

WINDSOR UTILITIES COMMISSION
AUDIT AND FINANCE COMMITTEE
PUBLIC MEETING MINUTES FOR THE PUBLIC MEETING HELD
WEDNESDAY, SEPTEMBER 11, 2024

A public meeting of the Windsor Utilities Commission Audit & Finance Committee was held on Wednesday, September 11, 2024 via Zoom Conference call due.

ATTENDANCE:

Commissioners: Egidio Sovran (Chair), Onorio Colucci, Robert Feldmann, Gary Kaschak

EWU Management: President & CEO, G. Rossi, Chief Financial Officer, M. Carlini, Directory of Procurement and Supply Chain, R. McIntyre, Chief Operating Officer - Water, R. Spagnuolo; Chief Risk Officer, P. Gleason; Director Finance, G. Boose; Chief People Officer, M. Bonnici; Director of Regulatory Affairs, C. Bebbington; Manager Risk and Governance, A. Pelaccia

Guests: None

Regrets: Jim Morrison

CALL TO ORDER & DECLARATION OF CONFLICTS OF INTEREST

The Chair noting quorum called the public meeting to order at 12:32 p.m.

CONSENT AGENDA

Moved and seconded

THAT the following Consent Agenda item BE APPROVED as recommended.

- 3.1 THAT the WUC Audit & Finance Committee Meeting Minutes of June 5, 2024 be approved.

-CARRIED

COMMUNICATION AGENDA

The Director of Regulatory Affairs reviewed item 4.1, Regulatory Affairs Update – Water.

She highlighted that the municipal drinking water permit has been provided to the utility. She also noted that an accreditation and in person audit occurred the previous week. Results will be provided back to the Board once available.

The Chief Financial Officer reviewed item 4.3, WUC Sinking Fund Update, highlighting a strong performance. A Commissioner requested that the investment managers review global asset allocation for a more favourable return. Commissioners asked if the investment managers can review our investments with comparators to determine where we fall, and if the asset mix should change. This review was proposed to devise a staged plan, year by year. Management agreed to review with the investment managers.

A Commissioner asked if Jarislowsky Fraser was able to hold the Windsor Canada Utilities Ltd. bonds. Management stated that the bonds were not actively traded and generally not available in the market but agreed to review and report back to the Board.

Moved and seconded

THAT the following Communication Agenda items BE RECEIVED as recommended.

- 4.1 Regulatory Affairs Update – Water
- 4.2 WUC Financial and Corporate Compliance for Quarter Ending Q2 2024
- 4.3 WUC Sinking Fund Update
- 4.4 WUC Q2 2024 Financial Review
- 4.5 WUC Initiatives Tracking

-CARRIED

ENWIN EXECUTIVE REPORTS

5.1 WUC Q2 2024 FINANCIAL REVIEW

The Chief Financial Officer reviewed the report and identified a strong performance from the utility.

A Commissioner asked how WUC handles bad debt considering the unemployment rate in the City has increased. Management reviewed the processes available to the utility and the ability to work with City of Windsor to place a lien against the property, as appropriate, in order to have the ability to collect.

A Commissioner asked about a 24% variance in water production. Management confirmed that this was due to timing and the decommissioning of the water treatment plant. Production is expected to increase and stabilize again within the next year.

Moved and seconded.

THAT the WUC Q2 2024 Financial Review report BE RECEIVED for information and BE RECOMMENDED to the Windsor Utilities Commission Board of Commissioners FOR APPROVAL.

-CARRIED

5.2 WUC 2025 OPERATING AND CAPITAL BUDGETS

The Chief Financial Officer provided an overview of the proposed budget through the presentation found in Appendix A.

A Commissioner asked if we ever review the average monthly costs from comparators of similar population sizes instead of comparing to local municipalities. The Chief Financial Officer confirmed that review of comparators of similar sizes does occur, however, while economies of scale do exist, differences typically are seen based on age of infrastructure. Older communities typically see highest rates.

A Commissioner asked about the residential retail rates of Lasalle and Tecumseh being lower than Windsor. Management identified that both Lasalle and Windsor pay based on a cost sharing agreement, and therefore from a cost perspective the ratepayers in both regions pay the same for water. The differences in retail rates however between the municipalities relates to other non-production related costs such as distribution system costs. Windsor has an older system than Lasalle and therefore is replacing expiring mains whereas Lasalle is likely using its water revenue to generate reserves for future replacements. The Commissioner asked for a footnote to be included to identify that older infrastructure in Windsor results in higher rates.

A Commissioner asked about average monthly costs for commercial rates. Management agreed to review and provide the details back to the Board.

A Commissioner identified that the CPI index currently shows a rate of 2.5% increase, and noted that the proposed remuneration increase for Commissioners is 3%. He proposed to reduce the remuneration increase to the current rate of 2.5%. Management reviewed the rationale for the 3% increase with the Committee, indicating that in the past, WUC remuneration increases were conservative, and Management wishes to keep the Commission consistent with other utilities and comparators. Discussion ensued and the Committee agreed to keep the remuneration at 3% to keep consistency with comparators.

Moved and seconded.

THAT the WUC 2025 Operating and Capital Budgets report BE RECEIVED for information;

AND THAT the WUC Commission annual commissioner remuneration be recommended to the WUC Board of Commissioners for approval to include an inflationary increase of 3% from \$9,097 to \$9,370.

AND THAT the WUC 2025 Operating and Capital Budgets be recommended to the WUC Board of Commissioners FOR APPROVAL.

AND THAT management has authority to spend up to \$10 million in capital spending for 2025 if the budget approval is deferred.

-CARRIED

IN CAMERA SESSION

Moved and seconded

THAT the Committee be directed to move in camera for the purpose of consideration of the following items of business pursuant to section 239(2) of the *Municipal Act*:

6.1 WUC Audit & Finance Committee In Camera Meeting Minutes of June 5, 2024

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

6.2 Cyber Security Update

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

6.3 WUC 2024 Enterprise Risk Management – Q3 Update

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

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

-CARRIED

The In Camera session commenced at 1:16 p.m.

RESUME PUBLIC MEETING SESSION

Moved and seconded

THAT the Committee move TO RESUME the public meeting session.

-CARRIED

The Public Committee meeting reconvened at 1:27 p.m.

TRANSMISSION OF RECOMMENDATIONS

Moved and seconded
THAT the recommendations discussed in camera BE BROUGHT FORWARD for consideration.

-CARRIED

Moved and seconded
THAT the WUC A&F in camera meeting minutes of June 5, 2024 BE APPROVED as recommended.

-CARRIED

Moved and seconded
THAT the Cyber Security Update report BE RECEIVED.

-CARRIED

Moved and seconded
THAT the WUC 2024 Enterprise Risk Management – Q3 Update BE APPROVED as recommended.

-CARRIED

OTHER BUSINESS

None noted.

TERMINATION

Moved and seconded.
THAT the meeting BE TERMINATED.

-CARRIED

The meeting terminated at 1:27 p.m.

Recording Secretary

Committee Chair

Appendix A: WUC 2025 Operating and Capital Budgets – Presentation