



<b>Date and Time:</b>	<b>Public Utilities Commission Friday April 28, 2023 – 12:00 p.m.</b>	
<b>Location:</b>	<b>Hybrid – Zoom and PUC Board Room 500 Second Line East</b>	
<b>Members Present:</b>	Mark Howson Sandra Hollingsworth-by zoom (left at 12:55pm) Chris Graham	Corey Gardi-by zoom – joined at 12:08 p.m. Musa Onyuna
<b>Staff Present:</b>	Rob Brewer, President & CEO Mark Faught, Director, Finance Robert Battisti, VP, Corporate Services Guillaume Vachon, VP, Operations & Engineering	Katie Elliott, Manager, Strategy and Brand Trina Avery, Executive Assistant C. Buckner, Manager Water Treatment O. Euale, Sr. Water Engineer
<b>Guests:</b>	David Helwig, Village Media	
<b>Absent:</b>		

**1.0 CALL TO ORDER**

R. Brewer called the meeting to order at Noon. This is the first meeting of the new Commission where the election of the Chair will take place.

**2.0 APPROVAL OF AGENDA**

On a **MOTION** moved by M. Howson, seconded by S. Hollingsworth, and carried,  
**The Commission approved the agenda as presented.**

**3.0 CONFLICTS OF INTEREST**

No conflicts were declared.

**4.0 SAFETY MOMENT**

R. Battisti provided a safety moment recognizing today April 28<sup>th</sup> as the Day of Mourning. Radio messages to our operations crews went out at 11 a.m. as well as flag at half-mast.

**5.0 OPEN SESSION MINUTES – December 1, 2022**

On a **MOTION** moved by M. Howson, seconded by M. Onyuna, and carried,  
**The Commission approved the open session minutes dated December 1, 2022.**

**6.0 BUSINESS ARISING FROM MINUTES**

Contained in the current agenda.

## 7.0 OPEN SESSION ITEMS

### 7.1 Election of Commission Chair

M. Howson was nominated by M. Onyuna.

On a **MOTION** moved by M. Onyuna, seconded by S. Hollingsworth, and carried,  
**That the Commission acclaim M. Howson as Chair for the duration of the term.**

### 7.2 Commission Orientation

R. Brewer noted that we have a new board member, C. Graham. The governance committee of PUC services has extended an offer to the Commission to provide orientation and will include Chris in the regular orientation of PUCI/PUCS. The whole Commission can attend as well if they choose.

M. Howson will that orientation be offered to all various boards.

R. Brewer – Yes, orientation on the full PUC group of companies.

### 7.3 Q1 2023 Financial Report

M. Faught provided a brief review of the Q1 Financial Statements. A summary of the statements was included in the Commission package. Highlighting:

- Operating Margin of \$2M; \$289,000 higher than budget
- Expenses -\$4.3M; \$253,000 under budget. Lower costs and rates due to lack of frozen services and watermain breaks.
- Admin Expenses less than 1% over budget.
- Capital
  - \$276,000 spent in Q1. This is in line with what is spent typically at this time of year.
  - City Projects – Stanley St. Project has been cancelled and those funds will be pivoted to the watermain relining.
  - Customer Demand
  - PUC Projects – planning underway for commencing of work. Large capital program for the year.
  - Trending on track with the capital budget for the year. \$11M is the largest budget to date.

#### Questions/ Discussion

The Commission discussed supply chain and staff feel projects will be fine from a supply chain perspective. There may be a challenge at Gros Cap pump station. The switch gear may take 52 weeks to obtain. Working with the supplier on that.

It was asked if staff have seen a decline in interest in bids with all of the construction work. Staff noted that not so much this year, but last year this was seen. This year staff are confident with what is being received for the tendered work. The only thing left is the CIPP work, and it is expected the same vendor will bid on this. The City has seen a different experience. They have seen project tenders coming in higher than planned.

On a **MOTION** moved by C. Graham, seconded by S. Hollingsworth and carried,  
**The Public Utilities Commission accepts as information the attached 2023 Q1 financial and capital summaries.**

#### **7.4 2022 Audited Financial Statements**

M. Faught reviewed the audited financials. Highlighting:

- Overall, a good year for the Commission.
- The Risk and Resources Committee for PUC Services also did an in-depth review of the statements on April 19<sup>th</sup> at their meeting. KPMG attended that meeting and presented their audit findings report. No material misstatements and a good audit all around.
- Operating Surplus of \$6.8M before the Developer Contributions. \$1M higher than planned.
- Discussed the Developer Contributions of \$1.2M which is a noncash item.
- Revenue \$25.3M; \$933,000 over budget.
- Operating Expenses - \$415,000 under plan.
- Depreciation – on target.
- Capital
  - Total YTD Spend - \$6.9M as opposed to budget of \$9.5M
  - PUC Projects – some projects were deferred due to pricing and will take place in 2023.

#### Questions/Discussion:

M. Faught noted that bad debt can go on the city tax roll. Recovery from that is when the property itself sells. The current owner would have that as part of the selling price. It is a longer process in terms of recovery.

On a **MOTION** moved by C. Gardi, seconded by S. Hollingsworth and carried,  
**The Commission approved the 2022 Audited Financial Statements of the Public Utilities Commission of the City of Sault Ste. Marie.**

#### **7.5 SSM Drinking Water System – 2022 Annual & Summary Report**

C. Buckner presented a PowerPoint summary to the Commission. Highlighting:

- Annual Report is a summary of test results under one regulation.
- Sampling Programs – Quarterly and Annual as well as Community Lead Testing.
- Drinking Water System Improvements
- MECP Annual Inspection – 100% Final Inspection rating
- 10 Year Water Production History

M. Howson commented that this is evidence of the great work by staff. Extremely good quality reports.

#### **7.6 Drinking Water Quality Management Standard (DWQMS) Report to Owner for 2022**

C. Buckner presented a PowerPoint summary to the Commission. Highlighting:

- Each year there is a review of the 21 elements in the operational plan.
- The management review was held March 14 and 21, 2023 with the President and CEO and COO.
- Annual Ministry of Environment Conservation and Parks Inspection with final rating of 100%.
- Zero non conformances and re-accredited for a 3-year term.
- Completed Projects:
  - Zone 2 Booster Station
- Distribution Activity – main repairs, replacement and CIPP
- Drinking Water Quality Trends – flows are very similar to the last 10 year trend.

- Very stable system in the Sault.

Questions/Discussion:

S. Hollingsworth commented that the whole team is great at customer service when any constituents have any calls and thanked staff for that.

The group discussed the water supply levels. It was noted that there is adequate supply in the sault aquifers. There haven't been any concerns at all. The west end aquafer we must maintain. On the East End side, we use only what we need. We use the west end because we must run it. There are no concerns with respect to production.

**7.7 Request to City for Commission Terms to be revised from 2-4 years**

R. Brewer reviewed with the Commission the briefing note included in the package. At an earlier commission meeting there was discussion around the City's methodology for appointing members to the commission. There is a fair bit of complexity with respect to the water system and when they meet only 4 times per year, a member is well into their terms before having a full grasp of what is going on. The request came to PUC staff to work with the city to see if they can be moved to 4 years. The CAO noted the city would be open to it, but the process would be to have the commission pass a motion accepting it and have the chair of the commission write a letter requesting it.

Question/Discussion:

The Commission agreed that given the complexity and the complexity of the regulations and learning about all aspects of how PUC operates that this takes time and 4 years would be preferred.

On a **MOTION** moved by C. Gardi, seconded by M. Onyuna and carried,  
**The Commission approves and authorizes a formal written request to the City to increase the member terms to 4 years.**

**ACTION: Letter will be drafted with the request and recommendation to be sent to the City.**

**7.8 President's Report**

R. Brewer reviewed the report for the Commission. Highlighting:  
 Employees

- Health and Safety
  - 1501 days with no lost time incidents.
  - Enbridge Excellence in Excavating Award.

S. Hollingsworth left the meeting at 12:55 p.m.

Customers

- Minister Omar Alghabra PUC Visit as part of the budget roll out.
- PUC's Digital Welcome Package for new customers. Including how to understand your bill.
- Dig Safe Month
- Vex World Robotic Championship – Team sponsorship – Notre-Dame-Du-Sault
- Streetlight Box Wrap Judging – Highschool Art Competition
- EV Update – migration to electric vehicles in PUC Fleet – total of 12 expected in service by end of June.
- City Council Learning Opportunity

- EV Home Charger Program Shareholder
- Financial Summary
  - Water Consumption Impact

Questions/ Comments

None noted.

**8.0 NEW BUSINESS**

None noted.

**9.0 Next Meeting**


Next Date: October 3, 2023

**10.0 ADJOURNMENT**

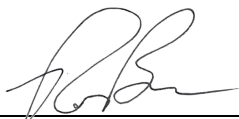
The open meeting was adjourned at 1 p.m.

**11.0 CLOSED SESSION**

On a **MOTION** moved by C. Gardi, seconded by M. Onyuna and carried,  
**The Commission moved into Closed Session to discuss personnel or property matters.**

  
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**Chair**

  
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**Secretary**