



May 25, 2023

Chief Wilbert Marshall, Chair

The special meeting of the AFNWA Board will be held on Wednesday May 31st, 2023, at 9:30 AM via Zoom.

AGENDA

In Camera Reports

1C Approval of Minutes of the In-Camera Meeting held on 26 April 2023.

2C Business Arising from Minutes

3C Fleet Purchase – Crane Truck

Motion: That the AFNWA Board approve the recommendation as outlined in the confidential report dated May 25, 2023,

4C Sole Source CBCL- Eskasoni WWTP Pre-Design

Motion: That the AFNWA Board approve the recommendation as outlined in the confidential report dated May 25, 2023,

5C Risk Register Update

Motion: That the AFNWA Board approve the recommendation as outlined in the confidential report dated May 25, 2023,

6C *Sole Source - Materials Acquisition for Eskasoni Emergency Response*

Motion: That the AFNWA Board approve the recommendation as outlined in the confidential report dated May 25, 2023,

7C Review of CEO's 2022-2023 Goals and Objectives- *Report to follow*

Motion: That the AFNWA Board approve the recommendation as outlined in the confidential report dated May 25, 2023,

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 Meeting held on 26 April 2023.

3. Business Arising from Minutes

4. Fourth Quarter (Q4) Financial Results with Investment Update

Motion: That the AFNWA Board approve the Q4 Financial Results in its substantive form attached.

5. First Nations Financial Management Board (FMB) Framework - *Report to follow*

Motion: That the AFNWA Board approve the FMB Framework in its substantive form attached

Original signed by _____
James MacKinnon
Board Secretary



**Atlantic First Nations Water Authority
MINUTES**

26 April 2023

PRESENT:

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

REGRETS:

Chief Andrea Paul, Director
Chief Darlene Bernard, Director
Chief Wilbert Marshall, Chair

STAFF:

Carl Yates, interim CEO
James MacKinnon, interim COO / Board Secretary
Chantal LeBlanc, Manager of Corporate Services/ CFO
John Lam, Manager of Engineering
Rayleen MacDonald, Administrative Assistant/ Recording
Secretary

TABLE OF CONTENTS

CALL TO ORDER3

1.a) RATIFICATION OF IN-CAMERA MOTIONS.....3

1.b) APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF
ADDITIONS AND DELETIONS3

2. APPROVAL OF MINUTES – 29 MARCH 2023.....3

3. BUSINESS ARISING FROM MINUTES.....3

4. CORPORATE BALANCE SCORECARD3

5. HARASSMENT POLICY4

6. NEXT MEETING DATE4

CALL TO ORDER

Carl Yates, upon direction from the Vice Chair, called the regular meeting to order at 9:50 AM via the Zoom virtual platform. The Board moved In Camera at 9:55 AM and the regular meeting reconvened at 10:36 AM

1.a) RATIFICATION OF IN-CAMERA MOTIONS

Due to time constraints/ lack of quorum for this particular item, this was unable to be moved at this time

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

MOVED BY Regional Chief Joanna Bernard, SECONDED BY Chief Aaron Sock that the AFNWA Board approve the Order of Business and the Agenda as presented.

MOTION PUT AND PASSED

2. APPROVAL OF MINUTES – 29 MARCH 2023

MOVED BY Todd Hoskin , SECONDED BY Regional Chief Joanna Bernard that the AFNWA Board approve the 29 March 2023 Board Meeting Minutes.

MOTION PUT AND PASSED.

3. BUSINESS ARISING FROM MINUTES**(a) Transition Implementation Plan (TIP) Update**

James MacKinnon presented the last TIP 2.0 Update as we are now officially out transition and into full operations.

4. CORPORATE BALANCE SCORECARD

The utilization of a corporate balanced scorecard [CBS] to measure organizational performance is considered a best practice. It was introduced to organizations in the early 90's in recognition that the sustainability of organizations required balance across a wide spectrum of social, economic, and environmental outcomes. As part of the compensation policy approved by the Board on July 29, 2023 it was recognized that incentives tied to the outcomes of a CBS would ensure that employees are focused on strategic goals and the success of AFNWA. Operational budgets contained in the Ten-Year Business Plan

approved on July 10, 2023 included a financial incentive of up to \$1,000 for each employee tied to CBS outcomes. The utilization of a CBS is founded on two main principles; measure what is important to the mission and incent employees to achieve excellence.

In addition to being a best practice, the First Nations Financial Management Board [FNFMB] has been directed by Indigenous Service Canada to include a review of key performance indicators [KPIs] to ensure AFNWA can demonstrate social, financial and environmental stewardship. AFNWA staff are working closely with FNFMB and ISC staff to ensure a meaningful and practical approach is followed.

A water and wastewater utility is ideally suited to embrace the themes of a corporate balanced scorecard [CBS] as its success is closely aligned with social, economic and environmental outcomes. In an effort to educate and inform employees of its merit, several presentations and workshops were held to ensure understanding and solicit ideas to develop critical success factors [CSFs] and key performance indicators [KPIs] that are the foundation of a CBS. During employee workshops, critical success factors that support the mission of AFNWA were developed and include:

- Clean Drinking Water**
- Safe Wastewater**
- Financial Stewardship**
- Service Excellence**
- Operational Excellence**
- Engaged Employees**
- Safety Excellence**

With the CSFs developed, employees brainstormed to identify a range of key performance indicators under each CSF for consideration. In total, over 75 KPIs were considered with the goal to include 24 to 30 in the final framework. The report attached outlines the individual CSF and KPIs for the Board's consideration.

It is recognized that it will take 1 to 2 years to capture data for the KPIs before targets can be established. For some KPIs, data will be available during our first year of operation whereas others will need employee training and investments. Examples where we can get information in one year would be compliance to drinking water and wastewater regulations, and lost time accidents. Data tied to water loss control and inflow and infiltration reduction programs will require a capital investment in meters to measure flow [design underway] with training and consultant support to develop sustainable programs [RFP to be issued in Spring/Summer 2023 to select a consultant to support corporate efforts].

Once we have established data for a majority of KPIs, staff will develop an incentive program for the Board's endorsement. It is the objective that targets will be developed for each KPI for implementation in the 2024/25 fiscal year with an employee incentive program tied to outcomes.

With the framework established, staff are requesting approval to implement the corporate balanced scorecard during the 2023/24 fiscal year such that targets can be developed for 2024/25. .

MOVED BY Regional Chief Paul Prosper , SECONDED BY Todd Hoskin that the AFNWA Board approve the corporate balanced scorecard to measure organizational performance in the substantive form outlined in the staff report.

MOTION PUT AND PASSED.

5. HARRASSMENT POLICY

The purpose of the attached draft policy is to:

- Provide a work environment which promotes respect, dignity, and freedom from all forms of offensive, harmful or violent behaviour;
- Educate employees and create understanding as to what is considered respectful, and by contrast, offensive, behaviours; and
- Provide a procedure which assists in preventing/limiting offensive behaviour and which provides support for employees where they are impacted by offensive behaviour.

The draft policy also addresses the required items described above by:

- Providing a clear policy statement and purpose
- Clearly describing the rights and duties of employees, contractors and members of the public who interact with the AFNWA.
- Describing the accountabilities for:
 - CEO, Personnel Committee, Managers and Employees
- Providing a comprehensive set of definitions
- Outlining a set of procedures to address offensive behaviour.
- Describing the training to be provided
- Providing a statement on confidentiality
- Providing a list of emergency procedures

MOVED BY Todd Hoskin , SECONDED BY Regional Chief Paul Prosper that AFNWA Board , approve the AFNWA Workplace Violence and Harassment Policy in the substantive form attached and amend the Human Resource Policy to remove Article 37: Respectful Workplace Procedures

MOTION PUT AND PASSED.

6. NEXT MEETING DATE

The next regular Board meeting will take place on May 31 , 2023 via Zoom.

The meeting was adjourned at 10:38AM

James MacKinnon
Board Secretary

Chief Wilbert Marshall
Chair



Item #4
AFNWA Board
May 31, 2023

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

SUBMITTED BY: **Original Signed by**
Todd Hoskin, of AFNWA Audit and Finance Committee

DATE: **May 25, 2023**

SUBJECT: **Quarter 4 Report**

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 the report on fourth quarter results, in its substantive form attached.

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 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

Unaudited fourth quarter results present total operating expenses for F22/23 of \$5.2 million which reflects an amount under budget by approximately \$600,000. The material differences are summarized as follows:

- Payroll, under budget by approx. \$311k 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 - the 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 at an amount of \$180k covering a 16-month period (Dec 1, 2022-March 31 2024).
 - 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 for F22/23.
- Professional Services were under budget by approx. \$136k. Professional Services includes legal contracts which are ongoing as AFNWA continues to onboard communities.
- Fleet Services were under budget by approximately \$50k which was mainly due to a timing difference with the supply chain delays in receiving trucks later than anticipated.
- Board Compensation was under budget by approximately \$120k as a result of continuing to host Board Meetings virtually and the cost savings associated with decreased travel.

Total Capital Expenses were over budget by approximately \$60k which reflects the purchase of tools, equipment, and safety gear. The SCADA pilot projects with Lennox Island and Pictou Landing were delayed, largely as a result of supply chain issues for SCADA hardware, as well as the design work being undertaken which will run into Summer 2023. While the funds are committed to the SCADA project, the funds have not yet been spent and therefore, management expedited equipment purchases to maintain project schedules and remain within budget on capital items. We note that these capital purchases were supported by the transitional funding agreement and thus, subject to reprofiling if it was not used in the fiscal year. The reallocation of funds to the equipment purchases was discussed with ISC previous to financial commitments being made.

We note that the Source of Funds is more than the Budgeted Use of Funds. The material differences in anticipated Source of Funds are as follows:

- Budget figures are presented in 2021 dollars. A CPI adjustment was approved, only for the transitional funds that were advanced in F22/23 (IE: the carryover funds from the year prior were ineligible for CPI increase).

- Funds were advanced from ISC to cover an Asset Management Plan for We'koqma'q which was delayed and is just now getting started.
- FNIHB approved funding for equipment including a correlator, gas detectors, a vacuum/pressure trailer and refrigerators. These items were not captured in the ISC request for funds but were identified as being helpful in protecting public health and therefore supported by FNIHB funding.

Investment Update

AFNWA received funds from ISC in March 2023, in line with expectations as captured in the Q3 update. This transfer of funds lead to a deposit balance of approx. \$33 million. \$20 million was deposited to investment accounts on March 31 2023, as follows:

- \$12 million, 1-year fixed GIC at 5.85%
- \$8 million, 6-month fixed GIC at 5.55%

We note that the remaining funds are in the AFNWA deposit account which carries an interest rate of 5.45% (BoC Overnight Rate + 95bps).

BUDGET AND FINANCIAL IMPLICATIONS

All Budget and Financial Implications are discussed above.

ALTERNATIVES

None to be discussed.

ATTACHMENTS

Q4 YTD Financial Results

Report Prepared By

Original Signed By

Chantal LeBlanc, Manager of Corporate Services & CFO,
(902) 877-3813

Financial Reviewed By:

Original Signed By

Carl Yates, M.A.Sc., P.Eng., interim CEO, (782) 414-6628

Item # 4
 AFNWA Board
 May 31, 2023

	ACTUAL FYE	BUDGET FYE
OPERATING EXPENSES		
SALARIES & BENEFITS	2,469,231	2,780,600
PROFESSIONAL DEVELOPMENT	160,857	174,820
TRAVEL	312,074	322,327
CONTRACT SERVICES	348,152	365,471
UTILITIES & ADMINISTRATIVE SERVICES	265,329	227,105
PROFESSIONAL SERVICES	1,001,847	1,138,341
COMMUNITY OUTREACH	120,150	107,521
INFORMATION SERVICES	53,852	61,330
FLEET COSTS	85,144	136,000
CHEMICALS	3,118	6,958
OTHER PROFESSIONAL SERVICES	282,338	266,340
BOARD COMPENSATION	105,500	225,000
TOTAL OPERATING EXPENSES	5,207,592	5,811,813
CAPITAL EXPENSES		
CAPITAL PROGRAMS	1,015,711	476,020
CAPITAL PROJECTS	30,000	511,000
TOTAL CAPITAL EXPENSES	1,045,711	987,020
Total Use of Funds	6,253,303	6,798,833
Source of Funds		
ISC - Carryforward from F21/22	1,552,950	
ISC - Transition (Amendment 10)	3,893,044	
ISC - CPI Adjustments & AMP Reimbursements	348,771	
ISC - 10Y FA	1,219,240	
FNIHB	133,600	
TOTAL FUNDS TRANSFERRED (F22/23 BUDGET)	7,147,605	
Request to Carryover	894,302	