



**E.L.K. ENERGY INC.
BOARD SUMMARY
Thursday, June 29, 2023
4:00pm - 5:30pm**

E.L.K. ENERGY INC MEMBERS:

Sherry Bondy (Chair), Rob Shepley (Vice Chair), Kim Deyong, Jeff Scott

REGRETS:

Brandon Chartier, John Kerr

MANAGEMENT INCLUDING MSA LEADERS:

E.L.K. leaders, Management Services Agreement (MSA) Leaders

AGENDA

Item	Summary
a) CEO-23-20 Progress of Board Approvals	A report was provided that summarized the progress of the many items that were approved at the April 13, 2023 and May 16, 2023 Board meetings.
b) CEO-23-21 Entegrus MSA Update	A list of activities that were completed by the MSA provider was reviewed with the Board. A significant amount of time was spent working with the auditors to complete the audited financial statements.
c) CEO-23-22 E.L.K. Solutions – sell the water heaters	Management will explore options to sell the few water heaters.
d) CEO-23-23 Renewal of MSA	The Board approved a motion to send a letter to Entegrus requesting that they renew the MSA.
e) CEO-23-24 Mearie Liability Application – Board of Directors and Officers Required Information	The Board members will be provided with a list of questions that are required as part of the renewal of Directors and Officers insurance.
f) OM-23-06 Outside Operations Report	An update on the outside operations was provided; the team has put additional focus on completing locates on time and are meeting the target of completing in 5 days 97% of the time;

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	capital program will replace between 25 to 35 transformers in 2023 compared to 8 in 2022; still a busy time with new subdivision plans, however there are a couple of developers that have put their projects on hold; meter reverification program is moving along and will completed by end of the year.
g) OM-23-07 Pole Replacement 2023	A system assessment program is in place whereby the total distribution system is visually reviewed and results recorded on a three year rotation. The 2022 assessment had identified several poles that require replacement. The 2023 distribution system assessment will be completed in the fall. The capital plan will replace 25 poles in 2023 and 15 additional poles will be repaired on a pilot basis using braces. End result is 40 poles will be replaced or repaired in 2023 compared to 14 in 2022.
h) OM-23- 08 Municipal Access Agreements	The team will work with the Municipal leaders to improve communication on construction work to ensure that the community is aware of work that is being completed.
i) OM-23-09 Hydro One / E.L.K. Discussions	The E.L.K. and MSA leaders have spoken to Hydro One in the region to begin discussions on improving the reliability to the distribution system.
j) OM-23-10 Smart Grid Purchase 2024	The Board approved the purchase of smart grid switches for the second time. The first set of smart grid switches will be installed in the Town of Essex and the second set of switches will be installed in the Town of Harrow. These smart grid switches will improve the reliability in those areas and is the first smart grid investments that E.L.K. has ever made.
k) OM-23-11 Health and Safety Update	A summary of the training and the purchase of tools were provided to the Board that will assist in improving the safety culture for the employees and the communities that E.L.K. serves

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l) OM-23-12 Preliminary Assessment of Safety and Distribution Procedures & Policies	A consultant has been hired to assist in preparing and updating the distribution procedures and policies that will assist in keeping the employees and the community safe. The work plan has been provided to the Board.
m) FRA -23-16 Inside Operations Report	Collection processes for commercial customers is moving along well. When new staff are brought on they will focus on residential collections. The recruitment of customer service staff is going well and interviews will begin in early July. The new staff will provide much needed resources to improve the customer experience.
n) FRA -23-19 Receivables Aging	The aging report for May was provided. There has been some improvement over the past few months with additional resources and support provided by the MSA leaders.
o) FRA-23-19 Regulatory Update	A summary of the 2024 incentive rate mechanism (IRM) rate application was provided. E.L.K. will be applying for the inflation increase, Z-factor storm relief and incremental capital mechanism (ACM) to obtain recovery for the significant investments being new trucks and smart grid switches. These investments will assist in improving the service quality to the customers.
p) FRA-23-20 2022 Audited Financial Statements <ul style="list-style-type: none"> • E.L.K. Solutions Inc. • E.L.K. Energy Inc. (consolidated) 	The 2022 financial statements were approved as recommended by the Finance Committee.
q) Recruiting of new Lines / H&S Supervisor / Manager	The MSA leaders are implementing many new H&S protocols and operational procedures and policies. An additional leader is required at E.L.K. to be responsible for the many new procedures and policies and to lead the line crews as the Board approves more capital investments in order to modernize the distribution system and improve the reliability of the system.
r) Approve to Purchase Additional Smart Grid Switches	The MSA leaders recommended that the Board approve the purchase of a second set of smart grid switches to be delivered in 2024 and will be included in the 2024 budget. This set of switches

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	will be installed in the Town of Harrow. The delivery time for the switches is between 30 and 40 weeks, therefore it is planned to be installed mid 2024.