 | - | |
| Settler Rehabilitation | 471 | 300 | 481 | (181) | as per 2023 carryover request |
| Process drain valves | - | 35 | 35 | - | |
| Coagulation, Flocculation and Settling Systems | 471 | 335 | 516 | (181) | |
| Filter Bed Rehabilitations | 4 | - | 4 | (4) | |
| Filter Flow Meters | 7 | 50 | 50 | - | |
| Backwash System Valve Replacements | 150 | - | 150 | (150) | as per 2023 carryover request |
| Filtration Systems | 160 | 50 | 204 | (154) | |
| Fluoride Implementation | 5 | - | 5 | (5) | |
| Chlorine EE Regulation Improvements | 3 | 265 | 350 | (85) | |
| Twin water feed to chlorine header | 99 | - | 209 | (209) | as per 2023 carryover request |
| Chemical Systems | 107 | 265 | 564 | (299) | |
| Water SCADA Network Upgrade | 5 | - | 5 | (5) | |
| SCADA Network | 5 | - | 5 | (5) | |
| Ventilation upgrades | - | 50 | 50 | - | |
| HVAC Replacements | - | 125 | 125 | - | |
| AC unit (near lunch room) | - | 35 | 35 | - | |
| Safety Upgrades | - | 30 | 30 | - | |
| Plant lighting conversion | - | 50 | 50 | - | |
| Parking lot repairs | - | 20 | 20 | - | |
| Bathroom and Shower Refurbishment | - | 75 | 75 | - | |
| Building envelope repairs - AH Weeks | 11 | 30 | 30 | - | |
| Site Signage Replacements (All Sites) | - | 50 | 100 | (50) | |
| Site | 11 | 465 | 515 | (50) | |
| Freight elevator - 2nd floor access | - | 100 | - | 100 | 2024 budget moved to Office Renovations, now budget for 2025 |
| Office Renovations | - | 450 | 850 | (400) | combined budget from freight elevator and office renovations, carryover from 2023 office renovation budget |
| Furniture & Storage | - | 5 | 5 | - | |
| Filter Deck Floor Hatch Protection | - | 100 | 100 | - | |
| Tools - Cold Saw | - | 3 | 3 | - | |
| Maintenance Equipment | - | - | 15 | (15) | |
| Miscellaneous | - | 658 | 973 | (315) | |
| AH Weeks Treatment Plant | 770 | 1,978 | 2,981 | (1,003) | |
| Generator Engine Rebuilds | 53 | 3,500 | 250 | 3,250 | unused budget being transferred to Jeanette Watermain and OTP |
| Electrical Breaker Refurbishment | - | 150 | 18 | 132 | spend will not happen due to delay in generator replacement |
| Generator System and Controls | 53 | 3,650 | 268 | 3,382 | |
| Generator Building | 53 | 3,650 | 268 | 3,382 | |

| Capital Expenditures | YTD 2024 Actuals | Annual Budget | Annual Forecast | Forecast vs. Budget | Variance Analysis ¹ |
|--|------------------|---------------|-----------------|---------------------|---|
| Interior Coatings and Safety Upgrades | - | 125 | 125 | - | |
| Lighting System Upgrades | - | 15 | 15 | - | |
| Hanna Street / Benjamin Street Water Towers | - | 140 | 140 | - | |
| Fuel Containment Curb | - | 30 | 30 | - | |
| Electrical & Controls Equipment | - | 30 | 30 | - | |
| JF Cook Pumping Station | - | 30 | 30 | - | |
| Building Envelope - Old WTP | - | 20 | 20 | - | |
| HVAC Upgrades for Low Lift Area | - | 30 | 30 | - | |
| Site | - | 50 | 50 | - | |
| Raw Water Pump Check Valves | 8 | - | 8 | (8) | |
| OTP Building Demolition / Low Lift Pump Station Renovation | - | 950 | 2,600 | (1,650) | tender pricing came in over budget estimate |
| Low Lift Station | 8 | 950 | 2,608 | (1,658) | |
| Old Water Treatment Plant | 8 | 1,000 | 2,658 | (1,658) | |
| Water Admin Vehicles | - | 65 | - | 65 | |
| Water Engineering Vehicles | - | 151 | - | 151 | reallocated to distribution and metering vehicles |
| Water Distribution Vehicles | 84 | 465 | 508 | (43) | |
| Water Metering Vehicles | - | - | 140 | (140) | reallocated from engineering vehicles |
| Vehicles | 84 | 681 | 648 | 33 | |
| Total WUC Capital Expenditures | 2,764 | 43,763 | 44,955 | (1,192) | |

¹variance analysis provided if amount is greater than \$100,000

Appendix D

Windsor Utilities Commission
Key Operational Metrics Summary
March 31, 2024



| Cost Driver | Operational Areas Impacted | 2024 YTD Actual | 2024 YTD Budget | 2023 YTD Actual | 2022 YTD Actual | 2021 YTD Actual |
|----------------------------|---|---------------------------|---------------------------|--------------------------|--------------------------|-------------------------|
| Water Pumpage YTD | - water filtration expenses - water pumping expenses - chemical expenditures | 8,170 ML | 8,530 ML | 8,001 ML | 7,911 ML | 7,907 ML |
| Billed Consumption YTD | - water consumption revenues - watermain levy's revenues | 7,101 ML | 6,992 ML | 6,866 ML | 6,704 ML | 6,805 ML |
| Non Revenue Water YTD | - water consumption revenues - meter maintenance expenses - distribution main and service repair expenses | 1,069 ML | 1,538 ML | 1,135 ML | 1,207 ML | 1,102 ML |
| Non Revenue Water % YTD | - water consumption revenues - meter maintenance expenses - distribution main and service repair expenses | 13% | 18% | 14% | 15% | 14% |
| Watermain Breaks | - distribution main expenses - service line expenses | 28 | 40 | 33 | 42 | 56 |
| Service Line Breaks | - service line expenses | 18 | 9 | 5 | 14 | 15 |
| Capital Expenditures (Net) | - operations and maintenance - depreciation expense | \$ 2.8 M | \$ 10.9 M | \$ 3.2 M | \$ 2.7 M | \$ 3.5 M |
| Source Water Quality | - chemical expenditures - water filtration expenses | 36.38 NTU (Avg Per Month) | 19.22 NTU (Avg Per Month) | 32.5 NTU (Avg Per Month) | 14.7 NTU (Avg Per Month) | 9.5 NTU (Avg Per Month) |

Legend

- Negative variance to budget
- Positive variance to budget
- Neutral impact to budget

| |
|---|
| R |
| G |
| Y |

Appendix E

Windsor Utilities Commission
Key Financial Indicators
March 31, 2024



4.5

| Indicator | 2024 | | 2023 | 2022 |
|--|-------------------|-----------|-----------|-----------|
| | Actual / Forecast | | | |
| Cash Flow from Operations (\$000's) ¹ | Forecast | \$ 43,613 | \$ 34,825 | \$ 33,286 |
| Current Ratio ² | Actual | 4.5 | 3.8 | 3.1 |
| Debt to Equity Ratio | Actual | 13.5% | 13.7% | 14.7% |
| Comprehensive Income Margin ³ | Forecast | 35.7% | 39.7% | 35.8% |
| Revenue Growth Rate | Forecast | 4.5% | 3.4% | 6.2% |
| Capital Spend (\$000's) | Forecast | \$ 44,955 | \$ 29,408 | \$ 30,333 |

¹cash flow from operations takes net income, adjusts for non-cash items such as depreciation and accounts for changes in working capital

²current assets / current liabilities

³comprehensive net income / total revenue



AGENDA SUBMISSION

To: EWU Board of Directors
WUC Board of Commissioners

2024 06 11

From: Robert Spagnuolo

Re: Contract Approval Summary - Water

SUMMARY

Under Article 4 of the Water System Operating Agreement (WSOA), ENWIN Utilities provides management services on behalf of the Windsor Utilities Commission (WUC). These services include the ability to execute, deliver and enter into contracts on behalf of WUC.

There is also a purchasing policy at ENWIN which delegates certain authorities to management for approval of tenders. This authority is unlimited, but awards are based on final tenders being low bid and falling within the set budget. The WUC Board will receive notification of contract awards.

DISCUSSION

The following contract awards were approved by Garry Rossi per the ENWIN purchasing policy:

Watermain rehabilitation services:

WUC Contract 2024-021

Felix / Dorchester / Beechwood

Budget: \$1,511,250

Low Bid: \$1,193,500

Number of Bidders: Six (6)

Contractor: D'Amore Construction (2000) Ltd.

EWU Board of Directors
WUC Board of Commissioners

2

2024 06 11

4.6

WUC Contract 2024-028

Janette – Elliott to Tecumseh

Budget: \$3,865,962.45

Low Bid: \$2,632,563.00

Number of Bidders: 5

Contractor: Sherway Contracting (Windsor) Limited

RISK ANALYSIS

N/A

FINANCIAL MATTERS

All amounts are within budgets.

RECOMMENDATION:

EWU Board of Directors

THAT the Contract Approval Summary report BE RECEIVED for information.

WUC Board of Commissioners

THAT the Contract Approval Summary report BE RECEIVED for information.



Robert Spagnuolo
Chief Executive Officer - Water



Garry Rossi
President & CEO



AGENDA SUBMISSION

To: EWU Board of Directors
EWE Board of Directors
WCU Board of Directors
.....

.....
2024 06 10

From: Ken Kuharski
.....

Re: 2024-2028 Strategic Plan Progress

SUMMARY

The newly developed Strategic Plan (2024 to 2028) was presented to the Board and approved in September 2023. Since that time a total of 59 activities and projects for 2024 have been identified by management which support the implementation of the Strategic Plan. These 59 activities and projects support each of the strategic pillars and initiatives as defined in the Strategic Plan and are being tracked separately by management in a corporate reporting tool. The status of the Strategic Plan will be reported to the Board and organized in an executive summary dashboard at the strategic pillar, and initiative level as shown in the Discussion section. Further details will be provided for any initiatives that are in yellow or red status.

EWU Board of Directors
EWE Board of Directors
WCU Board of Directors

2

2024 06 10

4.7




DISCUSSION

Strategic Plan Executive Summary Dashboard as of May 31, 2024:

A PEOPLE DRIVEN LEARNING ORGANIZATION




- People Strategy 
- People Partnerships 
- Team Building 

OUR CUSTOMERS' TRUSTED PARTNER

- Understanding Our Customers 
- Preparing Customers for Energy Evolution 
- Operational Excellence 

OUR COMMUNITY'S LEADER FOR THE ENERGY EVOLUTION

- Strengthen Relationships for Growth 
- New Services and Markets 
- LDC of the Future 

-  Activities in support of Initiative will not be completed on time without adjustments to scope or resources.
-  Activities in support of Initiative are at risk of not being completed on time and deserve attention.
-  No risks or issues.

EWU Board of Directors
EWE Board of Directors
WCU Board of Directors

3

2024 06 10

4.7

Operational Excellence

Ring Feeder Reliability Program is currently in YELLOW status. Completing work on schedule is at risk due to resource availability. Critical station work is the priority for SAM Department (System Automation and Maintenance) resources and a heavy workload is anticipated in the coming months.

Mitigation

Hydro Engineering is currently working with the SAM Department to develop a resource plan that balances upcoming station maintenance with the work needed to support the Ring Feeder Reliability Program project.

DER SCADA Updates is currently in YELLOW status. The resignation of an OT Analyst in April has limited the resources available to work on this project.

Mitigation

A recruitment is currently taking place to backfill the OT resource. Once the resource is available, a plan will be developed and a new schedule established.

Physical Record Disposition is currently in YELLOW status. Schedule for disposition timelines has slipped, as Corporate Services and CEO Office have not approved their RMS destruction lists in the system by the deadline. The destruction timeline has slipped from June to August 2024, pending approvals. While this extends the retention timelines, which are based on best practice and legislation, the impact is expected to be low. The Records and Information Management (RIM) Policy specifies that records which meet the retention timeline will be destroyed but does not specify a deadline for destruction during the destruction year. ENWIN remains compliant with this Policy.

Mitigation

There will be continued monitoring of the approval process for both Corporate Services and CEO Office records that have met the retention period along with frequent follow up with these departments and leadership to assist with troubleshooting and movement through approvals. Following department approval, the Corporate Secretary will review and approve the outstanding destruction approvals. A 30 day 'cooling off period' will commence, with an anticipated destruction date set for August 2024.

EWU Board of Directors
 EWE Board of Directors
 WCU Board of Directors

4

2024 06 10

4.7

LDC of the Future

Outage Management System (OMS) Update is currently in RED status. There are five (5) outstanding issues that remain unresolved after the most recent software update. These outstanding issues are impacting the effectiveness of SurvalentOMS and delaying the decommissioning of legacy ResponderOMS.

Mitigation

Currently, there remain several functionality concerns with the existing implementation of Survalent. Management and the consultant are negotiating options that would allow both parties to end their commitments as part of the existing agreement and seek alternative options moving forward. Options for extending the life of the existing Responder software are being evaluated that would extend its functionality until such time that a more fulsome technology path is determined over the course of the next year.

RISK ANALYSIS

There is an inherent risk to cost, schedule, and scope in all of the activities and projects tracked by management. However, by using corporate tracking tools and regular Board reporting, the risk is closely monitored and mitigated. If issues become significant and an initiative is at risk, more details will be provided in this report.

FINANCIAL MATTERS

All projects supporting the Strategic Plan have Board-approved budgets for capital or are funded within established operating expense budgets.

RECOMMENDATION

EWU Board of Directors

THAT the 2020-2024 Strategic Plan Progress report BE RECEIVED for information.

EWE Board of Directors

THAT the 2024-2028 Strategic Plan Progress report BE RECEIVED for information.

EWU Board of Directors
EWE Board of Directors
WCU Board of Directors

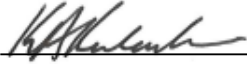
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2024 06 10

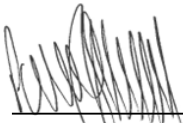
4.7

WCU Board of Directors

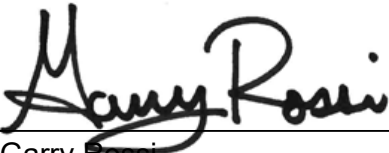
THAT the 2024-2028 Strategic Plan Progress report BE RECEIVED for information.



Ken Kuharski
Manager Project Management Office



Paul Gleason
Chief Risk Officer



Garry Rossi
President & CEO



AGENDA SUBMISSION

To: EWU A&F Committee & Board of Directors
 WCU A&F Committee & Board of Directors

2024 05 17

From: Geoff Boose

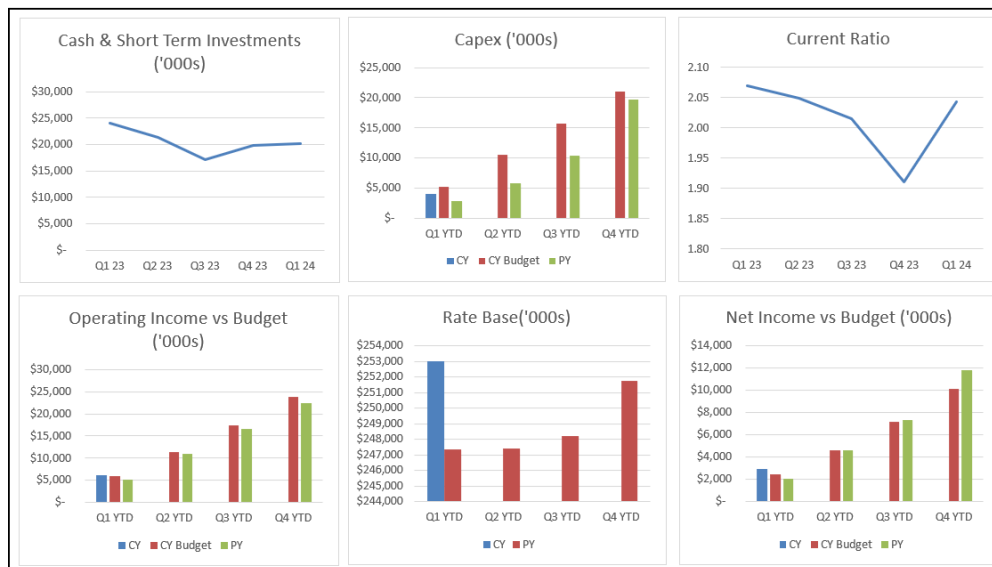
Re: EWU Q1 2024 Financial Review

SUMMARY

This report is being submitted to provide a financial update for ENWIN Utilities Ltd. (EWU).

DISCUSSION

EWU’s overall financial results were better than expectations. Operating and net income both surpassed budget as revenue is on budget and operating expenses are favourable.



EWU A&F Committee & Board of Directors
WCU A&F Committee & Board of Directors

2

2024 05 17

5.1

RISK ANALYSIS

The results reported to the Committee and Board within this agenda submission are for internal reporting purposes and are intended to provide an update of the company's financial performance relative to budget and prior year. The figures are not audited and do not contain all of the note disclosure that would be present in a full audited financial statement.

FINANCIAL MATTERS

Financial Highlights

The summarized financial results for EWU for quarter ending March 31, 2024 and comparable periods are provided in the table below:

| Income Statement | | | | | | |
|-------------------------------------|---------|---------|------------|---------|------------|--------|
| | Q1 2024 | Q1 2024 | | Q1 YTD | | 2024 |
| (\$'000's) | YTD | YTD | Variance | 2023 | Variance | Annual |
| | Actual | Budget | fav(unfav) | Actual | fav(unfav) | Budget |
| Net distribution revenue | 13,627 | 13,641 | (14) | 12,776 | 851 | 55,160 |
| Net related party services revenue | 129 | 150 | (21) | 131 | (2) | 600 |
| Other income (expense) | (95) | (216) | 121 | 105 | (200) | (830) |
| Total revenue | 13,661 | 13,575 | 86 | 13,012 | 649 | 54,930 |
| Operating expenses | 7,497 | 7,751 | 254 | 7,874 | 377 | 31,066 |
| Operating income / EBITDA | 6,164 | 5,824 | 340 | 5,138 | 1,026 | 23,864 |
| Depreciation | 1,807 | 1,870 | 63 | 1,939 | 132 | 7,482 |
| Net finance expense | 310 | 665 | 355 | 372 | 62 | 2,661 |
| Loss (gain) on disposal of assets | 72 | - | (72) | 1 | (71) | - |
| Income before taxes (MIFRS) | 3,975 | 3,289 | 686 | 2,826 | 1,149 | 13,721 |
| Income tax | 1,064 | 872 | (192) | 749 | (315) | 3,636 |
| Net income (MIFRS) | 2,911 | 2,417 | 494 | 2,077 | 834 | 10,085 |
| Regulatory adjustments (net of tax) | 1,150 | 801 | 350 | (3,005) | 4,155 | 3,202 |
| Net income (loss) (IFRS) | 4,061 | 3,218 | 844 | (928) | 4,989 | 13,287 |

Forecast

A financial forecast for 2024 has been included in Appendix A. Net income is expected to be greater than budget primarily attributed to favourable finance income.

EWU A&F Committee & Board of Directors
WCU A&F Committee & Board of Directors

3

2024 05 17

5.1

A reconciliation of the forecast to budget is provided below:

| Forecast Reconciliation to Budget (\$000's) | | |
|---|------------------|---|
| Account | Amount | Description |
| Budgeted net income (MIFRS) | \$ 10,085 | Board approved 2024 budget |
| Distribution revenue | (61) | forecast includes a small negative impact based on current actuals |
| Miscellaneous revenue | 182 | forecast includes sale of scrap favourability |
| Net services revenue | (22) | small variance |
| Operating expenses | (405) | forecast assumes additional tree trimming expense based on latest agreement |
| Net finance expense | 708 | favourable variance is attributed to higher cash balance and rates, leading to better than expected interest income |
| Depreciation | 212 | favourable depreciation largely due to differences in opening PP&E balances |
| Other | (222) | difference within tax provision and other small variances |
| Net Income (MIFRS) - 2024 Forecast | \$ 10,477 | |

RECOMMENDATION:

EWU Audit & Finance Committee

THAT the EWU Q1 2024 Financial Review report BE RECEIVED for information and BE RECOMMENDED to the ENWIN Utilities Ltd. Board of Directors FOR APPROVAL.

EWU Board of Directors

THAT the EWU Q1 2024 Financial Review report BE RECEIVED AND APPROVED.

WCU Audit & Finance Committee

THAT the EWU Q1 2024 Financial Review report BE RECEIVED for information and BE RECOMMENDED to the Windsor Canada Utilities Ltd. Board of Directors for receipt.

WCU Board of Directors

THAT the EWU Q1 2024 Financial Review report BE RECEIVED for information.

EWU A&F Committee & Board of Directors
WCU A&F Committee & Board of Directors

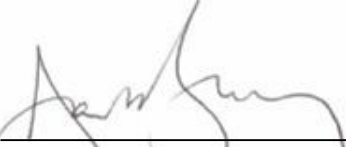
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2024 05 17

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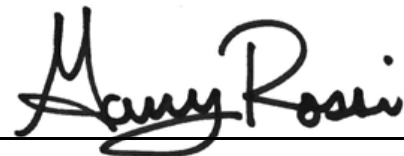
Geoff Boose
Director, Finance



James Brown
Chief Operating Officer - Hydro



Matt Carlini
Chief Financial Officer



Garry Rossi
President and CEO

Encls.

- Appendix A - EWU Q1 2024 Financial Review Statements
- Appendix B - EWU Q1 2024 Income Statement Variance Analysis
- Appendix C - EWU Q1 2024 Detailed Capital Expenditures
- Appendix D - EWU Q1 2024 Accounts Receivable Dashboard
- Appendix E - EWU Q1 2024 Key Metrics

Appendix A



**ENWIN Utilities Ltd.
Board Financial Package
March 31, 2024, with comparative information for 2023
Unaudited**

5.1

| | Page Reference |
|------------------------------|-----------------------|
| Balance Sheet..... | i |
| Income Statement..... | ii |
| Statement of Cash Flows..... | iii |

ENWIN UTILITIES LTD.

Balance Sheet

(In thousands of Canadian dollars)

March 31, 2024, with comparative information for 2023

Unaudited



| | Modified IFRS | | |
|---|-------------------|-------------------|-------------------|
| | March 2024 | March 2023 | December 2023 |
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 20,189 | \$ 12,802 | \$ 19,824 |
| Investments | - | 11,262 | - |
| Accounts receivable | 49,734 | 40,407 | 48,614 |
| Due from related parties | 6,167 | 5,877 | 7,800 |
| Inventory | 8,431 | 6,737 | 8,500 |
| Other assets | 2,512 | 3,311 | 1,732 |
| | 87,033 | 80,396 | 86,470 |
| Non-current assets: | | | |
| Property, plant and equipment | 259,602 | 252,527 | 258,667 |
| Intangible assets | 1,115 | 1,170 | 1,228 |
| Deferred income taxes | 2,749 | 2,818 | 2,749 |
| | 263,466 | 256,515 | 262,644 |
| Total assets | \$ 350,499 | \$ 336,911 | \$ 349,114 |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable and accruals | \$ 25,127 | \$ 22,644 | \$ 29,844 |
| Payments in lieu of income taxes payable | 1,658 | 1,800 | 799 |
| Due to related parties | 10,341 | 9,061 | 9,391 |
| Current portion of customer deposits | 1,350 | 1,247 | 1,107 |
| Deferred revenue | 4,117 | 4,088 | 4,118 |
| | 42,593 | 38,840 | 45,259 |
| Non-current liabilities: | | | |
| Customer deposits | 6,810 | 5,776 | 5,926 |
| Regulatory liabilities | 6,456 | 7,959 | 5,296 |
| Note payable to shareholder | 28,550 | 28,674 | 28,550 |
| Deferred revenue - customer contributions | 19,266 | 19,332 | 19,375 |
| Long-term borrowings | 50,546 | 50,530 | 50,542 |
| Employee future benefits | 48,500 | 43,944 | 48,299 |
| | 160,128 | 156,215 | 157,988 |
| Total liabilities | 202,721 | 195,055 | 203,247 |
| Equity | | | |
| Common shares | 31,008 | 31,008 | 31,008 |
| Contributed surplus | 516 | 516 | 516 |
| Retained earnings | 116,254 | 110,332 | 114,343 |
| | 147,778 | 141,856 | 145,867 |
| Total liabilities and equity | \$ 350,499 | \$ 336,911 | \$ 349,114 |

ENWIN UTILITIES LTD.

Statement of Income

(In thousands of Canadian dollars)

March 31, 2024, with comparative information for 2023

Unaudited



5.1

| | YTD - March 2024 | | | YTD - March 2023 | | 2024 Annual | |
|--|------------------|-----------------|---------------|------------------|-----------------|------------------|------------------|
| | Actuals | Budget | Variance | Actuals | Variance | Budget | Forecast |
| Distribution revenue: | | | | | | | |
| Residential | \$ 7,342 | \$ 7,349 | \$ (7) | \$ 6,984 | \$ 358 | \$ 29,396 | \$ 29,389 |
| General service - small | 4,814 | 4,787 | 27 | 4,404 | 410 | 19,530 | 19,556 |
| General service - large | 1,022 | 1,059 | (37) | 962 | 60 | 4,450 | 4,367 |
| Street lighting | 449 | 446 | 3 | 426 | 23 | 1,784 | 1,787 |
| | 13,627 | 13,641 | (14) | 12,776 | 851 | 55,160 | 55,099 |
| Net service revenue: | | | | | | | |
| Services provided to WUC | 5,151 | 5,358 | (207) | 4,991 | 160 | 21,434 | 21,329 |
| Services provided to Other Related Parties | 269 | 102 | 167 | 61 | 208 | 408 | 1,016 |
| Services provided to City of Windsor | 642 | 686 | (44) | 620 | 22 | 2,743 | 2,724 |
| | 6,062 | 6,146 | (84) | 5,672 | 390 | 24,585 | 25,069 |
| Cost of services | (5,728) | (5,789) | 61 | (5,346) | (382) | (23,157) | (23,644) |
| Cost of services - depreciation | (205) | (207) | 2 | (195) | (10) | (828) | (847) |
| | 129 | 150 | (21) | 131 | (2) | 600 | 578 |
| Other income | (95) | (216) | 121 | 105 | (200) | (830) | (648) |
| Total revenue | 13,661 | 13,575 | 86 | 13,012 | 649 | 54,930 | 55,029 |
| Operating expenses: | | | | | | | |
| Distribution operation and maintenance | 2,955 | 2,947 | (8) | 3,550 | 595 | 12,278 | 12,149 |
| Property and tools maintenance | 542 | 502 | (40) | 550 | 8 | 1,977 | 2,021 |
| Billing and collection | 888 | 848 | (40) | 842 | (46) | 3,441 | 3,469 |
| Community relations | 58 | 72 | 14 | 58 | - | 307 | 331 |
| Administration and general | 813 | 1,063 | 250 | 821 | 8 | 4,425 | 4,359 |
| Salaries and benefits | 1,668 | 1,717 | 49 | 1,492 | (176) | 6,234 | 6,765 |
| Regulatory | 124 | 143 | 19 | 110 | (14) | 570 | 551 |
| Employee future benefits | 449 | 459 | 10 | 451 | 2 | 1,834 | 1,826 |
| | 7,497 | 7,751 | 254 | 7,874 | 377 | 31,066 | 31,471 |
| Operating income / EBITDA | 6,164 | 5,824 | 340 | 5,138 | 1,026 | 23,864 | 23,558 |
| Other expenses: | | | | | | | |
| Depreciation and amortization | 1,807 | 1,870 | 63 | 1,939 | 132 | 7,482 | 7,270 |
| Finance income | (704) | (168) | 536 | (580) | 124 | (673) | (1,591) |
| Finance expense | 1,014 | 833 | (181) | 952 | (62) | 3,334 | 3,544 |
| Loss (gain) on sale of PP&E | 72 | - | (72) | 1 | (71) | - | 72 |
| | 2,189 | 2,535 | 346 | 2,312 | 123 | 10,143 | 9,295 |
| Income before tax | 3,975 | 3,289 | 686 | 2,826 | 1,149 | 13,721 | 14,263 |
| Income taxes: | | | | | | | |
| Provision for PILs of corporate taxes | 1,064 | 872 | (192) | 749 | (315) | 3,636 | 3,786 |
| | 1,064 | 872 | (192) | 749 | (315) | 3,636 | 3,786 |
| Net income MIFRS | 2,911 | 2,417 | 494 | 2,077 | 834 | 10,085 | 10,477 |
| Regulatory adjustment (IFRS) | 1,150 | 801 | 350 | (3,005) | 4,155 | 3,202 | 3,552 |
| Net income IFRS | \$ 4,061 | \$ 3,218 | \$ 844 | \$ (928) | \$ 4,989 | \$ 13,287 | \$ 14,029 |

ENWIN UTILITIES LTD.

Statement of Cash Flows

March 31, 2024, with comparative information for 2023

(In thousands of Canadian dollars)



| Unaudited | Modified IFRS | | | |
|---|------------------|------------------|------------------|------------------|
| | March 2024 | March 2023 | December 2023 | Forecast 2024 |
| Operating activities | | | | |
| Total comprehensive income for the year | \$ 2,911 | \$ 2,077 | \$ 11,772 | \$ 10,477 |
| Add (deduct) items not affecting cash | | | | |
| Depreciation | 2,012 | 2,134 | 7,676 | 8,117 |
| Deferred revenue depreciation | (140) | (136) | (549) | (575) |
| Remeasurement of employee future benefits (OCI) | - | - | 3,651 | - |
| Change in employee future benefits | 201 | 215 | 920 | 1,126 |
| Cost of issuing long-term debt | 4 | 4 | 16 | 16 |
| (Gain)/Loss on Investment | - | (139) | (538) | - |
| (Gain)/loss on sale of property, plant & equipment | 72 | 1 | 923 | 72 |
| (Gain)/Loss on Sale of PP&E - MSA allocation | - | - | 591 | - |
| Change in deposits | 1,127 | 704 | 713 | 1,128 |
| Deferred revenue - CDM | (1) | - | 29 | (4,118) |
| Future payments in lieu of taxes | - | - | 1,037 | - |
| Change in regulatory adjustment - IFRS | 2,218 | (2,190) | (1,403) | 671 |
| Change in non-cash working capital components | (3,105) | (200) | (7,636) | (3,131) |
| | 5,299 | 2,470 | 17,200 | 13,783 |
| Investing activities | | | | |
| Acquisition of property, plant & equipment | (4,090) | (3,152) | (20,704) | (24,339) |
| Proceeds on disposition of investment | - | - | 11,661 | - |
| Deferred revenue - customer contributions | 30 | 181 | 690 | 3,109 |
| Net proceeds on sale of property, plant & equipment | 127 | 62 | 859 | 127 |
| | (3,933) | (2,909) | (7,494) | (21,103) |
| Financing activities | | | | |
| Change in note payable to shareholder, net | - | - | (124) | (128) |
| Dividends paid | (1,000) | (1,000) | (4,000) | (4,000) |
| | (1,000) | (1,000) | (4,124) | (4,128) |
| Net change in cash and cash equivalents | 365 | (1,439) | 5,583 | (11,448) |
| Cash, beginning of period | 19,824 | 14,241 | 14,241 | 19,824 |
| Cash, end of period | \$ 20,189 | \$ 12,802 | \$ 19,824 | \$ 8,376 |

Appendix B

ENWIN Utilities Ltd.
Income Statement Variance Analysis
March 31, 2024



5.1

| (\$000's) | 2024 YTD Actual | 2024 YTD Budget | Variance fav (unfav) | % Variance | Reason(s) for variance ¹ |
|--|-----------------|-----------------|----------------------|------------|---|
| Revenue | | | | | |
| Revenue | \$ 13,627 | \$ 13,641 | \$ (14) | 0% | |
| Net service revenue | 129 | 150 | (21) | -14% | |
| Other income | (95) | (216) | 121 | -56% | favourable due to sale of scrap |
| Expenses | | | | | |
| Distribution operation and maintenance | 2,955 | 2,947 | (8) | 0% | |
| Property and tools maintenance | 542 | 502 | (40) | -8% | |
| Billing and collection | 888 | 848 | (40) | -5% | |
| Community relations | 58 | 72 | 14 | 19% | |
| Administration and general | 813 | 1,063 | 250 | 24% | favourable in various accounts including labour contingency, training and liability insurance |
| Salaries and benefits | 1,668 | 1,717 | 49 | 3% | |
| Regulatory | 124 | 143 | 19 | 13% | |
| Employee future benefits | 449 | 459 | 10 | 2% | |
| Other expenses | | | | | |
| Depreciation | 1,807 | 1,870 | 63 | 3% | |
| Finance income | 704 | 168 | 536 | 319% | greater than expected interest rates and cash balances contributing to favourability |
| Finance expense | 1,014 | 833 | (181) | -22% | regulatory interest expense greater than expected due to higher rates |
| Loss on sale of assets | 72 | - | (72) | 0% | |
| Income taxes | 1,064 | 872 | (192) | -22% | unfavourable due to favourable net income |
| Net income | | | | | |
| | 2,911 | 2,417 | 494 | 20% | |

¹reason for variance provided if greater than 2% and \$100,000

Appendix C

ENWIN Utilities Ltd.

Capital Expenditures

March 31, 2024

(In thousands of Canadian dollars)

Unaudited



| Capital Expenditures | YTD 2024 Actuals | 2024 Budget | Annual Forecast | Forecast vs. Budget | Variance Analysis ¹ |
|--|------------------|----------------|-----------------|---------------------|--|
| O/H Customer Connections | 462 | 900 | 1,400 | (500) | increased costs per connection |
| U/G Customer Connections | 509 | 1,627 | 1,750 | (123) | increased costs per connection |
| 15M10 - Airport Land Service Upgrade | - | 1,200 | 1,200 | - | |
| Stellantis Battery Research Facility | 50 | - | 200 | (200) | job started in 2023, completed in 2024 |
| New Customer Connect | 1,022 | 3,727 | 4,550 | (823) | |
| Bridge Plaza Relocation | 363 | - | 363 | (363) | |
| Bridge Plaza Relocation | 363 | - | 363 | (363) | |
| Feeder Tie | - | - | 130 | (130) | Riberdy switch (22026633) faulted in 2023, to be re-installed at a new location in 2024 |
| FRIP - Prince & Mattchete to College & Tecumesh | 139 | 1,800 | 1,800 | - | |
| Radial Branch Backups | 13 | 341 | 218 | 123 | one of the planned jobs is not likely to be ready until 2025 |
| Enhancement Projects | 152 | 2,141 | 2,148 | (7) | |
| WDBA Sandwich St. Beautification (City Driven) | - | 500 | 500 | - | |
| Road Widening Projects (City Driven - 1% of Roads) | - | 300 | - | 300 | Placeholder broken down below ('24) |
| South Cameron and Howard Intersection Relocation | 11 | - | 100 | (100) | job was originally planned to be completed in 2023, city delays |
| Cabana Road Widening (City Driven) | 10 | 500 | 500 | - | |
| Legacy Beacon | (5) | - | - | - | |
| Riverside Vista Project (City Driven) | 4 | 902 | 1,015 | (113) | contractor quote higher than expected |
| Hydro One - Lauzon TS Upgrade | 83 | 220 | 220 | - | |
| City Driven Road Work | 102 | 2,422 | 2,335 | 87 | |
| Meter Work - New Customers (Enhancement) | 63 | 747 | 645 | 102 | revised projections based on demand |
| TGB Sensus Upgrades | - | 70 | - | 70 | |
| Meter Work - End of Life (Sustainment) | 27 | 156 | 110 | 46 | |
| Retest Smart Meters | 105 | 32 | 200 | (168) | revised projections based on demand |
| Meter Tank Replacement | 0 | 125 | 45 | 80 | |
| Meters | 194 | 1,130 | 1,000 | 130 | |
| Reactive Replacements | 259 | 1,557 | 1,457 | 100 | reactive PMH-4/PMH-Special Replacement 100K F - no units this year |
| Pole Sustaining Program | 977 | 3,070 | 3,070 | - | |
| Other Sustainment Programs | 339 | 3,115 | 3,227 | (112) | uncompleted padmounts from 2023 were completed in 2024 |
| Sustainment Programs | 1,575 | 7,742 | 7,754 | (12) | |
| SCADA | 3 | 425 | 425 | - | |
| Hydro Vehicles | 26 | 1,230 | 2,324 | (1,094) | new ErexEV Bucket Truck \$984.3K |
| Tools | 59 | 181 | 365 | (184) | replace relay testing equipment - \$100K and tools reaching end of life, needing replacement - \$84K |
| Miscellaneous TS Equipment, EOL Replacement, Remediation | 65 | 75 | 75 | - | |
| Walker TS Tapchanger Refurbishment | - | 100 | 100 | - | |
| Ford Annex MTS - Relay Replacement (Ford Side) | 22 | 200 | 200 | - | |
| MTS Lightning Arrestor Replacement | - | - | 70 | (70) | |
| Transformer Station - Main T/F Corrosion Protection | - | 100 | - | 100 | moved to 2025 |
| Walker TS Redundant Battery Bank | - | 60 | - | 60 | |
| Walker II / MTS Transformer Station - Breaker Refurbishment Work | - | 50 | 50 | - | |
| MTS - Ground Grid | - | 30 | 30 | - | |
| MTS - Spare C/B | - | 60 | 60 | - | |
| MTS - Continuous T/F Oil Monitoring | - | 40 | 40 | - | |
| Transformer Station | 87 | 715 | 625 | 90 | |
| Normalized Hydro | 3,583 | 19,713 | 21,889 | (2,176) | |
| CC - City Driven Projects | - | (1,050) | (1,050) | - | |
| Other Contributed Capital | (30) | (2,059) | (2,059) | - | |
| Contributed Capital | (30) | (3,109) | (3,109) | - | |

ENWIN Utilities Ltd.

Capital Expenditures

March 31, 2024

(In thousands of Canadian dollars)

Unaudited



| Capital Expenditures | YTD 2024 Actuals | 2024 Budget | Annual Forecast | Forecast vs. Budget | Variance Analysis ¹ |
|--|------------------|---------------|-----------------|---------------------|---|
| Hydro Total | 3,552 | 16,605 | 18,781 | (2,176) | |
| Site Rhodes | 75 | 710 | 1,135 | (425) | infrastructure required for newly purchased Hybrids and Evs |
| Weld Shop / Meter Shop / Stores / Garage | - | 56 | 56 | - | |
| Service Vehicles | - | 225 | 395 | (170) | vehicles pulled forward |
| Property and Equipment | 75 | 991 | 1,586 | (595) | |
| Life Cycle Upgrades | 280 | 538 | 538 | - | |
| Network Infrastructure and Cyber Security | - | 50 | 50 | - | |
| Strategic Capital Requirements - Customer Service Focus | 54 | 275 | 275 | - | |
| Strategic Capital Requirements - Organizational Sustainability | - | 2,500 | - | 2,500 | based on move to cloud SAP, no longer qualifies as capital |
| Information Technology | 334 | 3,363 | 863 | 2,500 | |
| Services Total | 409 | 4,354 | 2,449 | 1,905 | |
| Total Capital Expenditures | 3,961 | 20,959 | 21,230 | (271) | |

¹variance analysis provided if amount is greater than \$100,000

5.1

Appendix D

ENWIN Utilities Ltd.

Accounts Receivable Dashboard
March 31, 2024

Accounts Receivable by Quarter (Hydro vs Water)

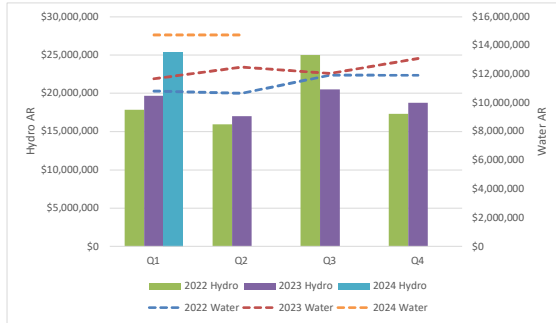
(millions)

\$40.2 TOTAL AR

\$25.4 AR - HYDRO ONLY

\$14.7 AR - WATER ONLY

↑ OVERALL STATUS



Accounts Receivable Aging - Q1 2024 - Electricity Only

(millions)

\$18.71 CURRENT

\$1.45 0-30 DAYS

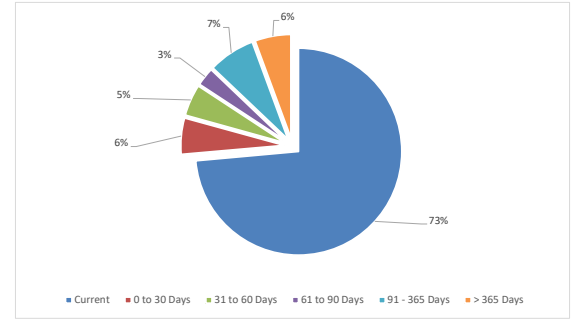
\$1.26 31-60 DAYS

\$0.73 61-90 DAYS

\$1.85 91-365 DAYS

\$1.43 >365 DAYS

→ OVERALL STATUS



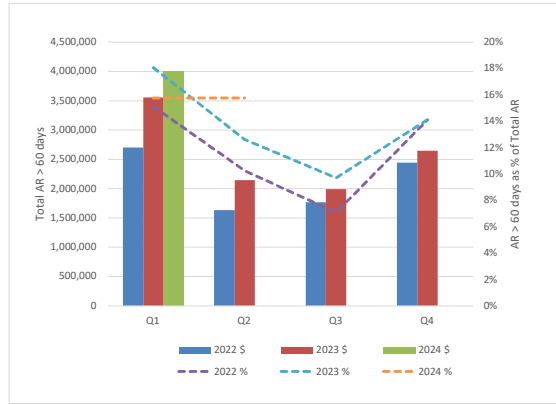
Accounts Receivable > 60 days - Electricity Only (Total AR > 60 days vs AR > 60 days as % of Total AR)

42.3% % CHANGE IN TOTAL AR - ELECTRICITY over 3 years

48.3% % CHANGE IN > 60 DAYS over 3 years

\$4,009,142 HYDRO AR > 60 DAYS

↑ OVERALL STATUS



YTD Bad Debt Expense - Electricity Only (YTD Bad Debt Expense vs Bad Debt % of Total AR)

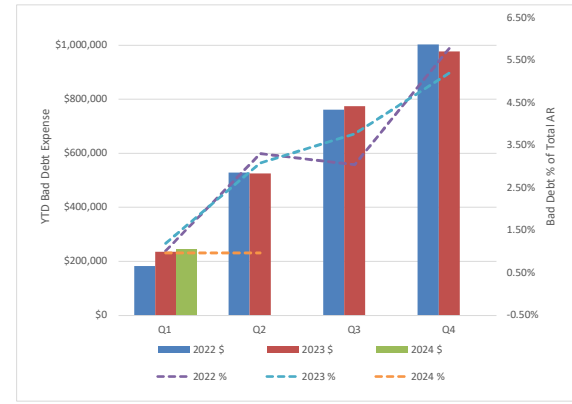
(millions)

\$0.25 BAD DEBT EXPENSE - ELECTRICITY

\$0.65 Amount included in Rates

35.5% % change in Bad Debts expense over 3 years

→ OVERALL STATUS



Appendix E

ENWIN Utilities Ltd.
Key Metrics
March 31, 2024



5.1

| Indicator | 2024 | | 2023 | 2022 |
|--|-------------------|-----------|-----------|-----------|
| | Actual / Forecast | | | |
| Customer | | | | |
| Number of customers (average) | Actual | 91,160 | 91,026 | 90,676 |
| Customer growth | Actual | 0.1% | 0.4% | 0.6% |
| Customer Service | | | | |
| Telephone calls answered on time | Actual | 70.9% | 78.7% | 65.8% |
| First contact resolution | Actual | 99.3% | 99.2% | 99.2% |
| Billing accuracy | Actual | 99.9% | 99.9% | 98.5% |
| Full time equivalent (FTE) | Actual | 295 | 296 | 287 |
| Liquidity and Capitalization | | | | |
| Current ratio ¹ | Actual | 2.04 | 1.91 | 2.01 |
| Debt to equity ratio | Actual | 0.54 | 0.54 | 0.56 |
| Asset Management | | | | |
| Capital spend (\$000's) | Forecast | \$ 21,230 | \$ 19,758 | \$ 18,330 |
| Inventory (\$000's) | Actual | \$ 8,431 | \$ 8,500 | \$ 6,130 |
| Revenue and Profitability | | | | |
| Revenue growth rate | Forecast | 5.8% | 3.5% | 3.5% |
| Net income margin ² | Forecast | 19.0% | 22.6% | 24.3% |
| Comprehensive income margin ³ | Forecast | 25.5% | 6.3% | 34.8% |
| Shareholder Returns | | | | |
| Cash flow from operations (\$000's) ⁴ | Forecast | \$ 21,299 | \$ 12,836 | \$ 6,501 |
| Dividend payout ratio (MIFRS) | Forecast | 38.2% | 34.0% | 33.0% |
| ROE (MIFRS) | Forecast | 7.09% | 8.21% | 9.50% |
| Regulated ROE (OEB rate 8.52% +/- 3%) | Forecast | 8.41% | 9.75% | 10.78% |

¹current asstes / current liabilities

²net income / total revenue

³comprehensive net income / total revenue

⁴IFRS net income plus depreciation



AGENDA SUBMISSION

To: EWU Board of Directors
WCU Board of Directors
EWE Board of Directors
.....

..... 2024 06 13

From: Claire Bebbington & Renée McIntyre
.....

Re: Delegation of Authority and Purchasing Policies

SUMMARY

This Delegation of Authority and Purchasing Policies report (Report) is intended to provide the Boards of ENWIN Utilities Ltd., ENWIN Energy Ltd., and Windsor Canada Utilities (collectively the ENWIN Group) with information regarding the proposed Delegation of Authority Policy (DOA Policy) (**Appendix A**) and related Procedure (**Appendix B**) as well as the proposed Purchasing Policy (**Appendix C**) and related Procedure (**Appendix D**) and to request approval of the DOA Policy and Purchasing Policy from the ENWIN Group Boards effective August 5, 2024.

It is important to note that the Board(s) are being asked to approve the DOA Policy and the Purchasing Policy, not the Procedures contained within the appendices. The Procedures being provided as part of this Report are to validate that controls and the scope of the previous policies still exist. However, they are in a different form and subject to enhancement as required. Therefore, the Procedures listed below should be considered illustrative.

DISCUSSION

The ENWIN Group have historically adopted the principle that governance and management are more effective and efficient when they are separated, the Boards being responsible for governance and the CEO generally for management. As a result, the Boards have delegated authority to the CEO through the DOA Policy. The Board has also reviewed and approved controls, including spending limits, associated with procurement in the Purchasing Policy.

Management notes that many of the ENWIN Group's policies contain procedures which impede the agility Management requires to operate effectively, particularly given the speed of technological and other advancements. This is also contrary to best practice, as reflected in the consultant report regarding the Procurement Services Review which recommended that Management consider separating the policy from procedures.

Therefore, Management is seeking to develop a new framework for policies (which would contain general guidelines or statements regarding a particular topic and, where required by Shareholder Directors, By-Law, and DOA Policy, would be approved by the ENWIN Group Boards) and procedures (which would contain structured series or steps or actions outlining how a specific task or process should be performed, and would not be approved by the ENWIN Group Boards). The DOA Policy and Purchasing Policy are the first policies to be brought to the ENWIN Group Boards in accordance with Management's proposed framework.

With respect to the DOA Policy, Management is proposing several updates. As noted above, the policy and procedure has been split into separate documents, with the CEO's authorities contained in the DOA Policy and any further sub-delegations set out in the DOA Procedure. In addition, the following amendments are being proposed:

- [A new reference to the Board's oversight over Artificial Intelligence \(AI\) governance.](#)
- A general increase in the CEO's approval limit from \$250,000 to \$500,000, after which point Board approval would be required. The CEO would also be required to provide regular financial reporting to the Board regarding certain expenditures over \$300,000.
- Authority for the CEO to approve collective bargaining activities, in accordance with Board-approved budgets, strategic plans and regular reporting requirements.
- While legal documents continue to require two signatories, one of which would have to be an Executive or Officer, not all legal documents would need to be signed by two Executives or Officers.
- Authority for the CEO to make transfers from one capital project to another through the course of the fiscal year, provided the overall capital budget is not exceeded and in accordance with some reporting requirements.
- A distinction between Board policies and Management policies, with Management policies not requiring Board-approval.
- Authority to the CEO to make all public statements, though the Communications Policy would be Board-approved.
- Authority, policies, and procedures related to capital and operational purchases and expenditures have been removed and are contained in the Purchasing Policy and related procedures.

With respect to the Purchasing Policy, the overall of the structure has changed consistent with the approach described above however the scope and content are effective the same or very similar with a few conceptual changes which are highlighted below:

- The Policy fundamentally changed from an annual spend to a total purchase/contract price when defining thresholds for approvals. The previous Policy focused on annual spending limits but that was problematic when dealing with multi-year commitments. The shift to contract or total purchase price better reflects the overall level of commitment the organization is making instead of subdividing commitments into annual amounts.
- Another proposed enhancement related to budgeted items. The Policy proposes that the CEO has delegated authority to approve budgeted procurements/spending levels. The board(s) will have an opportunity to approve the spending during the budgeting process and by allowing the CEO to act on those approved items, management will be able to act faster and become nimbler when offering services and delivering projects for the public.
- As a result of the switch from an annual spending approach to a total contract/purchase price, the thresholds needed to be increased to allow for multi-year commitments. As a result, the delegation level provided to the CEO has changed generally from \$250,000 up to \$500,000 for unbudgeted items.
- Thresholds have been outlined when quotes would be required as well as when open competitive bids must be undertaken. The thresholds for open competitive bids would be required at \$150,000 for goods and services and \$250,000 for construction.
- Board reporting will still occur with an annual purchasing information report and contract commitments more than \$1 million will be reported throughout the year as well.

[Management is seeking to have the policies and procedures approved effective August 5, 2024, to communicate the changes to employees, provide training, and update any internal processes as required.](#)

RISK ANALYSIS

By ensuring that policies and procedures are not mixed, Management believes it is complying with best practices. In addition, this will provide Management with the agility it requires to adapt to quickly changing circumstances, technologies and regulations, for example. While the ENWIN Groups would not review and approve procedures, they would continue to have oversight of the ENWIN Group's controls by receiving regular reports regarding budgets, expenditures, finances and regulatory issues as well as oversight over systems of governance, risk management, internal controls, and legal compliance.

FINANCIAL MATTERS

N/A

RECOMMENDATION:**EWU Board of Directors**

THAT the Delegation of Authority and Purchasing Policy and Procedure report BE RECEIVED for information as recommended by the Risk & Governance Committee.

AND THAT the Delegation of Authority Policy in the form attached at Appendix A and the Purchasing Policy in the form attached at Appendix C BE APPROVED [effective August 5, 2024](#) as recommended by the Risk & Governance Committee.

WCU Board of Directors

THAT the Delegation of Authority and Purchasing Policies report BE RECEIVED for information as recommended by the Audit & Finance Committee.

AND THAT the Delegation of Authority Policy in the form attached at Appendix A and the Purchasing Policy in the form attached at Appendix C BE APPROVED [effective August 5, 2024](#) as recommended by the Audit & Finance Committee.

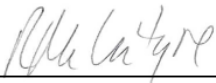
EWE Board of Directors

THAT the Delegation of Authority and Purchasing Policies report BE RECEIVED for information.

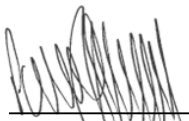
AND THAT the Delegation of Authority Policy in the form attached at Appendix A and the Purchasing Policy in the form attached at Appendix C BE APPROVED [effective August 5, 2024](#).



Claire Bebbington
Director, Regulatory Affairs



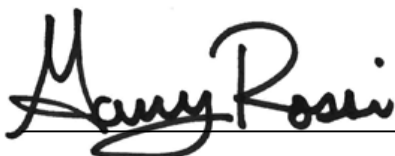
Renee McIntyre
Director, Procurement and Supply Chain



Paul Gleason
Chief Risk Officer




Matt Carlini
Chief Financial Officer



Garry Rossi
Chief Executive Officer

- Encls.:
- Appendix A – Delegation of Authority Policy
 - Appendix B – Delegation of Authority Procedure
 - Appendix C – Purchasing Policy
 - Appendix D – Purchasing Procedure
 - Appendix E – Current Delegation of Authority Policy
 - Appendix F – Current Purchasing Policy

APPENDIX A

| | | | |
|---|--------------------------------|------------------------|------------------------------|
|  | ENWIN Group POLICY | Policy No.: | I001.05 |
| Approved By: | ENWIN Group | Effective Date: | <u>August 5, 2024</u> |
| Subject | Delegation of Authority | Pages: | Page 1 of 6 |

5.2

1. PURPOSE

- 1.1. The Purpose of the Delegation of Authority Policy (Policy) is to clearly define the authority delegated to the Chief Executive Officer (CEO) by the Board of Directors of ENWIN Utilities Ltd. (EWU), Windsor Canada Utilities Ltd. (WCU), and ENWIN Energy Ltd. (EWE) (collectively the ENWIN Group), within the limits established by the Shareholder Direction(s), By-laws, and all other policies approved by the ENWIN Group Boards.

2. SCOPE


- 2.1. This Policy applies to all union, non-union, professional, managerial, executive, full-time, part-time, contract and temporary employees and students (Employees) and Officers of the ENWIN Group, as it relates to their duties in respect to the ENWIN Group.

3. RESPONSIBILITIES

- 3.1. The ENWIN Group Boards are responsible for approving this Policy and for communicating with the CEO in regard to clarifications or changes. The Executive Committee of the EWU Board is responsible for providing guidance to the CEO regarding interpretation of this Policy.
- 3.2. The CEO is responsible for ensuring that this Policy is communicated to all Employees and Officers, complying with this Policy, and conducting a review of this Policy with the EWU Executive Committee and Boards of the ENWIN Group every four (4) years or more frequently as required.

4. POLICY

- 4.1. The ENWIN Group Boards embrace the principle of empowerment: that governance and management are more effective and efficient when they are separated, the Boards being responsible for governance and the CEO generally for management.
- 4.2. In addition to matters expressly required by Shareholder Directions or By-laws to be approved by Shareholders or Boards, powers specifically reserved for the Boards are as follows for their respective companies, which will be exercised in accordance with applicable Shareholder Directions, By-laws and Board-approved policies:
- 4.2.1. Appointing and terminating or removing the CEO and determining their conditions of employment, including corporate and personal objectives, remuneration, incentives and bonuses. A Board meeting must be scheduled at least once during each 12-month period of the CEO's term of office, for the purpose of reviewing their performance.

| | | | |
|---|--------------------------------|------------------------|----------------------|
|  | ENWIN Group POLICY | Policy No.: | 1001.05 |
| Approved By: | ENWIN Group | Effective Date: | June 26, 2024 |
| Subject | Delegation of Authority | Pages: | Page 2 of 6 |

5.2

4.2.2. The CEO’s expense claims, conflict of interest disclosures and issuance of any corporate credit cards to the CEO must be approved by the Chair of the Audit & Finance Committee in accordance with Board-approved policies. The CEO’s disclosures under the Employee Code of Ethics and Conflict of Interest Policy will be submitted at least annually to the EWU Executive Committee and applicable Boards.

4.2.3. Approving the appointment and termination or removal of Executives and Officers of the ENWIN Group.


4.2.4. Approving the following for their respective companies:

- The strategic plan;
- The annual operating and capital budget;
- Financial reporting;
- Borrowing limits and debt agreements;
- Declaration of dividends;
- Enterprise risk management systems;
- [Artificial Intelligence \(AI\) governance](#);
- Election, re-election, appointment, re-appointment and removal of Officers;
- Organizational changes at the level of Directors or Executives;
- All purchase or sale of real property, including land and buildings; and
- Entering into joint ventures, partnerships or similar arrangements; acquiring or developing new lines of business; divesting or selling joint ventures, partnerships or similar arrangements including lines of business¹.

4.3. The CEO is responsible for the management of all human, fiscal and physical resources of the ENWIN Group and its reputation with stakeholders. As such, the CEO is responsible for:


- Leading the implementation of effective policies, procedures, programs and controls, including ensuring the coordination of ENWIN Group activities, and fostering a positive working environment for Employees, Officers and Directors that is focused on continuous improvement in the delivery of services to customers and community relations;
- Monitoring Board-approved capital and operational budgets and expenditures, providing quarterly reporting to the Boards about such budgets, including the annual audit and reporting of annual audited financial statements, and providing regular reporting on other measures as required by regulation and legislation; and
- Managing the interests of the ENWIN Group on intergovernmental issues through active participation in professional associations and lobbying efforts.

¹ Noting that Shareholder approval may also be required for some of these items.

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|  | ENWIN Group POLICY | Policy No.: | 1001.05 |
| Approved By: | ENWIN Group | Effective Date: | June 26, 2024 |
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5.2

- 4.4. The CEO will have the following authority, which must be exercised in a manner consistent with applicable Shareholder Directions, By-laws and Board-approved policies:
- 4.4.1. The CEO will have full, free and unrestricted access to all records of the ENWIN Group.
 - 4.4.2. The CEO will make recommendations to the Boards regarding the appointment and termination or removal of Executives and Officers of the ENWIN Group. The CEO will keep the Boards apprised of any decisions to grant leaves of absence to Executives and Officers of the ENWIN Group with pay, partial pay and without pay.
 - 4.4.3. The CEO has the authority to establish compensation for Employees, including any performance metrics, incentives, bonuses or benefits, and to recruit, hire, employ, pay, approve leaves of absence, discipline, suspend, or terminate all Employees of the ENWIN Group (other than Executives and Officers as set out in section 4.4.2), in accordance with Board-approved budgets, collective agreements, and contracts of employment.
 - 4.4.4. The CEO has the authority to conduct and approve collective bargaining activities, in accordance with Board-approved budgets and strategic plans. However, the CEO will provide regular updates to the Boards at meetings during collective bargaining. In addition, the CEO will obtain Board approval prior to finalizing any collective agreement that exceeds the Board-approved budget.
 - 4.4.5. The CEO must establish review procedures including the requirement for legal, financial and technical review to precede the execution of legal documents. The CEO has the authority to execute all legal documents, other than the legal documents that must be executed by the Board, and the CEO will execute all legal documents unless they delegate authority to an Executive or Officer of the relevant company. However, even if the CEO exercises their authority to delegate, all legal documents must be signed by two Senior Employees (i.e. Director, Executive or Officer), one of which must be an Executive or Officer.
 - 4.4.6. The CEO will have the authority to retain external legal counsel, consultants, arbitrators, and such experts (Contractors) as are required to protect and advance the interests of the Company within the scope of legal matters and within budget. Retention of Contractors is exempt from the Purchasing Policy. If there is an emergency, the CEO has the authority to retain Contractors without budget funds and will inform the relevant Board at their next meeting. If there is no emergency, the CEO will obtain approval from the Board prior to retaining Contractors without budget funds.

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|  | ENWIN Group POLICY | Policy No.: | 1001.05 |
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5.2

- 4.4.7. The CEO has the authority to commence and settle all legal demands, actions, application or proceedings (Legal Actions) related to the ENWIN Group, but the commencement or settlement of any Legal Actions amounting to \$500,000.00 or more require Board approval in advance. The CEO will provide the Boards with a semi-annual update related to all ongoing Legal Actions.
- 4.4.8. The CEO has the authority to approve any payments related to normal account management activities or regulatory requirements including payments to electricity retailers, generators, and customers (e.g. equal monthly payment reconciliations, retuning deposits, and refunding overpayments or payments caused by billing errors).
- 4.4.9. The CEO has the authority to approve all payments to the Independent Electricity System Operator (IESO) for the cost of electricity, and all remittances to the City of Windsor and the Windsor Utilities Commission for collections on their behalf and on behalf of other third parties.
- 4.4.10. The CEO has the authority to approve all write-offs of accounts receivable or payables. The CEO will provide the Boards a quarterly report of write-off refunds in excess of \$300,000 concurrent with regular financial reporting.
- 4.4.11. Opening and closing bank accounts for the ENWIN Group must be approved by the CEO. The CEO will have signing authority for all bank accounts for the ENWIN Group along with specifically listed Executives or Officers as additional signing authority.
- 4.4.12. The CEO has the authority to approve debt placements and incursions into the operating line of credit and interest or other debt payments, in accordance with Board-approved borrowing limits and debt agreements. The CEO will report debt quarterly to the Audit & Finance Committees of the ENWIN Group.
- 4.4.13. The CEO has the authority to maintain Board-approved investments, including but not limited to equity, debt instruments, and treasury cash. The CEO must provide regular reports to the Boards during their meetings regarding their investments.
- 4.4.14. The CEO has the authority to make transfers from one capital project to another through the course of the fiscal year, provided the overall capital budget is not exceeded and transfers greater than \$300,000 are reported to the applicable Boards at their next meeting. All capital budget expenditures and variances must be reported to the Boards at least annually.
- 4.4.15. The CEO will establish policies or procedures regarding corporate credit cards. The CEO has the authority to approve the issuance of corporate credit cards and expenses (with the exception of the CEO's corporate credit card and expenses in accordance with section 4.2.2 of this Policy).

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|  | ENWIN Group POLICY | Policy No.: | 1001.05 |
| Approved By: | ENWIN Group | Effective Date: | June 26, 2024 |
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4.4.16. The CEO is authorized to make all statutory payments, including but not limited to Canada Revenue Agency remittances for payroll, commodity or other taxes, intercompany balances, and payment of insurance premiums when due. Settlement of long-term notes payable/receivable and long-term debt obligations as between the companies must have the approval of the Boards through the annual budget process or alternative direct approval by the Boards.

4.4.17. The CEO is authorized to sign all commodity, income or other tax returns on behalf of the ENWIN Group. The CEO is also authorized to sign all regulatory filings with the Ministry of Energy, the Ontario Energy Board, the IESO, the Ministry of Environment, Conservation and Parks, or any other agency with regulatory or legislative control over the activities of the ENWIN Group. The CEO is responsible for ensuring the timely submission and filing all such returns and information. The CEO will provide regular reporting to the Boards regarding compliance with filing and other requirements established by legislation and regulations.

4.4.17.4.4.18. The CEO will approve ENWIN Group management policies with the exception of the following policies, which must be approved by the applicable Boards:


- Delegation of Authority;
- Purchasing;
- Capital structure, returns and dividends;
- Employee compensation, including bonus, incentives, travel and business expenses;
- Cash management and investments, including capital and infrastructure expenditures;
- Code of ethics, fraud and conflicts of interest;
- Whistleblowing;
- Communications; and
- Risk management, including AI governance and cyber security.

4.4.19. The CEO will have the authority to make:

- Public statements, publications and internal and external newsletters;
- Publication of conference papers and speeches; and
- Donations or sponsorships within Board approved community relations and public relations budgets, excluding political donations which may not under any circumstances be made.

The CEO will ensure all corporate seals are properly maintained as well as a register detailing the use of the corporate seals.

4.5. The CEO will have the ability to delegate their authority to others within the chain of

| | | | |
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|  | ENWIN Group POLICY | Policy No.: | 1001.05 |
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5.2

management provided that, so far as the Boards are concerned, the CEO remains responsible for such decision-making. The trail of accountability for decision making must remain clear and intact (unbroken) at all times in terms of sub-delegation of authority by the CEO.

- 4.6. In the event the CEO becomes incapacitated or unable to exercise their duties for any reason, the Chief Financial Officer (CFO) or other Chief Executive Officer (CXO) as designated by the Boards will have all of the authorities granted to the CEO under this Policy. The respective CFO or CXO must advise the Board of any and all actions they took while exercising the CEO’s authorities at the Boards’ next meeting or upon request. The CFO or CXO must stop exercising the CEO’s authorities once the CEO is able to perform their duties or the Boards appoint an interim CEO.
- 4.7. Violating the Policy could significantly damage the ENWIN Group and expose it to unintended legal and commercial liabilities. Any conduct that violates this Policy will be considered to be outside the scope of employment and may be subject to appropriate disciplinary action by the ENWIN Group up to and including termination of employment and removal from office.


5. RELATED DOCUMENTS

- 5.4. In addition to the Procedures created under this Policy, related documents include:
 - Purchasing Policy;
 - Travel and Business Expense Policy; and
 - Employee Code of Ethics and Conflict of Interest Policy.

6. POLICY HISTORY

- 6.4. This Policy was originally approved on August 16, 2016.
- 6.5. This Policy was amended on September 29, 2021.
- 6.6. This version of the Policy was approved on June 26, 2024.
- 6.7. This Policy will be reviewed by June 26, 2028.

APPENDIX B

| | | | |
|---|----------------------------------|----------------------------|---|
|  | ENWIN Group PROCEDURE | Procedure No.: | |
| Approved By: | Chief Executive Officer | Effective Date: | <u>August 5, 2024</u> |
| Subject | Delegation of Authority | Page: | Page 1 of 6 |

5.2

1. PURPOSE

- 1.1. The purpose of this Delegation of Authority Procedure (Procedure) is to clearly define the authority delegated by the Chief Executive Officer (CEO) to Directors, Executives and Officers (Senior Employees) of the ENWIN Group pursuant to section 4.5 of the Delegation of Authority Policy.

2. SCOPE

- 2.1. This Procedure applies to all union, non-union, professional, managerial, executive, full-time, part-time, contract and temporary employees and students (Employees) and Officers of the ENWIN Group.


3. RESPONSIBILITIES

- 3.1. The CEO is responsible for communicating this Procedure to Senior Employees and Officers of the ENWIN Group, and for providing guidance to Senior Employees and Officers regarding the interpretation of this Procedure.
- 3.2. Senior Employees and Officers are responsible for complying with this Procedure at all times, communicating this Procedure to all Employees that report to them directly, and ensuring Employees that report to them understand and comply with this Procedure.
- 3.3. The Director responsible for Human Resources will ensure that the Delegation of Authority Policy and this Procedure form part of the job entry training program for all Employees and to conduct an acknowledgment of review by all Senior Employees annually.

4. PROCEDURE

Employees, Compensation and Benefits

- 4.1. The Executive responsible for Human Resources will make recommendations to the CEO regarding the appropriate level of compensation for Employees (other than Executives and Officers) including incentives, bonuses or benefits.
- 4.2. The Chief Financial Officer will make recommendations to the CEO regarding the corporate performance metrics upon which incentives and bonuses may be based, in whole or in part.

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|  | ENWIN Group PROCEDURE | Procedure No.: | |
| Approved By: | Chief Executive Officer | Effective Date: | <u>August 5, 2024</u> |
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4.3. The Executive responsible for Human Resources will have overall responsibility and authority to recruit, hire, employ, pay, approve leaves of absence, discipline, suspend, or terminate all Employees of the ENWIN Group (other than Executives and Officers), in accordance with Board-approved budgets, policies, strategic plans, collective agreements, and contracts of employment.

Legal Documents, Actions and Settlements

4.4. All legal documents must be executed by the CEO, unless this Procedure explicitly states otherwise. “Legal documents” are documents that record or formalize an agreement, obligation or other legally enforceable act including but not limited to collective agreements, employment offers or agreements, termination agreements, letters or memoranda of understanding, settlement agreements, agreements to purchase land or buildings, agreements to purchase goods, services or assets, amending agreements, lease or rental agreements, non-disclosure agreements, etc.

4.5. All legal documents with a total financial risk or value of \$10,000 or less (including any purchase price¹ and risk or value associated with any indemnity or release), a commitment of less than 5 years (including options to renew), and no significant reputational, legal or regulatory compliance risks may be executed by the Director responsible for the legal document and the Executive to which they report.


4.6. Employment offers or agreements for Employees (other than Executives and Officers) that are consistent with standard terms and conditions that have been reviewed and approved by legal counsel may be executed by the Director and Executive responsible for Human Resources.

4.7. In the case of statements of work that are executed pursuant to overarching agreements, or purchase orders² with standard terms and conditions that have been reviewed and approved by legal counsel, they may be executed by the Manager, Director or Executive responsible for the overarching agreement or purchase (in accordance with their approval authority limits under the Board-approved Purchasing Policy) and the Director responsible for the Purchasing Department where the payment for services or purchase is within the Board-approved budget.

¹ Purchase price is defined in the Board-approved Purchasing Policy as the total value of the deliverable, exclusive of tax. In the case of multi-year contracts, the total value is calculated as the total cost for all years, including any option periods.


² The term “purchase order” may include agreements to purchase goods, services or assets.

5.2

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|  | ENWIN Group PROCEDURE | Procedure No.: | |
| Approved By: | Chief Executive Officer | Effective Date: | <u>August 5, 2024</u> |
| Subject | Delegation of Authority | Page: | Page 3 of 6 |

- 4.8. All other legal documents will be executed by the CEO and another Executive or Officer of the Company. This will typically be the Executive or Officer responsible for the agreement/contract but secondary authority to execute may also be assigned to another Executive or Officer. In the case of legal documents that have been reviewed and recommended by legal counsel, the CEO’s authority to execute may be delegated in writing by the CEO to an Executive or Officer. However, with the exception of legal documents described in sections 4.5, 4.6 and 4.7 of this Procedure, two Executives or Officers must execute all legal documents.
- 4.9. The Director responsible for Legal Services and/or the Executive responsible for the legal matter have the authority to retain and recommend external legal counsel, consultants, arbitrators, and such experts (“contractors”) as are required to protect and advance the interests of the ENWIN Group within the scope of pending legal matters and within the scope of the strategic plan and the Executive’s budget. Retention of such contractors is exempt from the Purchasing Policy. “Legal matters” includes potential and actual legal questions, issues, negotiations, agreements, threats, demands, claims, actions, applications and/or proceedings.
- 4.10. The Director responsible for Human Resources shall have the authority, in consultation with and concurrence by the Executive responsible for Human Resources, to retain contractors as required to address human resource legal matters, as well as recruitment firms to assist with temporary and permanent staffing, within the scope of the strategic plan and within budget. Retention of such contractors is exempt from the Purchasing Policy.
- 4.11. A legal demand, action, application or proceeding (Legal Action) can only be commenced or settled in accordance with the following approval limits:
- | | |
|--|---|
| • \$500,000 or more | Approval from the Board |
| • Termination Agreement for Executive or Officer | Approval from the Board |
| • \$ 300,000 – 499,999 | Approval from the CEO |
| • \$ 0 – 299,999 | Approval from the CFO and responsible Executive |

For the settlement of any other Legal Actions valued at \$0 – 299,999, the CFO and responsible Executive may execute legal documents if they have been reviewed and approved by legal counsel, consistent with section 4.6 of this Procedure. Legal documents related to the settlement of any Legal Actions valued at or above \$300,000 must be executed by the CEO and a second Executive.

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4.12. A list of all Legal Actions taken, and their status will be provided to the relevant Boards on a semi-annual basis by the Director responsible for Legal Services. All Senior Employees must keep the Director responsible for Legal Services apprised of any Legal Actions, excluding those overseen by the Executive responsible for Human Resources, for purposes of semi-annual reporting. The Executive responsible for Human Resources will report Legal Actions under their purview to the relevant Boards at each meeting.

- 5.1. The following limits apply for any write-off of accounts receivable or payables:
- \$300,000 or more Approval from the CEO
 - \$150,000 – 299,999 Approval by the CFO and Executive overseeing Billing
 - \$0 – 149,999 Approval is by the Director and Executive overseeing Billing

5.2. A quarterly report of write-offs of all accounts receivables or payables or settlement of liabilities in excess of \$300,000 will be prepared and provided to the Boards along with regular financial reporting.

Banking, Debts and Investments


5.3. New bank accounts and closing of bank accounts require approval of the CEO and CFO. The CEO and CFO have signing authority for ENWIN Group bank accounts, along with any other specifically listed Executives or Officers with additional signing authority.

5.4. Issuance of any and all corporate credit card(s) must be approved by the CFO, except for the credit card of the CFO which must be approved by the CEO. Expenses on corporate credit cards must be approved by the supervisor of the person holding the card, and/or to whom the expense pertains, in accordance with all applicable policies.

5.4.1. Debt placements and incursions into the operating line of credit must be approved by the CFO or, in their absence, the CEO. Interest or other debt payments in accordance with Board-approved debt agreements may be authorized by the CFO or, in their absence, the CEO. However, settlement of long-term notes payable/receivable and long-term debt obligations as between the ENWIN Group must have the approval of the Boards through the budget or alternative direct approval. All debt will be reported quarterly by the CFO to the Audit & Finance Committees of the ENWIN Group.

5.5. Investments inclusive of equity, or debt instruments, treasury, cash, etc. must be maintained in accordance with Board-approved policies and are subject to the following approval levels:

- \$2,000,000 or more Approval from the CEO, with CFO recommendations
- \$0 – 2,000,000 Approval from the Director responsible for Finance and CFO

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Operating Expenses and Reporting

5.6. The Purchasing Policy and related procedures will establish approval authority limits for Employees for any purchasing activities, and the CFO will establish approval authority limits for Employees for any directly paid expenses, subject to approval from the CEO. Where there is conflict between approval authority limits, the most stringent requirements will prevail.


5.6.1. Consistent with the approval authority limits under the Purchasing Policy, the Manager, Director or Executive responsible for Billing has the authority to approve any payments related to normal account management activities or regulatory requirements including payments to electricity retailers, generators, and customers, for example equal monthly payment reconciliations, retuning deposits, and refunding overpayments or payments caused by billing errors. However, refunding any reconciliations, overpayments or errors of \$300,000 or more require CEO approval.

5.6.2. The CFO is authorized to make all statutory payments, including but not limited to Canada Revenue Agency remittances for payroll, commodity or other taxes, intercompany balances (other than long-term notes payable/receivable and long-term debt obligations), and payment of insurance premiums when due.

5.6.3. The CFO is authorized to sign all commodity, income or other tax returns on behalf of the ENWIN Group. The Director responsible for Finance or, in their absence, the CFO are responsible for the timely submission and filing of all such returns.

5.6.4. Any regulatory filings that contain scientific or engineering estimates, statistics or data of any kind shall be recommended for submission, in writing, by the most senior professional reporting to the CEO within the discipline pertaining to the subject matter of that regulatory filing. The CEO or, if the CEO so directs, the CFO or Executive responsible for Regulatory Affairs will sign all regulatory filings with the Ministry of Energy, the Ontario Energy Board, the IESO, the Ministry of Environment, Conservation and Parks, or any other agency with regulatory or legislative control over the activities of the ENWIN Group. The Director responsible for Regulatory Affairs, or in their absence the Executive responsible for Regulatory Affairs, is responsible for ensuring the timely submission and filing of all such returns and information.

5.6.5. The Executive responsible for enterprise risk management will ensure the development of an enterprise risk management system, including an enterprise risk management policy and a cyber security policy, as well as a policy related to AI Governance, and provide the system and related policies to the applicable ENWIN Group Board(s) for approval. The Executive responsible for enterprise risk management will be responsible for maintaining the enterprise risk management system and monitoring compliance with related policies.

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5.6.4-5.6.6. The Corporate Secretary will maintain the Corporate Seal(s) and a register providing detail as to the use of the seal and authorization for the document to be sealed.

5.6.5-5.6.7. Violating the Procedure could significantly damage the ENWIN Group and expose it to unintended legal and commercial liabilities. Any conduct that violates this Procedure will be considered to be outside the scope of employment and may be subject to appropriate disciplinary action by the ENWIN Group up to and including termination of employment and removal from office.


6. RELATED DOCUMENTS

- 6.1. In addition to the Delegation of Authority Policy, related documents include:
- The Purchasing Policy and related procedures;
 - Travel and Business Expense Policy;
 - Employee Code of Ethics and Conflict of Interest Policy; and
 - Legal Matters Procedure.

7. PROCEDURE HISTORY

- 7.1. This Procedure was approved on June 26, 2024

APPENDIX C

| | | | |
|---|---|------------------------|-----------------------|
|  | ENWIN Utilities Ltd. POLICY | Policy No.: | B001.05 |
| Approved By: | ENWIN Group of Companies and WUC | Effective Date: | August 5, 2024 |
| Subject | Purchasing Policy | Page: | Page 1 of 10 |

5.2

1. PURPOSE

1.1. The purpose of this Purchasing Policy (Policy) is to outline the framework and guidelines governing procurement activities in the organization. This Policy aims to ensure procurement activities are conducted in compliance with relevant laws and regulations, promote responsible spending, support transparent, accountable and ethical practices, while aligning with the company's goals.

2. SCOPE

2.1. This Policy applies to all purchasing activities of the ENWIN Group of Companies ("ENWIN"), which includes ENWIN Utilities Ltd. and its Affiliates, as well as all purchasing activities performed by ENWIN as an agent for other entities, such as the Windsor Utilities Commission, unless directed otherwise.

2.2. This Policy includes all purchases and commitments for Deliverables made by ENWIN, unless otherwise stated herein, and sets out the rules that govern how procurement activities shall be conducted.

3. RESPONSIBILITIES

3.1. This Policy is the responsibility of the Director responsible for Purchasing and shall be reviewed and amended as required at a minimum every five (5) years.


4. POLICY

4.1. Supply Chain Code of Ethics

4.1.1. All employees involved in purchasing activities are subject to ENWIN's Supply Chain Code of Ethics, included in Schedule C, and will conduct themselves in accordance with the Code.

4.2. Authority Level

4.2.1. Budgeted Funds: The CEO shall have the authority to approve and/or delegate, all purchases and commitments, regardless of value, provided the funding is included or can be contained within the Board approved operating or capital

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budget.

4.2.2. Unbudgeted Funds: If a Deliverable is not specifically included in the board approved budget and cannot be contained within the total capital or operating budgets, the CEO has the authority to approve the purchase of the Deliverable with a Purchase Price up to, but not including \$500,000. Unbudgeted purchases of Deliverables with a Purchase Price greater than \$500,000 require approval of the Board.

4.3. Purchasing Methods


4.3.1. ENWIN strives to achieve value for money in its procurements, while ensuring transparency, fairness and openness to the market in the conduct of its purchasing activities. To achieve these objectives, procurements for goods and services, that have an estimated Purchase Price of \$150,000 or more, or Construction with an estimated Purchase Price of \$250,000 or more, shall be conducted through an Open Competitive Procurement Process.

4.3.2. Notwithstanding the Purchasing Methods outlined above, the following exceptions apply:


- a) Where an Open Competitive Procurement Process was utilized to establish a Formal Agreement, and the subsequent procurement is governed by the Formal Agreement.
- b) Where an Open Competitive Procurement Process was utilized to establish a list of pre-qualified suppliers, and the subsequent procurement for Deliverables is associated with the Pre-Qualification process.
- c) Where the procurement is through a cooperative purchasing organization, group purchasing organization, municipality or LDC, and the procurement was conducted through a competitive procurement process.

4.4. Exempt Purchases

4.4.1. Schedule B outlines Deliverables that are exempt from the application of this Policy, and do not require competitive bidding.

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| <p>Approved By:</p> | <p>ENWIN Group of Companies</p> | <p>Effective Date:</p> | <p><u>August 5, 2024</u></p> |
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4.5. Non-Competitive Procurement

4.5.1. A non-competitive direct award of a Contract may be used to purchase Deliverables with an estimated Purchase Price equal to or greater than \$15,000 from ENWIN funds only with the prior approval of the Director responsible for Purchasing provided the procurement meets at least one of the criteria for Single Source or Sole Source, as defined in Schedule A of this Policy.

4.6. Insurance And Indemnity

4.6.1. Procurement documentation shall disclose all necessary insurance requirements. Insurance coverage shall be confirmed prior to the commencement of services and shall remain in force for the duration of the Contract.

4.6.2. The Executive(s) responsible for finance and/or risk has the authority to modify or waive insurance requirements if, in their sole discretion, to do so would not result in harm or undue risk to ENWIN.


4.7. Health And Safety

4.7.1. All Suppliers shall strictly comply with all Occupational Health and Safety Act requirements and shall indemnify and hold harmless ENWIN in respect of same, including any legal costs, fines or other penalties incurred by ENWIN resulting from the Supplier’s performance of the Contract terms.

4.8. Procedures

4.8.1. The Purchasing Procedures support the requirements outlined in the Policy. The Director responsible for Purchasing shall be responsible for the development and implementation of the procedures and all employees involved in purchasing activities shall be responsible for adhering to the Procedures.

4.8.2. The procedures may be amended from time to time, subject to CEO approval, to support the operational needs of the organization and efficient operations of the Purchasing Department.

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4.9. Reporting Requirements

4.9.1. Any contracts with a Purchase Price in excess of \$1,000,000 will be reported to the Board at the next scheduled board meeting.

4.9.2. The Director responsible for Purchasing, shall provide an annual information report to the Board disclosing:

- a) Single and Sole Sourced purchases during the previous fiscal year.
- b) Contract awards made within the previous fiscal year with a value in excess of \$1,000,000.

5. RELATED DOCUMENTS


5.1. In addition to the Procedures created under this Policy, related documents include:

- Delegation of Authority Policy
- Employee Code of Ethics and Conflict of Interest Policy

6. POLICY HISTORY


6.1. This version of the Policy was approved on June 26, 2024.

6.2. This Policy will be reviewed by June 26, 2029.

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|  | ENWIN Utilities Ltd. POLICY | Policy No.: | B001.05 |
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SCHEDULE A – DEFINITIONS


- “Affiliate”** With respect to a corporation, has the same meaning as in the Business Corporations Act (Ontario).
- “Board”** The Board of Directors of ENWIN Utilities Ltd. or any Affiliate as the case may be.
- “Deliverable”** Means the Good, Service or Construction being purchased.
- “ENWIN Group of Companies”**
Includes ENWIN Utilities Ltd. and ENWIN Energy Ltd.
- “Formal Agreement”**
A written contract for the purchase of a Deliverable, executed by ENWIN and the Supplier.
- “Formal Procurement Process”**
A procurement process with detailed requirements, specifications, evaluation framework, that is issued either by invitation or is open to the market for participation. The process is conducted through a Request for Quotation (RFQ); Request for Tender (RFT); Request for Proposal (RFP); Request for Supplier Qualification (RFSQ or RFPQ).
- “Open Competitive Procurement Process”**
A Formal Procurement Process that is posted publicly on a website that is accessible to all suppliers.
- “Purchase Price”** Refers to the total value of the Deliverable, exclusive of tax. In the case of multi-year contracts, the total value is calculated as the total cost for all years, including any option periods.
- “Single Source”** Means a non-competitive procurement where one or more of the following circumstances apply:
- To purchase an item for testing or trial use;
 - Where Deliverables are in short supply due to market conditions, including geographic limitations and lack of competition;

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- c. To exercise a purchase option under a rental contract;
- d. To purchase Goods offered for sale by auction or tender, provided the CEO authorizes the submission of a bid;
- e. Where a competitive method of purchasing could interfere with ENWIN's ability to maintain security or order, or to protect human, animal or plant life;
- f. Where Deliverables relating to matters of a confidential or privileged nature are required and disclosure of these matters could reasonably be expected to compromise confidentiality, cause economic disruption, or otherwise be contrary to the public interest;
- g. Where an unforeseeable situation of urgency exists and competitive methods of purchasing would result in ENWIN's inability to obtain the Deliverable in time.

“Sole Source” Means a non-competitive procurement where one or more of the following circumstances apply:

- a. Where there is no response to a competitive process;
- b. To ensure compatibility, or standardization, with existing products and services, to recognize exclusive rights, or to maintain specialized products that must be maintained by the manufacturer or its representative; or, there are no substitutes for components or replacement parts;
- c. Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;
- d. The Board, or CEO have approved the adoption of specific standards for the organization upon presentment of a business case;
- e. Where an IT product selection is vetted and confirmed as competitive by a recognized research and advisory firm such as Gartner or Forrester and the sole source is approved by the Executive responsible for IT;
- f. For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly.
- g. For maintenance and/or support on proprietary software or assets, where the procurement of an alternate supplier would negate warranty, be contrary to OEM specifications or present risk to the integrity of the software or asset.

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SCHEDULE B – EXEMPT PURCHASES

Exempt Purchases

The purchase of the following is exempt from the application of this Policy, but subject to other ENWIN Policies such as the Delegation of Authority or Human Resource Policies. For further clarity, the Purchasing Department may be engaged by a Department for the creation of a Purchase Order or procurement guidance, but competitive bidding is not required. The Director responsible for Finance department is hereby authorized to pay for any goods or services purchased in accordance with this Schedule A upon receipt of an invoice which is duly approved in accordance with applicable corporate policy regarding financial controls. Final interpretation of the following exclusions shall be made by the Director responsible for Purchasing.


1. **Employer Expenses** including:

- a. Salaries
- b. Benefits, including health and insurance benefits
- c. Payroll deductions and remittances
- d. Licenses
- e. Training and education, including conferences and memberships
- f. Reimbursable employee expenses as defined in the Travel and Business Expense Policy
- g. Specialized Recruitment services (i.e. where a contracted agency cannot supply a qualified person; or for executive recruitment or as required by the Executive responsible for Human Resources)
- h. Specialized Counselling services, as determined by the Executive responsible for Human Resources or, as delegated to the Director responsible for Human Resources.

2. **Governmental Charges** to and from other governmental bodies including Federal, Provincial and Municipal.

3. **Periodic payments** including:


- a. Debenture payments
- b. Agency grants
- c. Sinking fund payments
- d. Postage and courier services
- e. Utilities
- f. Telephone, data and television services including installations and repairs

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- g. Licenses (vehicles, equipment)
 - h. Insurance premiums
 - i. Other potentials may arise, but will only be included if approved by the CEO
4. **Settlements, awards and deductible payments** for legal and/or insurance purposes.
 5. **Magazines, books, subscriptions, newspapers and periodicals**
 6. **Marketing, Advertising & Publications**
 7. **Maintenance, cloud and license agreements** for IT systems currently in place.
 - a. Licensed occupancy on poles of third-parties (i.e. Bell, Hydro One, other LDCs, etc.)
 8. **Cyber Security services and IT products** where a competitive process would increase the level of cyber risk (i.e. networking, penetration testing services, malware and threat detection tools).
 9. **Auditing, Tax and Legal Services and support** in accordance with the procedures created under the Delegation of Authority Policy.
 - a. Arbitrators, mediators and investigators
 10. **City of Windsor or Rail Works Services** where the City of Windsor or the railway, as the case may be, carries out works at the behest of ENWIN.
 11. **Real estate** including land, buildings, leasehold interests, easements, encroachments, licenses, etc. The purchase and sale of real property is governed by a separate policy¹.
 12. **Industry benchmarking initiatives**
 13. **Specialized Tool and Equipment Repairs and Calibrations** where the tool or equipment needs to be sent to a vendor for evaluation.
 14. **Specialized goods where there is only one approved product.**

¹ Reference Policy Governing Sale of Real Property.

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SCHEDULE C – SUPPLY CHAIN CODE OF ETHICS

ENWIN Supply Chain Code of Ethics

Goal: To ensure an ethical, professional, and accountable supply chain practices

I. Personal Integrity and Professionalism

Individuals involved with Supply Chain Activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all Supply Chain Activities between suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. Participants must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.


II. Accountability and Transparency

Supply Chain Activities must be open and accountable. Contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for money. All participants must ensure that resources are used in a responsible, efficient, and effective manner.

III. Compliance and Continuous Improvement

Individuals involved with purchasing or other Supply Chain Activities must comply with this Code of Ethics and the laws of Canada and Ontario. Individuals should continuously work to improve supply chain policies.

Appendix D

| | | |
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|  | ENWIN Utilities Ltd. Standard Operating Procedure | Approved by: |
| Subject: | Purchasing Procedures | Approval Date: |
| Issuing Department: | Purchasing | Original Issue Date: 2023-xx-xx |
| ID # : | | Revision: 0 – 2023-xx-xx |
| Location: | | Page 1 of 22 |

5.2

1. Purpose

The purpose of the Purchasing Procedures is to provide guidance and direction in the application of the Purchasing Policy. Together with the Purchasing Policy, the Purchasing Procedures provides the necessary steps and guidelines for conducting procurement activities, with the goal of supporting efficiency, transparency and promoting value for money in our procurement processes.

2. Scope

The Purchasing Procedures apply to all ENWIN employees engaged in procurement activities.

3. Definitions

Definitions can be found in Schedule A of this document.


4. Authority and Responsibilities

CEO

1. The CEO shall:
 - a. Impose restrictions on Purchasing activities from time to time where he or she considers necessary and in the best interests of ENWIN;
 - b. Ensure the implementation of the practices established in this Procedure;

Executives and Directors

2. Executives and Directors shall:
 - a. Oversee all Purchasing activities in their areas of responsibility and be accountable for the Purchasing activities of the Employees under their supervision;
 - b. Achieve Best Value while observing the requirements of the Purchasing Policy and Procedures;
 - c. Identify single and multi-functional projects in budget submissions to ensure the correct dollar thresholds and Purchasing processes are used; and,
 - d. Require those Employees under their supervision having Purchasing authority to complete Purchasing Policy and Procedure training.

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|  | ENWIN Utilities Ltd. Standard Operating Procedure | Approved by: |
| Subject: | Purchasing Procedures | Approval Date: |
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Director responsible for Purchasing

3. The Director responsible for Purchasing shall:
 - a. Act as the legal purchasing agent for ENWIN, and its Affiliates as the case may be, under the direction of the Director or Executive;
 - b. Provide professional purchasing advice to Departments;
 - c. Monitor adherence to the Purchasing Policy and Procedures;
 - d. Interpret and apply the Purchasing Policy and Procedures to all Purchasing activities and exercise discretion as prescribed where alternative courses of action are permitted;
 - e. Notify Directors of non-compliance with the Purchasing Policy and Procedures;
 - f. Provide ongoing training and education regarding the Purchasing Policy and Procedures;
 - g. Ensure conduct of Purchasing activities in an efficient and timely manner;
 - h. Purchase all goods and services for ENWIN or for any Affiliate as required under the authority of the Board and in compliance with the Purchasing Policy and Procedures,
 - i. Establish all necessary procedures, forms, methods and documents to carry out the objectives of the Purchasing Policy and Procedures.

Employees


4. Employees shall:
 - a. Comply with the provisions of the Purchasing Policy and Procedures in the performance of their duties; and,
 - b. Attend Purchasing Policy and Procedures training as required.
 - c. All Employees given authority to Purchase Deliverables under The Purchasing Policy and Procedures are accountable and responsible to ensure that proper budgets exist within their Departments and that Purchases do not violate any ENWIN, legal, or other statutory policy, including Trade Agreements, and will be held accountable for their decisions and actions.

5. Procedures

Ethical Considerations

1. All employees involved in purchasing activities are expected to conduct themselves in accordance with:

Printed copies are not controlled. Only electronic versions are controlled documents.


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| Subject: | Purchasing Procedures | Approval Date: |
| Issuing Department: | Purchasing | Original Issue Date: 2023-xx-xx |
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- a. ENWIN's Supply Chain Code of Ethics – promoting personal integrity and professionalism; accountability and transparency; compliance and continuous improvement in the performance of purchasing activities. The Supply Chain Code of Ethics are published within Schedule C of the Purchasing Policy.
- b. ENWIN's Code of Conduct and Conflict of Interest Policy – ensuring that all actual or perceived conflicts of interest, as they relate to purchasing activities, are disclosed; and refrain from activities that would compromise the procurement process and/or cause an unfair advantage or disadvantage to a supplier.

Purchasing Goals

ENWIN strives to meet and balance the following goals:

- a. **Efficiency:** Maintain the flow of goods and services to meet ENWIN's needs over both the short and long term in the most cost-effective manner possible.
- b. **Quality and Value:** Obtain Best Value for money, using a Total Cost of Ownership methodology.
- c. **Honesty:** Ensure Purchasing is conducted with fairness, honesty and integrity, avoiding even the appearance of impropriety.
- d. **Openness:** Ensure equal access to Suppliers to opportunities to benefit from the expenditure by ENWIN.
- e. **Transparency:** Ensure that Purchasing is undertaken in accordance with policies and procedures that are accessible to and understandable by all.
- f. **Accountability:** Maintain accountability through the ongoing exercise of openness and transparency.
- g. **Improvement:** Create an environment of continuous improvement by reducing costs, improving quality and stimulating innovation.
- h. **Environmental and Social Responsibility:** Encourage activities to operate in a social and environmentally sustainable manner within the context of Best Value.

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|  | ENWIN Utilities Ltd. Standard Operating Procedure | Approved by: |
| Subject: | Purchasing Procedures | Approval Date: |
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Approval Thresholds

Purchase Price Calculation:


- a. The Purchase Price is calculated based on the total cost of the procurement, exclusive of taxes.
- b. In the case of multi-year contracts, the Purchase Price is based on the total cost of the contract, over the entire term of the contract, including any option years.
- c. No action will be taken to subdivide Purchases to reduce the estimated Purchase Price or to circumvent the procedures contained herein.

Approval Authority Schedule (AAS)

- a. The AAS sets out the approval thresholds for the commitment of funds and approval of awards, by authority level. All procurements are subject to the AAS unless specifically identified otherwise and any reference to approvals throughout the Purchasing Procedures also require that approval be obtained based on the authority levels defined in the AAS.
- b. The AAS is broken into two sections: Budgeted and Unbudgeted funds
 - i. Budgeted refers to funds that are included in the Board approved operating or capital budgets
 - ii. Unbudgeted refers to funds that have not been included in the budget; or that exceed the Board approved operating or capital budget.

| Approval Authority Schedule (AAS) - Budgeted | |
|---|-----------------------------------|
| Total Purchase Price | Purchasing Authority Level |
| Up to \$14,999 | Supervisor |
| Up to \$149,999 | Manager |
| Up to \$249,999 | Director |
| Up to \$499,999 | Executive |
| > \$500,000 | CEO |

| Approval Authority Schedule (AAS) - Unbudgeted | |
|---|-----------------------------------|
| Total Purchase Price | Purchasing Authority Level |
| \$0 – \$149,999 | Director |
| Up to \$249,999 | Executive |
| Up to \$499,999 | CEO |
| >\$500,000 | Board of Directors |

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Purchasing Methods

- a. Purchasing Methods are determined based on the Purchase Price. The specific procurement strategy, or type of solicitation document used to support the purchasing method is dependent on several factors and is established collaboratively between the Purchasing Department and the respective Department.
- b. Prior to the commencement of any procurement, approval for the commitment of funds must be obtained, based on the AAS. This is achieved through the completion of a Purchase Requisition in SAP.
 - i. A Purchase Requisition (“PR”) is used to confirm that funds are available prior to the commencement of a formal procurement process. At this stage, departments should submit the PR based on the estimated cost of the procurement; or up to their total budgeted amount for that Deliverable if the estimate is unknown. A note should be added to the PR to indicate that the PR is being used to initiate the procurement process only. Once the procurement process is complete and the pricing is finalized, the Department is required to update the PR to reflect the final cost and any other details that may be required, prior to the issuance of the Purchase Order (“PO”) by Purchasing.
 - ii. For all other procurements, the PR should include all necessary details related to the purchase, including reference to the quotation; details that may be relevant to the approver; actual costs for the Deliverables and other information that may be relevant to the Purchasing Department for the creation of the PO.

The table below outlines the purchasing methods based on dollar thresholds.

| Total Purchase Price | Purchasing Method | Purchasing Document/Contract |
|---|---|--|
| Goods and Services | | |
| \$0 up to but not including \$15,000 | Informal Quotation or Invitational Competitive Procurement (one or more quotes obtained) | Purchasing Card; Purchase Order |
| \$15,000 up to by not including \$150,000 | Invitational or Open Competitive Procurement (minimum of three suppliers are invited to submit a bid) | Purchase Order, Outline Agreement ¹ or Formal Agreement |

¹ Outline Agreements are limited to the procurement of inventory goods.


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| Total Purchase Price | Purchasing Method | Purchasing Document/Contract |
|---------------------------|---|---|
| Goods and Services | | |
| \$150,000 or more | Open Competitive Procurement Process | Purchase Order, Formal Agreement or Outline Agreement |
| Construction | | |
| Up to \$249,999 | Invitational or Open Competitive Procurement (minimum of three suppliers are invited to submit a bid) | Formal Agreement |
| \$250,000 or more | Open Competitive Procurement Process | Formal Agreement |

Solicitation Procedures and Documents

This section provides details related to the various types of Solicitation (RFx) Documents and associated process and procedures, that can be used for the procurement of Deliverables.

| | RFI/RFEO | RFQ | RFT | RFP | RFPQ/RFSQ |
|--------------------------------|--|---|---|--|--|
| Purpose | Develop strategy or learn more about supplier’s capabilities | Obtain best value for standard, well-defined Deliverables | Obtain the lowest price for the specific project | Compare supplier bids, approach, qualifications for the Deliverables. | Pre-Qualify suppliers. First of a two-stage process |
| Specifications/Criteria | May be unknown or undefined. | Clearly defined | Clearly defined | Solution or outcome based; May not be well defined | Broadly defined. Could be specific to one project or type of service |
| Evaluation Criteria | None | Primarily price, but can include other factors such as delivery time, payment terms | Price. Subject to vendor’s compliance with specifications | Technical factors such as qualifications; approach to the project, timelines, experience in addition to Pricing. | Vendor capabilities, experience, references, approach. |

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| | RFI/RFE0 | RFQ | RFT | RFP | RFPQ/RFSQ |
|-----------------------------|----------------------|----------------------------------|---|--------------------------------|--|
| Terms and Conditions | None | Standard PO Terms and Conditions | Formal Agreement or PO Terms and Conditions | Formal Agreement | None. Agreement established in second stage. |
| Best Suited for | Customized solutions | Commoditized products | Construction; Capital Assets | Services; Customized solutions | Pre-Qualification of Suppliers as a first stage to a secondary procurement |

RFx Process – Responsibilities

This section outlines general responsibilities between Departments and Purchasing during the RFx process. The Purchasing Department will work in collaboration with Departments in the development of the strategy and assist in making recommendations related to evaluation frameworks, evaluation criteria and provide guidance and risk management throughout the process. The responsibilities below indicate the overall accountability for each of the functions listed.


Departments:

- Defining the procurement need and overall objectives
- Approval of the procurement strategy
- Developing specifications and scope of work
- Establishing evaluation criteria and weighting
- Approval of all documentation prior to release to market
- Objective and unbiased participation in the procurement process
- Proposal evaluation and scoring
- Supporting supplier management and contract management activities through active input
- Input and participation (as required) in the vendor debriefing process

Purchasing:

- RFx process administration
- Strategy guidance and risk mitigation
- Development of RFx documents, including contract documents and all supplier facing documentation

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- Supplier communications
- Contract and Supplier Management
- Document retention

RFx Document Requirements

All formal procurement documents will be developed by the Purchasing Department prior to release to the market. The requesting department will be responsible for approving the final documents prior to release to market. The Purchasing Department will be responsible for establishing templates for the various RFx's and these templates will be utilized to the greatest extent possible unless circumstances necessitate otherwise.


Every Formal RFx shall set out:

- The manner in which communications are handled during RFx;
- Response requirements, including time, date and location of closing;
- Any information that could influence a Supplier's decision to submit a Response, or could influence Purchase Price;
- The manner in which the Response is to be evaluated, including a listing of mandatory requirements and any rated criteria, including how the criteria is weighted;
- Required Contract terms, including provisions for any extension or renewal options;
- Responses may be withdrawn upon the submission of written instructions to do so and submitted prior to the closing date;
- That the purchasing department will notify both the successful and unsuccessful respondents of their disposition in the outcome of the Formal RFx, via written communication.
- In the case of an RFx where price is not the sole criteria, tie-break procedures shall be clearly indicated.

During the RFx process:

- Except at a meeting to which Suppliers have been invited, no oral questions will be taken and no oral answers will be given; and,

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- b. All Supplier questions will be asked in writing, and any response given will be given in writing to all Suppliers participating in the Formal RfX; and,
- c. Communication by Suppliers and potential Suppliers with ENWIN shall be through the Purchasing Department only, in the manner directed in the Formal RfX document.

Additional Requirements:

- a. The Closing Date for all Formal RfX shall be set for a weekday, excluding provincial and national holidays.
- b. Only Responses meeting the requirements set out in the Formal RfX shall be opened. Any Response not meeting the submission requirements shall be returned unopened to the Supplier. If multiple Responses are received from a Supplier, the last Response made before the closing date supersedes all prior responses, except in the case of an RfX where alternate Responses are permitted.
- c. Evaluation of Responses shall be in accordance with the terms of the Formal RfX. Any Response disqualified during the evaluation process shall not be further evaluated or considered.
- d. Irregularities in Responses shall be addressed in accordance with Schedule D to this Procedure.
- e. If two equal Responses are received, any process described in the Solicitation documents shall be followed to end the tie. If no process is prescribed in the Solicitation documents to address equal Responses, or if the process fails to end the tie, the responsible Director and the Purchasing Manager may, in his or her discretion, re-evaluate the Responses in accordance with their terms to attempt to end the tie.

Cooperative Procurement

The Director responsible for Purchasing is authorized to enter into arrangements with other Local Distribution Companies (“LDCs”), area municipalities, local boards, Group Purchasing Organizations, and other public bodies or authorities for the purchase of Deliverables on a cooperative or joint basis where there are economic advantages to doing so; provided that under any such approved arrangement the methods utilized are competitive and adequate arrangements have been made for the provision of all necessary support required by the Purchasing method chosen.

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The Purchasing Manager is authorized to enter into arrangements based on the procurements of other LDCs, area municipalities, local boards and other public bodies or authorities for the purchase of Deliverables where there are economic or legal advantages to doing so provided that:

- i. the procurement on which the arrangement is based was competitive; and
- ii. adequate arrangements have been made for the provision of all necessary support required by the Purchasing method chosen.

Emergency Purchases

In the event of an Emergency requiring the purchase of goods or services to alleviate the Emergency, goods and services may be purchased by the most economical and expedient means, based on the thresholds outlined below:

| Purchase Price | Purchasing Authority Level |
|-----------------------|-----------------------------------|
| Up to \$249,999 | Director |
| Up to \$499,999 | Executive |
| >\$500,000 | CEO |


The Board shall be notified of any Emergency Purchases over \$250,000 at the next available meeting.

Non-Competitive Procurement

- a. Non-Competitive Procurement involves a direct award to a supplier for Deliverables over \$15,000, where no competitive procurement process has been completed.
 - i. Notwithstanding anything to the contrary in the Purchasing Policy or these Procedures, a Non-Competitive procurement must have approval from the Director responsible for Purchasing, and meet at least one of the circumstances for either Single Source or Sole Source, as provided below:

Single Source

- a. To purchase an item for testing or trial use;
- b. Where Deliverables are in short supply due to market conditions, including geographic limitations and lack of competition;
- c. To exercise a purchase option under a rental contract;
- d. To purchase Goods offered for sale by auction or tender, provided the CEO authorizes the submission of a bid;

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- e. Where a competitive method of purchasing could interfere with ENWIN's ability to maintain security or order, or to protect human, animal or plant life;
- f. Where Deliverables relating to matters of a confidential or privileged nature are required and disclosure of these matters could reasonably be expected to compromise confidentiality, cause economic disruption, or otherwise be contrary to the public interest;
- g. Where an unforeseeable situation of urgency exists and competitive methods of purchasing would result in ENWIN's inability to obtain the Deliverable in time.

Sole Source


- a. Where there is no Response to a competitive process;
- b. To ensure compatibility with existing products and services, to recognize exclusive rights, or to maintain specialized products that must be maintained by the manufacturer or its representative; or, there are no substitutes for components or replacement parts;
- c. Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;
- d. The Board, or CEO have approved the adoption of specific standards for the organization upon presentment of a business case;
- e. Where an IT product selection is vetted and confirmed as competitive by a recognized research and advisory firm such as Gartner or Forrester and the sole source is approved by the Executive responsible for IT;
- f. For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly.

Process Steps:

- i. Contact Purchasing to confirm the procurement meets the criteria for either a Single Source or Sole Source procurement;
- ii. Obtain quote from supplier or request that Purchasing obtain a quote;
- iii. Review quote from supplier and provide a copy of quote to Purchasing for review.
- iv. Complete a PR in SAP
- v. Complete a Single/Sole Source Request Form and submit the completed form to Purchasing.

Exempt Purchases

- a. A list of exempt purchases can be found within Schedule B of the Purchasing Policy.
- b. Should a procurement meet the exemptions listed in Schedule B of the Purchasing Policy, it means that a competitive procurement process is not required.

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The Department may determine that despite the exemption, a competitive procurement process would provide value, and in such a case, it is encouraged that Purchasing be engaged to assist in establishing a strategy to best meet the desired outcomes of the procurement.

Contracts and Contract Management

Types of Contracts

- a. An award can be evidenced by a Purchase Order, Outline Agreement or a Formal Agreement.
- b. The Purchasing Department shall determine whether a Purchase Order, Outline Agreement or a Formal Agreement is required with a Supplier, having regard to the nature of the Deliverable, the complexity of the Purchase, and the risks, terms and conditions applicable to the Purchase.
- c. The Purchasing Department shall prepare or approve any Formal Agreement

Management Authority to Sign Contracts

Contract approvals shall be based on the Approval Authority Schedule.


Authority to sign contracts shall be based on the details outlined in the following table, subject to the Delegation of Authority (DOA), DOA Procedures and Contract Approval Procedure

| Type of Contract | Signatory |
|-------------------------|--|
| Purchase Order | Director, Procurement and Supply Chain |
| Outline Agreement | Director, Procurement and Supply Chain |
| Formal Agreement | Executive and CEO |
| Amending Agreement | Executive and CEO |
| Statement of Work | Director, Procurement and Supply Chain and (subject to AAS) Manager, Director or Executive |

Contract Documents

The Director responsible for Purchasing shall establish Contract Templates and be in a form approved by legal counsel and reviewed every five years.

Contracts shall include terms and conditions specific to the following:

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Contract Term

- a. All contracts must indicate the term of the agreement, including any optional renewal terms.
- b. Where a formal procurement process has been undertaken, the term, including the optional renewal terms shall be consistent between the RFx document and the associated Contract.
- c. Except in the case of software maintenance, perpetual contract terms or auto renewal clauses should be avoided.

Optional Renewal Terms

- a. Where a Contract contains an option for renewal, the responsible Director may request the Purchasing Department to exercise such option, provided that:
 - i. In the opinion of the Director, the Supplier's performance under the prior term of the Contract has been satisfactory and has met the requirements of the Contract;
 - ii. Funds are available in the appropriate accounts within the Board approved budget including authorized revisions to meet the proposed expenditure;
 - iii. The Contract is not otherwise required to be brought before the Board.


Termination language

- a. All contracts shall include contract termination language.

Bid Security

- a. ENWIN reserves the right to require Bid Security in the form of any one or more of the following:
 - i. Financial bonds issued by a bonding company approved to transact business in Ontario;
 - ii. Certified cheques, bank draft or money order drawn on any bank named in Schedule I or II to the *Bank Act* (Canada), any trust or loan company registered under the Loan and *Trust Company Act* (Ontario), the Province of Ontario Savings office, or a credit union as defined in the *Credit Unions and Caisses Populaires Act* (Ontario);
 - iii. An Irrevocable letter of credit naming ENWIN as beneficiary.

Performance Security and Labour and Materials Security

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- a. Performance security and labour and material payment security are required for all Construction Purchases over \$150,000 CAD.
- b. Performance security may be required for non-Construction Purchases over \$100,000 CAD if the Director responsible for Purchasing, in consultation with the Director deems such security to be in the best interests of ENWIN.
- c. The Director responsible for Purchasing may require labour and material payment security for non-Construction projects over \$100,000 CAD if in consultation with the Director, deems such security to be in the best interests of ENWIN.
- d. Where performance security and labour and material payment security are required, the amount of such security shall be 50% of the amount of the Purchase Price, provided that the Director responsible for Purchasing and the Director shall have the discretion to require security in excess of 50% of the amount of the Purchase Price, if in their opinion it would be in the best interests of ENWIN to do so.


Indemnity

- a. ENWIN shall be indemnified for and against any claim, loss, cost or damage resulting from a Supplier's obligations under a Contract.

Insurance

- a. The Purchasing Department shall collect necessary insurances during a Solicitation and shall provide such insurances to the Health & Safety department for the Health & Safety department's ongoing insurance management. Bid documents shall disclose all necessary insurance as defined in Schedule D.
- b. All insurance must be in a form satisfactory to the Director responsible for Purchasing, and shall be delivered prior to the commencement of work, to remain in force for the duration of the Contract inclusive of any maintenance period and shall:
 - i. Name ENWIN as an additional insured;
 - ii. Be primary and non-contributing;
 - iii. Contain a "cross liability/separation of insureds" clause; and,
 - iv. Not be altered, cancelled or permitted to lapse without 30 days' prior written notice to ENWIN by the insurer
- c. The Supplier shall also maintain adequate insurance of its own interests in completing the Contract.
- d. The Executive(s) responsible for finance and/or risk has the authority to modify or waive insurance requirements if, in their sole discretion, to do so would not result in harm or undue risk to ENWIN

Health and Safety

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- a. Prior to the commencement of the work, the Supplier shall deliver a Certificate of Clearance from the Workplace Safety and Insurance Board to evidence an account in good standing, or, if the Supplier is exempt from membership, satisfactory evidence of such exemption. The Purchasing Department shall deliver the Certificate of Clearance to the Health & Safety department for the Health & Safety department’s ongoing WSIB management.
- b. All Suppliers shall strictly comply with all Occupational Health and Safety Act requirements and shall indemnify and hold harmless ENWIN in respect of same, including any legal costs, fines or other penalties incurred by ENWIN resulting from the Supplier’s performance of the Contract terms.
- c. All employees are responsible for ensuring contractors that meet the requirements of participating in the Contractor Management Program have met their obligations under this program prior to the commencement of Services.
 - i. The Purchasing Department is responsible for ensuring that solicitation documents and contracts include necessary Health and Safety requirements and that vendors comply with requirements prior to the commencement of work.

Amendments to Contracts

Amending Agreements

- a. An Amending Agreement to a Formal Agreement is required in the following circumstances:
 - i. When a change in scope or specifications is made that requires both parties to formally agree to the change
 - ii. When there is a change in pricing that is not already contemplated in the existing agreement. This excludes increases to value that are related to volume changes, but which conform to the unit rates in the contract.
 - iii. Changes to terms and conditions
- b. Amending Agreements will be prepared and administered by the Purchasing Department.
- c. Authorization to sign the Amending Agreement shall be based on Management’s Authority to Sign Contracts section.
- d. Amending Agreements that result in a change to the overall Purchase Price require approval based on the AAS.
 - i. The Department will be required to submit a PR to obtain approval for the increase in price.

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- ii. Departments will complete a Contract Amendment Form and obtain the necessary approvals based on the AAS.

Purchase Order Changes

There are situations that arise where the original estimate for a Deliverable is exceeded, and a corresponding increase is required to a Purchase Order.

- The Department will create a PR to initiate the change and obtain approval based on the AAS. Sufficient detail should be provided in the PR indicating the reason for the change, the original contract number and reference the original PO.
- In addition to a PR, a Contract Amendment Form will be completed and approved when any of the following circumstances apply:
 - The total value of the increase exceeds the Board Approved operating or capital budget.
 - The total value of the increase is \$15,000 or more
 - If a ceiling limit was established, and the total value exceeds the ceiling limit approved for the Contract
- For Contracts where multiple departments utilize the services, and the value of the services or goods are included in the Department’s operating or capital budget, changes in value will be calculated based on the increase specific to that Department’s portion of the Deliverables and follow the AAS for the approval of the increase.


Change Orders

Changes in Construction Agreements that result in a change of scope or value shall be evidenced by a Change Order signed by the Parties, in accordance with the AAS.

- A copy of the fully executed Change Order shall be provided to the Purchasing Department
- The Department will complete a PR to initiate the change to the PO

Roster Agreements

- a. Roster Lists shall be developed when it is determined that a Roster List would assist ENWIN in the formation of strategic relationships to better serve ENWIN’s Purchasing needs.

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- b. Roster Lists shall only be valid for five (5) years and thereafter cannot be used unless updated by a new Prequalification.
- c. Roster List Awards shall be made at the discretion of the responsible Director and Director responsible for Purchasing.
- d. Roster List Awards shall be evidenced by a Formal Agreement, outlining the terms of distribution for the work amongst awarded vendors.

Supplier Management


Performance Management

The Director responsible for Purchasing is responsible for ENWIN’s Supplier performance management system. The supplier performance management program is detailed in the Supplier Performance Management Framework and Contractor Performance Management Procedures, which will govern the overall approach and procedures related to supplier performance management.

Supplier Suspension

ENWIN may, but shall not be obligated to, at the discretion of the CEO, or the Board of Directors, suspend a Supplier from participating in ENWIN’s Purchasing activities by reason of:

- a. Litigation or engagement in legal action between the Supplier or any officer or director of the Supplier, directly or indirectly through another corporation, and ENWIN or any Affiliate of ENWIN, ENWIN Consultants engaged by ENWIN in respect of a specific Solicitation, or Employees in relation to any other Contract or service or any matter arising from ENWIN’s exercise of its powers, duties or functions if the litigation is likely to affect the Supplier’s ability to work with Employees or ENWIN Consultants or to cost additional staff and legal costs in the administration of a Contract with the Supplier;
- b. Poor past performance by the Supplier, failure to meet specifications or a persistent and repetitive pattern of health and safety violations, as documented by the department Director and provided to the Director responsible for Purchasing;

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- c. A failure by the Supplier to satisfy a debt due to ENWIN; or,
- d. A withdrawal by a Supplier of a Response after the Award of an RFT, or the Award of an RFP.

A Supplier shall be given an opportunity to respond to an allegation of poor performance.

A suspension shall be lifted at the discretion of the CEO if the suspended Supplier demonstrates to ENWIN that the reasons leading to the suspension have been satisfactorily addressed and that the Supplier no longer poses a performance risk to ENWIN.

6. References & Related Documents


- a) Purchasing Policy
- b) Delegation of Authority Policy
- c) Code of Conduct and Conflict of Interest Policy
- d) Contract Approval Procedure
- e) Contractor Management Program

7. Education

All employees granted purchasing authority under the Purchasing Policy shall attend training on the proper use and interpretation of the Policy and the Purchasing Procedures.

8. Revision History

N/A


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SCHEDULE A - DEFINITIONS

In these Procedures, the following words will have the following meanings:

- “Affiliate”** With respect to a corporation, has the same meaning as in the Business Corporations Act (Ontario); or, as per OEB Affiliate Relationships Code.
- “Award”** When a Submission is formally accepted by ENWIN, either by the Board or by delegated authority as permitted in this Procedure.
- “Best Value”** Approach that aims to deliver products and services with a lower Total Cost of Ownership while maintaining a high standard (optimal balance of performance and cost).
- “Bid Documents”** ENWIN documents used in connection with a Purchasing process including but not limited to RFTs, RFPs and RFQs.
- “Bid Security”** Security to ensure that the successful Supplier on a Solicitation enters into a Contract with ENWIN.
- “Board”** The Board of Directors of ENWIN Utilities Ltd. or any Affiliate as the case may be.
- “Chief Executive Officer/CEO”** ENWIN's chief executive officer.
- “Closing Date”** The place, date and time set by the Bid Documents for receipt of Responses.
- “Conflict of Interest”** A situation in which the personal interests of Employees, The Board, ENWIN-engaged Consultants or Suppliers come into conflict or appears to come into conflict with the interests of ENWIN.
- “Consulting Services”** The supply of expertise or strategic advice that is presented for consideration and decision-making, or the guidance of execution of a specific project or undertaking and includes professional services such as engineering and architecture.
- “Construction”** Construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of

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products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other work, but does not include Consulting Services related to the Construction unless they are specifically included in the Purchase. May include the securing of permits, or filing of notices.

“Contract” A document to evidence an agreement for the purchase of Deliverables, and may include both a Purchase Order, inclusive of General Terms and Conditions, and a Formal Agreement.

“Deliverable” The Good, Service or Construction being purchased.

“Department” An area of operation of ENWIN as defined by its organizational charts.

“Designate” An individual duly appointed to act on behalf of the authorized authority.
“Director” The designated lead of an ENWIN Department responsible for direction and operation of a Department.


“Emergency” An “Emergency” is defined as: An imminent or actual danger to the life, health or safety of an official, the public, or an employee while acting on ENWIN’s behalf; An imminent or actual danger of injury to or destruction of property belonging to ENWIN or to property owned by a third party to whom ENWIN would be liable, including systems and data in the event of a cyber-attack; An unforeseen interruption or threat of an interruption of an essential public service; An emergency as defined by the Emergency Management Act and the Emergency Response Plan formulated by ENWIN; A spill of a pollutant as contemplated by the Environmental Protection Act.

“Employee” An employee of ENWIN.

“ENWIN” ENWIN Utilities Ltd. or any Affiliate who has adopted this procedure.
“ENWIN’s Website” ENWIN’s website at <http://www.enwin.com/>.


“Evaluation Team” Individuals designated to evaluate Responses and make Award recommendations in accordance with this Procedure.

“Executive” A member of ENWIN’s Executive Management Team reporting directly to the CEO.

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- “Fair Market Value”** The price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arm’s length, fully informed and under no compulsion to transact.
- “Formal Agreement”** A written Contract for the purchase of a Deliverable, executed by ENWIN and the Supplier.
- “Formal Procurement Process”** A procurement process with detailed requirements, specifications, evaluation framework, that is issued either by invitation or is open to the market for participation. The process is conducted through a Request for Quotation (RFQ); Request for Tender (RFT); Request for Proposal (RFP); Request for Supplier Qualification (RFSQ or RFPQ).
- “Goods”** Any moveable property, including the costs of installing, maintaining or manufacturing such moveable property, including raw materials, products, equipment and other physical objects of every kind and description, whether in solid, liquid, gaseous or electronic form, unless they are purchased in connection with Construction.
- “Invitational Competitive Procurement”** A Formal Procurement Process that is limited to suppliers that have been invited to participate in the procurement process.
- “Open Competitive Procurement Process”** A Formal Procurement Process that is posted publicly on a website that is accessible to all suppliers.
- “Parties”**
“Purchase” Refers to the organizations that have entered into a Formal Agreement. The acquisition of Deliverables by any means, including rental and leasing, and the functions that pertain to the acquisition of Deliverables, and “Purchasing” shall have a corresponding meaning.
- “Purchase Requisition”** A request for the purchase of a Deliverable initiated by a requesting Department in ENWIN’s enterprise resource planning system.
- “Purchasing Card”** A card issued in accordance with ENWIN’s Purchasing Card Procedures for the purchase of Deliverables.

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- “Purchasing Department”** The Department charged with carrying out the Purchasing function.

- “Purchase Order/PO”** A standard Contract issued by ENWIN to a Supplier to evidence an agreement for the purchase of Deliverables.

- “Purchase Price”** The amount payable by ENWIN for a Deliverable pursuant to a Contract.
- “Services”** Intangible products not having a physical presence.

- “Services Purchase Order/Outline Agreement”** A form of Contract requiring a Supplier to supply Deliverables on an “as-required” basis under prearranged terms and conditions, including pricing, over the term of the Contract.

- “Small Purchase Order”** A Purchase Order issued by the Purchasing Department for low dollar, infrequent Deliverables whereby no formal purchasing process is required.


- “Solicitation”** Formal RFx issued by ENWIN

- “Specifications”** Description of the physical or functional characteristics or the nature of a supply, service, equipment or construction item and may include requirements for inspection, testing, or preparing a Deliverable, and may also include drawings or samples or other means of illustrating the requirements.

- “Supplier”** A person, corporation or other entity that responds or intends to respond to a Solicitation or provides Deliverables to ENWIN including but not limited to contractors, consultants, suppliers, service organizations.

- “Total Cost of Ownership”** An estimate or calculation that considers all direct and indirect costs of a Deliverable over its useful life, from acquisition to disposal including, but not limited to, acquisition costs, implementation costs, upgrades, carrying costs, maintenance contracts, support contracts, licence fees and disposal costs.

Appendix E

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|  | ENWIN Utilities Ltd. POLICY | Policy No.: | I001.05 |
| Service Area: | Company Wide | Approval Date: | September 29, 2021 |
| Issuing Department: | Chief Executive Office | Approved By: | All Boards |
| Subject: | Delegation of Authority | Effective Date: | September 29, 2021 |
| Location of Document: | LMS & R:\Policy and Procedures\ENWIN\Policies\SECTION I - General Administration | Reference# | 3000016 |
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5.2

1. Purpose

1.1. The Purpose of the Delegation of Authority Policy is to clearly define the authority delegated to the Chief Executive Officer (CEO) and other management through the Chief Executive Officer by the Board of Directors of the Company.

1.2. The Board of Directors embraces the principle of empowerment: that governance and management are more effective and efficient when they are separated, the Board being responsible for governance and the CEO generally for management, and when management decision-making authority is delegated as far into the Organization as is consistent with levels of competence and capacity.


1.3. Within the limits established by Shareholder Direction, Corporate By-laws, and all other Board-approved policies, authorities have been delegated to the CEO (and by the CEO to other management levels) as outlined in this Delegation of Authority policy. The approval of commitments and actions outlined in this policy must always be made by those parties that have been designated the responsibility for final approval.

1.4. Persons who have employees reporting to them should take all necessary steps to ensure their employees know and follow the policy. All managers should periodically consult with their staff to determine that appropriate procedures for implementation have been developed and are being followed.

1.5. All employees should be aware that conduct that violates the policy set forth is always considered outside the scope of their employment. Violating the policy could significantly damage the Company and expose it to unintended legal and commercial liabilities. Individuals who violate this policy are subject to appropriate disciplinary action by the Company up to and including termination of employment.

2. Scope


2.1. This policy applies to all non-union, professional, and unionized employees (Employees) of ENWIN Utilities Ltd. (Company) inclusive of all regular full time, part time, contract and temporary employees including students, as it relates to their duties in respect to ENWIN Utilities Ltd. and all of its affiliated companies.

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- 2.2. Application of this policy will be in accordance with applicable provisions within the collective agreements.
- 2.3. The Board-approved Purchasing Policy, as may be amended from time to time, provides specific procurement authority to various levels in the organization and should be read in conjunction with this Delegation of Authority Policy.
- 2.4. The CEO will have the ability to delegate his/her authority to others within the chain of management provided that so far as the Board is concerned the CEO remains responsible for such decision making. The trail of accountability for decision making must remain clear and intact (unbroken) at all times in terms of sub-delegation of authority by the CEO.
- 2.5. Staff shall not further delegate the authority, as provided by any Board approved policy or this delegation.

3. **Responsibilities**

- 3.1. The Board of Directors is responsible for approval of this policy and for communicating with the CEO in regard to clarifications or desired changes.
- 3.2. The Executive Committee is responsible for providing guidance to the CEO regarding interpretation of this policy.
- 3.3. The CEO is responsible to:
 - ensure that this policy is communicated to all employees.
 - return the policy to the Board of Directors for information at a minimum of every 4 years
 - conduct a review and propose changes to this policy to the Executive Committee and the Board of Directors, as may be warranted from time to time
- 3.4. Executive Management team and all Directors are responsible for the application and communication of this policy within their respective departments and ensure that all those to whom authority is delegated shall carry out their roles as decision makers under this policy in good faith and in a timely and expeditious manner.

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3.5. The Director, Human Resources shall ensure that this policy forms part of the job entry training program for all employees and to conduct an acknowledgment of review by all management employees annually.

4. Governing Rules and Regulations

4.1. The CEO shall be responsible to the Board(s) and shall carry out the duties and responsibilities set out herein in accordance with any and all relevant and applicable by-laws and policies of the Board.


4.2. The CEO shall have full, free and unrestricted access to all records of the Company(s).

4.3. Any matters related to the performance of the CEO (including establishing corporate and personal objectives) shall be conducted by Board, or by the Executive Committee of the Board, if so delegated. A meeting shall be scheduled at least once during each 12 month period of the Chief Executive Officer's term of office, for the purpose of reviewing his/her performance.

4.4. In addition to matters expressly required by by-law or shareholder direction to be approved by the Board and/or Shareholder, powers specifically reserved for the Board are as follows:

- Appointing and removing the CEO and determining his /her conditions of employment including remuneration
- Approving the following
 - The strategic plan
 - The annual budget
 - Election, re-election, appointment, re-appointment and removal of Officers of the Corporation; and organizational changes at the level of the Senior Management Team (Department Directors or Vice Presidents)
 - Entering into joint ventures, partnerships or similar arrangements; acquiring or developing new lines of business; divesting or selling joint ventures, partnerships or similar arrangements including lines of business¹
 - Public statements relating to specific policies which are strategic or reputational as determined by the Board, unless delegated
- Reviewing and approving each of the following
 - Systems of governance, risk management and internal control, codes of conduct and legal compliance
 - Financial reporting
 - Major capital expenditures, capital management, and acquisitions and divestitures
 - Any matters in excess of authority delegated to the CEO and senior management


¹ Noting that Shareholder approval may also be required

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4.5. The CEO shall have responsibility:

- a) for the management of the human, fiscal and physical resources of the Company(s).
- b) to lead, direct, coordinate and supervise the implementation of the policies and programs approved by the Board(s).
- c) to provide strategic guidance and advice to the Board(s) for the effective delivery of programs and services of the Company(s)
- d) to provide leadership and direction to all departments, ensuring the corporate coordination of the activities of all departments and the efficient and consistent implementation of policies and decisions of the Board.
- e) to encourage a continuous search for improvement in the delivery of services to the customers and the management of all corporate affairs.
- f) to foster a positive working relationship with the Members of the Board, and build a positive and collegial atmosphere with all Corporate employees and bargaining units.
- g) to foster a climate of positive community relations by developing and maintaining communication linkages with officials, groups, agencies, other jurisdictions and stakeholders as are necessary to carry out the responsibilities of the office and promote the interests of the Company(s).
- h) to manage the interests of the Company(s) on intergovernmental issues through active participation in professional associations and through communication and lobbying efforts with applicable Provincial and Federal ministries, agencies and crown corporations, and foreign governments.
- i) to ensure appropriate financial control of the Company by the CFO including presentation of annual estimates (operating and capital budgets) and subsequent implementation and monitoring of such budgets through quarterly reporting to the Board(s) including the annual audit and reporting of annual audited financial statements.
- j) to report on all performance and other measures as required by regulation and legislation
- k) to conduct regularly scheduled meetings with the Executive and Senior Management for the purpose of providing direction and discussing management issues, corporate policy and general coordination of matters of significance to the operations.
- l) to carry out such additional duties and exercise such additional responsibilities as the Board may from time to time prescribe.

5. Authority of the Chief Executive Officer

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5.1 Personnel Matters

5.1.1. The CEO shall recommend to the Board of Directors or appropriate committee of the Board, the appointment and dismissal of the Vice Presidents and Officers of the Company (Executives). The Chief Executive Officer shall be responsible to provide direction, supervision and annual performance appraisals with respect to all executives in the performance of their duties and responsibilities.

5.1.2. The CEO shall have the authority to approve leaves of absence of executives with pay, partial pay and without pay, and shall keep the Board(s) apprised of those decisions.

5.1.3. The CEO shall have overall responsibility for non-union personnel including the appointment, employment, leave of absence, suspension or dismissal of employees within the constraints of the Board-approved budget.

5.1.4. The CEO shall have overall responsibility for the appointment and employment of all other employees of the Company in accordance with the Board-approved collective bargaining agreements and to suspend or dismiss such employees for cause subject to the grievance procedures established in the respective collective agreement. This authority may be delegated to the Director of Human Resources and other members of management as may be deemed appropriate by the CEO.


5.1.5. The CEO shall provide direction in regard to Collective Bargaining activities in accordance with general instructions from the Board(s).

5.1.6. The CEO has authority to approve individual remuneration subject to the board approved budget and any and all board approved policy(s) regarding remuneration. All bonus and incentive policies and the overall total incentive pay for non-union employees remain subject to board approval annually. Bonus and incentive payments for executive management remain subject to annual Board approval, in total and individually by executive.

5.1.7. The CEO shall be authorized to:

- execute contract term limited employment agreements for non-executive staff
- engage recruitment firms to assist in temporary staffing and recruitment within board approved budgets

5.1.8. The CEO shall be authorized, without further delegation, to execute severance agreements/ payments for non-executive staff within board approved budgets

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5.2 Execution of Legal Documents

5.2.1. All legal documents will be executed by the CEO and another executive / officer of the Company. This will in normal cases be the Vice President or Officer responsible for the agreement/contract but secondary authority to execute may also be assigned to the Corporate Secretary of the Company.

5.2.2. In the case of standard legal documents that have been reviewed and recommended by legal counsel, authority to execute may be delegated in writing by the CEO to Vice Presidents or other officers. Two corporate officers must execute all legal documents including those delegated.


5.2.3. The CEO shall establish review procedures including the requirement for legal (including insurance and indemnification), financial and technical review to precede the execution of legal documents.

5.2.4. Legal documents include but are not limited to collective agreements, agreements to purchase land and buildings, offers to purchase assets, memorandums of understanding, leases, rental agreements, contracts etc.

5.2.5. Non- disclosure agreements, subject to legal review and recommendation, may be executed by the CEO.

5.3 Commencing or Settling Legal Action

5.3.1 The Director of Regulatory Affairs shall have the authority, in consultation with and concurrence by the CEO or in the absence of the CEO, the CFO, to retain external legal counsel, consultants, arbitrators, and such experts (“contractors”) as are required to protect and advance the interests of the Company within the scope of pending litigation and within budget. Such contractors shall be retained based on their expertise and value to the Company. Retention of such contractors is exempt from the Purchasing Policy. In the event of an emergency, the CEO and CFO acting together shall have the authority to retain such contractors without budget funds subject to reporting to the Board on the decision at the next possible meeting of the Board of Directors. Non- emergency decisions to retain such contractors without budget funds shall require Board of Director approval.

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5.3.2. Commencement or Settlement of Legal Action must be undertaken in accordance with the following approval limits:

\$250,000 or more Approval is by the Board (s)
 \$100,000 to \$249,999 Approval is by the CEO
 \$0 to \$99,999 Approval is by the Vice President under whose area the action pertains

5.3.3. Execution of all settlement documents is by the CEO and the Vice President responsible for the document or alternatively, the Corporate Secretary. Any mediation/negotiation discussion expected to result in settlement of \$250,000 or more, must be reported to the Board in advance of the mediation/negotiation.

5.3.4. A list of all legal actions taken, and their status will be provided to the Board(s) on a semi-annual basis by the Director of Regulatory Affairs. All management staff involved in legal matters shall through the appropriate Vice President, keep the Director of Regulatory Affairs and the CEO, apprised of all legal actions including those overseen by the Director of Human Resources for purposes of semi-annual reporting.

5.4. Write- Offs (settling debts including trade payables and accounts receivable)

5.4.1. The following approval limits shall prevail for purposes of any write off of accounts receivable or payables:

\$250,000 or more Approval is by the CEO
 \$0 to \$249,999 Approval is by the CFO and Vice President overseeing the Billing and Customer Service Department


5.4.2. A quarterly report of write-offs of all assets or settlement of liabilities in excess of \$250,000 will be prepared and provided to the Board (s) concurrent with regular financial reporting.

5.5. Banking

5.5.1 New bank accounts and closing of bank accounts require approval of the CEO and CFO.

5.5.2. Signing authority for any and all bank accounts for all companies is the CEO and the CFO along with specifically listed Vice Presidents as an additional signing authority.

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5.6. Debt

5.6.1. All borrowing limits are established by the Board(s) and Shareholder Directions.

5.6.2. All debt placements and all incursions into the operating line of credit must be approved by the CFO and in her/his absence, the CEO.

5.6.3. All debt must be reported quarterly to the Audit & Finance Committee of the Company(s).

5.6.4. Interest or other debt payments in accordance with approved debt agreements may be paid as authorized by the Director of Finance and the CFO or in the absence of either, by the CEO.

5.7. Purchase and Sale of Land

5.7.1. All Purchase or Sale of Land is subject to the approval of the Board of Directors of the Company (s) and/or the shareholder as may be contained in the shareholder directions.

5.8. Investments

5.8.1. An investment policy must be approved by the Board (s), and reviewed in accordance with the policy provisions. The status and rate of return of the investment portfolio shall be presented to the board by the CFO at least semi-annually or as required by such investment policy.


5.8.2. Investments inclusive of equity, or debt instruments, treasury cash, etc. must be maintained in accordance with the investment policy and entered into by the following approval levels:

\$2,000,001 or more Approval is by the CEO, upon recommendation of the CFO
 \$0 to \$2,000,000 Approval is by the Director, Finance and by the CFO

5.9. Capital Expenditures

5.9.1 All investment in capital and infrastructure (tangible property) must be in accordance with shareholder directions, board approved policy and budget.

5.9.2 Management approval authorities for Capital Expenditures are limited by the annual capital

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budget as may be amended by board approval from time to time throughout the fiscal year.

5.9.3. Procurement and expenditures for all budgeted capital projects, including those not included in the budget as distinct line items must be approved by the appropriate level (director, executive, CEO or Board) in accordance with the approval limits within the Board-approved Purchasing Policy and as established by the CFO for payment approval authority.


5.9.4. Transfers from one capital project to another through the course of the fiscal year, may be approved by the CEO or subdelegated at the appropriate level of management, so long as the overall capital budget is not exceeded. Transfers greater than \$250,000, must be reported to the board(s) at the next possible meeting, which may be in a report initiated by the project manager(s) and signed by the CFO and CEO or within the CFO's quarter capital variance report.

5.9.5. Project budget variances up to 10% of the originally approved project budget to a maximum of \$250,000 may be approved by the CEO or subdelegated at the appropriate level of management. Unbudgeted capital variances greater than \$250,000 must be reported to the Board of Directors for approval, and except for emergency purchases as defined in the purchasing policy, reporting must be prior to incurring the expenditure. Reporting of such variances shall be at the next possible Board Meeting in a report initiated by the project manager or Director of Finance and signed by the CFO and CEO. All capital budget expenditures and variances shall be reported to the Board at least annually.

5.10. Expense Claims and Operating Expenditures

5.10.1. The procurement limits within the Board Approved Purchasing Policy, as may be amended from time to time, shall prevail for purposes of determining dollar limitations for procurement. Dollar limits by level of management for approval of any directly paid expenses shall be established and recommended by the CFO and are subject to approval by the CEO. Where there is a conflict among approval limits, the most stringent requirements will prevail.

5.10.2. Authorization of individual payments to the IESO for the Cost of Power is unlimited and is delegated to the CEO and CFO acting together. Payments for the cost of District Energy, and remittances to the City of Windsor and WUC for collections on their behalf and on behalf of other 3rd parties are also unlimited and delegated to the CEO and the CFO acting together. In the absence of one or both of the CFO or the CEO, the Corporate Secretary or the appropriate Vice President may jointly authorize the

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payment.

5.10.3. Authorization of payments to customers related to normal account management activities such as equal monthly payment plan reconciliations, refunding overpayments on a final account (ex. refund of a deposit) or refunding a customer as a result of a billing error are delegated to the Director, Customer Service.

- Billing errors in excess of two times the customers average monthly bill must be approved by the Vice President overseeing the Billing and Customer Service Department, CFO and CEO.


5.10.4. Delegated authorities are in all cases limited by approved multi-year budgets. Except as otherwise specified in this delegation of authority, if the Board approved budget is exceeded, the expenditure and related contractual obligation must be approved by the Board.

5.10.5 The CEO's expense claims, conflict of interest disclosures and issuance of any corporate credit cards to the CEO must be approved by the Chair of the Audit & Finance Committee. The CEO's disclosures under the Employee Code of Ethics and Conflict of Interest Policy will be submitted at least annually to the Executive Committee and the Board of Directors of EWU. All approvals shall be done in accordance with the Board approved Travel and Business Expense Policy.

5.10.6. Issuance of any and all corporate credit card(s) must be approved by the CFO except for the credit card of the CFO which must be approved by the CEO. Expenses on corporate credit cards must be approved by the supervisor of the person holding the card, and/or to whom the expense pertains, in accordance with all applicable policies.

5.10.7 Authorization of statutory payments including Canada Revenue Agency remittances for payroll, commodity or other taxes, and intercompany balances, in any required dollar amount and payment of insurance premiums when due, may be made upon authorization of the CFO who may delegate limits of authority to management upon the approval of the CEO. Settlement of long term notes payable/ receivable and long term debt obligations as between the ENWIN group of companies must have the approval of the Boards of Directors through the annual budget process or alternative direct approval by the Boards.

5.10.8. Authorization of payments and execution of contracts in any dollar amount where the Company has recovered the funds from a granting or other agency or has executed a contractual commitment defining 3rd party responsibility for the payment or costs. (ENWIN is the party through which the funds flow) may be made upon authorization of the appropriate Vice President and the CFO or in the absence

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of one of these, the CEO.

5.10.8.1 Authorization of payments to electricity retailers, or payments to generators required to be performed by ENWIN in accordance with regulatory requirements are delegated to the Director, Customer Service.

5.11. Regulatory and Legislative Reports

5.11.1 The CFO or in his/her absence the CEO, is authorized to sign all commodity, income and other tax returns on behalf of the Companies. The Director of Finance or in his/her absence, the CFO, shall be responsible for the timely submission and filing of all such returns.

5.11.2 The CEO or designate is authorized to sign all required regulatory filings with the Ontario Ministry of Energy, the Ontario Energy Board, the Independent Electricity System Operator or any other agency with regulatory or legislative control over the activities of ENWIN companies. The Director of Regulatory Affairs or in his/ her absence, the CFO shall be responsible for the timely submission and filing of all such information and returns.

5.11.3 Any regulatory filings that contain scientific or engineering estimates, statistics or data of any kind shall be recommended for submission, in writing, by the highest ranking professional reporting to the CEO within the discipline pertaining to the subject matter of that regulatory document.


5.11.4 The signing provisions of this section apply where specific signatory requirements are not specified by the Regulatory Authority and are superseded by those requirements by that authority.

5.12. Miscellaneous

5.12.1 The CEO shall have authority to undertake the following:

- public statements, publications and internal and external newsletters
- publication of conference papers and speeches
- specified reporting requirements, and compliance returns, subject to reporting to the board of any non-compliance
- engaging consultants in accordance with the board approved budget and quarterly reporting to the Board
- donations or sponsorships to an annual limit of \$50,000 within board approved community relations and public relations budgets, excluding political donations which may not under any

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| Service Area: | Company Wide | Approval Date: | September 29, 2021 |
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| Subject: | Delegation of Authority | Effective Date: | September 29, 2021 |
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| Prepared By: | Chief Executive Officer | Page 12 of 12 | |

- circumstances be made.

5.122. The Corporate Secretary shall maintain the Corporate Seal (s) for use only within the parameters of the delegation of authority policy. A register shall be maintained by the Corporate Secretary providing detail as to the use of the seal and authorization for the document to be sealed.

6. Related Documents and Administration

6.1. Related documents include:

- 6.1.1. Purchasing Policy
- 6.1.2. Travel and Business Expense Policy
- 6.1.3. Employee Code of Ethics and Conflict of Interest Policy

6.2. In the event that the CEO is unable to act for any reason, the Board reserves the right to make a temporary appointment to the position during the period of absence, and shall exercise that authority in writing.

6.3. Where any conflict with any other policy setting out the delegated authorities and the duties and responsibilities of the CEO exists, the most conservative policy (ie. Providing lessor authority) will prevail.

POLICY HISTORY & APPROVAL DATES

This Policy was originally approved on: 2016-08-16

This version was approved on: 2021-09-29

This version takes effect from: 2021-09-29

This policy will be reviewed by: 2025-09-29

Appendix F

5.2



Group of Companies

Purchasing Policy EWU – B001.04

Updated: June 24, 2020

Effective: July 24, 2020

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Part I - Ethical Considerations and Purchasing Goals

Ethical Considerations

1. ENWIN adopts the tenets of:
 - a. the Code of Ethics adapted from the Supply Chain Management Association; and,
 - b. the Ontario Broader Public Sector Supply Chain Code of Ethics
 in the performance of its Purchasing function.

Purchasing Goals

2. ENWIN strives to meet and balance the following goals:
 - (a) Efficiency:** Maintain the flow of goods and services to meet ENWIN’s needs over both the short and long term in the most cost effective manner possible.
 - (b) Quality and Value:** Obtain Best Value for money, using a Total Cost of Ownership methodology.
 - (c) Honesty:** Ensure Purchasing is undertaken with fairness, honesty and integrity, avoiding even the appearance of impropriety.

- (d) **Openness:** Ensure equal access to Suppliers to opportunities to benefit from the expenditure by ENWIN.
- (e) **Transparency:** Ensure that Purchasing is undertaken in accordance with policies and procedures that are accessible to and understandable by all.
- (f) **Accountability:** Maintain accountability through the ongoing exercise of openness and transparency.
- (g) **Improvement:** Create an environment of continuous improvement by reducing costs, improving quality and stimulating innovation.
- (h) **Environmental and Social Responsibility:** Encourage activities to operate in a social and environmentally sustainable manner within the context of Best Value.

Part II - Interpretation

Definitions

3. In this Policy, the following words will have the following meanings:

| | |
|--------------------------------------|---|
| “Affiliate”: | With respect to a corporation, has the same meaning as in the <i>Business Corporations Act</i> (Ontario); or, as per OEB Affiliate Relationships Code. |
| “Award”: | When a Submission is formally accepted by ENWIN, either by the Board or by delegated authority as permitted in this Policy. |
| “Best Value” | Approach that aims to deliver products and services with a lower Total Cost of Ownership while maintaining a high standard (optimal balance of performance and cost). |
| “Bid Documents” | ENWIN documents used in connection with a Purchasing process including but not limited to RFTs, RFPs and RFQs. |
| “Bid Security” | Security to ensure that the successful Supplier on a Solicitation enters into a Contract with ENWIN. |
| “Board” | The Board of Directors of ENWIN Utilities Ltd. or any Affiliate as the case may be. |
| “Chief Executive Officer/CEO” | ENWIN’s chief executive officer. |
| “Closing Date” | The place, date and time set by the Bid Documents for receipt of Responses |

- “Conflict of Interest”** A situation in which the personal interests of Employees, The Board, ENWIN-engaged Consultants or Suppliers, as the case may be, come into conflict or appears to come into conflict with the interests of ENWIN.
- “Consulting Services”** The supply of expertise or strategic advice that is presented for consideration and decision-making, or the guidance of execution of a specific project or undertaking and includes professional services such as engineering and architecture.
- “Construction”** Construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other work, but does not include Consulting Services related to the Construction unless they are specifically included in the Purchase. May include the securing of permits, or filing of notices.
- “Contract”** A document to evidence an agreement for the purchase of Deliverables, and may include both a Purchase Order, inclusive of General Terms and Conditions, and a Formal Agreement.
- “Deliverable”** The Good, Service or Construction being purchased.
- “Department”** An area of operation of ENWIN as defined by its organizational charts.
- “Designate”** An individual duly appointed to act on behalf of the authorized authority.
- “Director”** The designated lead of an ENWIN Department responsible for direction and operation of a Department.
- “Disposal”** The transfer of ownership of Property by ENWIN by sale, trade in, donation, alternative use or destruction.
- “Emergency”** Has the meaning given in section 101.
- “Employee”** An employee of ENWIN.
- “ENWIN”** ENWIN Utilities Ltd. or any Affiliate who has adopted this policy.
- “ENWIN’s Website”** ENWIN’s website at <http://www.enwin.com/>.
- “Evaluation Team”** Individuals designated to evaluate Responses and make Award recommendations in accordance with this Policy.

- “Fair Market Value”** The price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arm’s length, fully informed and under no compulsion to transact.
- “Formal Agreement”** A written Contract for the purchase of a Deliverable, executed by ENWIN and the Supplier.
- “Goods”** Any moveable property, including the costs of installing, maintaining or manufacturing such moveable property, including raw materials, products, equipment and other physical objects of every kind and description, whether in solid, liquid, gaseous or electronic form, unless they are purchased in connection with Construction.
- “Prequalification”** A request for supplier qualification or RFSQ, a process used to gather information on supplier capabilities and qualifications with the intent of creating a list of prequalified suppliers for subsequent participation in an invitational RFT or RFP.
- “Property”** Includes furniture, vehicles, equipment and stock.
- “Purchase”** The acquisition of Deliverables by any means, including rental and leasing, and the functions that pertain to the acquisition of Deliverables, and “Purchasing” shall have a corresponding meaning.
- “Purchase Requisition”** A request for the purchase of a Deliverable initiated by a requesting Department in ENWIN’s enterprise resource planning system.
- “Purchasing Card”** A card issued in accordance with ENWIN’s Purchasing Card Procedures for the purchase of Deliverables.
- “Purchasing Department”** The Department charged with carrying out the Purchasing function.
- “Purchasing Manager”** ENWIN’s Purchasing Manager.
- “Purchase Order/PO”** A standard Contract issued by ENWIN to a Supplier to evidence an agreement for the purchase of Deliverables.
- “Purchase Price”** The amount payable by ENWIN for a Deliverable pursuant to a Contract.
- “Response”** A response to a Solicitation.
- “RFEI”** A request for expression of interest, a process used to gather information on Supplier interest in an opportunity, or information on Supplier capabilities and qualifications. An RFEI does not create a binding relationship between ENWIN and any Supplier.

| | |
|--|--|
| “RFI” | A request for information, a process used to research which products and services are available, scope out business requirements, and/or estimate project cost. An RFI does not create a binding relationship between ENWIN and any Supplier. |
| “RFP” | A request for proposal, a process in which a need is identified, but the method by which it will be achieved is not necessarily prescribed at the outset and price is not the only evaluation criterion. |
| “RFSQ” | Request for Supplier Qualification, a process used to determine which potential vendors have the best capability to meet requirements in regard to an impending RFP, RFQ, or RFT. An RFSQ does not create a binding relationship between ENWIN and any Supplier. |
| “RFQ” | Request for quotations, including formal and informal quotations, but not including RFPs or RFTs. |
| “RFT” | Request for tender, a process to request supplier responses to supply Deliverables in compliance with stated requirements, performance specifications and terms and conditions and evaluation is made solely on price. |
| “Roster List” | List of Suppliers who will be permitted to participate in certain non-competitive Contracts anticipated to be required on a regular basis in the future. |
| “Services” | Intangible products not having a physical presence. |
| “Services Purchase Order/Outline Agreement” | A form of Contract requiring a Supplier to supply Deliverables on an “as required” basis under prearranged terms and conditions, including pricing, over the term of the Contract. |
| “Single Source” | The Purchase of Deliverables by non-competitive means for the reasons described in section 107. |
| “Small Purchase Order” | A Purchase Order issued by the Purchasing Department for low dollar, infrequent Deliverables whereby no formal purchasing process is required, as further described in section 50. |
| “Sole Source” | The Purchase of Deliverables by non-competitive means for the reasons described in section 108. |
| “Solicitation” | Formal RFQ, RFSQ, RFT, RFP, RFI, RFEI issued by ENWIN |
| “Specifications” | Description of the physical or functional characteristics or the nature of a supply, service, equipment or construction item and may include requirements for |

inspection, testing, or preparing a Deliverable, and may also include drawings or samples or other means of illustrating the requirements.

“Supplier”

A person, corporation or other entity that responds or intends to respond to a Solicitation or provides Deliverables to ENWIN including but not limited to contractors, consultants, suppliers, service organizations.

“Total Cost of Ownership”

An estimate or calculation that considers all direct and indirect costs of a Deliverable over its useful life, from acquisition to disposal including, but not limited to, acquisition costs, implementation costs, upgrades, carrying costs, maintenance contracts, support contracts, licence fees and disposal costs.

“Vice President”

A member of ENWIN’s Executive Management Team reporting directly to the CEO.

Interpretation

4. Unless the context requires otherwise, use of the singular also implies the plural, and vice versa.
5. Whenever the words “include”, “includes” or “including” or other similar terms are used in this Policy, they are deemed to be followed by the words “without limitation.”
6. Any reference in this Policy to any statute or any section of a statute shall, unless expressly stated, be deemed to be reference to the statute as amended, restated or re-enacted from time to time. Any reference to an ENWIN Policy shall be deemed to be a reference to the most current state of the ENWIN Policy and any replacement Policy.
7. All dollar amounts are expressed in this Policy are in Canadian dollars.
8. Any reference to a day refers to a calendar day.
9. Any headings in this Policy are non-binding and are intended for explanatory purposes only and are not to be considered or taken into account in construing or interpreting this Policy.
10. All Solicitations and processes under this Policy shall be conducted in English.

Part III - Application

Application

11. This Policy applies to all Purchasing activities carried out by ENWIN and any Affiliate using this Policy with the exception of :

- a. Those Purchasing activities set out in Schedule A;
 - b. The Purchase or Disposal of Deliverables where the laws of Ontario or Canada require the Purchase or Disposal to be carried out in some manner other than by this Policy; and,
 - c. A circumstance in which the Board directs by Board Resolution that the Purchase or Disposal of Deliverables shall be carried out in some manner other than by this Policy.
12. A Board Resolution adopted by the Board under Section 11(c):
- a. Shall be made in response to a written management report describing the nature of the Purchase, and including advice and recommendations from both the responsible Director, Vice President, and the Purchasing Manager;
 - b. Shall state that the Board is satisfied that it is necessary that the Purchase or Disposal be carried out otherwise than in accordance with this Policy and shall give the reason or reasons for so concluding;
13. Before adopting a Board Resolution under Section 11(c), the Board shall afford the responsible Director and Purchasing Manager an opportunity to be heard and to provide oral advice concerning the proposed Board Resolution.
14. Unsolicited offers are to be reviewed by the Purchasing Manager and the relevant Director. Any Purchase resulting from an unsolicited Supplier offer must comply with this Policy.
- a. No preference will be given to Suppliers who provide unsolicited products, services or samples to ENWIN; or who demonstrate the operation of such products, services or samples.

Part IV - Integrity of the Purchasing Process

Conflict of Interest

15. All ENWIN Employees are subject to ENWIN's Code of Ethics and Conflict of Interest Policy; shall disclose all conflicts of interest as required by the policy and shall take adequate steps to address any actual or perceived conflicts of interest.
16. No Employee or member of the Board shall knowingly cause or permit anything to be done or communicated to anyone that is likely to cause any Supplier to have an unfair advantage or disadvantage in any Purchasing opportunity.

17. Any ENWIN Employee who becomes aware of an actual or perceived conflict of interest in relation to any Solicitation or Purchase shall immediately refer the matter to the ENWIN Purchasing Manager for written direction and rationale, to be maintained with the file and as required by the Code of Ethics and Conflict of Interest Policy.

Education

18. All ENWIN Employees granted purchasing authority under this Policy shall attend training on the proper use and interpretation of the Policy.

No Discrimination

19. The *Discriminatory Business Practices Act* and the Trade Agreements forbid the granting of a preference to a local Supplier as a form of discrimination, therefore in compliance with the law and the Trade Agreements:
- a. ENWIN shall not discriminate between the Deliverables of a particular province, city or geographic region and the Deliverables of another province, city or geographic region.
 - b. ENWIN shall not discriminate between Suppliers of minority, female and disabled-owned firms.

Part V - Roles and Responsibilities

Delegates

20. Where any person is authorized to undertake any act under this Policy, such act may also be undertaken by a person properly designated in writing, by the authorized person; subject to limitations on delegated authority contained in section 33.

Board

21. The Board shall:
- a. Establish ENWIN's Purchasing policy through approval of this Policy;
 - b. Monitor compliance with this Policy.

CEO

22. The CEO shall:

- a. Impose restrictions on Purchasing activities from time to time where he or she considers necessary and in the best interests of ENWIN;
- b. Ensure the implementation of the policies established in this Policy; and,
- c. Support the Board in satisfying the Board's role.

Vice Presidents and Directors

23. Vice Presidents and Directors shall:

- a. Oversee all Purchasing activities in their areas of responsibility and be accountable for the Purchasing activities of the Employees under their supervision;
- b. Achieve Best Value while observing the requirements of this Policy;
- c. Identify single and multi-functional projects in budget submissions to ensure the correct dollar thresholds and Purchasing processes are used; and,
- d. Require those Employees under their supervision having Purchasing authority to complete Purchasing Policy training.

Purchasing Manager

24. The Purchasing Manager shall:

- a. Act as the legal purchasing agent for ENWIN, and its Affiliates as the case may be, under the direction of the Director or Vice President;
- b. Provide professional purchasing advice to Departments;
- c. Monitor adherence to this Policy;
- d. Interpret and apply this Policy to all Purchasing activities and exercise discretion as prescribed where alternative courses of action are permitted;
- e. Notify Directors of non-compliance with this Policy;
- f. Notify the Board of non-compliance with this Policy if the non-compliance cannot be rectified;
- g. Provide ongoing training and education regarding this Policy;
- h. Ensure conduct of Purchasing activities in an efficient and timely manner;
- i. Purchase all goods and services for ENWIN or for any Affiliate as required under the authority of the Board and in compliance with this Policy; and,

- j. Establish all necessary procedures, forms, methods and documents to carry out the objectives of this Policy.

Employees

- 25. Employees shall :
 - a. Comply with the provisions of this Policy in the performance of their duties; and,
 - b. Attend Purchasing Policy training as required.
- 26. All Employees given authority to Purchase Deliverables under this Policy are accountable and responsible to ensure that proper budgets exist within their Departments and that Purchases do not violate any ENWIN, legal, or other statutory policy, including Trade Agreements, and will be held accountable for their decisions and actions.

Suppliers:

- 27. Suppliers:
 - a. Shall be required to disclose any and all Conflicts of Interest to ENWIN prior to or contemporaneously with making a Response;
 - b. Shall not engage in any form of bid rigging or collusion of any nature; and,
 - c. Shall be forbidden to engage in any conduct which is or could reasonably be construed as any form of political or other lobbying, or as an attempt to influence the outcome of any Purchasing process during the currency of any process prior to an Award.
- 28. Failure by a Supplier to adhere to the standards established in section 27 may result in disqualification from participating in ENWIN Purchasing opportunities, in the discretion of the CEO.
- 29. Where an employee wishes to have a Supplier present product or other information to ENWIN outside of a specific Purchasing process, the employee must provide details pertaining to the meeting with a Supplier to the Purchasing Department after the event transpires and before any purchasing activities are engaged.

Part VI - Approval Authorities

Threshold Calculation and Anti-Avoidance

30. In calculating the Purchase Price for the purposes of determining the necessary approvals and procedures, all taxes and duties shall be excluded. In the case of multi-year Contracts, the Purchase Price will be the estimated annual expenditure under the Contract.
- a. For further clarity, the following sections of this policy will be administered according to this methodology: 32, 33, 135, 138 to 140, 142 and 143.
31. No action shall be taken to subdivide Purchases in order to reduce the estimated Contract Price or to otherwise avoid or circumvent the application of any of the provisions of this Policy.

Administrative Approval

32. The CEO may:
- a. Approve a requisition and make an Award of up to \$249,999.99 CAD, provided the funds have been included in the Board-approved operating or capital budget, subject to properly approved capital budget transfers in accordance with s. 5.9.4 of the Delegation of Authority Policy¹;
- b. Approve a requisition and make an award of an RFT of any dollar value provided the funds have been included and specifically identified within the Board-approved operating or capital budget, and the RFT Response does not exceed that approved budget, subject to properly approved capital budget transfers in accordance with s. 5.9.4 of the Delegation of Authority Policy;
- c. Delegate his or her authority in this section to any employee, where such delegation must be in writing.
33. Vice Presidents may approve a requisition and make an Award of up to \$149,999.99 CAD;
- a. Directors may approve a requisition and make an Award of up to \$74,999.99 CAD;
- b. Managers may approve a requisition and make an Award of up to \$24,999.99 CAD;
- c. Supervisors may approve a requisition and make an Award of up to \$9,999.99 CAD;

provided the funds have been included in the Board-approved operating or capital budget, subject to properly approved capital budget transfers in accordance with s. 5.9.4 of the Delegation of Authority Policy. Further delegation of the authority set out in Section 33 to any Employee requires the prior written approval of the CEO.

¹ Section 5.9.4 of the Delegation of Authority policy, “Transfers from one capital project to another through the course of the fiscal year, may be approved by the CEO, so long as the overall capital budget is not exceeded. Transfers greater than \$250,000, must be reported to the board(s) at the next possible meeting, in a report initiated by the project manager(s) and signed by the CFO and CEO”.

34. Where no funds exist within the Board-approved operating or capital budgets, Board approval is required prior to the initiation of the Purchase of a Deliverable. This provision does not apply in the case of properly approved capital budget transfers in accordance with s. 5.9.4 of the Delegation of Authority Policy.

Board Approval

35. The Board must approve the purchase of any Deliverables where:
- a. The Purchase Price is greater than \$249,999.99 CAD and the CEO does not otherwise have authority to approve the purchase under section 32;
 - b. The purchase of the Deliverable exceeds the Board-approved budget, including any contingency allowance, subject to properly approved capital budget transfers in accordance with s. 5.9.4 of the Delegation of Authority Policy;
 - c. Any Response other than the lowest compliant Response (in a price based competition) or the highest scored response (in a RFP based competition) is recommended for acceptance;
 - d. Federal or provincial government or any other body having jurisdiction requires Board approval for a Purchase or Contract;
 - e. The Contract includes financing terms in excess of five (5) years and total dollars greater than \$249,999.99;
 - f. The Board requires that it approve the purchase; or,
 - g. Any other instance in which the Purchasing Manager and Director acting together; or the CFO or CEO feels it would be in the best interests of ENWIN to do so.
36. In the event of a conflict, the sections in this Part supersede any other provision in this Policy

Part VII – Purchasing Specification & Planning

Specifications

37. Departments are responsible to provide all Specifications necessary for a Solicitation and are responsible for the accuracy and suitability of those Specifications.
38. The Purchasing Department may review and recommend improvements or clarifications to Specifications when, in the opinion of the Purchasing Manager, it is necessary to meet the

objectives of the Solicitation. Specifications shall be a clear description of the requirements to be met in the Contract and should not be brand-specific if possible.

39. If Specifications are developed by an external Consultant, the external Consultant is not permitted to submit a Response in the Solicitation for which the Specifications were prepared.
 - a. The Consultant shall be paid a reasonable fee to assist in the design or development of the Specifications;
 - b. The Specifications shall be generic enough in nature so as not to deter the competitive process;
 - c. The Specifications for the Solicitation prepared by a Consultant shall become the property of ENWIN.
40. In order to contribute to waste reduction and to increase the development and awareness of environmentally sound purchasing, acquisition of Deliverables will ensure that wherever possible, Specifications provide for expanded use of durable products, reusable products, and products (including those used in Services) that contain the maximum level of post-consumer waste and/or recyclable content, without significantly affecting the intended use of the Deliverable and providing that a cost analysis supports that these products are made available at competitive prices.

Request for Information (RFI) & Request for Expression of Interest (RFEI)

41. If the scope or nature of the Deliverable to be purchased is unclear, an RFI shall be used to gather information from the marketplace on the availability of goods and services.
42. If the level of Supplier interest in supplying a Deliverable is unclear, an RFEI shall be used to gather information from the marketplace on Supplier interest.
43. A Response to an RFI or an RFEI shall not be used as a Prequalification and shall have no influence on a Supplier's chances of Award on a subsequent Solicitation.

Request for Supplier Qualification (RFSQ)

44. A Prequalification may be used where:
 - a. It is desirable to create a list of Suppliers to use for one or more future Purchases;
 - b. The qualifications of the Supplier are paramount having regard to the complexity, cost, potential *Occupational Health and Safety Act* risk, or to specialized equipment, material or financing requirements; or,
 - c. The standard of performance of the Deliverables has been established.

45. The Prequalification shall include:
 - a. A description of the Deliverable affected by the Prequalification;
 - b. Duration of validity of the Prequalification;
 - c. A statement that only Prequalified Suppliers will be permitted to participate in the Solicitation;
 - d. A provision that ENWIN is in no way obligated to call on a Supplier as a result of the Prequalification to supply the Deliverable referenced in the Prequalification; and,
 - e. An evaluation committee, which includes appropriate staff and/or consultants that will evaluate and rank the submissions.
46. Where a Prequalification is established for a Solicitation, only prequalified Suppliers may participate in the Solicitation.

Part VIII - Purchasing Methods

Determination

47. Purchasing methods are determined based on the threshold calculation rules at section 30. Purchasing methods cannot be combined. Formal solicitations can be conducted in an electronic format, at the sole discretion of the Purchasing Manager.

Purchasing Card

48. Authorized Employees have the authority to use Purchasing Cards for Purchases up to the transaction limit established for the Purchasing Card.
49. Use of Purchasing Cards must be in compliance with current ENWIN Purchasing Card Procedures as amended from time to time.

Small Purchase Order

50. Departments have the authority to request Small Purchase Orders by issuance of a duly approved Purchase Requisition for Purchases with a total dollar value of up to \$2,499.99. No formal Purchasing process is required for Small Purchase Order Purchases. The requirement to obtain more than one quotation shall be at the discretion of the requesting department Director.

Informal Preliminary Estimates

51. Departments have the authority to solicit preliminary estimates for budgetary purposes for Deliverables without the direct involvement of the Purchasing Department when all of the following apply:
 - a. Seeking to clearly define a Specification and/or a budgetary cost for future formal quotation; and,
 - b. No Service Purchase Order/Outline Agreement exists for the Deliverables.
52. Estimates may be given by any written means of communication, including facsimile and email.
53. Each Supplier shall:
 - a. Only be permitted to submit one estimate.
54. The Purchasing Department shall have the authority to solicit additional quotations, based off the scope of work defined in the estimates.
55. The Purchasing Department shall receive all records of Supplier Responses.
56. The Purchasing Department in consultation with the requesting Department shall utilise the Informal Preliminary Estimates to determine the formal method of quotation required for the deliverable (RFQ, RFT, RFP)

Informal Quotation (\$2,500.00 to \$24,999.99)

57. Departments have the authority to solicit quotations for Deliverables without the direct involvement of the Purchasing Department when all of the following apply:
 - a. Total dollar amount between \$2,500.00 and \$24,999.99;
 - b. Clearly defined Specifications; and,
 - c. No Service Purchase Order/Outline Agreement exists for the Deliverables.
58. Only those Suppliers invited to give quotations will receive notice.
59. At least three quotations must be solicited. If three Responses are not received, the Purchasing Department will assist the Department in obtaining the quotations. If the Purchasing Department is unable to obtain three quotations, the Purchasing Manager may waive this provision, in his or her discretion.
60. Quotations may be given by any written means of communication, including facsimile and email.
61. Each Supplier shall

- a. Only be permitted to submit one quotation; and,
 - b. Not be permitted to change its quotation or negotiate after submitting its quotation.
62. The Purchasing Department shall have the authority to solicit additional quotations if it is in the best interests of ENWIN to do so.
 63. The Supplier submitting the most favourable compliant Response will be Awarded a Contract for the Deliverables.
 64. The Purchasing Department shall receive all records of Supplier Responses from the requisitioning department prior to issuing a Purchase Order for the Deliverables.

Informal Request for Proposal (RFP) (\$2,500.00 to \$24,999.99)

- a. Total dollar amount between \$2,500.00 and \$24,999.99;
 - b. No Service Purchase Order/Outline Agreement exists for the Deliverables;
 - c. The cost of preparing a detailed proposal would likely deter suppliers from submitting proposals.
65. Departments have the authority to solicit proposals for Deliverables without the direct involvement of the Purchasing Department when all of the following apply:
 - a. Total dollar amount between \$2,500.00 and \$24,999.99;
 - b. No Service Purchase Order/Outline Agreement exists for the Deliverables;
 - c. The cost of preparing a detailed proposal would likely deter suppliers from submitting proposals.
 66. Only those Suppliers invited to give proposals will receive notice.
 67. At least three proposals must be solicited. If three Responses are not received, the Purchasing Department will assist the Department in obtaining the proposals. If the Purchasing Department is unable to obtain three proposals, the Purchasing Manager may waive this provision, in his or her discretion.
 68. Proposals may be given by any written means of communication, including facsimile and email.
 69. Each Supplier shall
 - a. Only be permitted to submit one proposal; and,
 - b. Not be permitted to change its proposal or negotiate after submitting its proposal.
 70. The Purchasing Department shall have the authority to solicit additional proposals if it is in the best interests of ENWIN to do so.

71. The Supplier submitting the most favourable compliant Response will be Awarded a Contract for the Deliverables.
72. The Purchasing Department shall receive all records of Supplier Responses from the requisitioning department prior to issuing a Purchase Order for the Deliverables.

Formal Quotation (\$25,000.00 to \$74,999.99)

73. The Purchasing Department has the authority to solicit formal quotations for Deliverables when all of the following apply:
 - a. Total dollar amount is between \$25,000.00 and \$74,999.99;
 - b. Two or more sources are considered capable of supplying the Deliverable;
 - c. No Service Purchase Order/Outline Agreement exists for the Deliverables;;
 - d. Clearly defined Specifications.
74. Only those Suppliers invited to give quotations will receive notice.
75. Suppliers shall be informed as to the Specifications, Response requirements, including place, date and time for making Responses and information that could influence a Supplier's decision to provide a Response or influence Supplier pricing.
76. Response requirements shall provide that Suppliers:
 - a. Only be permitted to submit one written quotation;
 - b. Not be permitted to change their written quotations or negotiate after making a submission; and
 - c. Be required to reflect the Specifications in their Response.
77. The Supplier submitting the most favourable compliant Response will be Awarded a Contract for the Deliverables.
78. A Contract will be issued for the Deliverables.
79. The Purchasing Manager has the discretion to require an RFT or an RFP be conducted for Deliverables.

Request for Tender (RFT) (>\$75,000.00 (or less as determined by the Purchasing Manager))

80. An RFT shall be issued when all of the following apply:
 - a. Two or more sources are considered capable of supplying the Deliverable;

- b. Service Purchase Order/Outline Agreement does not exist;
- c. Clearly defined Specifications; and,
- d. Purchase Price is the sole criterion for Award.

81. If a cost-sharing agreement is in place for a Construction project of which ENWIN is not the owner, a competitive procurement process must take place, if the amount of ENWIN's share exceeds the greater of 10% of the cost-sharing agreement value or \$75,000.00 CAD.

Request for Proposal (RFP) (>\$75,000.00 (or less as determined by the Purchasing Manager))

82. An RFP shall be issued when all of the following apply:

- a. Two or more sources are considered capable of supplying the Deliverable;
- b. No Service Purchase Order/Outline Agreement exists for the Deliverables;;
- c. ENWIN's need is identified, but the means of accomplishing it is not identified and may be comprised of many variables; and,
- d. Purchase Price is not the sole criterion for Award.

83. Notice shall be given:

- a. In any publication or forum deemed relevant by the responsible Director and Purchasing Manager.

84. In the case of Construction with a value of \$250,000.00 CAD or more, and non-Construction with a value of \$100,000.00 CAD or more, notice shall be given through Biddingo.com or another electronic tendering system equally accessible to all Canadian Suppliers.

85. Every Formal RFT/RFP/RFQ shall set out:

- a. The manner in which communications are handled during the Formal RFT/RFP/RFQ;
- b. Response requirements, including time, date and location of closing;
- c. Any information that could influence a Supplier's decision to submit a Response, or could influence Purchase Price;
- d. The manner in which the Response is to be evaluated, including a listing of mandatory requirements and any rating criteria;
- e. Required Contract terms, including provisions for any extension or renewal options;

- f. Responses may be withdrawn upon the submission of written instructions to do so and submitted prior to the Closing Date.
 - g. That the purchasing department will notify both the successful and unsuccessful respondents of their disposition in the outcome of the Formal RFT/RFP/RFQ, via written communication.
86. Suppliers shall be required to register with the Purchasing Department during the conduct of a Solicitation providing any required information to be eligible to submit a Response. The Purchasing Manager has the discretion to reject the Response of any Supplier who has not registered with the Purchasing Department.
87. During the currency of a Formal RFP/RFT/RFQ:
- a. Except at a meeting to which Suppliers have been invited, no oral questions will be taken and no oral answers will be given; and,
 - b. All Supplier questions will be asked in writing, and any response given will be given in writing to all Suppliers participating in the Formal RFP/RFT/RFQ; and,
 - c. Communication by Suppliers and potential Suppliers with ENWIN shall be through the Purchasing Department only, in the manner directed in the Formal RFP/RFT/RFQ document.
88. The Closing Date for all Formal RFP/RFT/RFQ shall be set for a weekday, excluding provincial and national holidays.
89. Only Responses meeting the requirements set out in the Formal RFP/RFT/RFQ shall be opened. Any Response not meeting the Submission requirements shall be returned unopened to the Supplier. If multiple Responses are received from a Supplier, the last Response made before the Closing Date supersedes all prior Responses, except in the case of an RFP in which alternate Responses are permitted.
90. Formal RFP/RFT/RFQ shall be opened in private at a meeting of the Evaluation Team, or at least two members of the Purchasing Department or in accordance with the instructions provided in the solicitation document.
91. Evaluation of Responses shall be in accordance with the terms of the Formal RFP/RFT/RFQ. Any Response disqualified during the evaluation process shall not be further evaluated or considered.
92. Irregularities in Responses shall be addressed in accordance with Schedule B to this Policy.
93. If two equal Responses are received, any process described in the Solicitation documents shall be followed to end the tie. If no process is prescribed in the Solicitation documents to address equal Responses, or if the process fails to end the tie, the responsible Director and the Purchasing

Manager may, in his or her discretion, re-evaluate the Responses in accordance with their terms to attempt to end the tie.

94. Formal RFPs/RFTs/RFQs may be cancelled by the Purchasing Manager at the request of a Director requiring the Purchase at any time until Award if:
- a. Adequate budget is not available; or,
 - b. The Deliverable is no longer required; or,
 - c. The Deliverable, at the discretion of the Purchasing Manager, has significantly changed; or,
 - d. Only one response was received; or,
 - e. The Purchasing process was or may have been compromised.
95. Notice of Contract Award shall be communicated to the Proponent(s) by the Purchasing Department.

Part IX - Special Circumstance Purchases

Lease and Financing

96. Once a lease based purchase is approved by Finance, purchasing activities outlined in Part VIII shall be applied to the extent possible as determined by the Purchasing Manager.

Service Purchase Orders/Outline Agreements

97. Where a Service Purchase Order/Outline Agreement exists for Deliverables to be purchased, those Deliverables must be purchased under the Service Purchase Order/Outline Agreement.
98. Service Purchase Order/Outline Agreements can be established by the Purchasing Department when all of the following criteria are met:
- a. One or more Departments repetitively orders the same Deliverables or range of Deliverables and the actual demand (including quantity, delivery date, and delivery point) is not known in advance;
 - b. The Deliverables are readily available to be ordered (“called up”) as and when the requirement arises; and,

- c. Prearranged prices or a prearranged pricing basis can be established at the outset and there is no need or intention to negotiate them at call-up.
99. Service Purchase Order/Outline Agreements shall be established by the competitive Purchasing method prescribed by the estimated annual value of the Service Purchase Order/Outline Agreement.
100. The Purchasing Manager shall maintain a list detailing Service Purchase Order/Outline Agreements and the associated Deliverables, Suppliers and pricing.

Emergency Purchases

101. An “Emergency” is defined as:
- a. An imminent or actual danger to the life, health or safety of an official, the public, or an employee while acting on ENWIN’s behalf;
 - b. An imminent or actual danger of injury to or destruction of property belonging to ENWIN or to property owned by a third party to whom ENWIN would be liable, including systems and data in the event of a cyber attack;
 - c. An unforeseen interruption or threat of an interruption of an essential public service;
 - d. An emergency as defined by the *Emergency Management Act* and the Emergency Response Plan formulated by ENWIN;
 - e. A spill of a pollutant as contemplated by the *Environmental Protection Act*.
102. In the event of an Emergency requiring the purchase of goods or services to alleviate the Emergency, goods and services may be purchased by the most economical and expedient means, notwithstanding this Policy, as follows:
- a. \$99,999.99 CAD and Under: Directors have the authority to approve Emergency Purchases under \$99,999.99.
 - b. Between \$100,000.00 CAD and \$249,999.99 CAD: On the recommendation of the Director, a Vice President has the authority to approve Emergency Purchases between \$100,000.00 CAD and \$249,999.99 CAD.
 - c. \$250,000.00 CAD and above: On the recommendation of the Director and Vice President, the CEO has the authority to approve Emergency Purchases of \$250,000.00 CAD and above.
103. As soon as reasonably possible following the Emergency Purchase, the responsible Department Director shall submit a report detailing the circumstances and rationale for the

Emergency Purchase to the Purchasing Manager with a copy to the responsible Vice President and CEO describing the circumstances of the Emergency.

104. If the Emergency Purchase is above \$99,999.99 CAD, the responsible Director shall bring an information report to the Board at the next available meeting.

Negotiation

105. Unless permitted by the Bid Documents, no negotiation shall be permitted within a Solicitation.
106. Deliverables may be acquired through negotiation if previously approved by the Purchasing Manager based on one of the following circumstances:
- a. Goods being purchased by single or sole source under section 107 or 108 ;
 - b. Where the lowest compliant Bid exceeds the available budget and it is impractical to recall the Solicitation;
 - c. No compliant bids are received on a Solicitation and it is impractical to recall the Solicitation; or,
 - d. Goods or services are required in response to an Emergency as defined by this Policy.

Single Source

107. A non-competitive direct award of Contract may be used to purchase Deliverables with a total dollar value greater than \$2,500.00 from ENWIN funds only with the prior approval of the Purchasing Manager under the following circumstances, together with the appropriate approvals as outlined in Part VI of this policy:
- a. To purchase an item for testing or trial use;
 - b. Where Deliverables are in short supply due to market conditions, including geographic limitations and lack of competition;
 - c. To exercise a purchase option under a rental contract;
 - d. To purchase Goods offered for sale by auction or tender, provided the CEO authorizes the submission of a bid;
 - e. Where a competitive method of purchasing could interfere with ENWIN's ability to maintain security or order, or to protect human, animal or plant life;
 - f. Where Deliverables relating to matters of a confidential or privileged nature are required and disclosure of these matters could reasonably be expected to compromise

confidentiality, cause economic disruption, or otherwise be contrary to the public interest;

- g. Where an unforeseeable situation of urgency exists and competitive methods of purchasing would result in ENWIN's inability to obtain the Deliverable in time.

Sole Source

108. A non-competitive direct award of Contract may be used to purchase Deliverables with a total dollar value greater than \$2,500.00 from ENWIN funds only with the prior approval of the Purchasing Manager under the following circumstances, together with the appropriate approvals as outlined in Part VI of this policy:

- a. Where there is no Response to a competitive process;
- b. To ensure compatibility with existing products and services, to recognize exclusive rights, or to maintain specialized products that must be maintained by the manufacturer or its representative; or, there are no substitutes for components or replacement parts;
- c. Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;
- d. The Board, or CEO have approved the adoption of specific standards for the organization upon presentment of a business case;
- e. Where an IT product selection is vetted and confirmed as competitive by a recognized research and advisory firm such as Gartner or Forrester and the sole source is approved by the CFO;
- f. For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly.

109. Single and Sole source purchases of Deliverables with a purchase price in excess of \$249,999.99 or pursuant to a funding agreement require consultation with the Purchasing Manager, and approval of the Board.

Roster

110. Where a Roster List exists for the purchase of Deliverables, purchasing from such Roster List shall be permitted (but not required) if the purchase price for the individual project or assignment is less than the funds that have been included in the Board-approved operating or capital budget, subject to properly approved capital budget transfers in accordance with s. 5.9.4 of the Delegation of Authority Policy.

111. Roster Lists shall be developed when it is determined that a Roster List would assist ENWIN in the formation of strategic relationships to better serve ENWIN's Purchasing needs. The CEO has the authority to require the establishment of a Roster List. The Purchasing Manager and Vice Presidents may recommend the use of a Roster List to the CEO at their discretion.
112. Roster Lists shall only be valid for five (5) years and thereafter cannot be used unless updated by a new Prequalification.
113. Roster List Awards shall be made at the discretion of the responsible Vice President based on an equitable distribution of Awards to the Suppliers on the relevant Roster List and provided that an acceptable Contract can be negotiated with the Supplier.
114. Roster List Awards shall be evidenced by a Formal Agreement, outlining the terms of distribution for the work amongst awarded vendors.

Cooperative Purchasing

115. The Purchasing Manager is authorized to enter into arrangements with other Local Distribution Companies ("LDCs"), area municipalities, local boards and other public bodies or authorities for the purchase of Deliverables on a cooperative or joint basis where there are economic advantages to doing so; provided that under any such approved arrangement the methods utilised are competitive and adequate arrangements have been made for the provision of all necessary support required by the Purchasing method chosen.
 - a. The Purchasing Manager is authorized to enter into arrangements based on the procurements of other LDCs, area municipalities, local boards and other public bodies or authorities for the purchase of Deliverables where there are economic or legal advantages to doing so provided that: (i) the procurement on which the arrangement is based was competitive; and (ii) adequate arrangements have been made for the provision of all necessary support required by the Purchasing method chosen.

Long Term Agreements

116. A competitive award of a Long Term Agreement, properly authorized in accordance with this policy, may be used to purchase Deliverables from ENWIN funds for a contract of up to six years in duration. This enables ENWIN to strategically partner with a company at pre-determined and agreed upon price structures whereby both parties have greater transparency to each other's operations for the purpose of more efficiently satisfying ENWIN's needs. This may include, but not be limited to; minimum/maximum annual quantities, divulging of all cost structures from the vendor, sharing of processes and procedures from ENWIN.

Part X - Security, Insurance and Indemnity

Bid Security

117. ENWIN reserves the right to require Bid Security in the form of any one or more of the following:
- a. Financial bonds issued by a bonding company approved to transact business in Ontario;
 - b. Certified cheques, bank draft or money order drawn on any bank named in Schedule I or II to the *Bank Act* (Canada), any trust or loan company registered under the *Loan and Trust Company Act* (Ontario), the Province of Ontario Savings office, or a credit union as defined in the *Credit Unions and Caisses Populaires Act* (Ontario);
 - c. An Irrevocable letter of credit naming ENWIN as beneficiary.

Performance Security and Labour and Materials Security

118. Performance security and labour and material payment security are required for all Construction Purchases over \$150,000 CAD.
119. Performance security may be required for non-Construction Purchases over \$100,000 CAD if the Purchasing Manager, in consultation with the Director deems such security to be in the best interests of ENWIN.
120. The Purchasing Manager may require labour and material payment security for non-Construction projects over \$100,000 CAD if the Purchasing Manager, in consultation with the Director deems such security to be in the best interests of ENWIN.
121. Where performance security and labour and material payment security are required, the amount of such security shall be 50% of the amount of the Purchase Price, provided that the Purchasing Manager and the Director shall have the discretion to require security in excess of 50% of the amount of the Purchase Price, if in their opinion it would be in the best interests of ENWIN to do so.

Indemnity

122. ENWIN shall be indemnified for and against any claim, loss, cost or damage resulting from a Supplier's obligations under a Contract.

Insurance

123. The Purchasing Department shall collect necessary insurances during a Solicitation, and shall provide such insurances to the Health & Safety department for the Health & Safety

department's ongoing insurance management. Bid documents shall disclose all necessary insurance as established by the Purchasing Manager from time to time and defined in Schedule "C."

124. All insurance must be in a form satisfactory to the Purchasing Manager and shall be delivered prior to the commencement of work, to remain in force for the duration of the Contract inclusive of any maintenance period and shall:
- a. Name ENWIN as an additional insured;
 - b. Be primary and non-contributing;
 - c. Contain a "cross liability/separation of insureds" clause; and,
 - d. Not be altered, cancelled or permitted to lapse without 30 days' prior written notice to ENWIN by the insurer
125. The Supplier shall also maintain adequate insurance of its own interests in completing the Contract.
126. The CFO has the authority to modify or waive insurance requirements if, in his or her sole discretion, to do so would not result in harm or undue risk to ENWIN.

Occupational Health and Safety

127. Prior to the commencement of the work, the Supplier shall deliver a Certificate of Clearance from the Workplace Safety and Insurance Board to evidence an account in good standing, or, if the Supplier is exempt from membership, satisfactory evidence of such exemption. The Purchasing Department shall deliver the Certificate of Clearance to the Health & Safety department for the Health & Safety department's ongoing WSIB management.
128. All Suppliers shall strictly comply with all *Occupational Health and Safety Act* requirements and shall indemnify and hold harmless ENWIN in respect of same, including any legal costs, fines or other penalties incurred by ENWIN resulting from the Supplier's performance of the Contract terms.

Part XI - Contracts

Types of Contracts

129. An Award can be evidenced by a Purchase Order, Outline Agreement or a Formal Agreement.

130. The Purchasing Manager shall determine whether a Purchase Order, Outline Agreement or a Formal Agreement is required with a Supplier, having regard to the nature of the Deliverable, the complexity of the Purchase, and the risks, terms and conditions applicable to the Purchase.
131. The Purchasing Manager shall prepare or approve any Formal Agreement required by section 130.

Management Authority to Sign Contracts

132. The Purchasing Manager has the authority to sign Purchase Orders and Outline Agreements which shall be in a standard form recommended and reviewed at a minimum of every five years by ENWIN's duly appointed legal counsel.
133. If a Formal Agreement is required for a Purchase that would fall within the administrative purchasing authority and would therefore not otherwise require Board approval, the CEO and responsible Vice President are authorized to sign the Formal Agreement on behalf of ENWIN, provided the Formal Agreement is satisfactory in form to the Purchasing Manager, satisfactory in financial content to the CFO or designate which shall be the Director, Finance, and satisfactory in technical content to the Vice President or designated Director responsible for the Department making the purchase.
134. Unless otherwise duly authorized by Board Resolution or Board approved Policy, subject to section 132 and 141, no other Employees are permitted to sign Contracts on behalf of ENWIN for the Purchase of any Deliverable.

Optional Renewal Terms

135. Where a Contract contains an option for renewal, the responsible Director may request the Purchasing Department to exercise such option, provided that:
 - a. In the opinion of the Director and the Purchasing Manager, the Supplier's performance under the prior term of the Contract has been satisfactory and has met the requirements of the Contract;
 - b. The Director provides a written explanation to the Purchasing Manager as to why the renewal is in the best interests of ENWIN;
 - c. The Director and the Purchasing Manager agree that the exercise of the option is in the best interests of ENWIN;
 - d. Funds are available in the appropriate accounts within the Board approved budget including authorized revisions to meet the proposed expenditure;
 - e. The dollar amount does not exceed \$249,999.99 CAD; and,

- f. The Contract is not otherwise required to be brought before the Board.

Contract Amendments

No amendment to a Contract shall be made unless, in the opinion of the Purchasing Manager, that amendment is in the best interests of ENWIN.

136. No amendment increasing the original Purchase Price of a Contract shall be agreed to without a corresponding change in the requirement or scope of work.
137. Notwithstanding s. 136, in the absence of an optional renewal term, an extension of a current contract may be sought pursuant to sections 138 through 140 and section 142, and where all of the conditions set forth in s. 135 apply.
138. The CEO has the authority to approve Contract amendments where:
- a. The Contract was originally approved in accordance with this policy, and the amendment is \$249,999.99 CAD or less and it does not exceed the Board approved budget for that expenditure, subject to properly approved capital budget transfers in accordance with s. 5.9.4 of the Delegation of Authority Policy;
 - b. Or, the CEO approved the Award of Contract under section 32(b) and the amendment does not exceed the Board-approved budget for that expenditure, subject to properly approved capital budget transfers in accordance with s. 5.9.4 of the Delegation of Authority Policy.
139. Contract Amendments related to operating expenses:
- a. A Director has the authority to approve Contract amendments relating to operating expenses where:
 - i. The original Contract was duly approved in accordance with this policy, and the amendment when added together with the original contract value (and any other contract amendments) is \$74,999.99 CAD or less and it does not exceed the Board approved budget for the expenditure, or
 - ii. The amendment has not resulted in a net contract value change, or results in a decrease in the contract value.
 - b. A Vice President has the authority to approve Contract amendments relating to operating expenses where:
 - i. The original Contract was duly approved in accordance with this policy, and the amendment when added together with the original contract value (and any other

contract amendments) is \$149,999.99 CAD or less and it does not exceed the Board approved budget for the expenditure.

140. Contract Amendments related to capital expenses:
- a. A Director has the authority to approve Contract amendments relating to capital expenses where:
 - i. The original Contract was duly approved in accordance with this policy, and the amendment when added together with any other contract amendments total a maximum of \$74,999.99 CAD and it does not exceed the Board approved budget for the expenditure, subject to properly approved capital budget transfers in accordance with s. 5.9.4 of the Delegation of Authority Policy; or,
 - ii. The amendment has not resulted in a net contract value change, or results in a decrease in the contract value.
 - b. A Vice President has the authority to approve Contract amendments relating to capital expenses where:
 - i. The original Contract was duly approved in accordance with applicable policy, and the amendment when added together with any other contract amendments total a maximum of \$149,999.99 CAD and it does not exceed the Board approved budget for the expenditure, subject to properly approved capital budget transfers in accordance with s. 5.9.4 of the Delegation of Authority Policy.
141. If determined by the Purchasing Manager or Director that a formal amending agreement is required in the circumstances, then a formal amending agreement shall be prepared or approved by the Purchasing Manager, and executed by the respective signatories (minimum of two) following the approval limits provided for in sections 138 to 140, along with a duly approved Purchase Requisition and completed and signed Contract Amendment Request Form. If no formal amending agreement is determined by the Purchasing Manager or Director to be required, then a duly approved Purchase Requisition, along with a completed and signed Contract Amendment Request Form executed by the respective signatories following the approval limits provided for in sections 138 to 140, is sufficient for the contract amendment.
142. Contract Amendments related to Outline Agreements:
- a. The contract owner shall determine whether the contract is used primarily for capital or operating work, and shall follow the approval limits provided for in sections 138 to 140. A Purchase Requisition and Contract Amendment Request Form may be required at the discretion of the Purchasing Manager.
143. The Board must approve amendments that result in:

- a. An overrun of the total approved capital or operating budgets; or,
- b. The Purchase Price is, or exceeds \$250,000.00 CAD, except where the CEO has authority to approve the Contract Amendment under section 138(b).

144. Contract Management

- a. ENWIN functions under a decentralized contract management approach.
- b. Responsibilities:
 - i. Purchasing Department
 Upon Departmental direction, reviewing POs and drafting and establishing contract amendments and extensions;
 Responding to Departmental inquiries regarding Contract interpretation;
 Responding to Departmental inquiries regarding Contract or Supplier disputes.
 - ii. User Department
 Ensure the material or service is carried out under the terms of the Contract;
 Ensure billing is consistent with the terms of the Contract and conduct first-level troubleshooting with the Supplier;
 Direct the Supplier in carrying out the Contract;
 Direct the Purchasing Department on required Contract changes and unresolved Supplier disputes.

Part XII – Supplier and Material Management

Performance Management

145. The Purchasing Manager is responsible for ENWIN's Supplier performance management system.

Supplier Suspension

146. ENWIN may, but shall not be obligated to, at the discretion of the CEO, or the Board of Directors, suspend a Supplier from participating in ENWIN's Purchasing activities by reason of:
- a. Litigation or engagement in legal action between the Supplier or any officer or director of the Supplier, directly or indirectly through another corporation, and ENWIN or any Affiliate of ENWIN, ENWIN Consultants engaged by ENWIN in respect of a specific Solicitation, or Employees in relation to any other Contract or service or any matter arising

from ENWIN’s exercise of its powers, duties or functions if the litigation is likely to affect the Supplier’s ability to work with Employees or ENWIN Consultants or to cost additional staff and legal costs in the administration of a Contract with the Supplier;

- b. Poor past performance by the Supplier, failure to meet specifications or a persistent and repetitive pattern of health and safety violations, as documented by the department Director and provided to the Purchasing Manager;
 - c. A failure by the Supplier to satisfy a debt due to ENWIN; or,
 - d. A withdrawal by a Supplier of a Response after the Award of an RFT, or the Award of an RFP.
147. A Supplier shall be given an opportunity to respond to an allegation of poor performance.
148. A suspension shall be lifted at the discretion of the CEO if the suspended Supplier demonstrates to ENWIN that the reasons leading to the suspension have been satisfactorily addressed and that the Supplier no longer poses a performance risk to ENWIN.

Material

149. The Purchasing Manager may alter the source of supply of a Deliverable if it is in the best interests of ENWIN to do so.
150. Upon receipt of Deliverables, Departments shall:
- a. Promptly inspect the Deliverable for compliance with the terms of the Contract;
 - b. Advise the Purchasing Department promptly of any deviation from the terms of the Contract;
 - c. Assist the Purchasing Department as required to rectify deficiencies or deviations.

Part XIII - Disposal of Corporate Assets

151. This section of the policy was established to protect ENWIN and its staff, and any Affiliates, from any conflict of interest, either perceived or actual, which may arise when disposing of corporate Assets.

Identification of Corporate Assets

152. In this section, “**Asset(s)**” include but are not limited to, plant, equipment, property and inventory. An Asset is a resource controlled by an entity that has future economic benefits that

can be utilized over a period of time. These items may be in-service, in-stock or considered as scrap. For the purposes of this Policy, examples of assets to be governed will include, but not be limited to: new or used equipment, vehicles, computers and other technology equipment, cell or other phone technology, hydro poles, transformers, conductors, conduit, pipe, fire hydrants, office furniture, water treatment chemicals and any item that constitutes part of the distribution plant or tools.

- a. For further clarity, scrap wood destined for land fill, which would otherwise pose a cost to ENWIN to dispose of, is not considered an Asset.
153. ENWIN may have various Assets that require disposal due to end-of-life cycle based on risk assessment, obsolescence or useful function with ENWIN.
 154. Assets shall not have their title transferred to any employee of ENWIN or their relatives. Relatives are defined as parents including in-laws, grandparents including in-laws, spouse, child including step child, siblings including in-laws, aunts, uncles and cousins.
 155. When the title of an ENWIN Asset is transferred to a third party by way of sale, gift or donation, the transferee shall agree in writing to hold ENWIN harmless from any liability whatsoever associated with the Asset.
 156. Asset disposal shall be carried out in compliance with applicable regulatory and legal requirements associated with the Asset.
 157. Department Directors shall have the authority to sell, exchange, or otherwise dispose of Assets declared surplus or obsolete to the needs of the corporation, and where it is cost effective and in the best interest of the corporation to do so.
 158. The method chosen for Asset disposal will be selected based on the principal and ability to generate a net return and/or minimize costs of disposal for ENWIN or generating goodwill within the community.

Authority and Responsibility

159. The Purchasing Manager shall be responsible for:
 - a. Ensuring the annual reporting to the Boards of Directors a summary of Asset dispositions during the fiscal year.
160. Vice Presidents shall be responsible for:
 - a. Oversight of Asset dispositions within their area of responsibility in accordance with this section.
161. Directors and Department Heads shall be responsible for:

- a. Hold primary responsibility over the specific Assets to be disposed of within their area;
- b. Responsible for the development of detailed department processes and procedures for the disposal of corporate Assets within their departments in accordance with this policy;
- c. Responsible for arranging the disposition of Assets within their area of responsibility and/or providing the required approval for the disposal of corporate Assets within the respective department;
- d. Responsible for reporting dispositions to the Purchasing Manager for purposes of annual reporting, according to his/her defined procedures.

Means of Disposal

162. Each Director or Department Head shall first determine if the Assets may be of use to other ENWIN Departments or Affiliates and may authorize distribution in consultation with the accounting department to ensure proper recording of the transfer.
163. If the surplus Assets cannot be used by ENWIN Departments or Affiliates, the Director or Department Head, in consultation with their respective Vice President, may dispose of them by any of the following methods:
 - a. Sold or traded to the original supplier, distributors, or others in that line of business that do not intend to be the end users of the item, thus eliminating liability from ENWIN;
 - b. Sold for scrap value;
 - c. Recycled;
 - d. Sold by tender or public auction based on net book value or, if the net book value is zero, a reasonable estimation of the fair market value;
 - ii. Where it is deemed appropriate, the responsible Vice President, in consultation with the CFO, or designate, may set a reserve price for an article that is to be sold and such reserve price shall not be disclosed to potential purchasers;
 - e. Abandonment in place if appropriate according to applicable legislative, environmental and regulatory requirements;
 - f. Donated to a charitable organization or educational institution; or,
 - g. Any other means appropriate and in the best interests of ENWIN, while eliminating liability.
164. If the surplus Assets may not otherwise be disposed of, they shall be scrapped.

165. Disposal of an Asset with a single net book value or 3rd party estimated market value of \$250,000.00 CAD or more must receive prior Board approval.
166. No Board member, officer, current or former employee or their immediate family or related party may receive corporate Assets under this Part XIII except by purchase through means of a third party auction or a tender process as the case may be. Notwithstanding the foregoing, in no case will any of the aforementioned parties be eligible to receive corporate Assets through any means if the duties of that party include making decisions regarding the disposal of such corporate Assets.

Hazardous Material

167. Disposal of unsafe or hazardous surplus items is the responsibility of the originating Department and shall be conducted in accordance with this Policy.

Part XIV - General Administration of this Policy

Records and Information

168. Purchasing records will be retained in accordance with ENWIN's Record Retention Policy.
169. ENWIN is subject to the *Municipal Freedom of Information and Protection of Privacy Act*. Subject to the provisions of that Act, ENWIN will use reasonable efforts to safeguard the confidentiality of any information identified by a Supplier as confidential, but shall not be liable in any way whatsoever if such information is disclosed.

Reporting Requirements

170. The following reports are required:
- a. Disposal of Surplus Goods Report

The Purchasing Manager shall provide an annual information report to the Board disclosing all corporate Assets disposed of under Part XIII of this Policy.

- b. Single / Sole Source Report

The responsible Director and the Purchasing Manager shall provide an annual information report to the Board disclosing all non-competitive purchases for Deliverables which did not satisfy at least one of the criteria for Single / Sole sourced Contracts contained in sections 107 and 108 of this policy.

c. Rostered Consultant Report

The responsible Director and the Purchasing Manager shall provide an annual report to the Board disclosing all Suppliers engaged through any rostering process in Part IX of this Policy.

Review of Policy

171. This Policy is the responsibility of the Purchasing Manager and shall be reviewed and amended as required at a minimum every five (5) years.
172. Appropriate stakeholders shall be consulted in making amendments to this Policy.

Specific Departmental Purchasing Rules

173. ENWIN's CFO shall initiate and submit recommendations with respect to group benefits, banking and professional services, and debenture sales.
174. The purchase of any computer equipment subject to a departmental maintenance fee, software, photocopiers and telecommunications equipment are subject to the prior approval of the Director of Information Technology.

Procedures

175. The Purchasing Manager has the authority to establish processes and procedures for implementing this Policy and to amend those procedures as required in the best interests of ENWIN with the concurrence of the Director and CFO.

Schedules

176. Schedules A, B and C form part of this Policy. The Purchasing Manager has the authority to amend those Schedules as required in the best interests of ENWIN with the concurrence of the CEO. Any amended schedules must be forwarded to all Vice Presidents and Directors of ENWIN.

Review of Purchasing Files

177. The Purchasing Manager has the authority to randomly review Departmental purchasing files to monitor the effectiveness of the Policy and Procedures, and to ensure compliance with this Policy.

Repeal

178. Policy EWU – B001.03 **BE REPEALED** upon the effective date of this Policy.

Effective Date

179. This Policy shall come into force and take effect on the 30th day after Board approval.

Purchasing Policy EWU – B001.04

Transition Rules

180. Notwithstanding its repeal, any Purchases begun but not yet completed by the Effective Date of this Policy shall be completed in accordance with the terms of Policy EWU – B001.03.

Title

181. This Policy shall be referred to as the “Purchasing Policy.”

5.2

Schedule A to Policy EWU – B001.04 - Exemptions

5.2

Exempt Purchases

The purchase of the following is exempt from the application of this Policy, but subject to other ENWIN Policies such as the Delegation of Authority or Human Resource Policies. For further clarity, the Purchasing Department may be engaged by a Department for the creation of a PO or procurement guidance, but competitive bidding is not required. The Director, Finance is hereby authorized to pay for any goods or services purchased in accordance with this Schedule A upon receipt of an invoice which is duly approved in accordance with applicable corporate policy regarding financial controls. Final interpretation of the following exclusions shall be made by the Purchasing Manager or Director.

1. Employer Expenses including:

- a. Salaries
- b. Benefits, including health and insurance benefits
- c. Payroll deductions and remittances
- d. Licenses
- e. Training and education, including conferences and memberships
- f. Reimbursable employee expenses as defined in the Travel and Business Expense Policy
- g. Specialized Recruitment services (i.e. where a contracted agency cannot supply a qualified person; or for executive recruitment)
- h. Specialized Counselling services, as determined by the Director, Human Resources

2. Governmental Charges to and from other governmental bodies including Federal, Provincial and Municipal.

3. Periodic payments including:

- a. Debenture payments
- b. Agency grants
- c. Sinking fund payments
- d. Postage and courier services
- e. Utilities
- f. Telephone, data and television services including installations and repairs
- g. Licenses (vehicles, equipment)
- h. Insurance premiums
- i. Other potentials may arise, but will only be included if approved by the CEO

4. Settlements, awards and deductible payments for legal and/or insurance purposes.

- 5. Magazines, books, subscriptions, newspapers and periodicals**
- 6. Marketing, Advertising & Publications**
- 7. Maintenance, cloud and license agreements** for IT systems currently in place. (i.e. SAP, ESRI, NorthStar, myENWIN)
 - a. Licensed occupancy on poles of third-parties (i.e. Bell, Hydro One, other LDCs, etc.)
- 8. Cyber Security services and IT products** where a competitive process would increase the level of cyber risk (i.e. networking, penetration testing services, malware and threat detection tools).
- 9. Auditing, Tax and Legal Services and support** in accordance with the delegation of authority to ENWIN Director of Finance and ENWIN Director of Regulatory Affairs, respectively.
 - a. Arbitrators, mediators and investigators
- 10. City of Windsor or Rail Works Services** where the City of Windsor or the railway, as the case may be, carries out works at the behest of ENWIN.
- 11. Real estate** including land, buildings, leasehold interests, easements, encroachments, licenses, etc. The purchase and sale of real property is governed by a separate policy².
- 12. Industry benchmarking initiatives**
- 13. Specialized Tool and Equipment Repairs and Calibrations** where the tool or equipment needs to be sent to a vendor for evaluation

² Reference Policy Governing Sale of Real Property.

Schedule B to Policy EWU – B001.04 – Irregularities

5.2

Nature of Irregularity

1. Any deviation from the requirements of the Bid Documents is an irregularity. An irregularity may be:
 - a. Major, affecting price, quality, quantity or delivery and is material to the Contract or required by the Bid Documents; or,
 - b. Minor, affecting form rather than substance.

2. Where discretion exists to determine whether an irregularity is major or minor, the Purchasing Manager, the responsible Director and the Vice President shall jointly evaluate the irregularity to determine its nature in the context of the applicable Solicitation.

3. Except as noted herein, irregularities cannot be cured.

| | Irregularity | Action |
|----|---------------------|---|
| 1. | Late Response | <ul style="list-style-type: none"> • Response rejected • Response returned unopened to Supplier |
| 2. | Envelope not sealed | <ul style="list-style-type: none"> • Response rejected • Response returned unopened to Supplier |

| | | |
|----|---|--|
| 3. | Response completed or signed in erasable medium | <ul style="list-style-type: none"> • Response rejected |
| 4. | Response does not bear a signature | <ul style="list-style-type: none"> • Response rejected |
| 5. | All sections of Bid Documents not completed | <ul style="list-style-type: none"> • Response rejected if the effect is a Major irregularity |
| 6. | Minor clerical errors on Response | <ul style="list-style-type: none"> • 48 hours from notification to initial |
| 7. | Minor mathematical errors on Response | <ul style="list-style-type: none"> • Unit pricing prevails; 48 hours from notification to initial |

| | | |
|-----|---|--|
| 8. | Missing or insufficient Bid Bond | <ul style="list-style-type: none"> • Response rejected |
| 9. | Missing or insufficient agreement to bond | <ul style="list-style-type: none"> • Response rejected |
| 10. | Any other Major irregularity | <ul style="list-style-type: none"> • Response rejected |
| 11. | Any other Minor irregularity | <ul style="list-style-type: none"> • May be waived at discretion of Purchasing Manager, responsible Director and Vice President, acting jointly |

Schedule C to Policy EWU – B001.04 – Insurance Requirements

| AGREEMENT/EVENT TYPE | INSURANCE REQUIRED |
|---|--|
| Encroachment Agreement | \$2 million general liability |
| Construction | \$5 million general liability \$2 million auto liability |
| Consultant Agreement | \$2 million general liability \$2 million professional errors and omissions liability |
| Technology Contracts | Cyber Insurance – As determined by the Director, Information Technology or the CFO |
| Agreements of a general nature for provision of goods and/or services | \$2 million general liability |
| Builder's Risk Insurance | Cost of project |

Purchasing Policy EWU – B001.04

| | |
|---|---|
| Other matters not specifically addressed in this Schedule | As determined by the Purchasing Manager |
|---|---|

5.2

The CFO has the authority to modify or waive insurance requirements if, in his or her sole discretion, to do so would not result in harm or undue risk to ENWIN.