



May 26, 2021

Chief Wilbert Marshall, Chair

The regular meeting of the AFNWA Board will be held Wednesday 26 May 2021 at 9:30 AM via the ZOOM virtual platform: <https://zoom.us/j/95306021265>

In Camera Reports

1C Approval of Minutes of the In-Camera Meeting held on 31 March 2021.

2C Business Arising from Minutes

3C Appointment of Board Members

Motion: That the AFNWA Board approve the recommendation as outlined in the confidential report dated XX May 2021

4C AFNWA By-Laws

Motion: That the AFNWA Board approve the recommendation as outlined in the confidential report dated XX May 2021

5C Transfer Agreement Update (Information Report)

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 31 March 2021.

3. Business Arising from Minutes
a) Transition Implementation Plan Update (XX May 2021)
b) Website Update

4. *Economic Regulator Framework*

Motion: That the AFNWA Board approve the Economic Regulator Framework in the substantive form attached

Information Reports

1-I Transition Implementation Plan Update (XX May 2021)

2-I Website Update

5-C Transfer Agreement Update

Original signed by

James MacKinnon
Board Secretary



**Atlantic First Nations Water Authority
MINUTES**

31 March 2021

PRESENT:

Chief Wilbert Marshall, Chair
Chief Leroy Denny, Director
Chief Ross Perley, Vice Chair
Chief Terry Paul, Director
Chief Darlene Bernard, Director
Chief Arren Sock, Director

REGRETS:

Chief Andrea Paul, Director

STAFF:

Carl Yates, interim CEO
James MacKinnon, interim COO
Adam Gould, Manager of Communications and Outreach
Chantal Leblanc, Manager of Corporate Services/ CFO
Rayleen MacDonald, Administrative Assistant

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CALL TO ORDER

The Chair, called the regular meeting to order at 10:00Am via the Zoom virtual platform. The Board moved In Camera at 10:03 AM and the regular meeting reconvened at 10:55 AM

1.a) RATIFICATION OF IN-CAMERA MOTIONS

MOVED BY Chief Terry Paul, seconded by Chief Wilbert Marshall, that the AFNWA Board ratify the In- Camera motions from 31 March 2021 meeting.

MOTION PUT AND PASSED.

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

MOVED BY Chief Terry Paul, seconded by Wilbert Marshall that the AFNWA Board approve the interchange of Item #5C with Item #7C as Item # 5C requires the AFNWA staff to leave the meeting for this item.

MOTION PUT AND PASSED

2. APPROVAL OF MINUTES – 13 January 2021

MOVED BY Chief Terry Paul, seconded by Chief Leroy Denny, that the AFNWA Board approve the minutes of the regular meeting of 13 January 2021.

MOTION PUT AND PASSED.

3. BUSINESS ARISING FROM MINUTES

Carl Yates advised we received a formal letter from ISC, confirming the \$3M earmarked for the 2021-2022 fiscal year.

a) Transition Implementation Plan Update (verbal)

James MacKinnon, interim COO, presented on the 22 March 2021 Transition Implementation Plan Update Board Report, with color coded items showing progress to date.

There were no questions or comments on the TIP Update at this time.

4. Revised 2021-2022 AFNWA Operations Budget

James MacKinnon, interim COO, presented the Revised 2021-2022 AFNWA Operations Budget, noting the key points:

- This is not drastically different from the Operations budget presented in November; however, we now have a much clearer picture of how much funding to carry forward to the 2021-2022 fiscal year
- We had originally presented a carry forward amount of \$1.4M, and this revised operations budget has \$1.7M in carry forward.
- With the carry-forward amount, coupled with the \$3M earmarked by ISC, it brings our Operational budget to ~ \$4.7M, which is very close to the original amount we had asked ISC for in terms of funding.

MOVED BY Chief Wilbert Marshall seconded by Chief Darlene Bernard, that the AFNWA Board approve the revised 2021-2022 AFNWA Operations Budget

MOTION PUT AND PASSED.

5. Revised AFNWA Business Case

Carl Yates presented the Revised AFNWA Business Case. Some key notes:

- Since we presented our last version of the Business Case, we have had a peer review completed by the Ontario Clean Water Agency (OCWA); OCWA reviewed our projected funds, projected programs, organizational structure, our approach to operations in great detail. In the end, they gave an overwhelming endorsement of our approach.
- We have incorporated the recommendations by OCWA into our Business Case
- The key recommendation that influences our financial and operations perspective is that OCWA thought we should have a supervisor/coordinator position to look after regulatory compliance and reporting.
- One of the observations by OCWA stated “the establishment of a regulatory framework will be critical to the success and sustainability of the Authority”. We have always recognized this aspect and are working closely with ISC to put a framework in place.
- AFNWA also looked at the recent expenditures ISC has made over the last few years as CBCL completed a condition assessment in 2018 which included work to end of 2017. Therefore, we included further expenditures for 2018, 2019 and 2020 to ground-truth where we are today.

- The AFNWA Business Case has been updated with the above information, and other information as stated in the attached report, and submitted to ISC.

MOVED BY Chief Leroy Denny, seconded by Chief Terry Paul, that the AFNWA Board approve the revised AFNWA Business Case

MOTION PUT AND PASSED.

6. AFNWA Communications and Outreach Plan

Adam Gould, Manager of Communications and Outreach, presented the AFNWA Communications and Outreach Plan with some key notes as follows:

- The strategy outlines communications channels (verbal, written, social media, etc.) to be used when providing information and updates to key stakeholders.
- The upcoming website launch will provide a permanent digital home and info source for community members and Operators, including background about our work, how to join AFNWA and documents that guide our actions and milestones.
- When Covid-19 restrictions end, AFNWA plans to be actively visible in communities, primarily through the work of Operators, but also through outreach events and participating in community initiatives.
- With a strong online presence, open two-way communications channels, and dedicated department resources led by senior manager, all communications issues should be addressed with timeliness, accuracy, and professionalism.

MOVED BY Chief Wilbert Marshall, seconded by Chief Darlene Bernard, that the AFNWA Board approve the revised AFNWA Communications and Outreach Strategy as presented.

7. DATE OF NEXT MEETING

The next meeting is scheduled for 26 May 2021 @ 9:30 AM

The meeting was adjourned at 12:10 PM

Original signed by

James MacKinnon
 Board Secretary

original signed by

Chief Wilbert Marshall
 Chair

The following Information Items were submitted:

1-I Transition Implementation Update (08 January 2021)



ITEM # 1-I
AFNWA Board
26 May 2021

TO: Chief Wilbert Marshall, Chair, and Members of the Atlantic First Nations Water Authority Board

SUBMITTED BY: original signed by
James MacKinnon, MPA, B.Sc., Interim Chief Operating Officer

APPROVED: original signed by
Carl Yates, M.A.Sc., P.Eng., Interim Chief Executive Officer

DATE: May 20, 2021

SUBJECT: Transition Implementation Plan - Update

Information Report

ORIGIN

Transition Implementation Plan [TIP] approved by the Board at the June 24th, 2020 board meeting,

BACKGROUND

The Transition Implementation Plan [TIP] provides a detailed overview of the AFNWA's internal developments as an organization, and external developments on projects and community outreach. The TIP will guide the overall operationalization of the AFNWA through staged phases and lead to full autonomous operations in Spring 2022. It describes the objectives of the phases and the process by which the steps and composite tasks are to be managed.

DISCUSSION

The complete Transition Implementation Plan is attached for your reference, colour coded to illustrate the state of progress. It should be noted that the TIP was recently reviewed with the Senior Management Team with minor adjustments to reflect activity ownership and refined for the current schedule to attain full autonomous operation in Spring 2022. The following are some key highlights of development since our previous meeting are as follows:

- *Step 1: Operational Funding.*
 - Funding has been received. Step 1 is considered complete.
- *Step 2: Planning and Establishment of Governance.*
 - The Elders nominated to the Elders Advisory Lodge (EAL) have accepted their positions with a first meeting planned for May 25, 2021. This meeting will discuss the history of the AFNWA and the expectations of the EAL.
 - Colliers Project Leaders has been reengaged to support a robust document management system for the AFNWA.
 - AFNWA is continuing its collaboration with the First Nations Infrastructure Institute (FNII) on two fronts:
 - Development of comprehensive procurement policy based on a national review of industry best practice and the needs of AFNWA.
 - A pilot study on utility planning and cost recovery for infrastructure associated with growth with Paqtnkek First Nation. The first meeting with Paqtnkek, FNII and AFNWA was held on May 17, 2021.
 - Progress has been made on the AFNWA Website, with a landing page established. Full website launch is expected by the end of May 2021.
- *Step 3a; Band Council Resolutions:*
 - ISC mentioned that BCR's in the final quarter of 2020-2021 are no longer necessary. The AFNWA has used this time to focus on communities that have not yet signed a BCR signaling intent to be members of the AFNWA. Efforts have been made to include nonmember communities as part of our SCADA Master Plan and Asset Management Plan work. ANFWA has contacted Esgenoôpetitj First Nation, Madawaska First Nation and St. Mary's First Nation regarding potential participation in the assessments.
- *Step 3b: Implement Human Resource Strategy*
 - AFNWA has begun its next round of hiring. An RFP has been issued to recruiting firms to help identify candidates for the following positions:
 - Superintendent of Operations
 - Superintendent of Technical Services
 - Project Engineer
 - Controller
 - AFNWA has also advertised for the following positions:
 - Human Resource Generalist

- IT Coordinator
 - Administrative Assistant (2)
 - AFNWA hired Tiannie Paul from the community of Eskasoni for the position of Operations Engineer. Tiannie recently graduated from Dalhousie University with a degree in engineering.
- *Step 4: License Agreements*
 - The Land Tenure Working Group has identified that the AFNWA will require permits for land access with each individual First Nation. These permits are:
 - Interim Permits for above ground infrastructure. Interim permits allow for future designation and lease.
 - General Access Permits for below ground infrastructure.
 - General Access Permits require an Environmental Site Assessments to be conducted. The AFNWA is currently working on a statement of work to have these assessments completed. Additional funding from ISC will be required.
- *Step 5: Implement Operations Model.*
 - The AFNWA has completed a revision of its business case, incorporating Ontario Clean Water Agency Feedback and information from ISC on capital project spending in 2018-2020. The revised Business Case has been submitted to ISC. AFNWA has not yet received word that the Business Case was accepted by central agencies.
- *Step 7: Regulatory Oversight.*
 - AFNWA has accepted a proposal from Dalhousie University's Centre for Water Resources Studies to update the draft water quality regulations they originally developed in 2013. At the time, these regulations were endorsed via Atlantic Policy Congress of First Nations Chiefs Secretariat All Chiefs Resolution. Total contract value is \$50,000.00.
 - AFNWA continues to develop a relationship with the First Nations Financial Management Board (FNFMB) regarding their potential role in the economic regulation of the AFNWA. A board report has been drafted to provide additional detail on this matter.
 - Dalhousie continues its work on Water Safety Plans and Water Sanitation Plans. Site visits regarding this work will be carried out in the summer.
- *Step 8: Operational Planning:*
 - The CEO and COO continue to meet with Chiefs, Councilors, community administrators and operators to discuss the AFNWA and hear their concerns.
 - AFNWA has signed the lease for office space in the Millbrook Power Centre. Leasehold improvements have been completed as of May 17, 2021. Staff will report to the location once COVID-19 restrictions are eased.

- Colliers Project Leaders has been engaged to identify additional office space in the Millbrook/Truro area.
- AFNWA Manager of Engineering and consultants have one remaining community [Sipekne'katik] to visit for the SCADA master plan. This visit has been delayed due to intraprovincial travel restrictions.
- *Step 9: Capital Planning*
 - A contract has been signed with Dillon Consulting Inc to complete the AFNWA Asset Management Plan and 10-year Capital Plan. The Asset Management Plan Framework has been completed
 - Site visits to conduct infrastructure condition assessments have begun the week of May 17, 2021.
- *Step 13: Transfer Agreement*
 - The AFNWA has received a draft of the final Transfer Agreement from ISC. A board report has been drafted to provide additional detail on this matter.
 - Five working groups have been established to facilitate the work required to draft the Transfer Agreement with Government of Canada. They are:
 - Main Negotiating Table
 - Transfer Agreement Drafting Working Group
 - Asset Management Plan Working Group
 - Lands Working Group
 - Regulatory Framework Working Group
 - Since their establishment in April, the working groups have met regularly.

BUDGET and FINANCIAL IMPLICATIONS

Activities under the Transition Implementation Plan are identified in the 2021/22 Operations Budget with funding through an agreement with Indigenous Services Canada.

ATTACHMENT

Transition Implementation Plan, as of May 20, 2021

Report Prepared by: original signed by
James MacKinnon, interim COO, (902)-435-8021

Financial Reviewed by: original signed by
Chantal Leblanc, Manager of Corporate Services/CFO, 902-877-
3813



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Atlantic First Nations Water Authority Transition Period Implementation Plan

Background

The AFNWA Business Case recommends a phased milestone-based approach with a two-year transitional period that allows detailed operational and capital budgets to be developed and agreed with ISC based upon an AFNWA operations plan; an Asset Management Plan (AMP); and a 10-year capital program.

The AFNWA has developed a Transition Plan which has been the principle vehicle for agreeing to a Framework Agreement between AFNWA and ISC. This plan which is organized into three key phases includes several steps that need to be delivered sequentially. These phases can be summarized as follows

- **Phase 1: Approval & Funding:** is an enabling phase which includes tasks which must be completed to allow the AFNWA to take on additional operational responsibility in 2020.
- **Phase 2: Operational Initiation:** comprises establishing the AFNWA management team in a staged manner to prepare for the ownership and operation of the participating First Nations water and wastewater assets
- **Phase 3: AFNWA Formation:** comprises the formalization of the AFNWA budget planning and consolidates these into a Funding Model. The funding requirements will be subject to negotiation with ISC with the understanding that the level of funding will be in line with the order of cost identified in the AFNWA business case.

AFNWA and ISC are close to completing a funding agreement which will provide the funds needed to deliver the Transition plan and progress over the next two years.

Transition Period Implementation Plan

The Transition Period Implementation Plan (Implementation Plan) will guide the overall operationalization of the AFNWA and its phases will lead to fully autonomous operations in Spring 2022. It will describe the objectives of the phases and the process by which the steps and composite tasks are to be managed.



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The delivery of the Implementation Plan will necessitate a team with diverse knowledge, expertise, and experience. The Implementation Plan contains the information needed to deliver the transition successfully, in terms of integration, communication, quality, cost, schedule, risk, scope, and overall project management. The Implementation Plan defines the governance and organizational structure; the management, administrative, and reporting processes that will be used; and the decision-making responsibilities and authorities for each principal stakeholder.

While Implementation Planning has commenced, finalizing and delivery of the Plan will require the input from the Senior Management Team which has yet to be recruited. The immediate intention of the Plan is to identify the relevant tasks that need to be completed but not to provide the complete details on how they will be delivered. While it is recognized that the CEO will have ultimate accountability for delivery of the Implementation Plan, potential resources required to develop tasks (whether internal or external resources), and reviewer / approver information has been added for considerations.

As each task is formally initiated, it is recommended that the AFNWA initiate further project definitions (i.e. project charter, timing, resources) to guide task implementation. Within the Transition Plan, tasks anticipated to require a formal project charter or workplan are marked with an asterisk (*). As individual tasks are initiated, additional task implementation planning is anticipated, and this will be reviewed by the CEO and Senior Management Team on a regular basis.



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Phase 1: Approval and Funding.					
<p>Step 1a: Operational Funding Funding Commitment by Government of Canada to provide long term funding to AFNWA in line with the order of cost identified in the Business Case.</p> <p>Noting that long term funding will come with final negotiation at the end of this two-year transition. Execution of the Transitional Funding Agreement and signature of the Framework Agreement will signify commitment to this objective.</p>					
Tasks	AFNWA Owner	Resources ¹	Reviewer /Approver	Recommended Completion Date	
1.0	Framework agreement signed demonstrating a co-development process and commitment for long-term AFNWA funding (key milestone)	COO	CY, RB, Colliers	ISC	May 15, 2020
2.0	Complete Transitional Funding Agreement between AFNWA and ISC to cover two-year Transition Period	COO	CY, RB, Colliers	ISC	May 1, 2020
3.0	Cash flow draw system (incl. bank number), schedule (refer to ISC conference call minutes)	COO	RM	ISC	May 15, 2020
4.0	Develop Transition Plan Template	COO	Colliers	CEO	May 15, 2020

¹ A full description of resource abbreviations has been provided following the phase 3 tasks.



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Phase 1: Approval and Funding.					
Step 2: Planning and establish governance					
Funding Commitment by Government of Canada to provide long term funding to AFNWA in line with the order of cost identified in the Business Case.					
Noting that long term funding will come with final negotiation at the end of this two-year transition. Execution of the Funding Agreement and signature of the Framework agreement will close step 1					
Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date	
1.0	Establish organization				
1.1	CEO	COO, McInnis Cooper	Board	August 1	
1.2	CEO	COO, SMT	CEO	Ongoing	
1.3	COO	RM	CEO	On Going	
2*	Identify corporate policies and procedures needed				As req'd on a priority basis
2.1	Mgr. Comms	COO, RM	Board		
2.2	Mgr, CS	COO, McInnis Cooper, CEO Colliers, HW	Board	March 31, 2022	
2.3	CEO	Mgr. CS, COO	Board		
2.4	CEO	Mgr. CS, COO	Board		



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Atlantic First Nations Water Authority Transition Period Implementation Plan

2.5	Information Technology	Mgr. CS	COO, JH	CEO	
2.6	Training and Development policy (Parts found within the APC HR Policy)	Mgr. CS	COO, Supervisor CS, RM	CEO	
2.7	Discipline policy (incl. Two Eyed Seeing)	COO	McInnes Cooper, Elders Council, JP, RB	CEO	
2.8	Pension and Benefits policy	CEO/Mgr. CS	McInnes Cooper, Supervisor CS	Board	
2.9	Health and Safety policy	Mgr. Ops	Mgr. CS, COO, Supervisor CS, JH, CEO	Board	
2.10	Environmental policy	CEO	SMT, GG	Board	
2.11	Security policy	CEO	SMT	Board	
2.12	Code of Conduct	CEO	McInnes Cooper, Mgr. CS, COO, RM	Board	
2.13	Debt policy (elements found within the Financial Policy)	Mgr. CS	COO, CEO, Colliers	Board	
2.14	Spending Authority (Financial Policy, will need to be altered)	CEO	Mgr. CS, COO, Colliers	Board	
2.15	Fraud (Elements found within the APC Financial Policy)	Mgr. CS	COO, CEO, Colliers	Board	
2.16	Document Management policy, recommended solution, and tool considerations (utilize APC in interim)	Mgr. CS	SMT, Colliers JH, RM	CEO	
2.17	Violence and Harassment policy	CEO	McInnes Cooper, Mgr. CS, COO	Board	
2.18	Hiring policy	COO	JH, CEO	CEO	
2.19	Conflict of Interest Policy	CEO	COO, Mgr. CS, Colliers	Board	
2.20	Develop AFNWA specific templates - minutes, action list, SOPs	COO	RM, JH, Colliers	CEO	



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3.0	Establish financial and accounting policies and frameworks				
3.1	Identify Gaps in APC Financial Policies - debt policies, accounting structures being used, align with Treasury Board policies / rates	Mgr. CS	COO, Colliers	CEO	On going
3.2	Set up basic accounting framework, general ledger, yearly audit standards & audit timelines, income statements, balance sheets – (service may start with APC but transition to AFNWA) - services could be provided on an interim basis by APC; - there are # of other corporate services APC can provide; gradual transition to AFNWA	Mgr. CS	COO, 3 rd party advisor, Colliers	CEO	Establish for first fiscal year [2020/2021]
3.3	Tax exemption letters from CRA - anticipated to be received once a lease is signed	COO	Mgr. CS,	CEO	June 1, 2020
3.4	Audited statements 2021 (milestone)	Mgr. CS	COO, CEO,	Board	July 31, 2021
4.0*	Board governance				
4.1	Establish Board Governance Framework - solicit consultant proposal - develop work plan	CEO	COO, RB, Colliers	Board	
4.2	AFNWA Implementation Plan - Board delegated resp. to CEO to manage - CEO owns plan; recommendations to the Board, as req'd - COO & Board Executive work with CEO - Board approves key items	CEO	COO, RB, Colliers	CEO	March 31, 2022
4.3	AFNWA Board Terms of Reference - CEO works with Board executive, legal advice - Incl. governance (i.e. operating water authority, approvals & authorities), roles (i.e. day to day)	CEO	COO, RB	Board	Initiates with hiring of CEO, completes Nov 2020
4.4	Board governance Workshop (Face to Face) - Define roles and resp, Specific Board terms, committee, compensation	COO	RB, Colliers	CEO	Sept/Oct. 2020



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4.5	AFNWA Board and Committees Terms of Reference [e.g. Executive, Audit and Finance, Environment, Health and Safety]	CEO	COO, RB, Colliers	Board	Draft Nov. 30/20
4.6	AFNWA Board Formally Approves Term of Reference (milestone)	CEO	COO, RB	Board	Feb.1, 2021
4.7	Board Compensation Policy	CEO	COO, RB	Board	April 1, 2021
4.8	Selection of Elders Lodge, develop Terms of Reference - Process for Board to engage with Elders Council	COO	CEO, RB, CBU	Board	March 31, 2021
5.0*	Establish document management system	Mgr. CS	JH, Colliers, RM, COO	CEO	Fall, 2021
6.0	Develop communications strategy	Mgr. Comms	COO, Comms Consultant	CEO	Feb 1, 2021
7.0	Define ISC approvals process				
7.1	Develop engagement plan with ISC - Strategy and framework of approach - Meeting schedule and intent - Identify and clarify requirements	COO	RB, McInnis Cooper,	CEO	Summer, 2021
7.2	Identify milestones and approvals (required by Federal government) - Schedule, process, Cabinet date, timeline, milestones, minutes & action list	COO	RB, Colliers, Central Agency reps,	CEO	As Req'd
7.3	Identify Board approvals and reporting required - Tied to ISC negotiations	COO	RM, Colliers	CEO	As Req'd



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Phase 1: Approval and Funding.					
Step 3a: Band Council Resolutions					
<p>The commitment to GOC funding will allow Band Council Resolutions (BCR) to be completed with participating First Nations Bands. This deliverable will require the AFNWA interim COO to travel to participating and non-participating First Nations alike to request a BCR for further continuation of the project. This will allow license and asset transfer agreements to be developed. This step is dependent on the signature of the proposed framework agreement before the community visits commence.</p>					
Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date	
1.0	Develop BCRs				
1.1	COO	McInnes Cooper, ISC	CEO, Board, Band Council	Jun 30, 2020	
1.2	COO	RB, Colliers	CEO		
1.3	CEO	COO	Board	Jan 31, 2021	
1.4	Mgr. Eng.	COO, JH	CEO	Nov, 2021	
1.5	COO		CEO	Jun 30, 2020	
1.6	COO	RB,	CEO	Fall 2020 or Winter 2021 depending on Pandemic Restrictions	



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2.0	BCR approval by communities				
2.1	Organize Community visits - present to Councilors, gain input, make changes / tweaks. This round of BCRs will signify a further commitment to the AFNWA. AFNWA COO and CEO will travel to each community to present to Chief and Council to seek their continued support [22 communities].	COO	RB, RM, Mgr. Comms	CEO	On Going
2.2	Request signature - by community based on meeting with Councils - Presentations to communities	COO	CEO (as req'd), Mgr. Comms	CEO, Band Council	As Req'd
2.3	Final BCR commitments for existing Communities (15 + 7 communities).	COO		CEO	June1, 2022
3.0	Outreach to other communities to extend invitation to join AFNWA	COO,	CEO, Mgr. Comms	CEO	Ongoing up to Dec 1, 2021
4.0	Develop draft BCR process & commitments for communities to join AFNWA after Transfer Agreement - Process to be defined - Resources to be identified in negotiations with GoC	COO	McInnes Cooper, RB	CEO	Summer 2022



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Atlantic First Nations Water Authority Transition Period Implementation Plan

Phase 1: Approval and Funding.

Step 3b: Implement Human Resources Strategy

The recruitment of a CEO and senior management team is key to delivering phase 2. Obtaining GOC commitment to funding will allow the following activity to commence.

- Contract with a professional search organization
- Hire the CEO and senior managers

These manager positions will have to be selected in order of priority. For 2020-2021, however, it is recommended that the CEO and Manager of Engineering be identified to work alongside the interim COO. At the start of 2021-2022, the remainder of the senior management team will be hired.

Note – Current COO continues to play a strong liaison role with First Nation Chiefs, Board, ISC, and communities; supports CEO as the utility transitions to full operations in 2022.

Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date
1.0 Human Resource planning				
1.1 Develop Human Resource strategies that recognize the experience and knowledge of staff currently employed in water and wastewater system operation and take a consistent approach to salaries, benefits, training, and career development. Confirm skills to operate business	CEO	COO, Mgr. CS, JH	CEO	Sept 1, 2021
1.2 Research pay and compensation (internal and external equity) - Seek outside HR consultant support	CEO	Mgr. CS, COO	CEO	Summer / Fall 2020
1.3 Develop and complete draft CEO job description	CEO	COO	Board	May 15, 2020
1.4 Develop and complete SMT job descriptions	CEO	JH, RM, COO	CEO	As Req'd
1.5 Develop and complete staff job descriptions	Mgr. CS	SMT, Supervisor CS	CEO	As Req'd



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2.0	Formal staff recruiting				
2.1	Complete RFP for professional recruiting firm	COO	CEO, RM	CEO	April 28/20
2.2	Hire a professional recruiting firm to recruit qualified personnel as candidates for Senior Management positions.	COO	CEO, RM	CEO	May 22/20
3.0	Recruit key staff				
3.1	Recruit (Interim) CEO for 2-year transition	Board	COO	Board	July 2020
3.2	Recruit Manager Engineering (permanent)	CEO	COO, Recruitment Consultant		September 1, 2020
3.3	Recruit Manager Communications & Outreach (permanent)	CEO	COO, Recruitment Consultant		Dec. 1, 2020
3.4	Recruit Manager of Corporate Services (permanent)	CEO	COO, Recruitment Consultant	CEO	January 1, 2021
3.5	Recruit Manager Operations (permanent)	CEO	COO, Recruitment Consultant	CEO	April 1, 2021
3.6	Hire asset management technologist	Mgr. Eng.	COO, JH	CEO	Sept. 1, 2020
3.7	Hire admin assistant	SMT	RM	CEO	Oct. 1, 2020
3.8	Recruit or hire superintendents	Mgr. Op	Mgr. CS, JH	CEO	August 1, 2021
3.9	Recruit permanent CEO	Board	Interim CEO, COO	Board	April 30, 2022



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Phase 1: Approval and Funding.				
Step 4: Permits				
Finalizing BCRs will enable licensing/land access agreements to be drafted and completed with participating First Nations Bands. The AFNWA and its legal team will work directly with First Nations lands departments, ISC, the Department of Justice to create land access/license agreements that will both allow the AFNWA to enter communities, exclusively work on water and wastewater infrastructure, and indemnify Chiefs and Councils for water quality.				
Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date
1.0				
1.1				
1.2				
1.3				
2.0				
2.1				



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2.2a	Option 1- Existing community mapping, or minimum required being the list of assets that are required	Mgr. Eng.	COO, Band land manager, ISC, McInnes Cooper	CEO	December 1, 2020
2.2b	Option 2 [Preferred] - Mapping in connection with Asset Management Plan, Identify or confirm assets, survey land in question, geomatics scanning	Mgr. Eng.	COO, Band land manager, ISC, McInnes Cooper	CEO	September 1, 2021
3.0	Permits				
3.1	Permits engagements - interested community representatives - identify elements that will used for AFNWA commitment through BCR	COO	McInnes Cooper, RB, Mgr. Eng.		Fall 2021
3.2	Draft Permits - Generally common, accompanied with a map Specifics based on band (i.e. municipal transfer agreement)	COO	McInnes Cooper, RB	Band Council/CEO Board /	January 1, 2022
3.3	Group engagements follow up, land workshops - Land reps from interested communities - Presenting final draft	COO	ISC, McInnis Cooper, RB, Band Council, Community	CEO	
3.4	Recommend permit for final approval to the Board (combine with below)	CEO	COO, RB, McInnis Cooper, Band Council	Board	January 31, 2022
3.5	Signature of license agreements - Confirm whether condition of final funding	CEO	COO, RB, McInnes Cooper, Band Council	Band Council/ Board	April 1, 2022



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Atlantic First Nations Water Authority Transition Period Implementation Plan

Phase 2: Operational Initiation.

Step 5: Implement an FSD “Hub and Spoke” operations model.

Hire all senior staff by April 2021 (one year after funding approval) with a clear preference to hire from participating Atlantic First Nations. The tasks of these managers will be to develop and adopt a formal training and development program for all staff. Furthermore, senior managers will develop Human Resource strategies that recognize the experience and knowledge of staff currently employed in water and wastewater system operation and take a consistent approach to salaries, benefits, training, and career development.

The development and implementation of the hub and spoke model is conditional upon the input of the Senior management team. When the SMT is in place a detailed implementation plan for this step will be developed.

Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date
1.0 Ontario Clean Water Agency (OCWA) Peer Review Business Case	COO	CEO, OCWA, JH, Colliers	ISC	Fall 2020
2.0 ISC accepts the Business Case (milestone)	CEO	COO, Colliers, JH	Board / ISC	April 1, 2021
3.0 Develop plan to implement hub and spoke model <ul style="list-style-type: none"> - i.e. supervisor allocation, technical supervisor set up, connections to HR strategies - consultation with future operators, Board, communities, - financials 	Mgr. Ops	SMT, JH,	CEO	Sept. 1, 2021
4.0 Regular updates to Board For information	CEO	SMT, COO	Board	Monthly



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Atlantic First Nations Water Authority Transition Period Implementation Plan

Phase 2: Operational Initiation.					
Step 6: Implement Transition Management.					
AFNWA appoint a dedicated transition management team. Develop an AFNWA transition management strategy and align the communications and transition management strategies to ensure effective engagement and support. This step will be maintained for the 2-year transition period.					
Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date	
1	AFNWA appoint a dedicated Transition Management Team (TMT) to navigate change with external consultant as support.	SMT	COO, RB, Colliers,	CEO	Starting April 2021
2*	Develop and implement Transition Management Plan - Establish transition management milestones with AFNWA, communities, Government, operators, others	SMT	COO, RB, Colliers,	CEO	From June 1, 2021 to end of 2023

Phase 2: Operational Initiation.					
Step 7: Regulatory Oversight.					
AFNWA confirm regulatory Oversight Agencies with GOC. and develop a plan for implementing their requirements. As an interim step, the AFNWA and Dalhousie University will continue their work in developing a strategy for operating in an unregulated environment.					
Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date	
1*	Regulatory oversight planning				



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Atlantic First Nations Water Authority Transition Period Implementation Plan

1.1	AFNWA and Dalhousie University will continue their work in developing water safety plans for operating in the interim within an unregulated environment. - NSERC application - Proposal consideration	Mgr. Ops	COO, GG, ISC, Mgr. Eng., , JH	CEO	November 1, 2021
1.2	Develop (interim step) potential set of processes to facilitate auditing for compliance to benchmark standards (updated from original 2013 regulations prepared by Dalhousie)	Mgr. Ops	SMT, GG, JH,	CEO	Dec 15, 2021
1.3	Adoption of interim regulations	Mgr. Ops	SMT, GG, JH	Board	Jan, 2022
2.0	Determine long term regulations (influenced significantly by the work being conducted by the Assembly of First Nations)	Mgr. Ops.	SMT	Board	As Req'd
3.0	Work with Federal Government to determine Water Quality and Wastewater Effluent regulator (Environment Canada). Develop strategies to gain Public Servant support.	CEO	SMT, GG, ISC	Board	Sept. 1, 2021
4.0	Determine Federal financial regulator	CEO	SMT, ISC	Board	Fall, 2021
5.0	Review current composition / recruitment of additional board members				
5.1	Additional band representation	Board Executive	CEO, COO, RB	Board	As Req'd
5.2	Additional technical, SME experts - Financial, communications, legal, scientific etc.....	Board Executive	CEO, COO, JH, Colliers	Board	July, 2021
5.3	Appointment of a Vice Chair	COO	Board Chair	Board	May 15, 2020



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Atlantic First Nations Water Authority Transition Period Implementation Plan

Phase 2: Operational Initiation.					
Step 8: Operational planning.					
Senior Management team develop an operations plan that identifies AFNWA operational funding requirements including:					
<ul style="list-style-type: none"> board and management costs, operating and maintenance costs administration and accommodation costs, 					
Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date	
1.0	AFNWA headquarters facility				
1.1	Develop Headquarters accommodation, space, and technical requirements (Search criteria)	COO	RM, Colliers	CEO	June 1/20
1.2	Search for headquarters accommodation on reserve. Enables temporary (medium term; 5-7 years) vs eventual construction (long term), incorporates Board direction	COO	RM, Colliers, Band Land Manager	CEO	August 1/20
1,3	Develop and Secure IT requirements, office equipment. Note: staged IT requirements may be required as full IT Policy will be finalized with the engaged of the Director Corporate Services.	Mgr. Eng., Mgr. CS	RM, JH, COO	CEO	January, 2021
1.4	Lease & financial impact review	COO	COO, McInnes Cooper,	CEO	December1, 2021
1.5	Board lease approval	CEO	COO	Board	January 21, 2020
1.6	Move in to headquarters facility	COO	RM, Contractor	CEO	May 1, 2021
2.0	Develop Operations budget for 2021/22 fiscal year	COO	SMT, CEO	CEO	March 1, 2021
3.0	Develop Operational Plan for commencement of operations	Mgr. Ops	SMT, COO, Consultant	CEO	Jan 31, 2022



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Atlantic First Nations Water Authority Transition Period Implementation Plan

Phase 2: Operational Initiation.					
Step 9: Capital planning.					
The implementation of step 5 will allow Senior Management to develop an asset management plan within 18 months of AFNWA operations and a draft 10-year capital program based on the asset management plan. This further emphasizes the need to retain the AFNWA CEO and Manager of engineering within the first quarter of 2020-2021					
Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date	
1.0*	Identify what is required specifically for the Asset Management Plan (AMP) plan	Mgr. Eng.	COO, JH,	CEO	Sept 1, 2020
	<ul style="list-style-type: none"> Develop project charter including schedule, scope etc. Project requirements Required consultant requirements 				
2.0	Develop and issue RFP for consultant to support development of AMP and 10-year capital budget.	Mgr. Eng.	Consultant, JH,	CEO	Sept 30, 2020
3.0	Organize Asset Management Workshops for operators and technical staff of the AFNWA.	Mgr. Eng.	Consultant, Mgr. Ops, JH,	CEO	On-going
4.0	Develop a comprehensive AMP for the infrastructure in participating communities.	Mgr. Eng.	Consultant, SMT, JH	CEO	Dec. 1, 2021
5.0	Develop a draft 10-year capital plan that is based on the asset management plan.	Mgr. Eng.	Consultant, SMT Colliers. JH	CEO	Dec 1, 2021

Phase 3: Detailed Business Case and Funding



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Atlantic First Nations Water Authority Transition Period Implementation Plan

Step 10: Risk assessment.

Prepare a detailed risk assessment to act as an input into the detailed financial model. This will be an ongoing practice within the AFNWA. The asset management plan will identify detailed operational risks; however, it will be the prerogative of the AFNWA senior management to identify additional risks along with the appropriate mitigation strategy. Risks categories may include but are not limited to:

- Economic
- Social
- Political
- Technological
- Legal
- Environmental

Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date
1.0 Develop and issue RFP to develop Enterprise Risk Management System - Proposal consideration / external consultant	Mgr. CS	CEO, SMT, COO, Colliers	CEO	Jun 1, 2021
2.0 Complete Enterprise Risk Management System for Approval of Board - Workshops with Board, SMT - Risk register - Timelines for review	CEO	SMT, Consultant, COO, JH, RM	Board	Nov 30, 2021



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Atlantic First Nations Water Authority Transition Period Implementation Plan

Phase 3: Detailed Business Case and Funding					
Step 11: Financial Model.					
Develop a detailed financial model that incorporated inputs from the AMP, Operational plan, risk assessment and 10-year capital spending plan to identify the operational and capital funding required to operate the AFNWA for the first 25 years of operation. The model should be sufficiently detailed to consider scenarios and risks which might impact operations and service delivery. The model will be a vehicle for agreeing the funding model with GOC.					
Complete Step 11 Mar 2021					
Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date	
1.0	Incorporate inputs from the AMP, Operational Plan, risk assessment and 10-year capital spending plan to identify the operational and capital funding required for the AFNWA.	Mgr. CS	SMT, Colliers	CEO	Jan 31, 2022
2.0	Finalize financial reporting				
2.1	Develop corporate financial reporting, models (operations and capital) - Management information required. - External reporting (i.e. GoC) requirements	Mgr. CS	COO, Colliers	CEO	Jan 31, 2022



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Atlantic First Nations Water Authority Transition Period Implementation Plan

Phase 3: Detailed Business Case and Funding					
Step 12: Refine Detailed Budgets and funding model.					
The intention of this step is to review the detailed financial model and risk assessment with ISC and Participating First Nations to develop/agree a detailed funding model.					
Complete Step 12 June 2021					
Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date	
1.0	Review the detailed financial model with ISC and Participating First Nations to develop/agree on a detailed funding model - Informed by multiple sources including the enterprise risk management system	Mgr. CS	SMT, Colliers	Board, ISC Band Councils	April 1, 2022
2.0	Develop Business Plans for AFNWA Board Approval	CEO	SMT, COO	Board	
2.2	Determine Business Plans draft Table of Contents	CEO	SMT, ISC	Board	June 1, 2021
2.3	Ten Year Business Plan	CEO	SMT, COO	Board	Jan. 31, 2022
2.4	One Year Business Plan	CEO	SMT, COO	Board	Feb.28, 2022



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Atlantic First Nations Water Authority Transition Period Implementation Plan

Phase 3: Detailed Business Plan and Funding					
Step 13 Transfer Agreement.					
Transfer Agreement will coincide with the date of AFNWA full autonomous operation. The Transfer agreement will include the agreed funding model and will address how changes such as future upgrades to regulations will be dealt with.					
Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date	
1.0 Determine method of funding - Order and Council; and / or - 10-year grants	CEO	SMT, ISC, COO	Board / ISC	Dec. 1, 2021	
2.0 Define Transfer Agreement financial/liability requirements - Constituent parts	CEO	SMT, COO, ISC, McInnes Cooper	Board / ISC	Dec. 1, 2021	
3.0 Final Detailed Funding Model Approval By Board	CEO	SMT, Colliers	Board	Jan 31, 2022	
4.0 The Transfer Agreement (GoC) will include the agreed funding model, regulatory oversight requirements and address how changes such as future upgrades to regulations will be dealt with - Define requirements - Will reference several documents (BCR's, License Agreement, Business Plans, regulators etc.)	CEO	SMT, ISC, COO, McInnes Cooper	Board / ISC	Spring 2022	



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Atlantic First Nations Water Authority Transition Period Implementation Plan

Resource Legend

COO – James MacKinnon	Mgr. CS – Corporate Services	Mgr. Ops - Operations	CEO – Carl Yates	Colliers – Representatives based on expertise	JH – Jamie Hannam
RM – Rayleen MacDonald	Mgr. Comms – Communications & Outreach	Mgr. Eng. - Engineering	RB – Rod Burger		GG – Graham Gagnon
JP – John Paul	SMT – Senior Management Team	TMT – members of SMT as assigned			



TO: Chair Wilbert Marshall, and Members of the AFNWA Board

SUBMITTED BY: original signed by
Carl Yates, M.A.Sc., P.Eng., interim Chief Executive Officer

DATE: May 14, 2021

SUBJECT: Economic Regulation of the AFNWA

ORIGIN

Transition Implementation Plan, approved at the Board meeting of June 24, 2020

RECOMMENDATION

It is recommended that the AFNWA Board of Directors give approval for management to enter formal discussions with the First Nations Financial Management Board and related agencies under the First Nations Fiscal Management Act to establish a framework for the economic regulation of AFNWA.

BACKGROUND

Economic regulation of utilities in Canada is well developed. Regulators typically focus on ensuring the utility achieves full cost recovery, value for money, fair and equitable rates, and service performance objectives. All of these themes are appropriate for an economic regulator to provide oversight for the Atlantic First Nations Water Authority [AFNWA] with the exception of rate regulation. The aspect of user fees is not proposed for recovery of costs for the AFNWA.

The concept of economic regulation of AFNWA has been discussed over the last several years but has taken on more significance with the signing of the Framework Agreement with Indigenous Services Canada [ISC] and Board approval of the Transition Implementation Plan [TIP] in June 2020. This is in recognition that the utility needs to be transparent and accountable to the federal government [its funding agency] and the First Nations communities it will serve. AFNWA and ISC have entered into discussions to look at alternatives for economic regulation.

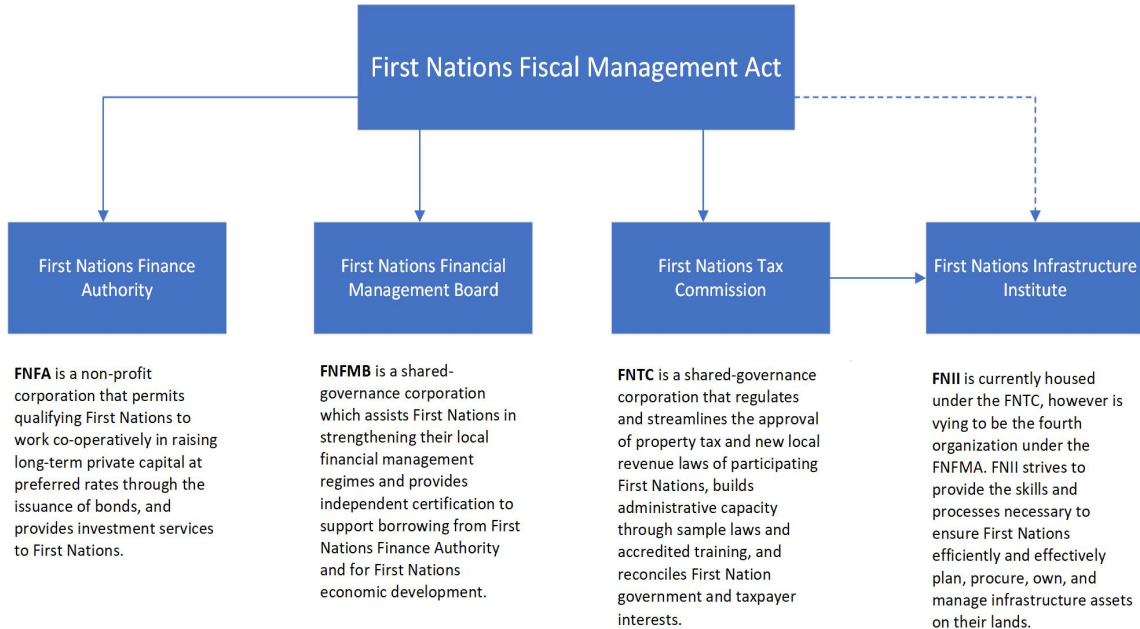


DISCUSSION

The recent announcement by Indigenous Services Canada [ISC] that the federal government will increase funding for operations and maintenance of water and wastewater systems from 80 to 100 % of costs reflects a significant change to help improve service delivery in First Nations communities. In combination with capital funding, the Government of Canada has now become the sole source of funding for both operations and capital budgets. With this financial obligation resting with the federal government, ISC and AFNWA recognize that economic oversight will be necessary to ensure value for money and improvements in service delivery. AFNWA also recognizes that a water and wastewater utility is a natural monopoly and as such economic regulation is prudent.

After establishing a working group with ISC, AFNWA staff began to explore regulation under the Nova Scotia Utility and Review Board [NSUAR] and agencies that fall under the legislated framework of the First Nations Fiscal Management Act [FNFMA]. Although the NSUAR have an established regulatory mandate through the NS Public Utilities Act, their current authority is restricted to Nova Scotia utilities. As such, regulation of AFNWA would require both federal and provincial legislative changes, to go beyond the province of Nova Scotia. Based on the concept of self-determination and a more direct relationship with the federal government, management also believes it is more appropriate to engage agencies at the national level. In that regard, initial discussions with the First Nations Financial Management Board [FNFMB] has shown some promise. The FNFMB is interested in taking on the role as Regulator for the AFNWA and are currently seeking authority to continue discussion with ISC and AFNWA.

In addition to having a national mandate, AFNWA would prefer that a First Nations organization provide regulatory oversight. Initial discussion indicates that the FNFMB may have the organizational structure and the required abilities to be a Regulator. Of particular interest is their familiarity with First Nations and their deep understanding of financial matters related to the FNFMA. It is also anticipated that they could draw on their relationships with other agencies under the FNFMA, as indicated in the chart below.



The AFNWA prefers a simplified “One Window” approach for economic regulation and views the FNFMB as the prime agency to fulfill that role. It is acknowledged however that the FNFMB could call on its sister agencies under the FNFMA to provide support in relevant areas. For example, the newly formed agency First Nations Infrastructure Institute [FNII] could play a role in reviewing large scale infrastructure projects once formally incorporated under the FNFMA. As well, the First Nations Finance Authority [FNFA] could authorize debentures for capital financing. It is also recognized that the FNFMB will require additional resources if it is tasked with the role of Regulator.

In terms of economic regulation, the following are the potential areas of oversight and the scope of work for the Regulator:

1. Approval of Annual Capital and Operational Budgets with follow up reporting after the completion of each fiscal year. An application for Budget approval and annual reconciliation report would be a standard filing requirement.
2. Establishment and maintenance of accounting framework, internal control policies, and enterprise-wide procedures consistent with GAAP and utility functionality.
3. Approval of Five-Year Business Plans [carried out every 2 years].
4. Oversight for performance outcomes including levels of service [FNII could assist with this aspect].



5. Approval of Integrated Resource Plans [IRP] which are long term plans for system investments in relation to asset renewal, regulatory compliance, and growth]. The IRP covers a 25 to 30 year period with updates every 5 years. FNII and FNFA could support this initiative.
6. Regulation of Development Charges. A case could be made to charge development fees to businesses and industry that receive service from AFNWA to ensure that growth pays for growth, a well-established cost causation principle. The AFNWA and FNII are currently exploring this option under existing federal legislation applicable to First Nations to ensure fair and equitable treatment for Business and Commercial Users. The First Nations Tax Commission mandate looks promising for support in this aspect.
7. Approval to secure debentures through FNFA.

With approval from the Board to enter formal discussions with the FNFMB, management suggests the following next steps:

1. Develop a framework with FNFMB to fulfill the role of Regulator, through workshops and meetings with all agencies under the Fiscal Management Act to ensure an understanding of potential roles and responsibilities.
2. If all parties agree to the initial framework, the FNFMB would develop a business plan, including budget and timeline for the role of Regulator.
3. Further review and discussion arising from the FNFMB business plan and the relationship to sister agencies.
4. Execution of a Memorandum of Understanding [MOU] between FNFMB and AFNWA to work cooperatively to establish a regulatory framework. The MOU would be subject to the approval of the AFNWA Board.

BUDGET and FINANCIAL IMPLICATIONS

The development of an economic regulation framework was anticipated in the TIP and funds are available in the 2021/22 Operations Budget to support this activity.

ALTERNATIVES

Pursue discussions with the NS Utility and Review Board to determine the extent to which they could regulate the AFNWA. This approach is not recommended by staff given the legislative and policy hurdles for this option.

Report Prepared by: original signed by _____ Carl Yates, Interim Chief Executive Officer, (902)-435-8021
Financial Reviewed by: original signed by _____ Chantal Leblanc, Manager of Corporate Services/CFO, 902-877- 3813