



January 20th, 2023

Chief Wilbert Marshall, Chair

The regular meeting of the AFNWA Board will be held on Wednesday January 25<sup>th</sup>, 2023 at 9:30AM via the Zoom virtual platform :

<https://us06web.zoom.us/j/6852920354?pwd=K3ZOZnNzcFdDN05UWldMWFYxOVF4Zz09>

Meeting ID: 685 292 0354

Passcode: 01650

## AGENDA

### In Camera Reports

1C Approval of Minutes of the In-Camera Meeting held on November 30th, 2022

2C Business Arising from Minutes

(a) On-Boarding Update

3C (SCADA pilot project design services – Pictou Landing)

**Motion:** That the AFNWA Board approve the recommendation as outlined in the confidential report dated January 20, 2023

4C SCADA RTU Hardware- Pre-order for Pilot Communities

**Motion:** That the AFNWA Board approve the recommendation as outlined in the confidential report dated January 20, 2023

5C Fleet Purchases

**Motion:** That the AFNWA Board approve the recommendation as outlined in the confidential report dated January 20, 2023

6C 2023/2024 Annual Budget

**Motion:** That the AFNWA Board approve the recommendation as outlined in the confidential report dated January 20, 2023

7C Water Treatment Plant Pre-design - Elsipogtog .

**Motion:** That the AFNWA Board approve the recommendation as outlined in the confidential report dated January 20, 2023

8C Project Management Services - Elsipogtog

**Motion:** That the AFNWA Board approve the recommendation as outlined in the confidential report dated January 20, 2023

9C Ten Year Business Plan Amendment (inclusion of Wagmatcook)

**Motion:** That the AFNWA Board approve the recommendation as outlined in the confidential report dated January 20, 2023

10C Water and Wastewater Master Plan - Paqtnekek

**Motion:** That the AFNWA Board approve the recommendation as outlined in the confidential report dated January 20, 2023

11C Alliance Grant Partnership with Centre for Water Resource Studies

**Motion:** That the AFNWA Board approve the recommendation as outlined in the confidential report dated January 20, 2023

12C Request for Quotation Gas Monitoring Equipment Supply and training 17-Feb

**Motion:** That the AFNWA Board approve the recommendation as outlined in the confidential report dated January 20, 2023

In – Camera Information Reports

1-IC Budget Submission to ISC (reallocated)

2-IC Grant Thornton Asset Transition Paper



## 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 November 30<sup>th</sup> ,2022
3. Business Arising from Minutes  
  
(a) Transition Implementation Plan (TIP) Update – report to follow
4. Quarter 3 Financial Results (with investment update)

**Motion:** That the AFNWA Board approve the Quarter 3 Financial Results in its substantive form, attached.

Information Reports

1-I Transition Implementation Plan Update

Original signed by \_\_\_\_\_

James MacKinnon  
Board Secretary



**Atlantic First Nations Water Authority  
MINUTES**

**30 November 2022**

**PRESENT:**

Chief Wilbert Marshall, Chair  
Chief Ross Perley, Vice Chair  
Chief Andrea Paul, Director  
Chief Darlene Bernard, Director  
Chief Terry Paul, Director  
Chief Leroy Denny, Director  
Regional Chief Paul Prosper, Director  
Todd Hoskin, Director  
Chief Aaron Sock, Director  
Shelley Denny, Director  
Methilda Knockwood-Snache, Chair of Elders  
Advisory Lodge

**REGRETS:**

**STAFF:**

Carl Yates, interim CEO  
James MacKinnon, interim COO / Board Secretary  
Chantal LeBlanc, Manager of Corporate Services/ CFO  
James Trimble, Manager of Operations  
Adam Gould, Manager of Communications and Outreach  
Rayleen MacDonald, Administrative Assistant/ Recording  
Secretary

**GUESTS:**

Dr. Megan Fuller, Dalhousie Centre for Water Resource  
Studies

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**CALL TO ORDER**

Carl Yates, upon direction from the Chair, called the regular meeting to order at 9:48 AM via the Zoom virtual platform. The Board moved In Camera at 9:49 AM and the regular meeting reconvened at 11:30 AM

**1.a) RATIFICATION OF IN-CAMERA MOTIONS**

**MOVED BY Chief Andrea Paul , SECONDED BY Todd Hoskin that the AFNWA Board ratify the In-Camera Motions from the November 30<sup>th</sup> , 2022 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 Todd Hoskin that the AFNWA Board approve the Order of Business and the Agenda as presented.**

**MOTION PUT AND PASSED**

**2. APPROVAL OF MINUTES – 04 November 2022**

**MOVED BY Chief Terry Paul , SECONDED BY Chief Andrea Paul that the AFNWA Board approve the 04 November 2022 Special Board Meeting Minutes.**

**MOTION PUT AND PASSED.**

**3. BUSINESS ARISING FROM MINUTES**

Transition Implementation Plan ( TIP) Update: James MacKinnon presented the TIP update as attached.

There were no questions or comments at this time.

#### **4. QUARTER 2 FINANCIAL RESULTS**

Chantal LeBlanc presented the Quarter 2 Financial Results as attached.

It was noted that the recommendation was discussed with two members of the Audit and Finance committee on November 22, 2022, however due to lack of quorum, the recommendation is being made directly by staff.

Management has updated Q1 results to reflect a material item, that is an invoice received after the Q1 results were presented. This invoice for \$75k is reflected in the updated numbers attached within the report.

AFNWA has completed Q2 (6 months ending September 30, 2022) under budget by approximately \$960k. The material differences are summarized within the attached report.

As noted in our first quarter results report, we anticipate being under budget throughout most of this 8-month transitional period. This is primarily due to the inclusion of funds required to onboard communities in anticipation of a possible delay of funds associated with the long-term funding agreement. We have confirmation that these funds can continue to be spent to assist AFNWA with transition and no carry-forward request is necessary to continue accessing these funds for the entirety of this Fiscal Year.

**MOVED BY Todd Hoskin, SECONDED BY Regional Chief Paul Prosper that the AFNWA Board approve second quarter results, in its substantive form attached.**

**MOTION PUT AND PASSED.**

#### **5. HR POLICY AMENDMENTS**

It was noted that the recommendation was discussed with two members of the Audit and Finance committee on November 22, 2022, however, due to lack of quorum the recommendation is being made directly by staff.

A number of amendments are presented to the Board, for your consideration:

- Standby Pay. This compensation is tied directly to the inconvenience of being available 24 hours a day during a Standby rotation. Operations staff would be eligible for this compensation if they sign an agreement to remain sober and available for the duration of their rotation.

- Benefits Eligibility. It was brought to our attention that there was no provision for retired employees. AFNWA will agree to provide up to 3 months of coverage beyond the retirement date. At which time, they will be removed from the group plan.

- Non-Political Associations. Previously the policy stated that no employee shall be an elected member of a Band Council or an elected member of government. Add: "Exceptions can be made on a case-by-case basis, as determined by the CEO and Manager of Corporate Services".

**MOVED BY Chief Wilbert Marshall, SECONDED BY Chief Andrea Paul that the AFNWA Board approve the amendments to the HR Policy, in its substantive form attached.**

**MOTION PUT AND PASSED.**

## **6. Amendments to Financial Policy / Changes to Credit Card Holders**

The recommendation was discussed with two members of the Audit and Finance Committee on November 22, 2022, however, due to lack of quorum, the recommendation is being made directly by staff.

The request included in the July 2022 report was as follows:

*- Request to expand the use of authorized Credit Cards in recognition that we now have a fleet of pick-up trucks and a number of staff that are required to make purchases for travel accommodations, office supplies, fuel or small tools, etc. Previous list of authorized cardholders was restricted to Senior Management Staff with no reference to limits. We note that while Spending Authority is within the CEO's right to delegate, that the delegation of Payment Authority is a Board matter. The use of a Credit Card is essentially exercising both Spending and Payment authority simultaneously. The protection for this comes from the Scotia Visas which protect the organization from Employee Fraud and allows AFNWA to chargeback purchases that were unauthorized. The proposed list of staff for Visas as included in the report are subject to change within reason at the discretion of the CEO.*

After presentation to the Board, it was discovered that the policy itself was not updated to state that credit cards could be issued, and limits adjusted, within the CEO's discretion. The Financial Policy currently requires an approval from the Audit and Finance Committee for any changes to credit cards.

At this time, we are asking for your explicit approval for the CEO to use their discretion for adjusting eligible cardholders and associated limits. We note that while this essentially gives payment authority to all cardholders, AFNWA feels confident in recourse through insurance against fraudulent purchases or unauthorized use by employees.



**MOVED BY Chief Terry Paul, SECONDED BY Chief Wilbert Marshall that the AFNWA Board approve the clarification on the Financial Policy, in its substantive form attached.**

It was noted that Regional Chief Joanna Bernard abstained from voting on this motion.

**MOTION PUT AND PASSED.**

## **7. INVESTMENT POLICY**

The negotiated fund disbursement schedule is likely to result in significant deposits during the Spring and Fall of each year. AFNWA has drafted an investment policy, seeking the Board's pre-approval to invest these deposits, within parameters, in an effort to maximize deposit interest.

A summary of relevant items addressed by the draft policy is as follows:

- All investments must be made in guaranteed income funds and careful consideration must be made to ensure that sufficient liquidity is maintained.
- Investments must be made in socially responsible funds and borrowing funds to invest is strictly prohibited.
- The approval for transferring funds into and out of investments is primarily the responsibility of the Investment Committee which consists of the CEO and CFO.
- A detailed description of current and forecasted investments, together with anticipated interest revenue, as prepared by the Investment Manager (AFNWA Controller) is to be included with the regular quarterly financial update to the Audit and Finance Committee.
- Regular reviews of the portfolio must be conducted with the investment firm and AFNWA is not restricted to maintaining funds with one investment firm.

**MOVED BY Todd Hoskin, SECONDED BY Chief Terry Paul that the AFNWA Board approve the Investment Policy, in its substantive form attached.**

**MOTION PUT AND PASSED.**

## **8. WATER QUALITY REGULATIONS**

Dr. Megan Fuller of Dalhousie University's Centre for Water Resource Studies provided a presentation.

It was noted that the recommendation was discussed with two members of the EHS

Committee on November 22, 2022, however, due to lack of quorum, the recommendation is being made directly by staff.

With direction of the Board on January 26, 2022, staff worked with Dalhousie University Centre for Water Resources Studies (CWRS) to develop a set of interim drinking water regulations consistent with the Guidelines for Canadian Drinking Water Quality (GCDWQ) and based to a large extent on those utilized in Nova Scotia which are most aligned with best practice in Canada. In this regard, the proposed regulations will ensure a consistent approach across all of the communities within the Wabanaki territory who become members of AFNWA. The regulations were sent to ISC for their feedback with recommendations and suggested edits incorporated in the final draft attached. As part of the development of the regulations, AFNWA and ISC recognized limitations within ISC to provide oversight in certain technical areas and as a result overtures were made to NS Environment and Climate Change [NSECC] for support. As a result, ISC and NSECC are working towards a contractual relationship to close the identified gaps necessary for substantive compliance oversight. Notwithstanding this arrangement, FNIHB will serve as the one window for AFNWA as the lead oversight agency. The term oversight has been used intentionally in recognition that neither FNIHB nor NSECC have any authority to regulate AFNWA.

From recent discussions with ISC, it is expected that a contract with NSECC will be in place to begin oversight of the regulations developed for AFNWA by April 1, 2023. In the meantime, staff are requesting approval from the Board to adopt the interim regulations effective December 1, 2022 in recognition that some First Nations communities could become members of AFNWA on that date. As expected, AFNWA will work closely with the First Nations and Inuit Health Branch to transition from the current oversight system to the new framework endorsed by the AFNWA Board.

**MOVED BY Chief Wilbert Marshall, SECONDED BY Chief Andrea Paul that the AFNWA Board approve the interim drinking water regulations in the substantive form attached with an effective date of December 1, 2022.**

**MOTION PUT AND PASSED.**

## **8. NEXT MEETING**

The next Board meeting will be January 25<sup>th</sup>, 2023 at 9:30 AM via Zoom.

The meeting was adjourned at 1:10PM

original signed by  
\_\_\_\_\_  
*James MacKinnon*  
*Board Secretary*

original signed by  
\_\_\_\_\_  
*Chief Wilbert Marshall*  
*Chair*





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

**SUBMITTED BY:** original signed by  
James MacKinnon, MPA, interim Chief Operating Officer

**APPROVED:** original signed by  
Carl Yates, M.ASc., P.Eng., interim Chief Executive Officer

**DATE:** January 20, 2023

**SUBJECT:** Transition Implementation Update

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## **INFORMATION REPORT**

### **ORIGIN**

2022-203 Transition Implementation Plan approved by the Board at the meeting held on April 13, 2022.

### **BACKGROUND**

The 2022-2023 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 2022-2023 TIP is a continuation of the TIP initially approved in June 2020 and will guide the final steps toward operationalization of the AFNWA.

### **DISCUSSION**

#### **Stage 1: Treasury Board Submission**

- Stage one is considered complete

#### **Stage 2: Agreement Ratification Process**

- All agreements regarding membership in the AFNWA have received sign-off from the Board and, where applicable, Canada.
- Membership presentations are on-going, with recent presentations taking place in Glooscap, Wagmatcook and Sipekne'katik

- Once Community Agreements close, Canada and the AFNWA will initiate the SDTA Implementation Committee with Canada
- Stage 2 is considered Complete

### Stage 3: Capital Program Initiation

- SCADA Standards are complete. Pilots in Pictou Landing and Lennox Island First Nation are now underway.
- The design and construction of the SCADA systems in the pilot communities is addressed in a separate Board Report.

### Stage 4: Information Technology

- Step 4 is now considered complete

### Stage 5: Finance/Corporate Services

- With the development and launch of the Procurement Portal on the AFNWA Website, Stage 5 is now complete.

### Stage 6: Oversight and Compliance

- Monitoring and Sampling Plans are being developed and refined by a dedicated AFNWA Compliance Committee.
- The Lead Assessment project work continues. Samples have been taken in Eskasoni at multiple public locations. Follow up meetings have taken place directly with Eskasoni administration and staff.
- Work continues with CBCL regarding the Private Well Private Septic assessment. AFNWA expects a final report in the Spring of 2023.
- Work continues regarding Key Performance Indicators (KPI) for the Economic Oversight Framework. AFNWA will be developing these KPIs in conjunction with the development of our Corporate Balance Scorecard.
- Canada has tabled draft Safe Drinking Water legislation for review by the AFN's Chiefs Committee on Housing and Infrastructure. AFNWA's interim COO signed an NDA to be part of the discussion but requested that other AFNWA staff and advisors sign the same to review and provide comments on the draft legislation. The legislation will be released to the public for consultation on Feb 6, with the legislation to be tabled in Parliament in late March. AFNWA is planning an engagement session in partnership with the Atlantic Policy Congress of First Nations Chiefs Secretariat on Feb 15.

### Stage 7: Operational Initiation

- Work continues to complete the community onboarding checklist. Developing this list will inform a schedule to the Community Agreement

outlining the assets, contracts and agreements that will transfer to the AFNWA. The majority of the work in Stage 7 is dependent on the completion of the community onboarding checklist. That said, as of the AFNWA special board meeting on November 7, schedule 2.1(a) has been altered to recognize that formal inventories of movable assets would be developed post transfer.

- Training continues to train AFNWA staff on the Incident Command System.
- Interviews have taken place for Service Area Supervisors. Once offers are extended and accepted, Stage 7 will have reached substantial completion.

Report Prepared by: original signed by \_\_\_\_\_

James MacKinnon, interim COO, 902-603-0312





2022-2023					
Stage 1: Treasury Board Submission					
Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date	
1.0	Support ISC in development of Investment Analysis Report	CFO	SMT, CEO, COO	ISC	
1.1	Investment Analysis Report Approved	CFO	SMT, CEO, COO	ISC	April, 2022
2.0	Support ISC In development of TB Submission for ADM Approval	CFO	SMT, CEO, COO	ISC	May, 2022
3.0	Final Ministerial Signature	CFO	SMT	ISC	June, 2022

2022-2023					
Stage 2: Agreements Ratification Process					
Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date	
1.0	Service Delivery Transfer Agreement				
1.1	Service Delivery Transfer Agreement Ratified by AFNWA Board of Directors	CEO	RB/COO	Board of Directors	April 13, 2022
1.2	Service Delivery Transfer Agreement sent to potential Member Communities	CEO	COO	Board of Directors	April 14, 2022
2.0	Funding Agreement Approved by Board of Directors	CEO	RB/COO	Board of Directors	April 13, 2022
2.1	Funding Agreement sent to prospective Member Communities	CEO	SMT	Chief & Council	April 14, 2022
3.0	Community Agreement (CA)	CEO	COO/RB/MC	Chief & Council	
3.1	CA Draft Approved for First Nations communities review	CEO	COO/RB/MC	Board of Directors	April 13, 2022
3.2	CA Sent to prospective Member First Nations for review	CEO	COO/RB/MC	C&C	April 14, 2022
3.3	Agreements Workshop	CEO	SMT/RB/MC	CEO	April 20, 2022
3.4	CA Review and Comment Period	CEO	SMT/RB/MC	CEO	June 30, 2022
3.5	CA Revision	RB	SMT/MC	CEO	July 22, 2022
3.6	Final CA Approved	CEO	SMT/MC/RB	Board of Directors	July 27, 2022

4.0	Land Access Permits Sent for Review	COO	RB/MC	CEO	April 20, 2022
4.1	Comments Received on Land Access Permits	COO	RB/MC	CEO	June 30, 2022
4.2	Permit Revision	COO	RB/MC	CEO	July 22, 2022
4.3	Final Permits Complete	COO	RB/MC	Board of Directors	July 27, 2022
5.0	Final BCR	CEO	COO	Chief & Council	
5.1	Membership Presentation(s) to Chief and Council	CEO	SMT	CEO	Summer/Fall, 2022
5.2	Membership BCR Approved [Effective Dates]	CEO	SMT	Chief & Council	December 1, 2022 and April 1, 2023
6.0	Implementation Committee Established	Mgr CS/Mgr Eng	SMT	CEO	December 1, 2022

2022-2023					
Stage 3: Capital Program Initiation					
Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date	
1.0	Predesign for HQ	Mgr Eng	Project Eng, Consultant	CEO	March 31, 2023
2.0	SCADA Masterplan				
2.1	SCADA Standards Development	Mgr Eng	Eramosa Engineering, Supt. Tech. Services	CEO	Oct 1, 2022
2.2	SCADA Pilot	Mgr Eng	Eramosa Engineering Project Eng. Supt. Tech Services	CEO	March 31, 2023

2022-2023					
Stage 4: Information Technology					

Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date
1.0 Servers Established	Mgr CS	IT Coord.	CEO	
1.1 Azure Services Acquired	Mgr CS		CEO	June 30 2022
2.0 One Drive Migration	Mgr CS	IT Coord.	CEO	September 30, 2022
3.0 Service Desk Establishment	Mgr CS	IT Coord.	CEO	September 30, 2022
4.0 Operator Computer/Cell Phone Roll Out – Hardware & Software deployment	Mgr CS	IT Coord.	CEO	November 30, 2022

2022-2023				
Stage 5: Finance/ Corporate Services				
Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date
1.0 Utility Accounting Framework	Mgr CS	Controller/IT	CEO	June 1, 2022
1.1 Implementation of New Accounting Software	Mgr CS	Controller/IT	CEO	September , 2022
2.0 Federal Budget Announcement				
2.1 Community Capital/ O&M Cash Flow Confirmation	Mgr CS	Mgr Eng/Mgr Ops	CEO	April 30, 2022
2.2 Support for Treasury Board Submission	Mgr CS	Mgr Eng/Mgr Ops	CEO	May 30, 2022
3.0 Procurement				
3.1 Recruit Procurement Coordinator	Mgr CS	HR/COO	CEO	June 30, 2022
3.2 Formalize New Procurement Processes	Mgr CS	PC	CEO	As required
3.2 Develop Procurement Portal on Website	Mgr CS	PC	CEO	March 31, 2023
3.3 Develop Vendor Lists – Parts suppliers, heavy equipment, consultants, etc.	Mgr Eng/Mgr Ops	Procurement Coordinator, Project Engineer, Supt. Operations	CEO	July 29, 2022
3.4 Develop Standard Construction Specifications and Drawings; GIS Standards	Mgr Eng	Project Engineer, AM Tech, Mgr Ops, Supt Ops, Ops Eng	CEO	July 29, 2022
4.0 Banking Services	Mgr CS	CEO/COO	CEO	
4.1 Complete RFP	Mgr CS	CEO	CEO	April 15, 2022

4.2	Develop Investment Policy	Mgr CS	CEO/COO	CEO	May 2022
4.3	Award Banking Services RFP	Mgr CS	CEO/COO	CEO	June 1, 2022
5.0	Interprovincial Payroll Planning	Mgr CS	CEO/COO	CEO	
5.1	WCB Registration	Mgr CS	HR	CEO	August 31, 2022
5.2	Pension Registration	Mgr CS	HR	CEO	August 31, 2022

2022-2023					
Stage 6: Oversight and Compliance					
Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date	
1.0	AFNWA Benchmark Regulations	Mgr. Ops	CWRS, Compliance Coord/Supt. of Ops/ Ops Eng/Mgr. Eng.	CEO	Dec 31, 2022
1.1	Materials Produced to Articulate Compliance Standards	Mgr. Ops	CWRS, Compliance Coord/Supt. of Ops/Ops Eng/Mgr. Eng.	CEO	Aug 2022
1.2	Develop Guidance Documents for Each System	Mgr. Ops	CWRS, Compliance Coordinator/Supt. of Ops/Ops Eng/Mgr. Eng.	CEO	Dec 2022
1.3	Development of Monitoring and Sampling Plans	Mgr. Ops	Compliance Coordinator/Supt. of Ops/Ops Eng/Mgr. Eng.	CEO	Sept 2022
1.4	Benchmark Regulations Complete	Mgr. Ops	Compliance Coordinator/Supt. of Ops/Ops Eng/Mgr. Eng.	CEO	December 1, 2022
2.0	Establishment of Interim Water Quality Oversight Agency				
3.0	Establishment of AFNWA Compliance Committee	Mgr. Ops	Mgr Eng/ Compliance	CEO	April 1, 2022

3.1	Establishment of FNIHB Water Quality Oversight Committee	Mgr. Ops	Coordinator/Supt. of Operations/Ops Eng. Mgr Eng/Compliance Coordinator/Supt. of Ops/Ops Engineer	CEO	June 1, 2022
3.2	Community Sampling Plan & Schedule Established	Mgr. Ops	Mgr Eng/Compliance Coord./Supt. of Ops/Ops Eng./CWRS	CEO	July 1, 2022
3.3	WSER Reporting Plan Established	Mgr. Ops	Mgr Eng/Compliance Coord./Supt. of Ops/Ops Eng./ECCC	CEO	July 1, 2022
4.0	Lead Assessment Pilot	Mgr. Eng.	Ops Eng./Project Engineer/Compliance Coord./Mgr Ops, CWRS	CEO	
4.1	Water Quality Assessment and Random Daytime Sampling	Mgr. Eng	CWRS/CC/Ops Eng/Supt. of Ops/Mgr. of Ops	CEO	July 2022
4.2	Follow-up Profile Sampling and Colloidal Characterization	Mgr. Eng	CWRS/CC/Ops Eng/Supt. of Ops/Mgr. Ops	CEO	Oct 2022
4.3	Laboratory Testing of Corrosion Control Treatment Strategies	Mgr. Eng	CWRS/CC/Ops Eng/Supt. of Ops/Mgr. Ops	CEO	Nov 2022
4.4	Recommendations and Guidance	Mgr. Eng	CWRS/CC/Ops Eng/Supt. of Ops/Mgr. Ops	CEO	Dec 2022
4.5	Final Report	Mgr. Eng	CWRS/CC/Ops Eng./Supt. of Ops/Mgr. Ops	CEO	Jan 2023
5.0	Private Well and Septic System Assessment	Mgr Eng	Consultant/CC/Ops Eng/Supt. of Ops/Mgr. Ops/Project Engineer	CEO	

5.1	Complete RFP	Mgr Eng	Consultant/CC/Ops Eng./Supt. of Ops/Mgr. Ops/Project Engineer	CEO	April 22, 2022
5.2	Award Consultant Contract	Mgr Eng	Consultant/CC/Ops Eng./Supt. of Ops/Project Engineer	CEO	May 25, 2022
5.3	Final Report	Mgr Eng	Consultant/CC/Ops Eng/Project Engineer/Mgr. Ops	CEO	December 1, 2022
6.0	Establish Economic Oversight				
6.1	Support Framework Development	Mgr CS	CEO/COO/RB	FMB	March 31, 2023
7.0	Participation in AFN Joint Working Group on SDWFNA	COO	SMT	CEO	

2022-2023					
Stage 7: Operational Initiation					
Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date	
1.0	License & Service Transfer				
1.1	CCTV & Alarm Monitoring	Mgr Ops	Supt. TS/ Supt. Ops	CEO	As per SCADA plan
1.2	SCADA	Mgr Ops	Supt. TS/ Supt. Ops	CEO	As per SCADA plan
1.3	Utilities [Power, Water & Wastewater]	Mgr Ops	Supt TS/ Supt. Ops	CEO	As communities onboard
1.4	Internet	Mgr Ops	Supt. TS/ Supt. Ops	CEO	As communities onboard
1.5	Radio [UHF, VHF]	Mgr. Ops	Supt. TS		As communities onboard
2.0	Hardware Purchase/ Transfer				
2.1	Hardware Survey (What belongs to water and wastewater operations and comes to the AFNWA)	Mgr Ops	Supt. Ts/ SSupt. Ops	CEO	Sept 2022
2.2	Tool Purchase	Mgr Ops	S TC/ SI Ops	CEO	ongoing

2.3	Fleet Purchase	Mgr. Ops	Mgr CS/PC/Supt. Ops	CEO/Board of Directors	November 2022 and as communities onboard
2.4	Laptop Purchase	Mgr CS	IT/Mgr Ops	CEO	October 31 2022
2.5	Safety Equipment Purchase (PPE, Trench Box, Tripod w Harness)	Mgr Ops	Supt. TS/ Supt. Ops/Safety Co-ord	CEO	Ongoing
2.6	Emergency Power Source Purchase (Generator w trailer)	Mgr Ops	Supt. TS/ Supt. Ops	CEO	Sept 2022
3.0	Contract Initiation			CEO	
3.1	Snow Removal	Mgr Ops	Mgr CS	CEO	To be negotiated as members onboard
3.2	Landscaping	Mgr Ops	Mgr Cs	CEO	To be negotiated as members onboard
3.3	Hub Office Lease	Mgr Ops	Mgr CS	CEO	Ongoing
3.4	Chemicals Supplier	Mgr Ops	Mgr CS	CEO	Ongoing
3.5	Biosolids Removal	Mgr Ops	Mgr CS	CEO	Ongoing
3.6	Insurance – CGL, Environmental, Fleet, etc.	Mgr CS	Mgr Ops	CEO	Ongoing
3.7	Water Quality Testing	Mgr Ops	Mgr CS	CEO	Ongoing
4.0	O&M Program Initiation				
4.1	Water Loss Control Program Development	Mgr Ops	Supt. TC/ Supt. Ops/Consultant	CEO	Ongoing
4.2	Inflow and Infiltration Program Development	Mgr Ops	Supt. TC/ Supt. Ops/Consultant	CEO	Ongoing
4.3	Emergency Response Plan Development	Mgr Ops	EC/ Supt. TC/ Supt. Ops/S&S Coord.	CEO	Sept 2022
4.4	Incident Command System Training	Mgr Ops	EC/ Supt. TC/ Supt. Ops	CEO	Sept 2022
5.0	Operator Training and Development				
5.1	Development of Individual Training Plans	Mgr Ops	Supt. Ops/HR	CEO	Ongoing with all willing operators
5.2	Operator Employment Offers Sent	Mgr. Ops	/Supt. Ops/HR	CEO	As Req'd

6.0	Supervisor Recruitment	Mgr Ops	Supt. Ops/HR	CEO	Dec 31, 2022
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Item #4  
AFNWA Board  
January 25, 2023

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

**SUBMITTED BY:** Original Signed by  
Chief Terry Paul, Chair of the Audit and Finance Committee

**APPROVED:** Original Signed by  
Carl Yates, interim CEO

**DATE:** January 18, 2023

**SUBJECT:** Quarter 3 Report

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### **ORIGIN**

Governance Manual approved November 6, 2020. Approval of the 2022-2023 AFNWA Budget on February 10, 2022, updated March 30, 2022 and November 30, 2022.

### **RECOMMENDATION**

It is recommended that the AFNWA Board approve third quarter results, in its substantive form attached.

It is recommended that the AFNWA Board acknowledge report on investment status and strategy.

### **BACKGROUND**

The governance manual specifies that the responsibility for review and recommendation of the quarterly financial statements is delegated to the Audit and Finance Committee, with final approval from the Board.

The F22/23 budget was developed in two segments; April 1, 2022 to November 30, 2022 was funded by the Transitional Funding Agreement while December 1, 2022 to March 31, 2023 would be supported by the Ten-Year Funding Agreement.

The investment policy specifies that a quarterly update detailing current and forecasted investments, together with anticipated interest revenue must be included with regularly quarterly financial updates to the Audit and Finance Committee.

## **DISCUSSION**

### Transitional Budget *(April 1 to Nov 30, 2022)*

AFNWA has completed the first 8 months of the year under the transitional funding agreement (8 months ending November 30, 2022) under budget by approximately \$2.5 million. A detailed statement is attached as Appendix A. The material differences are summarized as follows:

- Payroll, under budget by approx. \$589k which is due mainly to accruals/provisions that were factored into the transitional funding agreement:
  - o Interim position salaries. AFNWA staff includes an interim COO and his position is not part of the Ten-Year Funding Agreement budget. The position was developed and maintained to assist with transition implementation and therefore the budget for salary was built into the transitional budget. A total of approx. \$250k is available which is more than adequate to cover the salary for the next 16 months.
  - o A budget of 10% of Community Operator salaries was built into the transitional funding budget, essentially as an advance on O&M funds for onboarding Communities. This equates to a total of approx. \$220k.
- Contracts under budget by approx. \$660k, a reflection of ongoing legal contracts for discussions, feedback, and revisions as submitted by communities. Several other contracts have been initiated which will assist our work with developing emergency management plans, safety program and procedures, key performance indicators, as well as managing the overall transition.
- General and Administrative Expenses under budget by approximately \$170,000, mainly due to underbudget items such as technology services, utilities, and professional development.
- Office expenses underbudget by approximately \$220,000 which is due mainly to timing given that several of our licenses have not yet been purchased (SCADA, Radio, etc).
- The most material contributor, underbudget by nearly \$729,000, is our capital purchases. This is merely a timing difference in that the equipment is being ordered but had not yet arrived by the end of December. IE: technical services equipment and SCADA pilot work.

As noted in our second quarter results report, we anticipated being under budget throughout most of this 8-month transitional period. This is primarily due to the inclusion of funds required to onboard communities in anticipation of a possible

delay of funds associated with the long-term funding agreement. We have confirmation that these funds can continue to be spent to assist AFNWA with transition and no carry-forward request is necessary to continue accessing these funds for the entirety of this Fiscal Year.

#### December 1, 2022 to March 31, 2023 Financial Forecast

A total of approximately \$1.2 million was budgeted for the final 4 months of the Fiscal Year, as detailed in Appendix B.

The table presented in Appendix B compares December 2022 actual expenses to the total budget for 4 months. A total expenditure of \$500k for the month of December would imply a material overbudget amount for the 4 months ending March 31, 2023. However, we note the following:

- Some items, such as contract services is accommodated for in the transitional funding agreement, as noted above.
- The category of Utilities & Admin services includes telecommunication, office supplies and furniture, and insurance premiums. All of these items had large expenses associated with transitioning to full operations (ordering laptops and associated software licenses, ordering cellphones, and increasing insurance coverage, etc.). We anticipate that this will still be overbudget but will be balanced over time by a reallocation of expense items to community budgets for items such as insurance premiums and technology services.

The combination of funds available to carryover from the transitional agreement and the new funds expected with the activation of the Ten-Year funding agreement will be adequate to cover fourth quarter expenditures.

#### Investment Update

AFNWA has contacted the Bank to open investment accounts and is anticipating signatures from a Board Executive today in order to move forward.

AFNWA anticipates receipt of funds, as follows:

- Ten-Year Funding Agreement, Year 1 funds, totalling approx. \$20 million, in early March 2023.
- Amendment 12 Funds totaling \$13.5 million in early March 2023.

The vast majority of the \$33 million advanced pertains to projects that are spread among the next 4-5 years of projects. These funds will be split between the following 2 accounts:

- Guaranteed Investment Certificates

- AFNWA Operating account

**BUDGET AND FINANCIAL IMPLICATIONS**

The budgets presented above were prepared using 2021 dollars. The budget was eligible for a CPI increase and AFNWA has submitted a request that includes a reimbursement for two Asset Management Plans as well as CPI Increase – all items that were not identified in this budget, for a total of approx. \$275,000.

All other Budget and Financial Implications are discussed above.

**ALTERNATIVES**

None to be discussed.

**ATTACHMENTS**

Appendix A: April 1, 2022 to November 30, 2022 Results  
Appendix B: December 2022 Results

Report Prepared By                      Original Signed By  
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Financial Reviewed By:                Original Signed By  
Carl Yates, M.A.Sc., P.Eng., interim CEO, (782) 414-6628

**Item # 4**  
**AFNWA Board**  
**January 25, 2023**

**APPENDIX A: April 1, 2022 to November 30, 2022**

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	Over/(Under)
	Q1	Q2	Oct-Nov	YTD Nov	YTD Nov	Budget
<b>Payroll</b>	520,356	494,741	360,978	1,376,075	1,964,975	- 588,900
<b>Contracts</b>	234,759	258,023	97,942	590,724	1,253,312	- 662,588
<b>Meeting &amp; Travel Expense</b>	59,143	52,942	107,778	219,863	220,431	- 568
<b>Board Compensation</b>	29,250	20,250	-	49,500	150,000	- 100,500
<b>General &amp; Administrative Expenses</b>						
Accounting & Legal	7,638	6,632	18,613	32,883	25,000	7,883
Advertising & Promotions	41,976	25,057	5,184	72,217	107,521	- 35,304
Amortization Expense	10,500	10,500	10,500	31,500	-	31,500
Bank and services charges	955	5,682	4,148	10,785	4,000	6,785
Chemicals	-	-	-	-	6,958	- 6,958
Insurance	8,870	13,763	5,318	27,951	61,605	- 33,654
Professional Development	10,774	20,052	14,683	45,509	120,532	- 75,023
Rent	46,333	46,333	30,889	123,555	123,560	- 5
Safety & PPE Supplies	5,636	3,196	-	8,832	10,477	- 1,645
Technology Services / Software	14,235	10,823	9,483	34,541	58,034	- 23,493
Telephone & communications	5,471	5,761	5,604	16,836	26,370	- 9,534
Utilities	7,881	3,074	2,973	13,928	45,132	- 31,204
<b>Total General &amp; Admin</b>	<b>160,269</b>	<b>150,873</b>	<b>107,395</b>	<b>418,537</b>	<b>589,189</b>	<b>- 170,652</b>
<b>Office Expenses</b>						
Business Fees & Licenses	4,853	708	2,000	7,561	217,500	- 209,939
Repair & Maintenance	9,871	14,437	29,177	53,485	62,500	- 9,015
Fleet Costs	-	-	-	-	-	-
Office Supplies/Expense	7,835	8,700	4,907	21,442	23,667	- 2,225
<b>Total Office Expenses</b>	<b>22,559</b>	<b>23,845</b>	<b>36,084</b>	<b>82,488</b>	<b>303,667</b>	<b>- 221,179</b>
<b>TOTAL EXPENSE</b>	<b>1,026,336</b>	<b>1,000,674</b>	<b>710,177</b>	<b>2,737,187</b>	<b>4,481,574</b>	<b>- 1,744,387</b>
<b>Fixed Asset Purchases</b>						
Office Equipment & Furniture	729	19,665	729	172,708	342,420	- 169,712
Capital Projects	-	-	-	-	511,000	- 511,000
Land Lease	-	-	-	-	16,667	- 16,667
Fleet Payments	-	11,964	-	62,664	94,333	- 31,669
<b>Total Fixed Asset Purchases</b>	<b>729</b>	<b>31,629</b>	<b>729</b>	<b>235,372</b>	<b>964,420</b>	<b>- 729,048</b>
<b>TOTAL FUNDING USED</b>	<b>1,027,065</b>	<b>1,032,303</b>	<b>710,906</b>	<b>2,972,559</b>	<b>5,445,994</b>	<b>- 2,473,435</b>

APPENDIX B: December 1, 2022 to March 31, 2023

	ACTUAL DEC 2022	BUDGET 4 MONTHS
<b>OPERATING EXPENSES</b>		
SALARIES & BENEFITS	279,272	805,148
PROFESSIONAL DEVELOPMENT	18,507	54,289
TRAVEL	24,625	101,897
CONTRACT SERVICES	57,200	3,000
UTILITIES & ADMINISTRATIVE SERVICES	25,493	41,164
PROFESSIONAL SERVICES	15,552	5,000
COMMUNITY OUTREACH	5,797	-
INFORMATION SERVICES	3,575	3,296
FLEET COSTS	23,701	41,667
CHEMICALS	-	-
OTHER PROFESSIONAL SERVICES	17,947	88,780
BOARD COMPENSATION	25,750	75,000
<b>TOTAL OPERATING EXPENSES</b>	<b>497,419</b>	<b>1,219,241</b>