



29 July 2020

Chief Wilbert Marshall, Chair & Members of the AFNWA Board

The regular meeting of the Atlantic First Nations Water Authority (AFNWA) Board will be held on Wednesday 29 July 2020 at 9:00 AM via the Ring Central Video Conferencing Platform

AGENDA

In Camera Reports

- 1C Approval of Minutes of the In-Camera Meeting held on 24 June 2020
- 2C Business Arising from Minutes
- 3C [Detailed Funding Agreement Budget]
- 4C [Carry-Forward Contract with APC]

Regular Reports

- 1. a) Ratification of In-Camera Motions
b) Approval of the Order of Business and Approval of Additions and Deletions
- 2. Approval of Minutes of the Regular Meeting held on 24 June 2020
- 3. Business Arising from Minutes
a) *Transition Implementation Plan Update (verbal)*

Other Business

- 4. [Financial Policy]
Motion: That the AFNWA Board approve the Financial Policy in the substantive form attached
- 5. [Compensation Policy]
Motion: That the AFNWA Board approve the Compensation Policy in the substantive form attached

Information Reports

- 1-I Transition Implementation Plan Update

James MacKinnon

Name

Board Secretary



**Atlantic First Nations Water Authority
MINUTES**

29 July 2020

PRESENT:

Chief Wilbert Marshall, Chair
Chief Andrea Paul, Director
Chief Mike Sack, Director
Chief Roderick Gould Jr., Director

REGRETS:

Chief Arren Sock, Director
Chief Ross Perley, Vice Chair
Chief Terry Paul, Director

STAFF:

Carl Yates, interim CEO, AFNWA
James MacKinnon, interim COO, AFNWA
Rayleen MacDonald, Admin Assistant, AFNWA

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CALL TO ORDER

The Chair called the regular meeting to order at 9:15 AM via the Ring Central virtual platform. The Board moved In Camera at 9:20 AM and the regular meeting reconvened at 9:43 AM

1.a) RATIFICATION OF IN-CAMERA MOTIONS

MOVED BY Chief Mike Sack, seconded by Chief Andrea Paul, that the AFNWA Board ratify the In- Camera motions.

MOTION PUT AND PASSED.

1.b) APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS

Board reviewed the Agenda with no additions or deletions suggested.

MOVED BY Chief Andrea Paul, seconded by Chief Mike Sack that the AFNWA Board approve the order of business as circulated.

MOTION PUT AND PASSED

2. APPROVAL OF MINUTES – 24 June 2020

MOVED BY Chief Andrea Paul seconded by Chief Mike Sack, that the AFNWA Board approve the minutes of the regular meeting of 24 June 2020

MOTION PUT AND PASSED.

3. BUSINESS ARISING FROM MINUTES

- a) Framework Agreement
FWA has been signed by both ISC Deputy Minister and Chief Wilbert Marshall
- b) Funding Agreement
Has been received and signed by both AFNWA & ISC.
- c) Transition Implementation Plan Update (verbal)

James MacKinnon spoke to a few key steps within the 15-step Implementation Plan. Step 1 is closed with the signing of the Funding Agreement. Step 2 is in progress (HR Policy was approved by the Board on 24 June 2020 Board meeting) and we will be presenting a Financial Policy & Procedures today.

All Chiefs/Operators Kick-Off meeting; aiming to have this in the fall, in person, respecting distancing in a spacious facility (possibly Membertou Convention Centre) for all participating communities.

In response to the update on the search for office space, Chief Mike Sack asked how much space we are looking for; James advised ~ 5000 to 6000sf at present. Chief Sack advised that Sipekne'katik has space in Hammonds Plains (a vanilla box at present) and to contact Rhonda Knockwood, Director of Operations, to make an appointment to view.

4. AFNWA – Financial Policy & Procedures Manual

Carl Yates presented the “track changes” version of the Financial Policy and Procedures Manual noting that, similar to the HR Policy, we utilized APC’s Financial Policy & Procedures manual as our foundational document. Carl walked the Board through the “material changes” from the APC manual to the AFNWA manual as hi-lighted below:

- Section 1.16.3- Amortization of Capital Assets : Drawing attention here to how a utility would operate ; proposing to use an excellent resource (Nova Scotia Utility & Review Board Water Utility Accounting & Reporting Handbook) for depreciation of our assets inclusive of hard assets (pipes, treatment plants, pumping stations, valves,etc) . Basically, depreciation would become an operating expense for a going concern utility.
- Section 3.2- Policies: Biggest material change here is the threshold for financial authorization of Capital Expenditure Proposals; Anything that is \$100K or more that is a Capital investment would explicitly require the Board’s endorsement. Below \$100K, the authority rests with the Chief Executive Officer, as long as there is money in the overall Capital Budget that the Board would approve at the beginning of the year.
- Section 3.2 – Under the clause on contracts: We are seeking financial authorization for contracts over \$100K to rest with the AFNWA Board, otherwise if \$100K or less, contracts would be approved by CEO.
- Section 3.2 – If submissions requesting additional resources greater than 10% of the approved budget authority or more than \$50K, whichever is less, must be approved by AFNWA Board.
- Section 4.2- Financial Signing – tying that again to \$100K threshold for contract signatures; Chair or Vice-Chairs must sign contracts over \$100,000 (Leaders contract for example which we took to the Board for approval)
- Section 5.2.2- item g- Decided for good accountability and transparency, one Travel Allowance Policy for all ; same for a staff person, same for a Board member , same for any other Chief or operator that participates in any of the AFNWA workshops.
- Section 5.3.11- Accommodation – We noticed in the APC policy there is a limit for hotels/motels but feel it is only appropriate for Atlantic Canada. Threshold increased to \$ 220 per night for hotels/motels, outside Atlantic Canada.
- Section 9.2.1- Capacity to Contract- Speaks again to the \$100K threshold for limit

of CEO Authority.

- Section 9.2.2- Sole Sourcing – Recognizing how many contracts we are going to have down the road, we have asked to increase the threshold for sole sourcing to \$50K from \$25K. Any exception to this limit requires the approval of the AFNWA Board.
- Section 9.2.10- Disclosure- In recognition that we have Senior managers that are competent, so under (a) we are saying that Managers can also approve contracts up to \$10K
- ANNEX A – Audit & Finance Committee Terms of Reference [ToR] – this was produced by Rod Bugar complete with a review from the interim CEO and interim COO. These new ToR are similar to APC's Audit & Finance Committee ToR, but with more reflection towards a utility and in particular a focus on Risk Management. In addition to the normal duties you'd expect, looking at financial matters and making sure the external auditors are hired and reviewing financial statements, this Committee would also be responsible to provide oversight for enterprise risk management.

Carl advised that for the next Board meeting, we may want to put forward nominations for the Audit & Finance Committee (even ahead of our governance workshop in the fall) It is proposed that we have a Board workshop with Rod Bugar in September to go over the Governance Manual)

MOVED BY Chief Andrea Paul, seconded by Chief Roderick Gould Jr., that the AFNWA Board approve the Financial Policy & Procedures Manual in the substantive form attached.

MOTION PUT AND PASSED.

5. Compensation Policy

Carl advised that we have a consultant in the wings, ready to join the meeting if anyone has any questions about the HAY job evaluation methodology tied to the compensation policy. We have Karen Reedman hired as a professional to ensure we have fair and equitable pay structures, recognizing we are getting ready to hire the Senior Management team.

Carl advised as there is no formal compensation policy at APC the proposed policy is based on best practices and Carl provided an overview of the policy attached to the Board report.

We will use the Hay Methodology licensed through Korn Ferry as our base pay structure with a target of P50 in comparison to broader public sector organizations across Canada. P50 means that 50% of organizations will pay better and 50% will pay less than AFNWA.

MOVED BY Chief Andrea Paul, seconded by Chief Roderick Gould Jr. that the AFNWA Board approve the Compensation Policy in the substantive form attached.

**** Special note that we lost quorum at this stage with Chief Wilbert Marshall, Chief Paul and Chief Gould voting in favour of the motion. James will follow up with Chief Mike Sack via email to seek endorsement of the motion***

8. DATE OF NEXT MEETING

The next meeting is scheduled for 26 August 2020 @ 9:00 AM

The meeting was adjourned at 10:30AM

Original Signed By

James MacKinnon
Board Secretary

Original Signed By

Chief Wilbert Marshall
Chair

The following Information Items were submitted:

1-I Transition Implementation Plan Update