



August 30, 2023

Chief Wilbert Marshall, Chair

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

AGENDA

In Camera Reports

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

2C Business Arising from Minutes

3C Financial Statements

Motion: That the AFNWA Board approve the recommendation as outlined in the confidential report dated August 25, 2023 (Under review pending meeting with Grant Thorton on August 28, 2023)

4C Elsipogtog Lift Station Construction Administration – *Report to follow*

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

5C Material O&M Contract Disclosures

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

6C Review of CEO's 2023-2024 Goals and Objectives- *Report to follow*

Motion: That the AFNWA Board approve the recommendation as outlined in the confidential report dated August 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 July 2023.

3. Business Arising from Minutes

4. Business Plan Edit: Service Connections in Developed Areas - *Report to follow*

Motion: That the AFNWA Board approve to edit the AFNWA 10-Year Business Plan to include service lateral tie-ins and hook-ups.

5. First Quarter Financial Results

Motion: That the AFNWA Board approve the First Quarter Financial Results in the substantive form attached.

Information Reports

1-I AFNWA Annual General Meeting

Original signed by

James MacKinnon

Board Secretary



**Atlantic First Nations Water Authority
MINUTES
26 July 2023**

PRESENT:

Chief Wilbert Marshall, Chair
Chief Ross Perley, Vice Chair
Interim National Chief Joanna Bernard
Todd Hoskin, Director
Chief Aaron Sock, Director
Chief Terry Paul, Director
Chief Darlene Bernard, Director
Shelley Denny, Director
Methilda Knockwood-Snache, Chair of Elders
Advisory Lodge

REGRETS:

Chief Andrea Paul, Director
Chief Leroy Denny, Director

STAFF:

Susheel Arora, interim CEO
James MacKinnon, Director of Engagement and
Government Relations / Board Secretary
Chantal LeBlanc, Director of Corporate Services/ CFO
John Lam, Director of Engineering
Adam Gould, Manager of Communications and Outreach
Rayleen MacDonald, Administrative Assistant/ Recording
Secretary

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CALL TO ORDER

James MacKinnon, upon direction from the Chair, called the regular meeting to order at 9:10 AM via the Zoom virtual platform. The Board moved In Camera at 10:38 AM

1. RATIFICATION OF IN-CAMERA MOTIONS

MOVED BY Regional Chief Terry Paul, SECONDED interim National Chief Joanna Bernard that the AFNWA Board ratify the In-Camera motions of the July 26, 2023 meeting.

MOTION PUT AND PASSED**2. APPROVAL OF MINUTES – 26 June 2023**

MOVED BY Tood Hoskin, SECONDED BY Wilbert Marshall that the AFNWA Board approve the Order of Business and the Agenda as presented.

Abstention from Chief Terry Paul

MOTION PUT AND PASSED**3. BUSINESS ARISING FROM MINUTES**

N/A

4. FIT FOR DUTY POLICY

The Fit for Duty Policy has been drafted to address drug or alcohol use for all employees. Specifically, the policy dictates that:

- Drug or Alcohol use is a danger to the employee and colleagues around them and as such, is not permitted while on duty or while on standby.
- Responsibility to report self or colleagues for any breach in the Fit for Duty Policy, including any charges or convictions for driving while under the influence.
- A definition for Reasonable Grounds is provided which would allow AFNWA to request that an employee submit to a drug and alcohol test and/or permit a search of AFNWA property, together with procedures should the test come back positive or should the employee refuse to submit.
- Tolerable limits while on duty are clearly defined.
- AFNWA shall have resources available and associated responsibilities of the supervisor/HR department to support employees with substance abuse problems

both during the identification process, as well as during and after care through Return-to-Work procedures.

- The sale of drugs or alcohol while on duty or using AFNWA property (buildings or trucks) is not permitted.

In short, adherence to the policy is a condition of employment, and it provides AFNWA with permission to search, test, and discipline employees who are willfully ignoring their safety and the safety of our colleagues and communities.

We note that this policy was adapted from an existing policy of Halifax Water. AFNWA Management intends to send this policy to the Elder's Advisory Lodge to review and revise for cultural appropriateness and relevancy, noting that specifically with regards to support services and aftercare/return to work procedures, AFNWA may be able to go beyond what is available in this draft policy. However, in the interest of the safety of all AFNWA staff and communities, management recommends putting this policy into full force and effect immediately.

Interim National Chief Joanna Bernard mentioned the AFN is reviewing recommendations for improving their policies on bullying and harassment and offered send those recommendations over to the AFNWA. ACTION: AFNWA Staff to connect with interim National Chief Joanna Bernard's office to receive those recommendations.

National Chief Joanna Bernard also noted drinking and driving was mentioned in the new policy. National Chief noted its importance in the policy for awareness, but mentioned it is was the law that one cannot drink and drive and how it becomes part of a policy. Chantal Leblanc mentioned it gives us rights as an employer to take disciplinary action, particularly if an employee needs to drive vehicles to complete their tasks. Also, the policy helps ensure the safety of staff that uses heavy equipment in the communities.

MOVED BY interim National Chief Joanna Bernard, SECONDED BY Chief Darlene Bernard that the AFNWA Board approve the Fit for Duty Policy in the substantive form attached.

MOTION PUT AND PASSED.

Chief Wilbert Marshall asked about getting more consistent prices for lawn care. Chantal Leblanc offered to have a conversation with Chief Wilbert Marshall about as a whole and progress in Potlotek, specifically, noting that we need to ensure contractors have the specialized equipment for the jobs.

5. HUMAN RESOURCE POLICY AMENDMENT

At this time, we recommend extending a similar allowance for paid time off for employees who are the legal guardian for a child who has just been born or welcomed into the AFNWA employee's home. Events for welcoming a child into the home will be considered on a case-by-case basis, to be determined by the Director of Corporate Services in consultation with the Personnel Committee. Other cases could include: the adoption of a

child, the welcoming home of a child from some other legal guardianship arrangement, the birth of a grandchild who is dependent on the AFNWA employee, etc.

MOVED BY Chief Aaron Sock, SECONDED BY Chief Ross Perley that the AFNWA Board approve the amendments to the Human Resource Policy to include paid time off for the welcoming of a child.

MOTION PUT AND PASSED.

6. CLOSING

The AFNWA Board adjourned the regular meeting at 10:58.

MOVED BY Chief Darlene Bernard, SECONDED BY Todd Hoskin that the AFNWA Board close the meeting.

MOTION PUT AND PASSED.

James MacKinnon
Board Secretary

Chief Wilbert Marshall
Chair



ITEM # 4
AFNWA Board
August 30, 2023
In Camera

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

SUBMITTED BY: _____
John Lam, P.Eng., Manager of Engineering

APPROVED: _____
Susheel Arora, M.A.Sc., P.Eng., Chief Executive Officer

DATE: **August 25, 2023**

SUBJECT: **SERVICE CONNECTIONS IN DEVELOPED AREAS**

PRIVATE AND CONFIDENTIAL

ORIGIN

AFNWA 10-Year Business Plan approved at the board meeting on February 10, 2022.

RECOMMENDATION

It is recommended that the Board approve AFNWA funding for the installation of water and wastewater service laterals for new or replacement residential or community buildings in developed areas that are not supported by ISC, effective April 1, 2023.

BACKGROUND

ISC funds growth projects in the communities including buildings, roads, water and wastewater systems, and service laterals for these buildings. The funding, at times, does not apply to service connections for developed areas for new or replacement buildings where service laterals are not available. For instance,

CMHC does not fund service lateral connections through the section 95 housing subsidy.

DISCUSSION

AFNWA is responsible for water and wastewater infrastructure up to the foundation wall. See attached graphic showing the limit of AFNWA responsibility for water and wastewater services.

Since ISC does not fund installation of water and wastewater services for all new homes, communities have historically used a combination of funds from the operating and maintenance budget of water/wastewater services and/or own-source revenue to fund the service connections associated with projects not directly funded by ISC. AFNWA is recommending that these unsupported costs should be funded from the 10-year budget. This recommendation is based on the following:

- AFNWA is permitted to include water/wastewater related costs in the 10-year funds, so long as we define the activity in our Business Plan.
- Funding the service connections will give AFNWA a higher level of control and visibility to the service connections. Through a permit system, AFNWA will receive applications to connect to the system and therefore be able to assess system capacity for the new connections. Given the direct relationship between AFNWA and the contractor that is installing the laterals, AFNWA would be able to assert that only approved materials and installation methods are employed which minimizes the risk for service interruption or system infiltration.

BUDGET IMPLICATIONS

While AFNWA staff did not specifically add in expected costs associated with service connections of this nature to the 10-year budget, there are line items to include trenching and excavation as well as reinstatement for estimated water/wastewater line breaks/repairs. Line breaks and valve repairs were estimated for the 10-year budget, based on research into utility averages per kilometer of laterals. The figures were added into the 10-year budget as an estimation with a small contingency built in. The new service connections would be funded through the same expense accounts as the line breaks given their similar nature of excavation and reinstatement. If the total funds fall short to cover the service connections and line breaks, AFNWA would have the opportunity to renegotiate the total funding for these expense items during the recalibration exercise in F26/27.

ALTERNATIVES

There are no alternatives for this work.

ATTACHMENT

AFNWA limit of responsibility

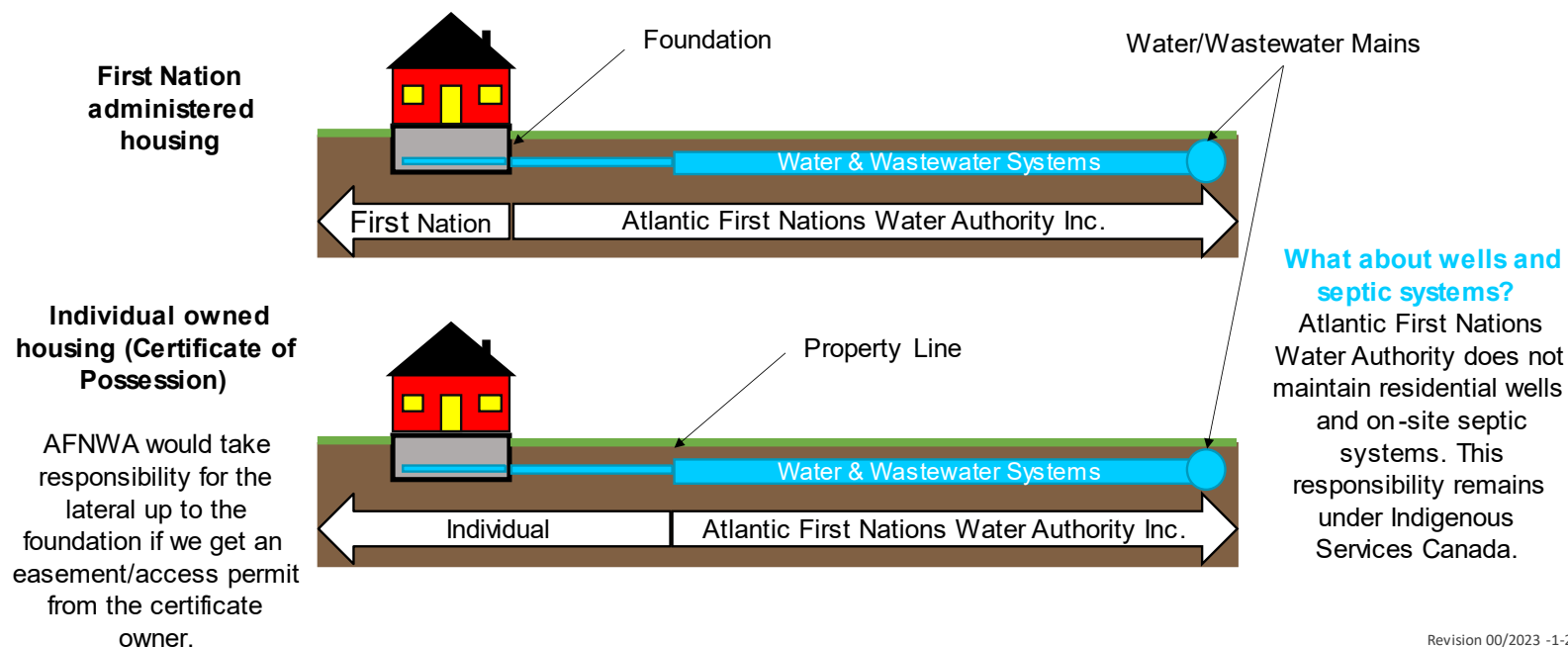
Report Prepared by:	<u>Original Signed By</u> John Lam, P.Eng., Manager of Engineering 902-603-0312
Financial Reviewed by:	<u>Original Signed By</u> Chantal Leblanc , CFO, 902-603-0312
Report Approved by:	<u>Original Signed By</u> Susheel Arora, CEO, 902-603-0312



ITEM # 4
AFNWA Board
August 30, 2023

In Camera

Water and Wastewater Maintenance Responsibilities



Revision 00/2023 -1-25 AD



Item #5
AFNWA Board
August 25, 2023

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

SUBMITTED BY: Original Signed by
Chantal LeBlanc, CFO

APPROVED: Original Signed by
Susheel Arora, M.A.Sc., P.Eng., Chief Executive Officer

DATE: August 25, 2023

SUBJECT: Quarter 1 Report

ORIGIN

Governance Manual approved November 6, 2020. Approval of the 2023-2024 AFNWA Budget on January 20, 2023.

RECOMMENDATION

It is recommended that the AFNWA Board approve the report on first 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

Overall, the AFNWA staff have managed budget items well through the first quarter of F23-24, being 1.6% under budget at the end of the quarter. We note that this budget represents the 10-Year Funding Agreement amounts only. All other buckets of funding are project-specific and will be reported when relevant.

AFNWA staff would like to highlight that there are a large number of invoices equating to approximately \$100,000 that were specifically dedicated to the emergency response in Elsipogtog for Lift Station overflows. The replacement of the Lift Stations was approved by ISC in 2020 and the assets are in a state of advanced deterioration. AFNWA is seeking approval from ISC to cover the costs associated with the emergency response through the Amendment 12 funding. If AFNWA staff is successful in this negotiation, the costs will be removed from the figures below.

Material variances are as follows:

- Professional Development under budget by approximately \$50,000. AFNWA staff are currently building out formal training plans for all employees, the Professional Development expenses will be mostly expended during third and fourth quarter.
- Contract Services overbudget by approximately \$77,000 is largely due to a contract with Dalhousie University which was supposed to have been invoiced in F22-23 for \$75,000 but invoices were not received until June 2023.
- Utilities & Admin overbudget by approximately \$120,000 is largely due to timing given that there was an upfront cost to equip all operators with small tools and equipment as well as perform routine maintenance throughout community equipment, grounds and buildings.
- Professional Services under budget by approximately \$100,000. This is largely due to a timing difference given that there is not yet an audit expense negotiated/recognized for this fiscal year, and all membership dues are generally invoiced in the Fall for the proceeding calendar year.
- Fleet Costs are overbudget by approximately \$15,000 which is influenced heavily by the initial deployment of all trucks and outfitting the trucks with appropriate equipment and branding. The total fleet costs should come closer to budget as the year progresses.

Investment Update

AFNWA received funds from ISC in March 2023, in line with expectations as captured in the Q3 - F22-23 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% (expires Sept 29)

We note that the remaining funds are in the AFNWA deposit account which carries an interest rate of 5.95% (BoC Overnight Rate + 95bps). Total Investment revenue at June 30, 2023 is approximately \$450,000.

Given the current international economic environment, most economists are predicting rate decreases in the near term. AFNWA staff will make consideration to reinvest a portion of the 6-month funds that are maturing on September 29th, dependent on applicable rates.

BUDGET AND FINANCIAL IMPLICATIONS

All Budget and Financial Implications are discussed above.

ALTERNATIVES

None to be discussed.

ATTACHMENTS

Q1 Financial Results

Report Prepared By Original Signed By
Chantal LeBlanc, Manager of Corporate Services & CFO,
(902) 877-3813

Financial Reviewed By: Original Signed By
Susheel Arora, M.A.Sc., P.Eng., CEO, (782) 414-6628

AFNWA F2023-2024 Q1 Report				
OPERATING EXPENSES	Q1 ACTUAL	Q1 BUDGET	FY BUDGET	Budget Under (Over)
SALARIES & BENEFITS	1,087,351	1,119,759	4,479,036	32,408
PROFESSIONAL DEVELOPMENT	58,704	108,770	435,080	50,066
TRAVEL	91,822	97,706	390,823	5,884
CONTRACT SERVICES	835,583	757,853	3,031,413	(77,730)
UTILITIES & ADMIN SERVICES	442,608	325,031	1,300,124	(117,577)
PROFESSIONAL SERVICES	45,656	143,333	573,330	97,677
COMMUNITY OUTREACH	27,145	29,402	117,609	2,257
INFORMATION SERVICES	29,881	20,716	82,864	(9,165)
FLEET COSTS	76,634	61,013	244,053	(15,621)
CHEMICALS	3,168	33,682	134,726	30,514
OTHER PROFESSIONAL SERVICES	63,030	73,531	294,122	10,501
BOARD COMPENSATION	25,557	62,118	248,470	36,561
TOTAL OPERATING EXPENSES	2,787,139	2,832,913	11,331,651	45,774