

WINDSOR UTILITIES COMMISSION
AUDIT AND FINANCE COMMITTEE
PUBLIC MEETING MINUTES FOR THE PUBLIC MEETING HELD
WEDNESDAY, NOVEMBER 13, 2024

A public meeting of the Windsor Utilities Commission Audit & Finance Committee was held on Wednesday, November 13, 2024 via Zoom Conference call due.

ATTENDANCE:

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| Commissioners: | Egidio Sovran (Chair), Onorio Colucci, Robert Feldmann, Gary Kaschak, Jim Morrison |
| EWU Management: | President & CEO, G. Rossi, Chief Financial Officer, M. Carlini, Director 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: | Adam Penny, Jarislowsky Fraser Limited Peter Godec, Jarislowsky Fraser Limited Tony Ardovini, City of Windsor |
| Regrets: | None |

CALL TO ORDER & DECLARATION OF CONFLICTS OF INTEREST

The Chair noting quorum called the public meeting to order at 1:39 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 September 11, 2024 be approved.

-CARRIED

COMMUNICATION AGENDA

The Director of Regulatory Affairs reviewed item 4.1, Regulatory Affairs Update – Water. She provided an overview of emerging contaminants and noted the ongoing Ministry inspection.

The Committee discussed item 4.4, Sinking Fund. A Committee Member proposed discussing the purpose of the portfolio, the asset mix, and suggested reviewing possibilities to maximize the investment. The Jarislowsky Fraser (JF) Investment Managers were invited into the meeting at 12:38 p.m. The Committee informed JF that they wished to review the purpose of the portfolio, with an interest in repurposing funds in future years to reduce rates for the consumer. JF indicated that with the current portfolio mix, and a long-term outlook, there is only a need for a 2% return year over year with the current returns.

JF reviewed a presentation regarding the investment portfolio, investment outlook, trends, and equity earnings, to the satisfaction of the Committee. Commissioners asked about the review of markets based on political impacts and the asset mix with international markets. JF indicated that the current asset mix has been modelled to assist with decision making, and while there may be unpredictability in the markets, it has been managed accordingly. A Commissioner asked if the fund should be reviewed regarding whether the equity mix should be reviewed, and if this allows for more latitude in the fund. JF indicated that a 50% mix is supported and remains conservative. JF recommended that if changes wish to be made, it could be beneficial to review the upper limit of global equity to allow for latitude. JF exited the meeting at 1:16 p.m.

The Committee discussed options regarding equity, asset mix, and risk and made a several motions for the Board's consideration.

The Chief Financial Officer reviewed item 4.5, WUC Rate Benchmarking and Rate Structure, highlighting that the report was not a full rate study, but an overview of where WUC is positioned regarding earned revenue. He indicated that when reviewing comparator municipalities, WUC remains in the middle. A Commissioner asked about conservation initiatives, rates and the impact year-over-year on the bottom line of a customer bill. He suggested messaging should be managed and communicated to ratepayers accordingly. Management 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 Q3 2024
- 4.3 WUC Audit Planning Report - 2024

- 4.5 WUC Rate Benchmarking and Rate Structure
- 4.6 WUC Initiatives Tracking

AND THAT, the WUC Sinking Fund Update BE RECEIVED for information;

AND THAT it BE RECOMMENDED to the Windsor Utilities Commission for their approval that Jarislowsky Fraser have the discretion to invest up to 60% of the fund in equity.

AND THAT it BE RECOMMENDED to the Windsor Utilities Commission for their approval that the limitation on Jarislowsky Fraser to invest a certain percentage of equity in a particular jurisdiction be removed from the investment policy.

AND THAT it BE RECOMMENDED to the Windsor Utilities Commission for their approval that the Audit & Finance Committee be required to review the investment policy with Jarislowsky Fraser every two (2) years to ensure it is meeting the Windsor Utilities Commission's objectives.

-CARRIED

ENWIN EXECUTIVE REPORTS

5.1 WUC Q3 2024 FINANCIAL REVIEW

The Chief Financial Officer reviewed the report and identified a strong performance from the Windsor Utilities Commission.

Moved and seconded.

THAT the WUC Q3 2024 Financial Review report BE RECEIVED for information and BE RECOMMENDED to the Windsor Utilities Commission Board of Commissioners FOR APPROVAL.

-CARRIED

5.2 BYLAW #96 – 2025 UPDDATE

The Chief Financial Officer reviewed the by-law schedule and indicated that it has now been updated to reflect the approved rates identified in the 2025 budget.

Moved and seconded.

THAT the By-Law #96 – 2025 Update report BE RECEIVED for information and BE RECOMMENDED to the WUC Board of Commissioners for approval.

-CARRIED

IN CAMERA SESSION

6.1 WUC Audit & Finance Committee In Camera Meeting Minutes of September 11, 2024

s. 239(2)(a) the security of the property of 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.

6.3 WUC Open Legal Actions: Semi-Annual Update (as of August 31, 2024)

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

-CARRIED

The In Camera session commenced at 1:39 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 1:47 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 September 11, 2024 BE APPROVED as recommended.

-CARRIED

Moved and seconded

THAT the Cyber Security Update report BE RECEIVED.

-CARRIED

Moved and seconded
THAT the WUC Open Legal Actions: Semi-Annual Update (as of
August 31, 2024) report BE RECEIVED.

-CARRIED

OTHER BUSINESS

None noted.

TERMINATION

Moved and seconded.
THAT the meeting BE TERMINATED.

-CARRIED

The meeting terminated at 1:49 p.m.

Recording Secretary

Committee Chair