

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF **COLLUS Power Corp.** (the "Corporation") held at 43 Stewart Road, Collingwood, Ontario on Monday, January 31, 2011 at 7:59 a.m.

**Present:**

Directors:	Dean Muncaster, Chair Mayor Sandra Cooper David McFadden
Staff:	Ed Houghton Tim Fryer, Chief Financial Officer Pamela Hogg, Board Secretary
Guests:	Joan Pajunen Doug Garbutt Councillor Mike Edwards

### **CONSTITUTION OF MEETING**

With the unanimous consent of the meeting, Dean Muncaster, Chair, called the meeting to order.

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

### **APPROVAL OF PROPOSED AGENDA**

The proposed 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 meeting of the Board of Directors held on November 3, 2010, a copy of which had previously been provided to the directors, were approved as presented.

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.

## **ACTION ITEMS**

The action items will be discussed in Mr. Fryer's Finance Memo.

## **FINANCIAL REPORT**

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

Mr. Fryer reviewed the Financial Work Sheets that were previously provided to the Board. It was reported that that for 2010 Revenue as expected but expenses higher. The 2011 budget is based on 2010 results(except for one-time 2010 instances) as well as incorporating a 2.0% projected growth rate.

A brief discussion ensued as to the status of the Barber Glass account. Mr. Fryer reported that the water portion of the bill can be transferred to the tax role, and the Debt Retirement Charges can be removed reducing the net impact to an estimate \$200,000. Mr. Houghton stated that LDC's should return to being a secured creditor as we used to be prior to deregulation. The government should be accountable for all the charges that are collected on their behalf. It was suggested that a letter from the Chair could be written to the Ontario Energy Board apprising them of this issue.

With respect to the 2011 budget, Mr. Fryer made mention of the extraordinary expense of the \$50,000 late payment settlement offer. Our rate application states that the late payment should be recoverable. A decision from the Ontario Energy Board has not been ruled upon yet.

Mr. Fryer requested approval of the proposed 2011 Operating Budget. Upon motion duly made, seconded, and carried, the 2011 Operating Budget was approved as presented.

Mr. Fryer referred to the Smart Meter Project Analysis Report that was previously provided to the Board. Smart Meters are not part of the formal capital budget because of the use of the Deferral Account. An application for a rate rider based on final costs for implementation of an estimate of between \$3 and \$4 dollars per month will be made shortly. A discussion ensued as to the communication to our customers regarding Smart Meters and Time-of-Use invoicing. The customers need to be aware that Smart Meters are not the LDC's choice, but are mandated by the government. Mr. Houghton stated that with the anticipation of an election announcement there could be a change of government in October. The Opposition Party has not stated their position yet, which could change the message that we would be communicating to our Customers.

Mr. Irwin entered the meeting at this time.

Mr. Irwin provided the Board with a presentation of the Capital Budget Items.

Mr. Fryer requested approval of the proposed 2011 Capital Budget. Upon motion duly made, seconded, and carried, the 2011 Capital Budget was approved as presented.

Mr. Irwin left the meeting at this time.

Mr. Fryer reviewed the Shared Facilities Lease Agreement. Mr. Fryer stated that an elaborate process with the Auditor and others was used to determine the new lease amounts, which will ensure that compliance with the Affiliate Relationship Code has been met. A concern was brought forth with respect to the rental rates increasing from \$6.50 to \$8.00 per sq ft. The Agreement will be deferred until the information is received from the Appraiser.

<p><b>Action Item 01: T Fryer</b> – To provide the Board with a copy of the Appraiser report.</p>
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Mr. Fryer distributed a Major Software Report that showed the split between Hydro and Water Software. Mr. Fryer reported that the Auditor has approved the allocations in the new Computer Rental Agreement.

Upon motion duly made, seconded, and carried, the amending Computer Rental Agreement has been approved as presented.

Mr. Fryer reported on the various communications that have recently been sent to our customers with regards to our rate application, e-Care, and the Ontario Clean Energy 10% Rebate. The next communication to go out will be with regards to the distribution rate changes. Mr. Fryer stated that the Low Income Emergency Assistance Program is currently underway, and we have contracted Georgian Triangle Housing Resource Center to administer the program.

### **TERMINATION**

There being no further business, upon motion duly made, it was resolved that the meeting terminate. The meeting terminated at 10:02 a.m.

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Chair of the meeting

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President & CEO