



Date and Time:	Public Utilities Commission Tuesday, April 22, 2025 – 12:00 p.m.	
Location:	Hybrid: Zoom/500 Second Line East	
Members Present:	Mark Howson Musa Onyuna	Chris Graham Sandra Hollingsworth
Staff Present:	Rob Brewer, President & CEO Mark Faught, VP, Corporate Services Robert Battisti, CFO Sarah McLeod, VP People, Culture & Brand Mark Hoffman	Jairus Patterson, Supervisor, Communications Stephanie Morin, Finance Executive Assistant Brooke Suurna, Director Water Ops Jared Alcock Jessica Happl
Guests:	T. Cecchetto, KPMG LLP	S. Shoemaker, Wishart Law Firm
Absent:	Corey Gardi	

1.0 CALL TO ORDER

M. Howson called the meeting to order at 12:00 p.m.

2.0 APPROVAL OF AGENDA

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

3.0 CONFLICTS OF INTEREST

No conflicts were declared.

4.0 SAFETY MOMENT

B. Suurna shared a safety moment related to spring weather, highlighting the increased presence of children playing in the streets and the potential hazards posed by slippery gravel during this time of year.

5.0 OPEN SESSION MINUTES – November 29, 2025

On a **MOTION** moved by S. Hollingsworth, seconded by M. Onyuna and carried,
The Commission approved the open session minutes dated November 29, 2025.

6.0 BUSINESS ARISING FROM MINUTES

None noted.

7.0 OPEN SESSION ITEMS

7.1 2024 Audited Financial Statements

M. Faught welcomed T. Cecchetto of KPMG and presented the audited financial statements for the Commission, along with the 2024 Capital Report. He shared the internal version of the statements, noting they were audited in accordance with public sector accounting standards and that any surplus is reinvested into infrastructure.

T. Cecchetto provided an update on changes to accounting standards, confirming that there was no material impact on the financials. She referenced 'Note 2' regarding the standard change and noted that the uncorrected audit difference was included in the Audit Findings Report. The audit was confirmed to be clean.

The closed session with the Commission and KPMG began at 12:09 pm. and concluded at 12:23 pm.

On a **MOTION** moved by S. Hollingsworth, seconded by M. Onyuna and carried,
The Commission moved to Open Session.

Questions/ Discussion

On a **MOTION** moved by S. Hollingsworth seconded by C. Graham, and carried,
The Public Utilities Commission approve the 2024 Audited Financial Statements of the Public Utilities Commission of the City of Sault Ste. Marie.

T. Cecchetto left the meeting at 12:25 pm.

7.2 2025 Q1 Financial Results

M. Faught presented the Q1 financial results as outlined in the meeting package, highlighting a revenue surplus and operating savings, largely attributed to fewer main breaks than had been anticipated. The capital report for the quarter was also presented.

Questions/ Discussion

On a **MOTION** moved by M. Onyuna, seconded by C. Graham, and carried:
The Public Utilities Commission accepts as information the attached 2025 Q1 financial and capital summaries.

7.3 RBC Banking – Documentation Update

M. Faught provided an update on the documentation related to the financing arrangement through RBC. He reiterated the pooled cash structure and noted that the Commission is required to sign an agreement acknowledging RBC as the first in line for repayment.

During the discussion, R. Brewer asked whether the education sessions held prior to the Commission meeting were helpful. The Commissioners agreed that the sessions were valuable and informative.

Questions/ Discussion

On a **MOTION** moved by C. Graham, seconded by M. Onyuna and carried:

That the Public Utilities Commission of the City of Sault Ste. Marie authorizes the corporate officers to execute all documents related to the financing for PUC Services as described above, and approve a motion for the following:

Per RBC Form 202 - Resolution of Directors between PUC Services Inc (the "Borrower") and the PUBLIC UTILITES COMMISSION OF THE CITY OF SAULT STE. MARIE (the "Corporation").

WHEREAS it is deemed expedient and in the best interests of the Corporation that it lend assistance to the Borrower in connection with its borrowings, both present and future, from ROYAL BANK OF CANADA, therefore be it resolved;

- 1. THAT the Corporation secure Royal Bank of Canada ("Bank") by postponing all debts and claims, present and future, of the Corporation (the "Account Debts") against the Borrower to the debts and claims of the Bank against the Borrower and assign the Account Debts to the Bank.**
- 2. THAT the Postponement and Assignment of Claim upon the Bank's form, a copy of which has been submitted to this meeting, be and is hereby approved as containing a correct statement of the terms and conditions upon which the said postponement is to be made and that the said Postponement and Assignment of Claim be duly executed for and in the name of the Corporation.**

7.4 DWMQS Report to Owner

B. Suurna welcomed J. Happl, J. Alcock, and M. Hoffman to the Commission, noting that with a pending retirement, this group of staff will be responsible for presenting going forward.

J. Happl reported that a management review was held on February 12th. She highlighted that there were zero non-conformances identified, marking the third year of the current accreditation cycle. Reaccreditation audits are scheduled to take place onsite later this year.

M. Hoffman reviewed recent improvements made to the plants and station, and reported that 32 main repairs were completed, compared to a five-year average of 40. Over the past four years, main breaks have steadily declined, a trend attributed to effective asset management and capital investments in underground infrastructure.

There were no significant changes reported in the quality or quantity of water.

Questions/ Discussion:

None noted.

7.5 SSM Drinking Water System – Annual & Summary Report

The Sault Ste. Marie Drinking Water System Annual and Summary Report was reviewed. The report covered the system's sampling programs and confirmed compliance with all drinking water standards. It was noted that there are no concerns regarding exceeding the system's rated capacity.

Questions/ Discussion:

M. Onyuna inquired whether the upcoming building developments would impact system capacity. B. Suurna responded that there is ample capacity to support the new developments and assured that fire protection and water pressure will not be compromised.

7.6 MOMA – Final Update

Steven Shoemaker joined the meeting at 12:44pm.

R. Battisti noted that the last meeting on this matter took place in November 2024. Reference was made to the package published on April 7, which included updates and a legal opinion letter.

Key benefits of the modernization were outlined, including the enhancement of the relationship between parties, increased operational efficiencies, and the establishment of clearer expectations.

Next steps involve updating key performance indicators and incorporating them into the work plan. S. Shoemaker commented that the changes are aligned with today's practical realities. He noted improvements to the clarity of authority and approval structures, the introduction of new limitations on service providers, and enhancements to insurance requirements and confidentiality provisions. These edits span from November 2024 through April 2025.

Questions/ Discussion:

M. Onyuna commented that the current MOMA, reflected in the most recent draft, has been significantly improved and refined, describing it as a very good document. R. Brewer added that there has been a great deal of positive feedback from both the Commissioners and the broader boards.

On a **MOTION** moved by C. Graham, seconded by M. Onyuna, and carried,
The Public Utilities Commission approves the Management Operation and Maintenance Agreement with PUC Services Inc. with a commencement date of July 1, 2025.

Steven Shoemaker left the meeting at 12:53pm

7.7 Operations Update

B. Suurna provided the operations update, highlighting that there have been 33 main breaks year-to-date, which is slightly above the five-year average of 31 but not considered significant. He noted that there were no frozen services reported during the winter.

Hydrant inspections are scheduled to begin shortly as part of the annual inspection of every hydrant. Additionally, the unidirectional flushing program is planned for May in the east end.

S. Hollingsworth emphasized the importance of providing advance warning to constituents and asked whether there are other communication methods that could be used. R. Brewer supported exploring additional communication options. S. Hollingsworth also commended the team for their excellent work, noting it has been a successful year to date.

Questions/ Discussion:

S. Hollingsworth expressed her appreciation for the extra support provided in Desbarats during the recent water intake situation. B. Suurna extended kudos to M. Hoffman and J. Alcock for their coordination and efforts in managing the response effectively.

7.8 President's Report

R. Brewer presented the Q1 President's Report, highlighting that there was 1 medium-risk incident reported. Water consumption trends showed a 3% decrease in residential use, while large general service consumption increased by 5%.

Additional highlights included the "Hydrant Hero" recognition initiative, participation in college job fairs at Sault College and Algoma University, and public engagement through Water Treatment Plant tours and World Water Day activities.

Cyber security awareness training was delivered to both board members and staff. The report concluded with a note on the Employee Appreciation Breakfast, held to recognize staff contributions.

Questions/ Discussion:

S. Hollingsworth inquired about the labour shortage situation. R. Brewer responded that the company does not experience significant turnover due to factors other than retirements, with annual turnover typically around 2-3%.

8.0 NEW BUSINESS

None noted.

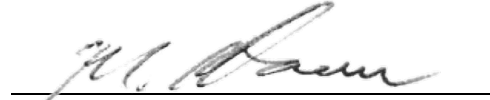
9.0 Next Meeting – October 2025 - TBD

10.0 ADJOURNMENT

On a **MOTION**, moved by S. Hollingsworth, seconded by M. Onyuna, and carried
The Open meeting was adjourned at 1:18 p.m.

11.0 CLOSED SESSION

No closed session was held.



Chair



Secretary