

MINUTES OF A JOINT MEETING OF THE BOARD OF DIRECTORS OF **Collingwood Utility Services Corp, Collus Power Corp, and Collus Solutions** (the "Corporations") held by conference call, Monday, April 26<sup>th</sup>, 2012 at 12:02 p.m.

**Present:**

Directors:	Joan Pajunen Mayor Sandra Cooper Doug Garbutt Mike Edwards David McFadden- <i>via conference call</i>
Staff:	Ed Houghton, President & CEO Tim Fryer, CFO Cindy Shuttleworth, Financial Controller Pamela Hogg, Board Secretary
Guest:	Ralph Neate, Gaviller & Company

### **CONSTITUTION OF MEETING**

With the unanimous consent of the meeting, Joan Pajunen, Acting Chair, called the meeting to order.

Notice of the meeting having been duly given to all Directors, and a quorum being present, upon motion duly made, seconded and unanimously carried, the Chair declared the meeting to be duly constituted for the transaction of business.

### **APPROVAL OF PROPOSED AGENDA**

The order of the presentation of the agenda items was revised. Upon motion duly made, seconded and unanimously carried, the revised agenda for the meeting was accepted.

### **DECLARATION OF CONFLICTS OF INTEREST**

There were no conflicts of interest declared.

### **MINUTES OF PREVIOUS MEETING**

The minutes of the joint meeting of the Board of Directors of Collingwood Utility Services Corp, Collus Power Corp, and Collus Solutions, held on March 23, 2012, a copy of which had previously been provided to the directors, were taken as read and approved.

The minutes of the joint meeting of the Board of Directors of Collingwood Utility Services Corp, Collus Power Corp, and Collus Solutions, held on April 16, 2012, a copy

of which had previously been provided to the directors, were taken as read and approved.

## **FINANCE ITEMS**

Mr. Neate provided an overview of the 2011 Collus Power Financial Statements that had been previously provided to the Board. A discussion ensued regarding IFRS. Mr. Fryer recommended that we take advantage of the deferral until 2013. Mr. Fryer stated that we would continue to monitor closely and work towards implementation in 2013. Mr. Neate concurred with the recommendation to defer.

Mr. Neate asked if there were any subsequent events that have not been disclosed that could lead to any significant changes since the completion of the field audit, as well as any fraudulent acts. Mr. Fryer stated that there have been no fraudulent acts or significant changes since that time.

Mr. Fryer requested approval of the 2011 Collus Power Financial Statements as presented. Upon motion duly made, seconded and carried, the 2011 Collus Power Financial Statements were approved as presented.

Director McFadden left the meeting at this time.

Mr. Neate provided an overview of the 2011 Collus Solutions Financial Statements that had been previously provided to the Board. No further questions were brought forth.

Mr. Neate asked if there were any subsequent events that have not been disclosed that could lead to any significant changes since the completion of the field audit, as well as any fraudulent acts. Mr. Fryer stated that there have been no fraudulent acts or significant changes since that time.

Mr. Fryer requested approval of the 2011 Collus Solutions Financial Statements as presented. Upon motion duly made, seconded and carried, the 2011 Collus Solutions Financial Statements were approved as presented.

Staff left the meeting at this time for the Auditor to meet privately with the Board.

Mr. Neate left the meeting at this time for the Board to meet privately.

Staff and Mr. Neate re-entered the meeting at this time.

The Board reconvened the regular meeting.

Mr. Fryer referred to the minutes of the Audit Committee. No questions were brought forth with respect to the minutes.

Mr. Fryer briefly reviewed the detailed notes with respect to Time-of-Use and Smart Meters. Mr. Fryer stated that the increase to the customer will be minimal. A discussion ensued as to how to get the message out to the customers, as we do not want any increase confused with the PowerStream deal. Mr. Fryer reported that the decision and order came back from the IRM Rate Filing. Mr. Fryer requested approval to further review and perhaps challenge the ruling. Mr. Fryer will discuss both our Smart Meter Application and the IRM with PowerStream.

**Action Item 01 – T Fryer:** To review Smart Meter Application and IRM with PowerStream

Mr. Fryer reported that he has been working with John Glicksman of PowerStream with respect to the 1<sup>st</sup> Quarter Comparative Income Statement.

Mr. Houghton stated that John Glicksman is recommending that we continue with the Cost of Service Application. Mr. Fryer stated that he would like to defer. Following a brief discussion the Board directed Mr. Fryer to move forward with the application.

Ms. Shuttleworth reported that we continue to monitor the rates to secure a loan with Infrastructure Ontario.

Upon motion duly made, seconded and carried the meeting moved in-camera to discuss a matter pertaining to personnel and/or property.

The Board rose from the in-camera session, and reconvened the regular meeting.

## **HEALTH & SAFETY**

A recommendation was made to add the total number of days without a lost time accident to the report.

**Action Item 02 – P Hogg:** to advise the Health and Safety Committee to add days total to the report.

## **STRATEGIC PARTNERSHIP UPDATE**

Mr. Houghton provided an update with respect to the Partnership deal. Mr. Houghton stated that a decision was made to remove the letter, and have the OEB review the MADD Application. The application is currently being reviewed by the OEB. It is estimated that we are looking at the mid to end of June to finalize. PowerStream will be looking after all of the advertising, signing of affidavits, etc.

## **OTHER BUSINESS**

Mr. Houghton provided the Board with information on the Sector Review Panel that Director McFadden has been appointed to. Mr. Houghton stated that the Panel has the ability to be the single biggest event to affect LDC's in Ontario. The mandate of the Panel is to explore efficiencies, as well as consolidations; report within one year; have long and short term goals; and benefits for ratepayers. The Panel consists of Murray Elston, Chair, David McFadden, and Floyd Laughren. Mr. Houghton stated that the EDA wants to be involved. The EDA's position is that consolidations must be voluntary; determined by LDC/Shareholder; must benefit LDC, the Shareholder and Customer; shoulder to shoulder LDC's; neutral on type of ownership.

Mr. Houghton stated that the next steps are to continue to Lobby for broad scope of Panel and develop integrated strategy. Mr. Houghton reviewed four models to study; LDC's exit distribution business, government remains in distribution to rural/low density areas, government remains in distribution as investor/shareholder, and government exits business and LDC's assume ownership and operation of assets.

### **TERMINATION**

There being no further business, upon motion duly made, it was resolved that the meeting terminate. The meeting terminated at 2:45 p.m.

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Chair of the meeting

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President & CEO