



October 7th ,2021

Chief Wilbert Marshall, Chair

The regular meeting of the AFNWA Board will be held Thursday 07 October 2021 via Zoom

In Camera Reports

- 1C Approval of Minutes of the In-Camera Meeting held on 28 July 2021.
- 2C Business Arising from Minutes
 - (a) AFNWA By-Laws

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 28 July 2021.
- 3. Business Arising from Minutes
 - a) Transition Implementation Plan Update (24 Sept 2021)
- 4. Code of Conduct and Conflict of Interest Policy

Motion: That the AFNWA Board approve Code of Conduct Policy in the substantive form attached

- 5. Privacy Policy

Motion: That the AFNWA Board approve the Privacy Policy in the substantive form attached

- 6. Whistleblower Policy

Motion: That the AFNWA Board approve the Whistleblower Policy in the substantive form attached

- 7. IT Policy

Motion: That the AFNWA Board approve the IT Policy in the substantive form attached

- 8. Covid Vaccination Policy

Motion: That the AFNWA Board approve the Covid Vaccination Policy in the substantive form attached

9. Amendment to AFNWA Financial Policies and Procedures Manual

Motion: That the AFNWA Board approve the amendment to the AFNWA Financial Policies and procedures Manual in its substantive form attached

10. 2020/21 Annual Report

Motion: That the AFNWA Board approve the 2020/21 Annual Report in the substantive form attached

11. Asset Management Policy

Motion: That the AFNWA Board approve Asset Management Policy in its substantive form attached

12. Fraud Policy

Motion: That the AFNWA Board approve the Fraud Policy in the substantive form attached

Information Reports

1-l Transition Implementation Plan Update (24 September 2021)

Original signed by _____

James MacKinnon
Board Secretary



**Atlantic First Nations Water Authority
MINUTES**

28 July 2021

PRESENT:

Chief Wilbert Marshall, Chair
Chief Ross Perley, Vice Chair
Chief Andrea Paul, Director
Chief Darlene Bernard, Director
Todd Hoskin, Director

REGRETS:

Chief Leroy Denny, Director
Chief Arren Sock, Director
Chief Terry Paul, Director
Chief Paul Prosper, Director
Chief Roger Augustine, 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 10:06AM via the Zoom virtual platform. The Board moved In Camera at 10:15 AM and the regular meeting reconvened at 11:15 AM

1.a) RATIFICATION OF IN-CAMERA MOTIONS

MOVED BY Chief Andrea Paul, seconded by Chief Ross Perley, that the AFNWA Board ratify the In- Camera motions from 28 July 2021 meeting.

MOTION PUT AND PASSED.

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

MOVED BY Chief Andrea Paul, seconded by Chief Wilbert Marshall that the AFNWA Board start with Regular Item #4 – Draft Audited Statements before moving In-Camera and then go back into the Regular meeting.

MOTION PUT AND PASSED

2. APPROVAL OF MINUTES – 26 May 2021

MOVED BY Chief Wilbert Marshall, seconded by Chief Terry Paul, that the AFNWA Board approve the minutes of the regular meeting of 26 May 2021.

MOTION PUT AND PASSED.

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

James MacKinnon, interim COO, presented on the Transition Implementation Plan [TIP] Update (22 July 2021). There were no questions or comments on the TIP Update at this time.

4. Draft Audited Financial Statements for 2020/2021

Chantal Leblanc presented the Draft audited statements for 2020/2021 with an overview as follows:

Management received the draft Audited Financial Statements, as prepared and presented by Grant Thornton, on July 13, 2021. The audit opinion presented by Grant Thornton is unqualified and did not identify any instances of material misstatement. An item of misstatement was identified and ruled to be immaterial. This item pertained to fixed assets, namely office furniture and equipment, which was purchased and expensed in the same fiscal year. While this is a misstatement given the generally accepted accounting principle to capitalize these purchases and amortize them over their useful life, the amount was determined to be immaterial, and Grant Thornton agreed with Management's recommendation to expense them in the year purchased. The purchases were in relation to computers and gas detection equipment bought for First Nations communities through FNIHB funding.

We note that the budget for the fiscal year ended March 31, 2021, as outlined in the Statement of Operations, included funds that were authorized for use in both fiscal years 2021 and 2022. The authorization to defer the funds for use in Fiscal 2022 was received from ISC and AFNWA continues to be within budget.

All other items were deemed to be ordinary, free from discrepancy and/or material misstatement, and Grant Thornton confirmed that the financial statements represent the underlying transactions and events in a manner that achieves fair representation.

MOVED BY Todd Hoskins, seconded by Chief Ross Perley, that the AFNWA Board approve the attached Draft Audited Financial Statements, as presented.

MOTION PUT AND PASSED.

5. Enterprise Risk Management Policy

The CEO provided an overview of the policy based on the report circulated to the Board. A fundamental step in providing enterprise risk management [ERM] oversight is to establish an effective risk governance structure at the Board level. Risk governance establishes the oversight roles and decision points for the Board and Board Committees, as well as the relationships with management and management committees.

Since the global financial crisis of 2008/09, Boards of Directors are taking a more active role in risk oversight. Of the key groups that provide independent risk monitoring – boards, auditors, regulators – the Board of Directors is seen as the primary group with direct responsibility and influence to ensure that sound risk

management is in place. The Governance Manual also recognizes the role of the Audit and Finance Committee in providing oversight on behalf of the Board, as indicated in the report circulated to the Board.

The Board has the responsibility to effectively oversee ERM and the key risks facing the organization with a focus in three key areas. These include a well thought out governance structure to organize risk management; risk policies and risk tolerance levels that define risk appetite; and feedback processes that gauge the effectiveness of the ERM program.

Todd Hoskins commented that this is a very well -developed policy.

If this policy is approved by the Board today, we will send it to Grant Thornton to develop an Enterprise Risk Management Framework.

MOVED BY Chief Terry Paul, seconded by Chief Darlene Bernard, that the AFNWA Board approve the Enterprise Risk Management Policy in the substantive form attached.

MOTION PUT AND PASSED.

6. AFNWA Revised 2021-2022 Operations Budget

Previously, the budget was approved with an assumption of a carry forward of \$1,700,000. The adjustment in carry-forward together with an error in the budget, and an unexpected requirement for Environmental Site Assessments in relation to land access permits for most participating Communities, necessitated a revision to the previously approved budget. A comparison summary of the previously approved budget and the proposed amended budget are provided as an attachment to this document for your convenience. The proposed budget below identifies the expenditures anticipated to complete the deliverables identified within the TIP in the 2021-2022 fiscal year.

Chantal Leblanc presented the material changes within the revised budget.

The budget presented reflects the \$3,000,000.00 earmarked by ISC for the 2021/22 fiscal year and \$1,829,000.00 in carry over funds from the 2020-2021 fiscal year

There were no questions or comments at this time.

MOVED BY Todd Hoskin, seconded by Chief Andrea Paul, that the AFNWA Board approve the revised attached Operations Budget 2021-2022.

7. DATE OF NEXT MEETING

The next meeting is scheduled for September 29, 2021 @ 9:30AM. Todd advised that we could potentially use Ulnooweg's new Boardroom in Millbrook. AFNWA Staff to follow up on this.

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 (22 July 2021)



ITEM # 1-I
AFNWA Board
September 29, 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: September 22, 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, colour coded to highlight progress, is attached for reference. Some key activities and developments since our previous meeting are as follows:

- *Step 1: Operational Funding.*
 - Funding has been received. Step 1 can be considered complete.
- *Step 2: Planning and Establishment of Governance.*
 - The Elders Advisory Lodge has reviewed their workplan, provided feedback on naming service hubs and selected , Methilda Knockwood-Snache, Lennox Island First Nation as the Chair of the Lodge.
 - AFNWA is working with operators and community staff to determine current salaries and benefits of operators, ss well as levels of education and certification.
- *Step 3a; Band Council Resolutions:*
 - ISC proposed a BCR to formally approve the Transfer Agreement with First Nations communities. The BCR also acknowledges that additional agreements will be negotiated and signed with individual First Nations. AFNWA staff have reviewed the proposed BCR and provided comments to ISC. Due to the election, formal negotiation had to be paused. Once the new government sits, discussions can resume.
- *Step 3b: Implement Human Resource Strategy*
 - AFNWA is well into its next round of hiring. The successful proponent of our RFP for a recruiting consultant was Meridia Recruitment Solutions with only one remaining position to be hired:
 - Controller
 - Since our previous Board meeting, the AFNWA has welcomed the following new members to our team:
 - Gary West, Superintendent of Operations
 - Jeff Wujcik, Superintendent of Technical Services
 - Mohamed Osman, previously Asset Management Technologist, was selected as Project Engineer after a formal recruitment and interview process
- *Step 4: License Agreements*
 - As previously mentioned, The Land Tenure Working Group has identified that the AFNWA will require permits for land access with each individual First Nation. During the writ period, discussions on the permit had to be put on hold, however a memo was sent to ISC on the remaining minor issues with the permit.
 - A prevailing issue regarding permit development is whether water and wastewater infrastructure is a Chattel or a Fixture. This has ramifications on transfer and will be elevated to the Main Negotiating table.
 - Interim Permits require an Environmental Site Assessments to be conducted. Dillion Consulting Limited is in the process of

conducting the environmental site assessments on the AFNWA's behalf.

- **Step 5: *Implement Operations Model.***
 - The AFNWA is still awaiting a signal from central agencies regarding the updated Business Case that was submitted in March 2021. However, the AFNWA has received a memo and an updated critical path chart from ISC with milestones for approval and possible dates for a Cabinet submission.
- **Step 7: *Regulatory Oversight.***
 - The AFNWA and Dalhousie University's Centre for Water Resources Studies has submitted a progress report regarding regulatory benchmarks for First Nations Communities in Atlantic Canada. This report focuses on:
 - Modernizing both the regulatory requirements and associated gap analysis for First Nations communities
 - Identifying mechanisms to integrate risk assessment, monitoring, and reporting into the compliance framework structure
 - Outlining potential entities to be responsible for compliance and enforcement of the AFNWA
 - Incorporating collaboration and engagement throughout the process to facilitate a two-eyed seeing approach
 - 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. The AFNWA has drafted an MOU for consideration by the FMB, aided in drafting of a funding proposal to ISC for their development work as regulator, and made introductions to Peter Gurnham, Chair of the Nova Scotia Utility and Review Board for his expertise on economic regulation.
- **Step 8: *Operational Planning:***
 - Leasehold improvements are currently underway at the facility at 6 Louise St. in Truro. AFNWA plans to report to this location on Oct 12, 2021
 - AFNWA has received commitment from Esgehoopetitj First Nation to participate in the AFNWA Asset Management Plan and SCADA master plan.
 - There are currently 17 communities participating
- **Step 9: *Capital Planning***
 - Dillon Consulting Inc is well underway regarding the AFNWA Asset Management Plan and 10-year Capital Plan.
 - There is one community left to for the asset condition assessment.
 - The majority of operational surveys are complete
- **Step 10: Risk Assessments**

- AFNWA Senior Management has been working diligently to complete the AFNWA Enterprise Risk Management Framework and Risk Register with support from Grant Thornton
- *Step 13: Transfer Agreement*
 - Since the previous Board meeting, there have been no material updates to the Transfer Agreement due to the pause in government activity during the writ period.

BUDGET and FINANCIAL IMPLICATIONS

Activities associated with the TIP are funded through Funding Agreements secured with Indigenous Services Canada.

ATTACHMENT

Transition Implementation Plan with progress updates

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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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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Legend	
Green	Complete
Yellow	In Progress
Red	Not Started

Phase 1: Approval and Funding.

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.

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.

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	March 31, 2021	
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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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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	plan in detail, and to communicate the AFNWA's timelines for full, autonomous operations				
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



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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
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	Permit development				
1.1	Reengage working group with ISC, Dept Justice, community representatives with custom land codes	COO	ISC, Dept Justice, community representatives McInnes Cooper		May 31, 2020
1.2	Develop Term Sheet - Ensure alignment with communities with custom land codes	COO	Band representatives ISC, Operator Working Group McInnes Cooper	Band Council/ Board	
1.3	Identify what is required for the permit, and any potential issues on ownership and liability to go with license agreements. • Refer to Indian Act (where applicable), what is required to execute the agreement (i.e. general map, parcels identified)	COO	Band representative ISC, Operator Working Group McInnes Cooper	Band Council/CEO Board /	May , 2021



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2.0	Community mapping				
2.1	Identify parcels / detailed survey work/assets <ul style="list-style-type: none"> two options to be considered 	COO/Mgr Eng	Dillon, ESA Consultant,		
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 <ul style="list-style-type: none"> interested community representatives identify elements that will used for AFNWA commitment through BCR 	COO	McInnes Cooper, RB, Mgr. Eng.		Fall 2021
3.2	Complete Environmental Site Assessments	COO	Dillon Consulting, Mgr. Eng		Fall 2021
3.3	Draft Permits <ul style="list-style-type: none"> 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
3.4	Group engagements follow up, land workshops <ul style="list-style-type: none"> Land reps from interested communities Presenting final draft 	COO	ISC, McInnis Cooper, RB, Band Council, Community	CEO	
3.5	Recommend permit for final approval to the Board (combine with below)	CEO	COO, RB, McInnis Cooper, Band Council	Board	January 31, 2022



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3.6	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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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 - 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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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				
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



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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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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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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 <ul style="list-style-type: none"> Develop project charter including schedule, scope etc. Project requirements Required consultant requirements 	Mgr. Eng.	COO, JH,	CEO	Sept 1, 2020	
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	



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Phase 3: Detailed Business Case and Funding					
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:					
<ul style="list-style-type: none"> • Economic • Social • Political • Technological • Legal • Environmental 					
Tasks	AFNWA Owner	Resources	Reviewer /Approver	Recommended Completion Date	
1.0	Mgr. CS	CEO, SMT, COO, Colliers	CEO	Jun 1, 2021	
				- Proposal consideration / external consultant	
2.0	CEO	SMT, Consultant, COO, JH, RM	Board	Nov 30, 2021	
				- Workshops with Board, SMT	
				- Risk register	
				- Timelines for review	



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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			



**Item #4
AFNWA Board
29 September 2021**

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

SUBMITTED BY: **Original Signed by**
James MacKinnon, MPA, B.Sc., interim COO

APPROVED BY: **Original Signed by**
Carl Yates, M.A.Sc., P.Eng., interim Chief Executive Officer

DATE: 24 September 2021

SUBJECT: **Draft AFNWA Employee Code of Conduct and Conflict of Interest Policy**

ORIGIN

Human Resource Policy and Transition Implementation Plan, both passed on June 24, 2020 Board meeting.

RECOMMENDATION

It is recommended that the Board approve the AFNWA Employee Code of Conduct and Conflict of Interest Policy in the substantive form attached.

BACKGROUND

Previously, AFNWA had used a Conflict Interest Policy adapted from Atlantic Policy Congress of First Nations Chiefs. Code of conduct procedures were described in the AFNWA Human Resource Policy. The decision was made by AFNWA management to combine and formalize AFNWA's Code of Conduct and Conflict of Interest policies into one document

DISCUSSION

The Guiding Principles of the policies are:

1. AFNWA employees shall demonstrate respect, fairness, and courtesy in their dealings with fellow AFNWA employees, contractors, community members, and members of the public.
2. AFNWA employees shall demonstrate respect for human dignity and the value of every person.
3. All AFNWA employees shall perform their duties and arrange their private affairs so that the integrity, objectivity, and impartiality of the organization is conserved and enhanced
4. AFNWA employees shall act, always, in a manner that recognizes that their position within the organization is subject to close public scrutiny, whether they are publicly representing the organization or not.
5. All AFNWA employees shall make every effort to identify potential conflicts of interest, and to avoid potential conflicts. If a conflict does arise with the private interests of the membership that AFNWA serves, then the conflict shall be resolved in favor of AFNWA.

Within the Employee Code of Conduct Policy, there are details regarding:

- CEO and Senior Management Team
- Duties of the CEO
- Responsible Performance of Duties
- Conduct
- Protection and Sharing of Information

Regarding Conflict of Interest Policy, there are directives and details regarding:

- Minimizing the possibility of conflicts of interest
- What constitutes a conflict of interest
- Requirements to seek guidance from the CEO
- Employee Responsibilities
- Rules for outside Employment Activities

Violations of the Code of Conduct and Conflict of Interest Policy, where the CEO and/or Personnel Committee determines an AFNWA employee has violated the Code of Conduct, discipline, up to and including termination, may follow.

BUDGET and FINANCIAL IMPLICATIONS

None

ALTERNATIVES

There are no alternatives recommended.

ATTACHMENT

AFNWA Code of Conduct Policy
AFNWA Conflict of Interest Policy

Report Prepared by:	original signed by James MacKinnon, MPA, interim COO, 902-401-3092
Report Approved by:	original signed by Carl Yates, interim CEO, 782-414-6628



AFNWA Employee Code of Conduct and Conflict of Interest Policy

Introduction

This *Code of Conduct and Conflict of Interest Policy* forms part of the conditions of employment for AFNWA. At the time of signing their letter of offer, all AFNWA employees shall formally sign a form acknowledging their acceptance of the Employee Code of Conduct and Conflict of Interest Policy.

1. Each employee shall sign a form acknowledging their acceptance of the Code of Conduct and Conflict of Interest Policy at the start of employment with the AFNWA.
2. All AFNWA employees are responsible for ensuring that they comply with this Code of Conduct and Conflict of Interest Policy.

Guiding Principles

1. AFNWA employees shall demonstrate respect, fairness, and courtesy in their dealings with fellow AFNWA employees, contractors, community members, and members of the public.
2. AFNWA employees shall demonstrate respect for human dignity and the value of every person.
3. All AFNWA employees shall perform their duties and arrange their private affairs so that the integrity, objectivity, and impartiality of the organization is conserved and enhanced
4. AFNWA employees shall act, always, in a manner that recognizes that their position within the organization is subject to close public scrutiny, whether they are publicly representing the organization or not.
5. All AFNWA employees shall make every effort to identify potential conflicts of interest, and to avoid potential conflicts. If a conflict does arise with the private interests of the membership that AFNWA serves, then the conflict shall be resolved in favor of AFNWA.

Employee Code of Conduct Policy

CEO and Senior Management Team

1. The CEO and the AFNWA Senior Management Team all have the responsibility to exemplify, in their actions and behaviors, the values of AFNWA. They have a duty to infuse these values into all aspects of the work of

the organization. They are expected to take special care to ensure that they comply, at all times, with the spirit, intent and specific requirements of this Code of Conduct and the Human Resources Policy.

2. The AFNWA expects the CEO and Senior team to delegate duties to their team members considering their competencies and workload. Likewise, employees are expected to follow supervisors' instructions and complete their duties with skill and in a timely manner.

Duties of the CEO

1. The CEO shall ensure that the letter of offer to employees includes the AFNWA Code of Conduct and Conflict of Interest Policy, and the Human Resources Policy. These policies are key documents for the management of human resources and a part of the conditions for employment.
2. The CEO shall encourage and maintain an ongoing dialogue on AFNWA values and ethics within the organization in a manner that is appropriate to the specific issues and challenges encountered by the organization.
3. The CEO shall encourage the Senior Managers to assist other employees in raising, discussing, and resolving issues arising from the application of this Code of Conduct and Conflict of Interest Policy.

Responsible Performance of Duties

1. AFNWA employees are required to conduct themselves in a professional manner which consistently reflects a positive image for the AFNWA.
2. Each employee shall strive to complete each task to the best of their ability and in a reasonable timeframe.
3. AFNWA employees shall make it a practice to devote themselves to their work during work hours.
4. AFNWA employees are required to follow instructions from the CEO, Senior Management member or Supervisor in charge of specific or relevant files and projects.
5. AFNWA employees should always contribute to a positive work environment which is collaborative, conducive to productivity, and is not viewed as being otherwise disruptive to colleagues.

Conduct

1. AFNWA employees shall be punctual and on time for work every day.
2. Employees will not at any time engage in public criticism of other Employees, Management Team, Board, or the approved actions and policies of AFNWA.
3. Employees will not participate in or allow any behavior that is intended to degrade, humiliate, intimidate, or cause fear to any community member, client, volunteer, or other employee. Violation may lead to discipline up to and including dismissal. For additional direction on employee conduct, please refer to Article 37 of the AFNWA Human Resource Policy: Respectful Workplace Procedures.

4. Employees should recognize that there is a potential for damage to be caused (either directly or indirectly) to AFNWA in certain circumstances through personal use of social media when you can be identified as a AFNWA employee. Accordingly, you should comply with this policy to ensure that the risk of such damage is minimized. Employees are personally responsible for the content you publish in a personal capacity on any social media platform.
5. AFNWA employees shall ensure that equipment, property or supplies that are designated AFNWA property are used solely for AFNWA work. AFNWA employees shall not accept money from any person or organization in relation to AFNWA work. Gifts are permitted if part of a traditional ceremony, or under \$150.00 in value.
6. FNWA employees shall act, always, in accordance with the Enterprise Risk Management Policy, with commitment to risk identification and continuous improvement.
7. In general, the dress code for employees is business casual unless tasks and interactions with the public require otherwise. All staff must take care to embrace a tidy appearance, practicing good hygiene and choosing dress that embraces modesty and professionalism. However, operations and engineering staff that work in the field are permitted to wear more casual attire but should avoid wearing anything that may be viewed as offensive such as a shirt printed with profane or derogatory statements.
8. AFNWA employees may not take advantage of or use to their benefit, any information not generally available to the public that is obtained in the course of their official duties for the AFNWA, or disclose such information to a partner, business associate or a close family member. Similarly, employees may not disclose confidential information obtained through their course of duties and responsibilities. without proper authorization.

Protection and Sharing of Information

1. Every AFNWA employee shall understand and acknowledge that information gathered or obtained during their work shall be always kept confidential and not used for any other purpose than that for which it was acquired. Any violation of this directive may result in disciplinary action. Refer to Appendix A: Oath of Confidentiality.

Employee Conflict of Interest Policy

The objective of this conflict of interest policy is to minimize the possibility of conflicts arising between private interests and AFNWA interests and the duties of AFNWA employees. These measures serve to uphold the AFNWA Code of Conduct Policy. As such, impartiality and objectivity are the primary means by which AFNWA employees maintain First Nations and other stakeholders' confidence.

1. AFNWA employees shall, wherever possible, avoid and prevent situations that could give rise to a conflict of interest, or the appearance of a conflict of interest. These measures are adopted both to protect the AFNWA and its employees from conflict-of-interest allegations and to help them to avoid situations of risk.
2. A conflict of interest exists where you, a partner, a business associate, or a close family member:
 - a) are a party to a material contract or a proposed material contract with the AFNWA.
 - b) are a director or officer of an organization or have a material interest in any company or person who is a party to a material contract or proposed material contract with the AFNWA.
 - c) are directly involved in an issue under discussion, or associated with an issue under discussion in a substantive way and stand to benefit or personally gain from the decision made, or
 - d) assist a third party in its dealings with the AFNWA, where such assistance could result in favorable or preferential treatment being accorded to that third party by the AFNWA.
3. It is impossible to prescribe a remedy for every situation that could give rise to a real, apparent or potential conflict. When in doubt, AFNWA employees should seek guidance from the CEO or a Senior Management member.
4. AFNWA employees have the following overall responsibilities:
 - a) Bearing in mind their official duties, AFNWA employees shall, wherever possible, arrange their private affairs in a manner that will prevent real, apparent or potential conflicts of interest from arising.
 - b) If a conflict does arise between an employee's private interests and the official duties of AFNWA, the employee should immediately report the conflict to the CEO or a Senior Management member, who will determine how best to manage the conflict to preserve the objectives of the AFNWA. The conflict shall be resolved in favor of the AFNWA, which may require the employee to remove themselves from one or both sides of the situation.
 - c) The resolution of the conflict of interest may require that you withdraw from a discussion or a meeting, or that you remove or terminate the conflict or potential conflict by whatever means is necessary, including relinquishment of your position with the AFNWA.
 - d) Provided that the conflict of interest is disclosed as soon as possible, no material contract entered into, or action taken by the AFNWA with knowledge of the conflict of interest is void or voidable.
 - e) If a conflict of interest is discovered after a decision is made that might have been affected by knowledge of that conflict, the decision is not void or voidable, provided that the decision was made fairly and on reasonable grounds.
 - f) Where a conflict of interest is disclosed in a timely manner and in accordance with this policy, a material contract may be entered, a decision made, or an action taken by the AFNWA that allows the

conflict of interest (or potential conflict of interest) to continue. For example, AFNWA may hire or contract to family members provided such conflict of interest has been disclosed by the affected employee.

- g) If an employee knowingly fails to disclose a conflict of interest, the AFNWA reserves all rights to have any contract entered or any action taken set aside, revoked, or rescinded.
- h) AFNWA employees shall not step outside their duties, or assist individuals or private entities in their dealings with AFNWA, in a way that would result in preferential treatment to the person or private entity.
- i) AFNWA employees may not solicit or accept gifts in the exchange for future considerations. Employees shall not accept gifts other than incidental gifts, customary hospitality, or other benefits over \$150, without the approval of the Chief Executive Officer.

5. Regarding outside employment or activities, AFNWA employees shall abide by the following rules:

- a) With the provision of prior notice to the CEO, AFNWA employees may engage in employment outside the AFNWA, unless that employment is likely to give rise to a conflict of interest or in any way interferes with the operation of the AFNWA.
- b) AFNWA employees may engage in outside activities unless those outside activities are likely to give rise to a conflict of interest or in any way interferes with the operation of the AFNWA.
- c) Where outside activities or employment may subject AFNWA employees to demands incompatible with their work duties or cast doubt on their ability to perform their AFNWA duties, they shall speak to the CEO, who will make the final decision as to the appropriateness of the outside activity or employment.

Violations of the Code of Conduct and Conflict of Interest Policy

- 1. Where the CEO and/or Personnel Committee determines an AFNWA employee has violated the Code of Conduct, discipline, up to and including termination, may follow.

Employee Signature _____

Date: _____

Annex A: Oath of Confidentiality

Oath for Personnel: Each employee, as a condition of employment, takes the Oath of Confidentiality, as noted below.

AFNWA strives to protect and respect the personal information of its clients, employees, and business partners in accordance with all applicable provincial and federal laws. All employees must abide by AFNWA procedures and practices when handling personal information as well as the requirements under the Freedom of Information and Protection of Privacy Act. (FOIPOP). Consent occurs and is obtained when an individual signs an application or other forms containing personal information, thereby authorizing AFNWA to collect, use, and disclose the individual's personal information for the purposes stated on the form. Explicit notice to the individual is required. This information must be kept confidential. Divulging confidential information could result in immediate discipline up to and including termination of employment. All employees, including students completing work terms/ placements, term positions or volunteer work, are required to sign this Oath of Confidentiality. If any employee receives a request for the release of confidential information, the employee should discuss the request with their immediate Manager or the Chief Executive Officer. All personnel working on behalf of AFNWA will not speak of or divulge any information to the media regarding AFNWA business unless instructed by Chief Executive Officer or Chief and Council (or designate) as approved by motion. This Oath of Confidentiality survives any termination of employment, whether initiated by the Employee or Employer.

Employee Signature _____

Date: _____



Item # 5
AFNWA Board
29 September 2021

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

SUBMITTED BY: **Original Signed by**

James MacKinnon, MPA, B.Sc., interim COO

APPROVED BY: **Original Signed by**

Carl Yates, M.A.Sc., P.Eng., interim Chief Executive Officer

DATE: 23 September 2021

SUBJECT: **Privacy Policy**

ORIGIN

Transition Implementation Plan passed on June 24, 2020 Board meeting.

RECOMMENDATION

It is recommended that the Board approve the Draft Privacy Policy in the substantive form attached.

BACKGROUND

The Atlantic First Nations Water Authority (AFNWA) is committed to keeping personal information it collects secure, confidential, and private. The AFNWA is potentially subject to Canada's The Personal Information Protection and Electronic Documents Act (PIPEDA) under its federal undertaking clause, as follows:

- (if personal information) is about an employee of, or an applicant for employment with, the organization and that the organization collects, uses or discloses in connection with the operation of a federal work, undertaking or business.

As such, AFNWA legal counsel has recommended that AFNWA's privacy policy conform with PIPEDA's 10 fair information principles.

DISCUSSION

AFNWA's Privacy Policy has been drafted in accordance with PIPEDA's 10 fair information principals:

1. Accountability
 - The AFNWA is responsible for the protection of personal information collected through our office(s), program activities and website
2. Identifying Purposes
 - Prior to AFNWA collecting information a statement to explain the purpose(s) for the collection of personal information, wherever possible, will be provided before the AFNWA requests an individual to disclose it.
3. Consent
 - All personal information that the AFNWA collects is with an individual's knowledge and informed consent
4. Limiting Collection
 - The amount and type of information that the AFNWA collects is limited only to that which is necessary to fulfill the purposes identified.
5. Limiting Use, Discloser and Retention
 - The AFNWA will only use personal information for the purposes for which it was collected.
6. Accuracy
 - Personal information will be kept accurate, complete, and up to date for the purposes for which it will be used.
7. Safeguards
 - The AFNWA employs a number of safeguards to protect an individual's personal information against loss or theft, as well as unauthorized access, disclosure, copying, use, or modification.
8. Openness
 - The AFNWA has easily understandable and readily available specific information about its policies relating to the management of personal information.
9. Individual Access
 - Upon request, the AFNWA will inform an individual if we hold any personal information about them and provide that individual with access to this information.
10. Challenging Compliance
 - If, for any reason, an individual is concerned about our compliance with the AFNWA Privacy Policy, they may contact the AFNWA's Privacy Officer.
 - It should be noted that organizations are required to identify a Privacy Officer to oversee and implement the policy. As such, the

Manager of Corporate Services has been identified for this purpose.

BUDGET and FINANCIAL IMPLICATIONS

None

ALTERNATIVES

None

ATTACHMENT

AFNWA Privacy Policy

Report Prepared by: original signed by James MacKinnon, MPA, B.Sc., interim COO
Financial Reviewed by: original signed by Chantal Leblanc, Manager of Corporate Services/CFO, 902-877-3813



Draft Privacy Policy

PREPARED BY: JAMES MACKINNON

REV 2021-09-12

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Policy Statement

The Atlantic First Nations Water Authority (AFNWA) is committed to keeping the personal information that we collect secure, confidential and private.

The AFNWA's privacy policy is written in accordance with the 10 Fair Information Principles upon which The Personal Information Protection and Electronic Documents. This privacy policy is applicable to AFNWA's Employees, Contractors, and Community Partners.

Guiding Principles

The following principles will guide the protection and privacy of personal data collected by the AFNWA:

1. Accountability
2. Identifying Purposes
3. Consent
4. Limiting Collection
5. Limiting Use, Disclosure and Retention
6. Accuracy
7. Safeguards
8. Openness
9. Individual Access
10. Challenging Compliance

Accountability

The AFNWA is responsible for the protection of personal information collected through our office(s), program activities and website. Individuals will be asked to review and sign a consent form before any personal information is released to third parties for the purpose of providing enhanced services or otherwise.

The AFNWA has designated the position of Manager of Corporate Services as AFNWA's Privacy Officer. Their duty is to be accountable for the protection of personal information and AFNWA's overall compliance with this policy. The Privacy Officers duties include:

- a. Guiding procedures to protect personal information
- b. Implementing to receive and respond to complaints and inquiries
- c. Training staff and communicating to staff information about AFNWA's Privacy Policy and precedes
- d. Developing information to explain the AFNWA's Privacy Policy and Procedures

Privacy Officer Contact:

Chantal Leblanc, Manager of Corporate Services, Privacy Officer

6 Louise St, Truro, NS, B2N 3K2 Phone: (902)- 877-3813; Email: chantal.leblanc@afnwa.ca

Identifying Purpose

Prior to AFNWA collecting information, a statement will be presented to explain the purpose(s) for the collection of personal information, wherever possible, before AFNWA requests an individual to disclose it. Primarily:

- the AFNWA collects personal information of its employees, which is not shared.
- the AFNWA collects personal information of its contractors, which is not shared.

We do not sell personal information, such as contact lists.

We do not disclose personal information to anyone without prior knowledge or consent, except where required by a government body or agency, or as permitted by law.

Using our Website

The AFNWA website home page can be accessed without disclosing personal data.

In the future, the AFNWA website may be used to subscribe to newsletter and as a portal for vendors. In that regard, any personal information that site visitors voluntarily choose to provide in order to receive free electronic newsletters, participate in periodic polls and surveys and/or to complete any job application forms IS NOT shared with third parties unless stated otherwise. The AFNWA will ensure all personal information is secured and remains confidential. Subscribers will have a choice to unsubscribe at any time and all personal data will be deleted.

The AFNWA's Use of Cookies

A cookie is a small text file containing a unique identification number that is transferred from a website to the hard drive of your computer so that the website may identify separate visitors to the site and track users' activities on the website. A cookie will not let a website know any personally identifiable information about you, such as your real name and address.

The AFNWA uses cookies only to keep track of how many people visit the AFNWA website and how frequently each page is visited. Each individual movement of any user cannot be tracked while on the AFNWA's site. Cookies are only used to track page popularity for statistical purposes and to improve the quality of the site.

Links on AFNWA's Website

The AFNWA website provides several links to third party sites. The AFNWA assumes no responsibility for the information practices of sites you are able to access through our site.

Consent & Disclosure

All personal information that the AFNWA collects is with an individual's knowledge and informed consent. The AFNWA will make reasonable efforts to advise the individual of the purposes of which the information is being collected.

An individual may choose not to disclose any personal information AFNWA requests. However, a decision to withhold some personal information can result in AFNWA's inability to provide a safe environment for staff, contractors and community members. (e.g., vaccination status)

Further, an individual can withdraw consent to the collection, use or disclosure of personal information at any time, subject to any legal requirements and reasonable notice.

Limiting Collection

The amount and type of information that the AFNWA collects is limited only to that which is necessary to fulfill the purposes identified. The AFNWA will ask for the information it requires directly from the individual. Personal information will be collected using procedures which are fair, transparent, and lawful.

An individual can choose to disclose as much or as little personal information as they are comfortable with. As noted in "Consent & Disclosure", a decision to withhold some personal information could prevent the AFNWA from providing a safe environment for staff, contractors, and community members.

Limiting Use, Disclosure and Retention

The AFNWA will only use personal information for the purposes for which it was collected. Information will not be disclosed beyond its intended purpose without the knowledge and the consent of the individual, unless required by law.

Personal information will be retained only as long as necessary to fulfill the purposes for which it was collected, and in compliance with any laws surrounding information retention. If all identified purposes for the use of personal information have been exhausted, we will destroy the information or render it unidentifiable.

Accuracy

Personal information will be kept accurate, complete, and up to date for the purposes for which it will be used. AFNWA also assumes that any information that an individual has provided is accurate. If at any time an individual's personal information changes, the AFNWA should be informed of it immediately. If an individual contacts the AFNWA with a request, the AFNWA will take appropriate steps to update or correct any personal information in our possession that an

individual had previously provided to us.

Safeguards

The AFNWA employs a number of safeguards to protect an individual's personal information against loss or theft, as well as unauthorized access, disclosure, copying, use, or modification. Such safeguards include physical measures, for example locked filing cabinets, restricted access to offices, and limiting access on a "need to know" basis and use of passwords and encryption. The AFNWA will also use secure disposal methods to destroy personal information when it is no longer needed for the purpose which it was collected.

Procedures for implementing these measures are communicated to all employees to ensure compliance with this principle.

Openness

The AFNWA has easily understandable and readily available specific information about its policies relating to the management of personal information. Our policy is available at all times on the AFNWA's website, www.afnwa.ca, under the section: Documents

Individual Access

Upon request, we will inform an individual if we hold any personal information about them and provide that individual with access to this information. If we have any personal information about an individual, we will also tell them for what purposes it is used for, if applicable.

An individual has a right to update any personal information that the AFNWA holds about them. Should an individual wish to see the full contents of their information that is on file, they must make a formal written request and mail or email it to:

Verna Langley, Human Resources Generalist, Privacy Officer

13 Treaty Trail, Millbrook First Nation, NS, B6L 1W1 Phone: (902)-664-9912; Email: verna.langley@afnwa.ca

The AFNWA will respond to you within thirty (30) days after receipt of a written request or will notify the individual if a longer period is required by us in order to fully address your request, provided that an extension of thirty (30) day period is permitted by applicable privacy laws.

Challenging Compliance

If, for any reason, an individual is concerned about our compliance with the AFNWA Privacy Policy, they

may contact our Privacy Officer in writing, by phone or by email:

Chantal Leblanc, Manager of Corporate Services, Privacy Officer

6 Louise St, Truro, NS, B2N 3K2 Phone: (902)- 877-3813; Email: chantal.leblanc@afnwa.ca

The AFNWA has policies and procedures to receive, investigate and respond to individuals' complaints and questions.

If an individual is not satisfied with the way the AFNWA has responded to a complaint, they can contact the Privacy Commissioner of Canada.

This Privacy Policy may be updated from time to time. Notice of changes to this Privacy Policy will be posted at www.afnwa.ca.



ITEM # 6
AFNWA Board
29 September 2021

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

SUBMITTED BY: original signed by
Chantal LeBlanc, CMA, CPA, MBA
Manager of Corporate Services & CFO

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

DATE: September 24, 2021

SUBJECT: **Draft Whistleblower Policy**

ORIGIN

AFNWA Financial Policy and Procedures Manual passed at the Board meeting on July 23, 2020, and AFNWA Governance Manual passed at the Board meeting on November 6, 2020.

RECOMMENDATION

It is recommended that AFNWA Board approve the Whistleblower Policy, in its substantive form attached.

BACKGROUND

The Whistleblower policy is one of many integral documents necessary to support us, as our organization continues to grow by staff and by operational responsibilities.

FNFMB requires that a whistleblower policy be in place in order to conform to their NPO standards for certification and compliance.

DISCUSSION

The attached Whistleblower policy is a standard organizational document that provides a formal process for reporting any behavior which might be fraudulent, illegal, unethical, unsafe, neglectful or otherwise inappropriate and unacceptable to AFNWA.

The Policy provides a method of reporting incidents and names responsible parties for the oversight of investigative processes. There is a No Retaliation clause that guarantees that the whistleblower will not be punished as a result of reporting the incident/behavior. The policy also contains provisions for the safeguarding of information during an investigation and the requirements for document retainment.

FMB requires that the whistleblower policy contain the following:

- Providing for confidential reporting of misconduct,
- Recording, maintaining and safeguarding reported misconduct and any records prepared during the inquiry into or investigation of the misconduct,
- Safeguarding the confidentiality of the person who reported the misconduct,
- Protecting the person who reported the misconduct from reprisals,
- Inquiring into or investigating the reported misconduct,
- Providing fair and unbiased treatment of the person against whom a report has been made,
- Providing appropriate actions to be taken by the governing body if misconduct has occurred and the recording of these actions, and
- Communicating the by-law, policies and procedures referred to in this section to all persons involved in the activities of the NPO, including contractors and committee members.

BUDGET IMPLICATIONS

None.

ALTERNATIVES

N/A

ATTACHMENT

AFNWA Draft Whistleblower Policy

Report Submitted by:	<u>original signed by</u> Chantal LeBlanc, Manager of Corporate Services & CFO
Report Approved by:	<u>original signed by</u> Carl Yates, interim CEO



Draft Whistleblower Policy

Sept 21, 2021

BACKGROUND

Atlantic First Nations Water Authority (AFNWA) believes that good and meaningful communication at all levels of the organization promotes best practice and success. The Organization is committed to always conducting itself with honesty and integrity. If, at any time, this commitment is not followed or appears in doubt, the Organization will seek to identify and remedy such situations. Current Staff and affiliates are encouraged to raise genuine concerns without fear of reprisals or consequences.

PURPOSE

The purpose of this Whistleblower Policy is to provide direction to all Directors, employees, contractors, subcontractors, agents, volunteers, vendors, donors, and partners of AFNWA regarding the communication of concerns with respect to issues of honesty and integrity, and of questionable financial or operational matters.

POLICY

1. Definitions

The Organization - "Organization" is meant to be Atlantic First Nations Water Authority.

The Whistleblower - "Whistleblower" is meant to be any current Director, employee, contractor, subcontractor, agent, volunteer, or vendor, and any donor, member of the public or partner of the Organization who has reported a whistleblower incident.

Whistleblower Incident - "Whistleblower Incident" is defined as a concern related to issues of honesty and integrity within the Organization and issues relating to financial or operational matters.

For greater clarity, Whistleblower Incidents are intended to include, but are not limited to the following:

- Breach of legal obligations, regulations, or policy.
- Endangerment of health and safety.
- Gross mismanagement or omission or neglect of duty.
- Abuse of authority.
- Mismanagement in the use or failure to use funds, including, inappropriate recording or reporting of revenues, or lack thereof.
- Inappropriate classification or presentation of assets and/or liabilities.
- Breach of fiduciary duty and/or abuse of trust.
- Inappropriate behaviour at a conference or any such event where the staff member is either directly or indirectly representing the organization; and
- Concealment of any of the above or any other breach of this policy.

2. Authority

Overall authority for this policy rests with the Manager of Corporate Services. The Manager of Corporate Services shall have specific responsibility to facilitate the communication and implementation of this policy, including appropriate training and review. All staff and affiliates are responsible for the success of the policy and should ensure that they take the actions required to make the policy effective and of optimal value to the Organization.

3. PROCESS

Whistleblower Incident reporting:

The Whistleblower must immediately communicate Whistleblower Incidents as soon as the Whistleblower becomes aware of such situations.

Whistleblower Incidents shall be communicated directly and immediately to the Manager of Corporate Services or the Personnel Committee.

A Whistleblower Incident may be received verbally (by phone or in person) or in writing (by mail, fax, email).

The Whistleblower will not be discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against because of communicating a genuine Whistleblower Incident. Any AFNWA employee found to be in violation of this policy (i.e., harassment of the Whistleblower) will be subject to discipline up to and including termination of employment.

All reported Whistleblower Incidents shall be treated in a confidential and sensitive manner. In addition, the Whistleblower shall be provided the opportunity to remain anonymous, save and except in those circumstances where the nature of the disclosure and/or the resultant investigation make it necessary to disclose identity (for example, legal investigations or proceedings). In such cases, all reasonable steps shall be taken to protect the Whistleblower from detriment because of having made a disclosure.

The accused party shall, at all times, be treated in a fair and unbiased manner, and all investigations will be conducted in a confidential manner that is dignified and respectful of personal privacy. Information will only be communicated to additional parties when there is evidence of wrongdoing which necessitates further investigation or involvement from legal experts or other authorities.

The Organization does not encourage anonymous reporting as proper investigation may prove impossible without the opportunity to substantiate allegations by obtaining further facts and information and confirming good faith. It also allows the Organization to provide appropriate reporting and follow up.

4. PROCEDURES

All Whistleblower Incidents shall be reported to the Manager of Corporate Services or, if otherwise received, shall be forwarded immediately and confidentially to the Manager of Corporate Services. The Manager of Corporate Services shall immediately advise the

Organization's CEO or the Board Chair, in writing, as appropriate and shall be otherwise responsible for compliance with this policy.

Once received, the submission is assessed by the Manager of Corporate Services, together with the Personnel Committee and a recommendation on investigation protocol is sent to the CEO or the Chair of the Board, as appropriate. A consensus is reached regarding the organization's plan to address the complaint, and then the appropriate action and investigation commences, involving appropriate levels of management and the Board dependent on the scope and severity of the incident reported. The Manager of Corporate Services, in consultation with the CEO and Board Chair may, in the sole discretion of the Manager of Corporate Services, refer any Whistleblower Incident for review by an independent third party previously approved by the AFNWA Board. Any Whistleblower Incident involving the CEO, the Manager of Corporate Services, the Board Chair, or any member of the Board shall be immediately referred to an independent third party as noted above.

All Whistleblower Incidents shall be communicated and resolved using the Organization's prescribed procedures. Each Whistleblower Incident will be treated with confidentiality and due care. Depending on circumstances, a report may be prepared for the Executive Committee and the Audit & Finance Committee of the Board of Directors, and any recommended actions approved by them.

5. No Retaliation

It is contrary to the values of AFNWA for anyone to retaliate against any Board member, officer, employee, or volunteer who in good faith reports an ethics violation, or a suspected violation of law, such as a complaint of discrimination, or suspected fraud, or suspected violation of any regulation governing the operations of AFNWA. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

6. Applicability

This policy applies to all current Directors, employees, contractors, subcontractors, agents, volunteers, vendors, and partners of the Organization.

This policy is a public document and shall, at all times, be available on our company website (www.afnwa.ca). Alternatively, the Manager of Corporate Services can be contacted directly for a copy of this policy.

7. Documentation

Documents shall be held in confidence by all parties and participants under this policy and retained for a period of 7 years beyond the conclusion of the investigation and/or criminal proceedings. Official reports for the Manager of Corporate Services or other designated parties shall be kept confidential by any recipient unless otherwise authorized by the report of the Manager of Corporate Services. All relevant documentation including reports, discussions and

supporting information shall remain in the control and custody of the Manager of Corporate Services unless otherwise authorized pursuant to a report or decision issued in accordance with this policy.



ITEM # 7
AFNWA Board
29 September 2021

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

SUBMITTED BY: original signed by
Chantal LeBlanc, CMA, CPA, MBA
Manager of Corporate Services & CFO

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

DATE: September 24, 2021

SUBJECT: **Draft Information Technology (IT) Policy**

ORIGIN

AFNWA Computer Policy, as approved April 1, 2020 and AFNWA Laptop and Cellphone Policy, as approved June 2, 2020.

RECOMMENDATION

It is recommended that AFNWA Board approve the Information Technology (IT) Policy, in its substantive form attached.

BACKGROUND

AFNWA is currently employing two policies for IT oversight, the Laptop and Cellphone Policy as well as the Computer Use Policy. These two policies have been combined for efficiency and to eliminate redundancy.

DISCUSSION

We have recently hired an IT Coordinator and are in the process of migrating all IT responsibilities in-house. With the attached proposed IT Policy, we acknowledge additional components that are now controlled by our staff.

This IT Policy is agreed to by all staff with access to AFNWA Information Technology. It is also meant to be a guide for our overall IT Strategy, which is currently in development and, given the extensive information contained therein, will be a private internal document.

BUDGET IMPLICATIONS

The migration of IT support from an external consultant to be controlled internally was discussed and accounted for in our overall 2021-2022 Operational Budget.

ALTERNATIVES

N/A

ATTACHMENT

AFNWA Draft Information Technology (IT) Policy

Report Submitted by: original signed by
Chantal LeBlanc, Manager of Corporate Services & CFO

Report Approved by: original signed by
Carl Yates, interim CEO



DRAFT Information Technology (IT) Policy

Purpose

The AFNWA employee has been issued AFNWA electronics/devices. These electronic devices are for work related activities and thus carry a responsibility. The AFNWA employee agrees to adhere to this policy and related procedures (as amended from time to time).

To better serve our communities and provide our employees with the best tools to do their jobs, AFNWA makes available to our workforce access to one or more forms of electronic media, services and devices, including computers, e-mail, telephones, cell phones, text messaging, voicemail, fax machines, software, Intranet, and Internet services.

AFNWA encourages the use of these media, services and associated devices as they can make communication more efficient and effective and provide access to valuable sources of information. However, all employees and everyone connected with the organization should be hereby advised that electronic media, services and devices provided by the organization are organizational property and their purpose is to facilitate and support the organization's business. All electronic media users have the responsibility to use these resources in a professional, ethical, and lawful manner.

To ensure that all employees recognize their responsibilities under this policy, the following guidelines have been established for using electronic media. No policy can lay down rules to cover every possible situation. Instead, it is designed to express the AFNWA's philosophy and set forth general principles when using electronic media, services and devices.

Issuance

A cellular phone /laptop computer is only issued through the Information Technology (IT) Department once proper authorization has been received from the Manager of Corporate Services. For adherence to this policy and for inventory purposes, Employees are prohibited from purchasing their own cellular phone/ Laptop computer for purposes of AFNWA business.

A request must be made through the Department Manager, who will assess the need and make a recommendation to the Manager of Corporate Services for final approval. A written approval from the Manager of Corporate Services is required.

Written approval must be forwarded to the IT Coordinator; and once received, the equipment (cellular phone and/or laptop computer) will be issued, with all software licenses and network access purchased and maintained by AFNWA. All staff will be provided with a sign out sheet for all hardware that is under their care, to be supported by serial numbers, where available.

The AFNWA will not reimburse Employees that have purchased their own cellular phone/ laptop computer.

Prohibited Communications

Electronic media shall not be used for knowingly transmitting, retrieving, or storing any communication that is:

- Discriminatory or harassing,
- Derogatory to any individual or group,
- Obscene, sexually explicit, or pornographic,
- Defamatory or threatening,
- In violation of any license governing the use of software; or
- Engaged in for any purpose that is illegal or contrary to the AFNWA's policy or business interests.

Employees are responsible for the content of blogs and social media posts, both professional and personal.

AFNWA, in compliance with the respective provincial regulations, prohibits employee use of cellular phones while driving, unless a hands-free device is used. This prohibition of the use of a cell phone or similar device while driving includes, but is not limited to, receiving, or placing calls, text messaging, surfing the Internet, receiving, or responding to email, and checking for phone messages.

Personal Use

The electronic media services, and devices, including computers, laptops, and cell phones, provided by AFNWA are primarily for business use to assist employees in the performance of their jobs. Limited, occasional, or incidental use of electronic media (sending or receiving) for personal, non-business purposes is understandable and acceptable (i.e., personal banking or checking personal email accounts during lunch/break times), and all such use should be done in a manner that does not negatively affect the systems' use for their business purposes. However, employees are expected to demonstrate a sense of responsibility and not abuse this privilege.

Keep in mind that AFNWA owns any communication sent via email or that is stored on AFNWA owned laptop/Cell Phone equipment. Please do not consider electronic communication, storage, or access to be private if it is created or stored or transmitted at work.

Access To Employee Communications

Electronic information created and/or communicated by an employee on an AFNWA device or network using e-mail, word processing, computer programs, spreadsheets, cell phones (text messaging), voicemail, telephones, Internet and Intranet and similar electronic media may be periodically reviewed and monitored by the organization.

The following conditions should be noted: AFNWA does routinely gather logs for most electronic activities or monitor employee communications directly, e.g., cell phone/telephone numbers dialed, sites accessed, call length, and time at which calls are made, for the following purposes:

1. Cost analysis.
2. Resource allocation.

3. Optimum technical management of information resources; and
4. Detecting patterns of use that indicate employees are violating organization's policies or engaging in illegal activity.

AFNWA reserves the right, at its discretion, to review any employee's electronic files and messages to the extent necessary to ensure electronic media, services and devices are being used in compliance with the law, this policy or other organization policies.

Employees should assume that all electronic communications are not private, although best efforts shall be made to respect employee's privacy where electronics communications are clearly personal.

Accordingly, if they have sensitive personal information to transmit, they should use other means.

Software

To prevent computer viruses from being transmitted through the organization's computer system, downloading of any unauthorized software is strictly prohibited. Only software registered through AFNWA may be downloaded. Employees should contact the system administrator if they have any questions. All AFNWA computers must use authorized anti-spy and anti-virus software. Employees need to inform their Director/Manager and the IT Coordinator if this software is not functioning and/or about to expire.

Security/Appropriate Use

Employees must respect the confidentiality of other individuals' electronic communications. Except in cases in which explicit authorization has been granted by AFNWA management, employees are prohibited from engaging in, or attempting to engage in:

1. Monitoring or intercepting the files or electronic communications of other employees or third parties.
2. Hacking or obtaining access to systems or accounts they are not authorized to use.
3. Using other people's logins or passwords; and
4. Breaching, testing, or monitoring computer or network security measures.

No e-mail or other electronic communications can be sent that attempt to hide the identity of the sender or represent the sender as someone else.

Electronic media and services should not be used in a manner that is likely to cause network congestion or significantly hamper the ability of other people to access and use the system.

Anyone obtaining electronic access to other organizations' or individuals' materials must respect all copyrights and cannot copy, retrieve, modify or forward copyrighted materials except as permitted by the copyright owner.

Loss Of Equipment

If an Employee loses their cellular phone/ Laptop computer and other related equipment due to employee negligence, that Employee shall pay AFNWA the fair market value of the equipment lost. No

other cellular phone / laptop computer will be issued to that Employee until notification is received from the AFNWA Finance Division or Department that the replacement cost has been received. The replacement cellular phone /laptop computer is to be considered AFNWA property.

If the original cellular phone /laptop computer is found, it is to be returned to the IT Department. The new cell phone is still to be considered AFNWA property, but reimbursement of the amount paid by the Employee for the lost cellular phone/laptop computer will be returned to the Employee by the AFNWA Finance Division or Department.

Repairs to Equipment

If it is found that a cellular phone /Laptop computer needs repair due to misuse by the Employee, the repair cost will be borne by the Employee. Notification must be made by the Finance Division or Department that they have received restitution before repairs can be authorized. The cost for minor repairs or replacement in ordinary day to day usage will be paid by the AFNWA.

As a cellular phone /laptop computer must be outsourced to be fixed, in the interim, if a replacement is available, it shall be issued to the Employee whose cellular phone/laptop computer is out for repair on the same terms and conditions as set out in this policy.

Expenses

The Director/Manager must ensure that expenses associated with cell phone/Laptop computer usage are to be charged to the appropriate departmental budget.

AFNWA will not be responsible for any charges incurred through personal use; whether it be long distance calls or use that causes the employee to exceed a monthly allocated budget for a data plan. The Employee shall reimburse AFNWA via the next payroll after the cost(s) is incurred.

Encryption

Employees may only use encryption software supplied to them by the systems administrator for purposes of safeguarding sensitive or confidential business information. Employees who use administrator-provided encryption on files stored on an organization computer must provide their supervisor with a sealed hard copy record (to be retained in a secure location) of all the passwords and/or encryption keys necessary to access the files.

Participation in Online Forums

Employees should remember that any messages or information sent on AFNWA-provided electronic media or services to one or more individuals via an electronic network—for example, Internet mailing lists, Facebook, MSN, bulletin boards, and online services—may be identified and attributed to the AFNWA. It is not permissible for any employee to identify themselves as employees of the AFNWA on

Facebook or other internet sites/other forums that do not form part of their professional duties and that they are using for personal reasons, including using their work email or other contact details.

AFNWA recognizes that participation in some forums might be important to the performance of an employee's job. For instance, an employee might find the answer to a technical problem by consulting members of a professional association devoted to the technical area.

Violations

Any employee who abuses the privilege of their access to electronic media, services and devices (such as computers, e-mail, telephones, cell phones, text messaging, voicemail, fax machines, Intranet, and Internet) in violation of this or any other AFNWA policy will be subject to corrective action, including possible termination of employment, legal action, and criminal liability.

Password Protection & General Procedures

The purpose of this procedure is to specify guidelines for use of passwords. Most importantly, this procedure will help users understand why strong passwords are necessary and help them create passwords that are both secure and useable. Lastly, this procedure will educate users on the secure use of passwords. This procedure applies to any person who is provided an account on the organization's network or systems, including: employees, guests, contractors, partners, vendors, etc.

The best security against a password incident is simple: following a sound password construction strategy. The organization mandates that users adhere to the following guidelines on password construction:

1. Passwords should be at least 8 characters
2. Passwords should be comprised of a mix of letters, numbers and special characters (punctuation marks and symbols)
3. Passwords should be comprised of a mix of upper- and lower-case characters
4. Passwords should not be comprised of, or otherwise utilize, words that can be found in a dictionary
5. Passwords should not be comprised of an obvious keyboard sequence (i.e., qwerty)
6. Passwords should not include "guessable" data such as personal information about yourself, your spouse, your pet, your children, birthdays, addresses, phone numbers, locations, etc.

Passwords should be considered confidential data and treated with the same discretion as any of the organization's proprietary information. The following guidelines apply to the confidentiality of organization passwords:

1. Users must not disclose their passwords to anyone
2. Users must not share their passwords with others (co-workers, supervisors, family, etc.)
3. Users must not write down their passwords and leave them unsecured
4. Users must not check the "save password" box when authenticating to applications
5. Users must not use the same password for different systems and/or accounts, except under Single Sign On software, as prescribed by the IT coordinator
6. Users must not send passwords via email
7. Users must take care to change their passwords regularly (minimum every 90 days) and to not re-use old passwords

Since compromise of a single password can have a catastrophic impact on network security, it is the user's responsibility to immediately report any suspicious activity involving his or her passwords to their manager/director and IT Coordinator. Any request for passwords over the phone or email, whether the request came from organization personnel or not, should be expediently reported. When a password is suspected to have been compromised the IT Coordinator will request that the user, or users, change all his or her passwords.

This policy will be enforced by the IT Coordinator and/or Corporate Service Manager. Violations may result in disciplinary action, which may include suspension, restriction of access, or more severe penalties up to and including termination of employment.

Outsourcing External IT Support

Outsourcing is often necessary when specialized expertise is required, which happens frequently in the field of Information Technology (IT). Trust is necessary for a successful outsourcing relationship; however, the AFNWA must be protected by a policy that details and enforces the terms of the outsourcing relationship.

All outsourced IT functions are at the discretion of the Manager of Corporate Services or the CEO. Under no circumstances should you grant access to your system to a third party without the expressed permission of the Manager of Corporate Services and CEO.

Standards and Controls for Network Access and Authentication

Consistent standards for network access and authentication are critical to the AFNWA's information security and are often required by regulations or third-party agreements. Any user accessing the AFNWA's computer systems has the ability to affect the security of all users of the network. An appropriate Network Access and Authentication procedure reduces risk of a security incident by requiring consistent application of authentication and access standards across the network.

Please contact the Manager of Corporate Services or the IT Coordinator if you require Network Access for yourself or for a contractor, or guest of the AFNWA.

Employee Agreement

I have read, understand, and agree to comply with the IT Policy and conditions governing the use of the organization's electronic media, services and devices. I understand that the organization may, from time to time, need to gain access to my work computer and, as such, I am only entitled to a reasonable level of privacy on my work computer. I am aware that violations of this guideline on appropriate use of the e-mail and Internet systems may subject me to disciplinary action, including termination from employment, legal action, and criminal liability. I further understand that my use of the e-mail and Internet may reflect on the image of the Atlantic First Nations Water Authority to our clients, community members, and other stakeholders and that I have responsibility to maintain a professional and positive representation of the organization. Furthermore, I understand that this policy can be amended at any time.

Date: _____

Print name: _____

Employee Signature: _____

Witness: _____

Witness Signature: _____



**Item #8
AFNWA Board
29 September 2021**

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

SUBMITTED BY: **Original Signed by**
James MacKinnon, MPA, B.Sc., interim COO

APPROVED BY: **Original Signed by**
Carl Yates, M.A.Sc., P.Eng., interim Chief Executive Officer

DATE: 23 September 2021

SUBJECT: **Covid-19 Vaccination Policy**

ORIGIN

Staff recommended policy based on the current state of the Covid-19 global pandemic.

RECOMMENDATION

It is recommended that the Board approve the vaccination policy in the substantive form attached.

BACKGROUND

The Atlantic First Nations Water Authority (AFNWA) is committed to providing a safe working environment for our employees and members of the public with whom we interact regularly. The purpose of the Vaccination Policy is to provide guidelines pertaining to the expectations and requirements of staff with respect to COVID-19 and vaccination.

DISCUSSION

The AFNWA will be working directly in First Nations communities. As such, it is vitally important that we protect those communities and its members.

The AFNWA will require all current staff to disclose their vaccination status, in writing.

All new hires will also be required to disclose their vaccination status. If the candidate is not willing to receive vaccinations within a reasonable amount of time, no offer will be extended.

The AFNWA will allow for two exemptions:

- Health Complications (with Physicians Approval)
- Religious Standing (proof within a published doctrine from a recognized religious institution)

Accommodations for cultural reasons will be assessed on a case by case basis.

If an individual has chosen not to be vaccinated, the AFNWA will review the information and will implement necessary actions up to and including restricting access to the workplace, placing the individual on an unpaid leave of absence, and/or modifying or terminating their contract of employment.

BUDGET and FINANCIAL IMPLICATIONS

None

ALTERNATIVES

None

ATTACHMENT

AFNWA Covid-19 Vaccination Policy

Report Prepared by: original signed by

James MacKinnon, MPA, B.Sc., interim COO

Financial Reviewed by: original signed by

Chantal Leblanc, Manager of Corporate Services/CFO, 902-877-

3813



Covid-19 Vaccination Policy

**Presented to AFNWA Board
DATE: September 29, 2021**

1. PURPOSE

The Atlantic First Nations Water Authority (AFNWA) is committed to providing a safe working environment for our employees, and members of the public with whom we interact regularly. The purpose of the Vaccination Policy (the “Policy”) is to provide guidelines pertaining to the expectations and requirements of staff with respect to COVID-19 and vaccination.

In our day-to-day site operations, we have a responsibility to protect all workers and the community in which we operate, and it is for this reason that it is critical that the AFNWA and its staff take all precautions to protect against COVID-19.

2. SCOPE

This Policy applies to all AFNWA employees, contractors, and any other individuals employed or contracted to provide service in any capacity to the AFNWA, collectively the “Staff”.

3. POLICY

A. Mandatory Vaccination

It is the position of the AFNWA to require all staff to become vaccinated against COVID-19, as recommended by the Public Health Agency of Canada

AFNWA Staff must provide, in writing, confirmation of their vaccination status (vaccinated/not vaccinated).

In the event an individual chooses not to be vaccinated, the individual will be required to disclose in writing to Human Resources the reason for not being vaccinated (e.g., personal choice, religious, or medical grounds). This information will be kept in the employee’s confidential medical information file and kept private. The information is collected for the purpose of minimizing risks to Staff and others who come in contact with Staff in the event of any COVID-19 case.

In the case of an individual who has been offered the vaccine and has chosen not to be vaccinated, the AFNWA will review the information and may implement necessary actions up to and including restricting access to the workplace, placing the individual on an unpaid leave of absence, and/or modifying or terminating their contract of employment.

B. Accommodations

Where an individual provides a medical, religious, cultural, or other valid reason for having not received a COVID-19 vaccination, the AFNWA will work with the individual to develop and implement an appropriate accommodation to ensure the safety of the employees and the general public

In the case of an individual who has a medical exemption, the individual will be required to provide documentation from their physician.

In the case of an individual who has a religious exemption, the individual will be required to

provide proof within a published doctrine from a recognized religious institution.

Cultural accommodation will be assessed on a case by case basis.

C. Non-Compliance

Staff failing to follow this policy may be subject to disciplinary action up to and including termination of employment.

4. CONFIDENTIALITY

Information relating to an individual's proof of vaccination and/or the reason(s) for not receiving a COVID-19 vaccination will remain in their confidential Human Resources file for the purposes of ensuring the safety of the AFNWA's employees, contractors, and local communities, in the event of a COVID-19 outbreak.

5. CONTACT FOR INTERPRETATION

Please contact Human Resources with any questions.



**Item #9
AFNWA Board
29 September 2021**

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

SUBMITTED BY: **Original Signed by**
James MacKinnon, MPA, B.Sc., interim COO

APPROVED BY: **Original Signed by**
Carl Yates, M.A.Sc., P.Eng., interim Chief Executive Officer

DATE: 23 September 2021

SUBJECT: **Amendment to AFNWA Financial Policies and Procedures Manual (Travel Policy)**

ORIGIN

AFNWA Financial Policy and Procedures Manual passed at the Board meeting on July 23, 2020.

RECOMMENDATION

It is recommended that the Board approve the amendment, in its substantive form attached.

BACKGROUND

Feedback from our workshops have brought to the attention of AFNWA Management that the rates identified in the AFNWA travel policy are potentially lower, on average, than other First Nations organizations in the Atlantic Region. A comprehensive review of similar organizations and communities was completed to provide recommendations for a new travel policy rates.

DISCUSSION

Travel Rates Comparison										
Orgnization	Company Vehicles	Milage/ KM	Meals			Incentital	Room	Private Lodge	Virtual Meeting	Bridge/ Tolls
			Breakfast	Lunch	Dinner					
AFNWA	no	45.00	12.35	11.85	33.15	17.30	160.00	50.00	no	cost
1		46.15								
2		45.00	12.35	11.85	33.15	17.30	max 160		250.00	
3		50.50	17.50	18.05	45.95	17.30		50.00		
4										
5		50.00	10.00	15.00	20.00					
6		54.45	21.10	21.35	52.40	17.30				
7		46.70								
8										
9	yes	54.50	21.10	21.35	52.40	17.30	rate	50.00	no	cost
10	no	50	15.75	15.00	42.00	17.30		none		
11		52.50	21.10	21.35	52.40	17.30		50.00		
12										
13		48	10.50	11.00	29.00	6.00	100.00	none	no	cost
14										
15		53.5	21.10	21.35	52.40	17.30			no	
16										
17										
18		53.5	20.25	19.85	50	17.3				
19										
20	no	47.50	12.00	12.00	28.00	6.00	rate	none	no	cost
21		45.00	12.35	11.85	33.15	17.30				
22		50.00	20.50	20.10	50.65	17.50				
Average		50.00	17.18	17.09	43.33	14.81	100.00	50.00		
lowest										
Highest										

The table above shows a direct comparison between AFNWA’s travel rates and 22 other First Nations organizations and communities. AFNWA management recommends meeting the averages of these rates where AFNWA rates are lower than average, while maintain the current rate where AFNWA’s rate is currently above average.

AFNWA’s proposed new travel rates are as follows:

Orgnization	Company Vehicles	Milage/ KM	Breakfast	Lunch	Dinner	Incentital	Room	Private Lodge	Virtual Meeting	Bridge/ Tolls
AFNWA	no	0.50	17.23	17.04	42.92	17.30	160.00	50.00	No	Cost

BUDGET and FINANCIAL IMPLICATIONS

There are adequate funds available to cover the costs associated with the proposed increase in travel reimbursement.

ALTERNATIVES

Maintain existing travel compensation rates, however, this alternative is not recommended by management given the feedback that we've received from workshop participants.

ATTACHMENT

None

Report Prepared by:	original signed by James MacKinnon, MPA, interim COO, 902-401-3092
Financial Reviewed by:	original signed by Chantal Leblanc, Manager of Corporate Services/CFO, 902-877-3813
Report Approved by:	original signed by Carl Yates, interim CEO, 782-414-6628



ITEM # 10
AFNWA Board
29 September 2021

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

SUBMITTED BY: original signed by
Adam Gould, Manager of Communications and Outreach

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

DATE: September 16, 2021

SUBJECT: **2020/21 Annual Report**

ORIGIN

Communications and Outreach Strategy approved at AFNWA Board meeting of March 31, 2021

RECOMMENDATION

It is recommended that AFNWA Board approve the 2020-21 Annual Report as presented.

BACKGROUND

The publication of an annual report is considered a best practice in relation to communications with stakeholders on achievements and progress over the fiscal year. The production of an annual report was highlighted in the overview of the Communications and Outreach Strategy presented to the Board on March 31, 2021.

DISCUSSION

Production of the annual report began in July 2021 with format and design done by National PR and content provided by the Communications and Outreach Manager, Chief Operating Officer, and Chief Executive Officer. The annual report

provides a concise overview of activities and milestones of the 2020-21 fiscal year.

The annual report was developed to appeal to corporate and community interests, while highlighting the many important milestones the organization has accomplished in its 'first year of business.' AFNWA will distribute the report directly to its stakeholders via email (in PDF), upload it to website, and have paper copies printed for circulation.

BUDGET IMPLICATIONS

Funds for the annual report are contained in the 2020/21 Operations budget as funded through agreement with Indigenous Service Canada, the annual report is estimated to cost 13,750, based on National's scope document dated July 23, 2021.

ALTERNATIVES

N/A

ATTACHMENT

AFNWA 2020/21 Annual Report in PDF.

Report Submitted by: original signed by
Adam Gould, Manager of Communications and Outreach

Report Approved by: original signed by
Carl Yates, interim CEO



2020-2021 ANNUAL REPORT

NOT ALL PATHS ARE PAVED



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The Atlantic First Nations Water Authority thanks Board member, Chief Arren Sock of Elsipogtog for creating our logo. At a Board meeting in 2018, the discussion topic of designing a logo quickly became an impromptu art class. When several logos were presented, Chief Sock said he always pictured the logo “like this” and then drew the logo we use today on the back of a napkin, literally.

Mi’kmaw artist Gerald Gloade of Millbrook, NS, then took Chief Sock’s original design and created a digital file. Gerald added the colours, a final touch in bringing the logo to life. It was presented at an Atlantic Policy Congress Annual General Assembly and received rave reviews.

Using only a napkin and pen, Chief Sock came up with this humble and captivating concept: a double-ringed circle with a wigwam inside the middle. A water pipe in blue leads to a tap that is attached to the wigwam, a traditional structure in Indigenous culture; it is a home where clean water flows freely from its tap.

The colours blue, black, red, and yellow are features inspired by the medicine wheel. Each coloured quadrant indicates such things as the directions, sacred elements, virtues, teachings, and more. Green and blue represent the Earth and sky, respectively.

The water cycle, which is the spirit of our work at AFNWA, is also represented by the circular shape. It symbolizes the continuous cycle that water undergoes from source to tap, and back to the source again, a metaphor of life itself.



Mission Statement and Strategic Goals



Our Mission

To provide safe, clean drinking water and wastewater in all participating First Nations communities in Atlantic Canada, delivered by a regional water authority owned and operated by First Nations.



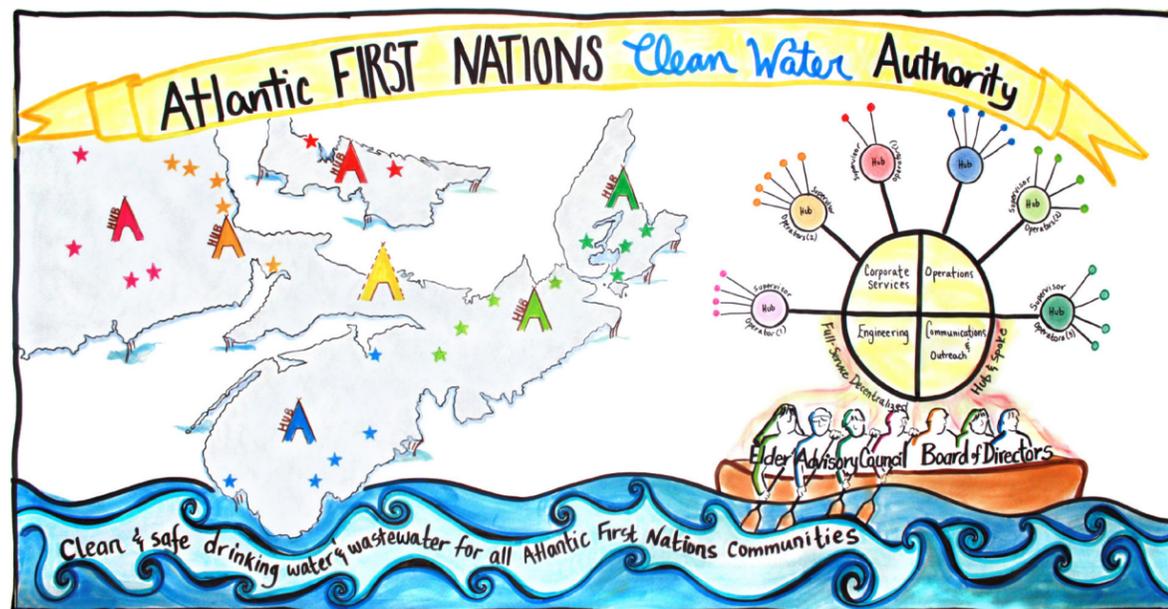
Our Vision

To be a recognized leader for the delivery of water and wastewater services to First Nations communities across Canada.



Strategic Goals

- To support long term self-governance.
- To improve service delivery.
- To ensure effective governance of the AFNWA.
- To ensure financial sustainability of the AFNWA.
- To integrate First Nation culture and tradition and realize aspirations to achieve self-determination.



Blazing a Trail – CEO'S Message

The Atlantic First Nations Water Authority has been in the making since 2009 when Chiefs in Atlantic Canada made the decision to explore options for a First Nations owned utility to deliver water and wastewater service in their communities.

This was in recognition that the colonial approach was not working and a new direction was needed. There have been many twists and turns since 2009 but the path became clearer last year after the AFNWA signed a Framework Agreement with Indigenous Services Canada, as announced by Minister Marc Miller. The Agreement stipulated that with the formation of the AFNWA, the Government of Canada was committing to transfer responsibility for water and wastewater service delivery from Indigenous Services Canada to the AFNWA and provide sustainable funding over the long term. This was in line with the federal government mandate and First Nations pursuit of self-determination in the management of critical services. In terms of critical services, none can be more important than water, as it represents life itself.

With the announcement of the Framework Agreement in June 2020, Minister Miller also made a commitment to fund the AFNWA through a two-year transition period to realize full autonomous operation by Spring 2022 with long term funding to be negotiated through a Transfer Agreement. In anticipation of the Framework Agreement announcement, a Transition Implementation Plan was developed and approved by the AFNWA Board on June 24, 2020. The Transition Implementation Plan is a roadmap for activities and milestones that need to be completed over a two-year period to ensure AFNWA will be ready for full operations in 2022. Suffice it to say, all of the major milestones were reached as planned with a flurry of activity in the summer, fall, and winter of the fiscal year ending March 31, 2021. This is a remarkable achievement considering it was accomplished during a global pandemic.

With the Senior Management Team in place, and the support of the AFNWA Board and Elders Advisory Lodge, the 2021-22 fiscal year will see even more progress as the AFNWA continues to blaze a trail to realize its vision of being a leader in the delivery of water and wastewater services to First Nations communities in Canada. It will accomplish this by building capacity and expertise in a utility developed by First Nations for First Nations, for the betterment of the communities it serves.

Yours in service,



Carl Yates, M.A.Sc., P.Eng.,
Interim Chief Executive Officer

Key milestones included:

- Development of a Finance Policy and Procedures Manual
- Completion of a Human Resources Policy
- Completion of an Employee Compensation Policy
- Completion of a Corporate Governance Manual and Board Compensation Policy
- Formation of an Elders Advisory Lodge
- Award of a Contract to Develop an Asset Management Plan and Ten-Year Capital Budget for communities interested in participating in the AFNWA
- Award of a Contract to Develop a Supervisory Control and Data Acquisition [SCADA] Master Plan for communities interested in participating in the AFNWA
- Submission of an updated Business Case to the federal government after a peer review from the Ontario Clean Water Agency
- Development of Communications and Outreach Strategy
- Recruitment of a Senior Management Team

Board Chair's Message

Kwé Nitaptuk,

Pjilita'q and welcome to the first annual report of the Atlantic First Nations Water Authority. As Chair of the AFNWA Board, I am delighted to share a highly successful first year of business with you all.

When I was appointed as Chair by my fellow Chiefs, I was honoured and elated to accept this role. Honoured in being asked to lead this significant first in Canada for our people; elated with the future results of such a long journey in having clean drinking water finally be the right that our people should never have waited for. On behalf of the AFNWA Board, I say "Wela'lioq" to the tremendous efforts of the Senior Management Team and staff.

The AFNWA management and staff are to be commended. When we first gathered with Carl Yates, CEO and James MacKinnon, COO, the Board directed that several key objectives be met in the first fiscal year. I must admit that the tasks seemed difficult to accomplish, but AFNWA showed resilience and is on schedule for full operations next spring.

We look forward to our second year in business and seeing AFNWA breathe new life as it lives out its mission. We eagerly look forward to seeing the utility play visibly active roles in our communities, and we will continue to work with all staff to achieve our shared mission—providing clean, safe drinking water and wastewater to all Indigenous communities.

If I could summarize the work done by AFNWA in the past year in one word, I offer weltek, or "it is good!"

Wela'lioq,



Chief Wilbert Marshall,
Board Chair



Financial Report

AFNWA recently completed their first audit for the year ending March 31, 2021, after securing direct funding from the federal government to start our two-year transition to full autonomous operation in Spring 2022. The year was marked by rapid growth and expansion with the objective to maintain momentum throughout the 2021/2022 fiscal year. Many projects were initiated, and contracts were awarded for work to be completed throughout the course of 2021/2022. These multi-year or overlapping projects lead to a large amount of funding that would carry over to the next fiscal year. As such, our Statement of Financial Position includes \$2.6M of deferred revenue, referring to funds that have been received and marked for projects that are still in progress. These include the Asset Management Plan and SCADA Master Plan projects which are well underway and scheduled for completion in the fall of 2021.

Overall, the COVID-19 pandemic has had a minimal impact on our operations. We had several meetings and travel plans that were delayed into 2021/2022 but made the most of digital technology. We also delayed occupancy in a central office in order to allow staff to work from home offices for a longer period of time until it was safe to gather in person. Expenditures including room rentals, rent and facilities, travel, and board and council compensation were all minimal as a result of these delays. With the adoption of vaccines, and other protective measures however, 2022 is providing us with much more freedom and flexibility to gather, share information, collaborate, and be together in an office environment.

The audited statements are reflective of our organization's first year of stand-alone operations as we increased our staff, acquired office space and equipment, and awarded several contracts to assist the organization in drafting legal agreements, completing engineering work and compiling data that will be ultimately included in our long-term business plans. AFNWA continues to be well within budget to obtain our objectives within the time periods set out in our transition implementation plan.

"ON BEHALF OF THE AFNWA BOARD, I SAY "WELA'LIOQ" TO THE TREMENDOUS EFFORTS OF THE SENIOR MANAGEMENT TEAM AND STAFF. "



First Nations Leadership

A Board of Directors is the senior level of management required by law to oversee the operations of the AFNWA. It is responsible for setting the strategic direction, high-level oversight, risk management framework, and the body to whom the Chief Executive Officer will report. The AFNWA Board will consist of up to 15 Directors comprised of twelve representatives from First Nations communities and three ex-officio technical experts. Currently, AFNWA has seven Chiefs on its Board, two (2) Regional Chiefs, and one technical expert versed in the finance of First Nations organizations. When appointing Board members, AFNWA considers:

Selection

Members are selected by the “ownership” (Chiefs of participating communities) to serve on the Board.

Technical experts

The Directors will recommend up to three technical

experts who will advise and accompany the Board through decisions and approvals.

Limited terms

All Board members will serve four years with rotating appointments, ensuring continuity, except for the Chair who is appointed for a five-year term.

2020/21 Highlights

7 BOARD MEETINGS
held in 2020–21



WELCOMED NEW BOARD MEMBERS:
Chief Leroy Denny, Eskasoni, NS, and Chief Darlene Bernard, Lennox Island, PEI.



Approved hiring of
CEO & SENIOR MANAGEMENT TEAM



APPROVED BOARD GOVERNANCE MANUAL AND SEVERAL KEY POLICIES: Finance Policy and Procedures Manual, Human Resources Policy, Compensation Policy, etc.



Approved
COMMUNICATIONS & OUTREACH STRATEGY

The current AFNWA Board of Directors are



CHAIR
Chief Wilbert Marshall
Potlotek, NS



VICE-CHAIR
Chief Ross Perley
Tobique, NB



Chief Darlene Bernard
Lennox Island, PEI



Chief Leroy Denny
Eskasoni, NS



Chief Andrea Paul
Pictou Landing, NS



Chief Terry Paul
Membertou, NS



Chief Arren Sock
Elsipogtog, NB



Regional Chief Paul Prosper
Assembly of First Nations, NS, NFLD

Not pictured: **Regional Chief Roger Augustine**, Assembly of First Nations (New Brunswick and PEI)

Todd Hoskin, CEO, Ulnooweg Development Group Inc.

Senior Management Overview

A key objective in the first year was for interim executives Carl Yates, CEO, and James MacKinnon, COO, to assemble the Atlantic First Nations Water Authority senior management team. After the Board gave its direction, Carl and James began recruitment through Leaders International, who sought the best candidates to fill four main management roles in areas of Communications and Outreach, Corporate Services, Engineering, and Operations.

John Lam joined first as Manager of Engineering in November 2020. A professional engineer with four decades of experience, John’s career had a focus on environmental engineering, and water and wastewater regulations. He is currently overseeing development of AFNWA’s Asset Management Plan (AMP) and Supervisory Control and Data Acquisition (SCADA) master plan.

Adam Gould arrived a month later, a Mi’kmaq First Nations member from Membertou, in Unama’ki (Cape Breton). With experience working for First Nations not-for-profits with several of our Board Chiefs, Adam was hired to manage the Communications and Outreach department.

Chantal LeBlanc, who joined in March 2021, serves two vital roles—Manager of Corporate Services and Chief Financial Officer. A strong banking background and education in accounting provide Chantal the skills she needs to lead one of AFNWA's largest departments. She comes originally from New Brunswick and has experience working directly with First Nations in banking and finance.

The search ended with the recruiting of James Trimble, our Manager of Operations. Overseeing the largest department at AFNWA, Jim eased into his role following many years of service with Inuvialuit Development Corporation and Nunatsiavut Government. Before joining AFNWA, he was Director of Capital and Public Works with Beausoleil First Nation in Ontario.

Framework Agreement with Indigenous Services Canada

The Framework Agreement signed with Indigenous Services Canada in June 2020 helped to springboard AFNWA's momentum. By signing, the federal government signaled to AFNWA and its prospective communities that the Government of Canada would be a willing partner in the development and eventual long-term funding of the Atlantic First Nations Water Authority.

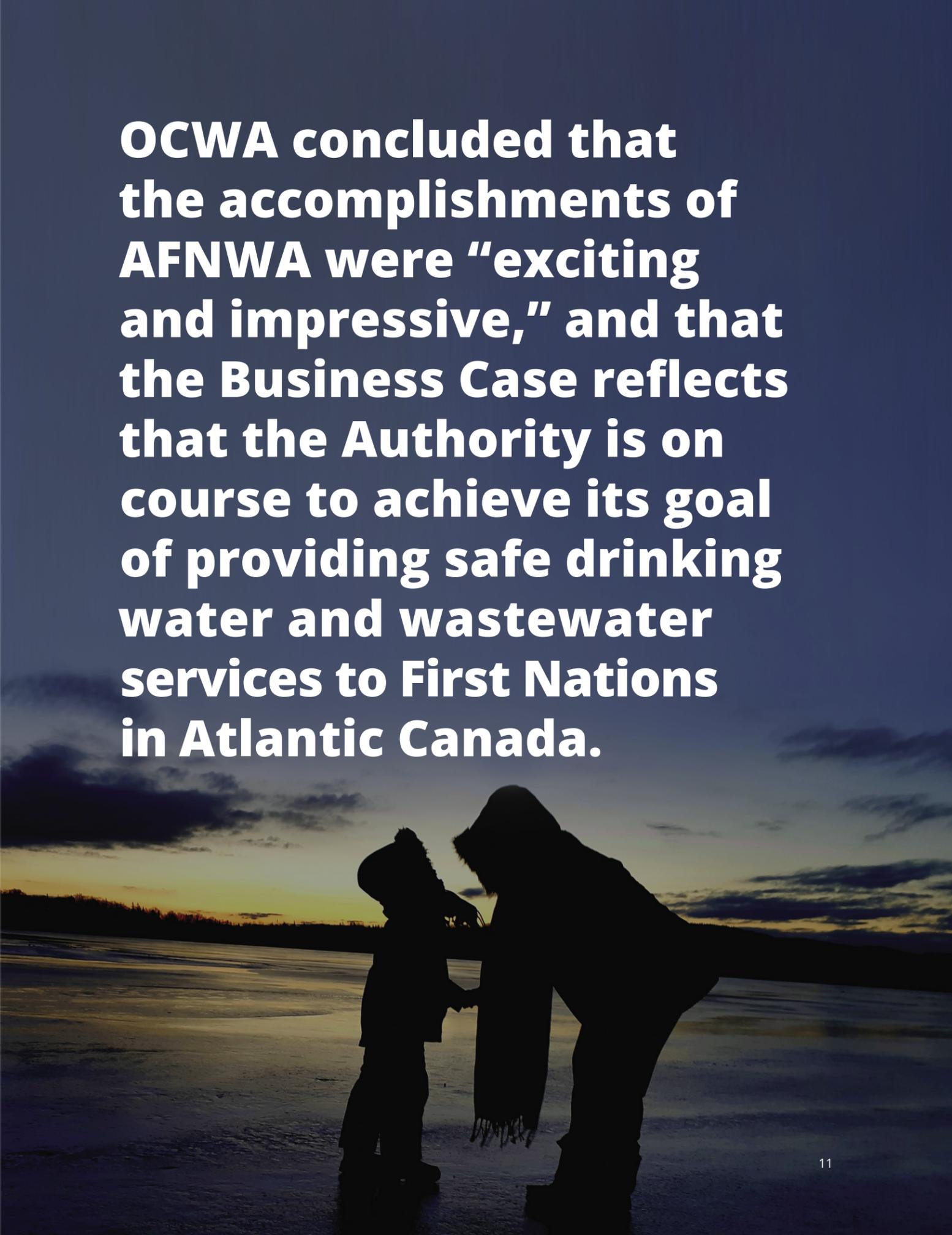
Specifically, the Framework Agreement is to:

- Promote efficient and effective progress towards an Agreement-In-Principle and subsequent Transfer Agreement.
- Identify topics to be set out in the Agreement-in-Principle and subsequent Transfer Agreement, as illustrated in the AFNWA's detailed transfer process plan.
- Agree on a process that, in accordance with section 7(b) of the Department of Indigenous Services Act, will lead to the transfer to the AFNWA of all responsibility that the Minister of Indigenous Services has for the development, provision, and funding of Water and Wastewater Services.
- Agree on a process that will provide a long-term funding agreement with the AFNWA to provide water and wastewater services to participating First Nation communities.
- Agree on a process that will set out how funding levels to the AFNWA are to be determined.

The Framework agreement was signed by Chief Wilbert Marshall, Chair of AFNWA, and Jean-François Tremblay, Deputy Minister of Indigenous Services Canada.

Incorporation

When the three feasibility assessments were complete, the Atlantic Policy Congress Chiefs decided that the time was right for AFNWA to move forward as an organization. On July 18, 2018, the Atlantic First Nations Water Authority was incorporated under the Canada Not-for-Profit Corporations Act.



OCWA concluded that the accomplishments of AFNWA were “exciting and impressive,” and that the Business Case reflects that the Authority is on course to achieve its goal of providing safe drinking water and wastewater services to First Nations in Atlantic Canada.

AFNWA Business Case

With the AFNWA incorporated and all feasibility assessments complete, it was now important for the AFNWA to bring all the elements together to present the rationale for a regional utility and order of costs to the Government of Canada. The AFNWA Business Case was developed to consolidate and validate over a decade of work undertaken by Atlantic First Nations. Its purpose was to establish the AFNWA and a culturally appropriate, service-oriented, and technically-strong First Nations water authority that will own, operate, and maintain water and wastewater facilities in First Nations communities.

The Business Case was submitted in the summer 2019 and was the catalyst that led to the development and signature of the AFNWA Framework Agreement with the Government of Canada.

OCWA Peer Review of Business Case

Under contract with Indigenous Services Canada, the Ontario Clean Water Agency (OCWA) provided a review and recommendations on the Atlantic First Nations Water Authority Business Case. The AFNWA was consulted regularly throughout the review process which culminated in the submission of a final report in January 2021.

OCWA's methodology was based on 25 years of operating experience, utilizing a hub and spoke model. OCWA offered various recommendations based on its own operating practices across Ontario's regulatory jurisdiction, which were honed through stringent and evolving regulatory compliance, continuous improvement, and client expectations.

OCWA concluded that the accomplishments of AFNWA were "exciting and impressive," and that the Business Case reflects that the Authority is on course to achieve its goal of providing safe drinking water and wastewater services to First Nations in Atlantic Canada.

Following the peer review, the Business Case was updated to incorporate recommendations from OCWA and presented to the Board for approval in March 2021.

Transition Implementation Plan

The Business Case recommended a phased, milestone-based approach with a two-year transitional period leading to full autonomous operations in spring 2022. The transition period allows for detailed operational and capital budgets to be developed and agreed with Indigenous Services Canada, based on an asset management plan, operations plan, and a 10-year capital program.

The AFNWA developed the Transition Implementation Plan as the principal roadmap for implementing the Framework Agreement between AFNWA and Indigenous Services Canada. This plan, organized into three key phases, includes several steps that need to be delivered sequentially:

Phase

1

Approval and funding is an enabling phase including tasks which must be completed to allow AFNWA to take on additional operational responsibility in 2020.

Phase

2

Operational initiation establishes the AFNWA Senior Management Team to prepare for the transition of ownership and operational management of participating First Nations water and wastewater assets.

Phase

3

AFNWA formation formalizes the AFNWA budget planning (asset management plan, risk assessment, 10-year capital spending plan, operational plan) and consolidates these into a Funding Model. The funding requirements will be subject to negotiation with Indigenous Services Canada with the understanding that the level of funding will be in line with the order of cost identified in the AFNWA Business Case.

Today, the AFNWA is diligently working to complete the milestones identified in the Transition Implementation Plan to become fully operational in spring 2022.

Governance Manual

A key milestone in the Transition Implementation Plan was the development of the AFNWA Governance Manual. In accordance with best practices, the decision-making process of the Board is guided by the governance manual which outline roles and responsibilities, and authority of Board members and committees. The Governance Manual's key aspects are:

- Board structure
- Governance principles
- Fiduciary responsibilities
- Confidentiality and conflicts of interest
- Roles and responsibilities of Directors
- Delineation of authority between the Board and CEO
- Governance operations

A draft Governance Manual was developed over the summer of 2020 and was formally approved by the Board in November 2020. The final version can be found on our website at afnwa.ca.



Outreach: All Chiefs' meetings

The story of the Atlantic First Nations Water Authority began at an all-Chiefs meeting at Atlantic Policy Congress of First Nations Chiefs Secretariat. The Auditor General of Canada's 2005 Report of the Commissioner of the Environment and Sustainable Development identified a regulatory gap in First Nations drinking water, and, in turn, urged that a regulatory regime be developed.

The following year, an Expert Panel on Safe Drinking Water for First Nations was held to provide recommendations to then Indian and Northern Affairs Canada (now Indigenous Services Canada) on water treatment and management practices for First Nation communities. The experts determined that regulation alone would not be effective in ensuring safe drinking water unless other requirements were met, including investment in both human resources and physical assets. Sixteen elements of a proposed regulatory system were put forward. It was also suggested that a national level First Nations Water Commission be created to regulate, enforce, and be accountable for safe drinking water in First Nation communities.

In March of 2009, engagement sessions were held across Canada on the development of a proposed legislative framework for Drinking Water and Wastewater in First Nations communities. The following month, the Centre of Water Resources Studies at Dalhousie University presented their analysis on the impacts of a proposed Federal Legislative Framework for drinking water and wastewater in Atlantic First Nations Communities, and determined that 14 of the 16 elements proposed by the Expert Panel have direct application to Atlantic First Nations. From there, the Atlantic Policy Congress, in partnership with the Centre for Water Resources Studies, developed a proposal on a drinking water regulatory and operational framework, where the concept of the AFNWA was born.

The APC had originally contemplated the AFNWA as a Public Private Partnership and began a multiyear assessment to explore this option. The work with P3 Canada yielded many important developments for the AFNWA.

- It was determined that the AFNWA would incorporate under the Not-for-Profit Act to ensure that each member community would have an equal say in the organizations.
- It was determined the Board would be made up of 15 individuals, 12 would be First Nations representatives, with 3 technical experts in areas of the Board's choosing.
- A comprehensive asset condition assessment was completed on community water and wastewater infrastructure to determine the capital deficit.
- A comprehensive set of water and wastewater regulations were developed for First Nations in communities in Atlantic Canada and were supported via an APC All Chiefs Resolution.

After several years of exploring the P3 option, the APC Chiefs decided it was not in the best interests of the future AFNWA to pursue this option. Rather, it was decided to negotiate a long-term funding agreement with Canada.

In order to begin negotiations, there were three feasibility assessments for the Atlantic First Nations Water Authority that needed to be completed:

- AFNWA Corporate Structure
- An analysis on Operations and Maintenance costs in First Nations communities
- Updated asset condition assessment to ensure order of cost for capital investment was accurate

AFNWA Corporate Structure

Halifax Water, Atlantic Canada's largest water, wastewater, and storm water utility, in partnership with Accelerator Inc., was contracted to develop a corporate structure recommendation for the AFNWA.

Throughout their initial engagements with First Nation Chiefs and Elders, it was evident that significant value was attached to environmental stewardship, the spiritual aspects of water, and Two-Eyed Seeing, concluding that it was critical for the AFNWA to incorporate First Nations traditional knowledge and culture in their operations approach.

In addition to direct feedback from First Nations Chiefs, Elders, and system operators, Halifax Water also completed outreach activities that included a review of best practice in Canada. A formal questionnaire was sent to agencies that provide direct or support services to First Nations communities in the provision of water and wastewater service.

Central to the success of AFNWA is the ongoing need to build trust and communicate with its users and stakeholders in a transparent and open manner. This is a value shared with other water and wastewater service providers across Canada, but is even more evident within a First Nations culture as noted through continuous feedback.

Based on research and outreach activities, Halifax Water concluded there was a preference among First Nation representatives to adopt a full service-decentralized model. This model reflects current best practice for service delivery to First Nations communities in Canada.

It incorporates a hub and spoke approach to operations for optimal service delivery, and to foster a deeper relationship with the communities served by the utility.

To further strengthen relationships and reflect the culture of the First Nations communities, Halifax Water also recommended that the main office of the AFNWA be located within a First Nation community along the service corridor somewhere between Halifax and Moncton; an Elders Council be created to advise the Board on important cultural issues; and senior staff include a Manager of Communications and Outreach to ensure the AFNWA remains open and transparent to the communities they serve.

Financial Analysis: Operations and Maintenance

To ensure project success, the completion of a financial analysis into the Atlantic First Nations Water Authority's potential impact on communities was imperative. In completing this project, Ulnooweg Development Group conducted an outreach and engagement process with Atlantic First Nations. In addition, Ulnooweg worked with the officials of Indigenous Services Canada and the First Nations & Inuit Health Branch (FNIHB) on related data exploration and analysis.

The financial analysis and community visitation process undertaken during this project provided extensive financial information on current water and wastewater operations in the 22 First Nations communities interested in the project at that time.

To support the Chief's decision-making on the proposed AFNWA, Ulnooweg provided an analysis in 2018 to determine the available funding within the system for operations and maintenance.

Asset Condition Assessment on Current Water/Wastewater Infrastructure

APC also contracted CBCL Limited to complete a Class C cost estimate to bring water and wastewater infrastructure in participating First Nations communities into regulatory compliance. The primary reference point for their research was a similar assessment that CBCL Limited completed for APC in 2013.

The objectives of the research were:

- To perform Asset Condition Assessments for water and wastewater assets in 22 First Nations Communities in Atlantic Canada;
- To address the infrastructure gap between existing systems and a future state to meet the proposed regulatory benchmarks;
- To complete 'Class C' cost estimates for capital project upgrades necessary to meet the regulatory benchmarks.



Operators' Workshops

Several workshops have been organized with community operators to update them on AFNWA activities and projects being undertaken. The workshops reinforced the need for operator training with AFNWA providing direct support to Operators interested in achieving higher levels of certification.

AFNWA is committed to support existing Operators and prepare them for future employment with the utility. In accordance with a Board resolution passed in July 2018, community-based Operators will be offered employment with Atlantic First Nations Water Authority when assets are transferred from the communities to AFNWA.

With funding by the First Nations and Inuit Health Branch, AFNWA facilitated the purchase of rain gear, computers, and gas detection equipment for community-based water monitors.

It was recognized that several community-based water monitors were also operators in the community and as a result could take full advantage of this gas detection equipment to ensure safe entry into confined spaces. Training sessions with community-based water monitors and associated Operators for gas detection equipment are planned for the summer of 2021.

Outreach: Asset Management Plan

One of the key projects being conducted by AFNWA is the development of an Asset Management Plan to determine what water and wastewater assets are owned by the community, their condition, whether they are performing to acceptable standards, and a list of upgrades that will be required. The upgrades will include repair or replacement of failed systems, additional backup systems, and new treatment processes to meet anticipated regulations. Regulations will be based on the Guidelines for Canadian Drinking Water Quality and the national Wastewater System Effluent Regulations. Our approach will be to treat all water as a sacred resource so that we take only what we need and return it back to the environment in as good or better condition as we started with.

This project will also produce a 10-Year Capital Plan which will identify projects that will address any of the shortcomings in the water and wastewater systems, with priority ranking based on risk management principles. That is, higher risk projects will be considered more urgent. This capital plan, along with an operations plan, will be integrated into the Business Plan and set the stage for funding from the federal government.

Dillon Consulting Ltd. was selected for this project based on a review of proposals from several qualified firms. The field staff from Dillon has been busy visiting each of the communities to identify assets and evaluate the condition and performance of infrastructure. The work to date has benefitted greatly from the engagement and input of operations staff in the communities who worked closely with the field teams, and providing detailed information on the water and wastewater systems.

Outreach: SCADA Master Plan

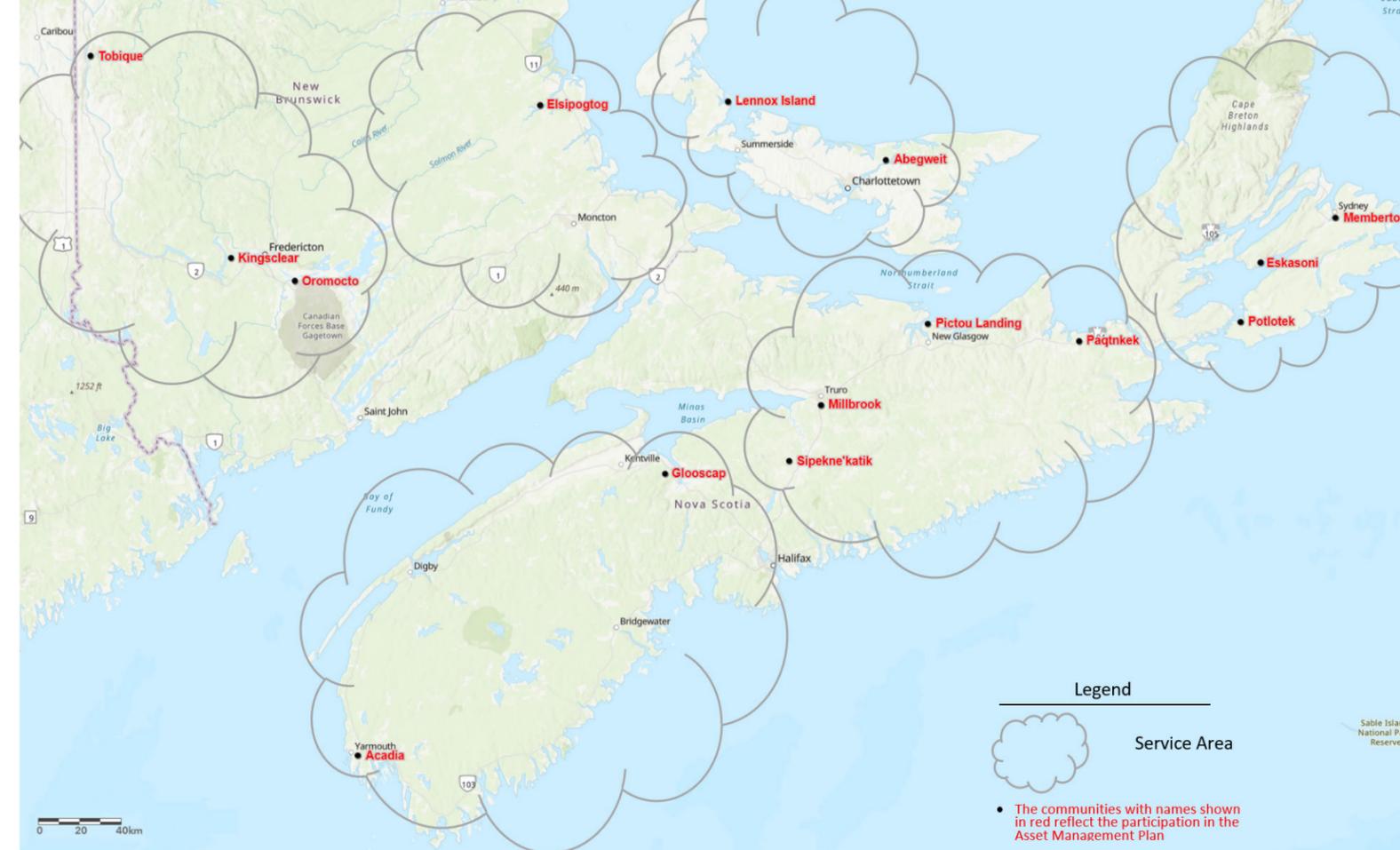
At the heart of all water and wastewater operations is the Supervisory Control and Data Acquisition (SCADA) system, which consists of the control and monitoring equipment and software that Operators rely on to run the water and wastewater systems.

The SCADA system captures data related to flow, pressure, and water level from equipment like pumps, blowers, valves, and tanks. For example, a pump may be turned on or off by the system depending on water levels or other variables.

The system runs on dedicated computers in a water or wastewater plant and provides an interface for Operators to control and observe the status of equipment. The SCADA system is equipped to have alarm setpoints so that when equipment fails or tanks are too high or too low, it will trigger an alarm. The system can convey the alarm condition to the Operator on duty or others who should be notified.

All communities currently have some form of SCADA system in place or have plans to put one in place. The AFNWA will serve as a catalyst to get much-needed upgrades quicker and ensure a consistent approach in the future.

The AFNWA organization structure is identified as the Full Service-Decentralized (hub-and-spoke) model. In each of AFNWA's six service areas, as depicted in the figure below, one community will serve as a regional hub for operations with a relationship to other communities (spokes) in the service area. In this structure, the individual communities are supported by staff and resources within a service area (e.g., Unama'ki). The communities are also supported by staff and resources at AFNWA's main office in Millbrook (Truro). This allows the communities to gain access to specialized skills and resources that may not have been possible, or practical, in the past. Additionally, staff will be available to step in and assist during special circumstances such as absences due to vacation, illness, or training.



Regional Services Area

For staff at the regional hubs, neighbouring communities, and headquarters to assist in troubleshooting and operating the facilities, the human machine interfaces will need to be standardized. This would be particularly important during emergency operations.

The security of the SCADA system for critical infrastructure such as water and wastewater facilities must be robust. Cybersecurity threats to these systems are well-known and have affected some municipal systems in the region. Cybersecurity will be addressed as part of the SCADA Master Plan Project.

Eramosa Engineering Inc. was awarded this project based on their unique qualifications and expertise. The field team, accompanied by AFNWA staff, visited all participating communities except for those on PEI, due to COVID-19 travel restrictions. PEI communities participated through video conferencing calls.

Eramosa prepared a current state summary of the SCADA system as they exist today and will prepare a desired state concept of what the SCADA system should look like when fully implemented. With this blueprint in hand, AFNWA will be able to guide the upgrade of SCADA systems toward a future goal to have an integrated and consistent approach.

APPENDIX



Content

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Management’s Responsibility for Financial Reporting

The accompanying financial statements of the Atlantic First Nations Water Authority Inc. are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations as recommended by the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgements of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control, and is ultimately responsible for reviewing and approving the financial statements.

The Board of Directors meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor’s report.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of the Atlantic First Nations Water Authority Inc. and meet when required.

On behalf of the Atlantic First Nations Water Authority Inc.



Mr. Carl Yates
Interim Chief Executive Officer
July 28, 2021

Independent Auditor's Report

To the Members of the Atlantic First Nations Water Authority Inc.

Opinion

We have audited the accompanying financial statements of the Atlantic First Nations Water Authority Inc., which comprise the statement of financial position as at March 31, 2021, the statements of operations, surplus, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Atlantic First Nations Water Authority Inc. as at March 31, 2021 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 3 in the financial statements which describes that the Authority adopted Canadian accounting standards for not for profit organizations on April 1, 2020 with a transition date of April 1, 2019.

These standards were applied retrospectively by management to the comparative information on the statement of financial position as at March 31, 2020 and April 1, 2019. Our opinion is not modified in respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedules included on Pages 12 and 13 are presented for purposes of additional information and are not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton LLP

Chartered Professional Accountants



Atlantic First Nations Water Authority Inc. Statement of Operations

Year ended March 31	Budgeted (Unaudited)	2021
Revenues		
Indigenous Services Canada	\$ 3,455,000	\$ 811,582
Indigenous Service Canada First Nations and Inuit		
Health Branch	130,130	119,208
Atlantic Policy Congress of First Nations Chiefs Secretariat	350,000	350,000
Interest		5,871
	3,935,130	1,286,661
Expenses		
Advertising and promotional materials	21,000	9,069
Board and council compensation	250,000	27,250
Business fees and licenses	-	6,798
Catering	-	2,646
Contracts	2,380,205	599,563
Equipment and room rentals	51,561	1,600
Insurance	30,000	3,215
Interest and bank charges	12,000	1,607
Office supplies and expense	38,000	6,226
Professional fees	170,000	82,532
Professional development	-	3,394
Project equipment	118,300	131,381
Rent and facilities	142,000	-
Salaries and benefits	629,895	377,282
Technology services	-	12,340
Telephone and cellular	10,000	2,707
Travel	82,169	19,051
	3,935,130	1,286,661
Excess of revenues over expenses	\$ -	\$ -

Atlantic First Nations Water Authority Inc. Statement of Surplus

Year ended March 31, 2021	Unrestricted	Investment in Capital Assets	Total 2021	Total 2020
Beginning of year	\$ -	\$ -	\$ -	\$ -
Excess of revenues over expenses	-	-	-	-
Capital asset additions	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the financial statements.

Atlantic First Nations Water Authority Inc. Statement of Financial Position

March 31	2021	2020 (Unaudited)	April 1, 2019 (Unaudited)
Assets			
Current			
Cash and cash equivalents	\$ 3,031,909	\$ -	\$ -
HST recoverable	3,665	-	-
Prepays	617	-	-
	3,036,191	\$ -	\$ -
Liabilities			
Current			
Payables and accruals	\$ 381,851	\$ -	\$ -
Deferred revenue (Note 4)	2,654,340	-	-
	3,036,191	-	-
Surplus (Page 5)			
Unrestricted	-	-	-
Investment in capital assets	-	-	-
	\$ 3,036,191	\$ -	\$ -

Contingent liabilities (Note 5)

On behalf of the Executive Committee


Director


Director

Atlantic First Nations Water Authority Inc. Statement of Cash Flows

Year ended March 31	2021
Increase (decrease) in cash and cash equivalents	
Operating	
Excess of revenues over expenses	\$ -
Changes in non-cash operating working capital	
Receivables	(3,665)
Prepays	(617)
Payables and accruals	381,851
Deferred revenue	2,654,340
	3,031,909
Net increase in cash and cash equivalents	3,031,909
Cash and cash equivalents Beginning of year	-
End of year	\$ 3,031,909

Atlantic First Nations Water Authority Inc.

Notes to the Financial Statements

1. Nature of operations

The Atlantic First Nations Water Authority Inc. (the "Authority") is not-for-profit organization which was incorporated on July 18, 2018 and whose mission is to provide safe, clean drinking water and wastewater in all participating First Nations Communities in Atlantic Canada, delivered by a regional water authority owned and operated by First Nations.

2. Summary of significant accounting policies

The Atlantic First Nations Water Authority Inc. (the "Authority") is not-for-profit organization which was incorporated on July 18, 2018 and whose mission is to provide safe, clean drinking water and wastewater in all participating First Nations Communities in Atlantic Canada, delivered by a regional water authority owned and operated by First Nations.

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The significant policies are detailed below.

Atlantic First Nations Water Authority Inc. is only one entity and does not own or control other entities and therefore the financial statements are not labelled as "consolidated." In addition, the Authority does not have any segments but has programs and therefore no segment information or disclosures have been presented in these financial statements.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known. Items subject to significant management estimates include the useful life and amortization rates of capital assets, as well as the cost of administrative overhead transferred to various projects.

Revenue recognition

The Authority follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions and investment income are recognized as revenue when received or receivable if the amounts to be received can be reasonably estimated and collection is reasonably assured.

Other revenues are recognized when received or receivable, provided the amount can be reasonably estimated and collection is reasonably assured.

Capital assets

The investment in capital asset fund reports the assets, liabilities, revenue, and expenses related to the Authority's capital assets.

Rates and bases of amortization applied to amortize the cost of capital assets over their estimated useful lives are as follows:

Computer equipment	30%, declining balance
Equipment	20%, declining balance
Furniture and fixtures	30%, declining balance

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks and financial institutions. Bank borrowings are considered to be financing activities.

Income taxes

The Authority is exempt from income taxes under Section 149(1)(c) of the Income Tax Act.

Financial instruments

Initial measurement

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement

At each reporting date, the Authority measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets). The financial instruments measured at amortized cost are cash and cash equivalents, receivables, payables and accruals, capital lease obligations and long-term debt.

For financial assets measured at cost or amortized cost, the Authority regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Authority determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Overhead allocations and project transfers

The Authority allocates administrative overhead costs incurred to the various projects undertaken during the year based on estimated costs incurred by each project and based on the terms and conditions of specific funding agreements.

Transfers are made among various programs when, in management's opinion, certain revenues or expenses incurred in one project related to another project.

3. First-time adoption of Canadian accounting standards for not-for-profit organizations

The financial statements are the Authority's first financial statements prepared using ASNPO. The date of transition to the new accounting standards is April 1, 2019.

The accounting policies presented in Note 2 are resulting from the application of ASNPO were used to prepare the financial statements for the year ended March 31, 2021, the comparative information and the opening statement of financial position as at the date of transition.

No activity occurred within the Authority prior to the fiscal period of April 1, 2020 to March 31, 2021, and therefore the Authority did not apply any optional exemptions under Section 1501, First-time Adoption by Not-for-profit Organizations, and there was no impact on net assets, revenue over expenses, or the statement of cash flows as a result of the transition.

4. Deferred revenue (2021)

Indigenous Services Canada	\$	2,643,418
Indigenous Services Canada (FNIHB)		10,922
	\$	2,654,340

5. Contingent liabilities

The Authority has entered into contribution agreements with various government departments. Funding received under these agreements are subject to repayment if the Authority fails to comply with the terms and conditions of the agreements.

6. Employee benefits

- The Authority has a defined contribution pension savings plan for its employees. The assets of the plan are held separately from those of the Authority in independently administered funds. Contributions paid and expensed by the Authority in the current year amounted to \$5,501.
- The Authority remits employee benefits on behalf of employees and as of March 31, 2021, all remittances for employee benefits are up to date.

7. Related party transactions

- During the year the Authority recognized revenue in the amount of \$350,000 from Atlantic Policy Congress of First Nations Chiefs Secretariat, an entity under common control, for contract work.
- During the year the Authority paid \$116,739 to Atlantic Policy Congress of First Nations Chiefs Secretariat, an entity under common control, for administrative services.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. Financial instruments – risk management

The Authority is exposed to various risks through its financial instruments. The following analysis provides a measure of the Authority's risk exposure and concentrations as at March 31, 2021.

- Credit risk

Credit risk is the risk of financial loss to the Authority if a debtor fails to make payments when due. The Authority is exposed to this risk relating to its receivables. Receivables are ultimately due from government and various funders. Credit risk is mitigated by ensuring government grants are entered into by way of contribution agreements. Management also continuously reviews aging and collection of receivable balances to ensure collection is timely. The Authority recognizes a specific allowance for doubtful accounts when management considers the expected amounts to be recovered is lower than the actual receivable. Management considers the exposure to this risk to be low.

- Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting the obligations associated with its financial liabilities. The Authority is exposed to this risk mainly in respect of its accounts payable. The Authority has adequate resources to meet its obligations and therefore risk is considered to be low.

- Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Authority is mainly exposed to interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In the opinion of management, the interest rate risk to the Authority is low and not material.

9. Impacts of COVID-19

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. To date the financial impact on the Authority has been minimal.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Atlantic First Nations Water Authority Inc. in future periods.

Atlantic First Nations Water Authority Inc. Schedule of Indigenous Services Canada – First Nations and Inuit Health Branch (FNIHB) – Set Contributions

Year ended March 31

	2020-2021 SET Funding – Q23C			Total		
	Water – Wastewater			SET Funding		
	Budget 2021	Actual 2021	Actual 2020	Budget 2021	Actual 2021	Actual 2020
Revenues						
FNIHB	\$ 130,130	\$ 130,130	\$ -	\$ 130,130	\$ 130,130	\$ -
Other funding						
	130,130	130,130	-	130,130	130,130	-
Expenses						
Administration	11,830	10,837	-	11,830	10,837	-
Project equipment	118,300	108,371	-	118,300	108,371	-
	130,130	119,208	-	130,130	119,371	-
Excess of funding over expenses	-	10,922	-	-	10,922	-
Less: deferred revenue as at end of year	-	10,922	-	-	10,922	-
Less: payable to FNIHB, end of year	-	-	-	-	-	-
Excess of funding over expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Atlantic First Nations Water Authority Inc.
Schedule of Indigenous Services Canada – Fixed Contributions

Year ended March 31

	2020–2021 FIXED Funding – Q35C		
	Training Water-Wastewater		
	Budget 2021	Actual 2021	Actual 2020
Revenues			
Funding per ISC confirmation	\$ 2,500,000	\$ 2,500,000	\$ -
Other funding		5,871	-
	2,500,000	2,505,871	-
Expenses			
Advertising and promotional material	21,000	7,969	-
Board and council compensation	250,000	27,250	-
Catering	-	360	-
Contracts	1,254,475	317,614	-
Equipment and room rental	46,600	475	-
Insurance	30,000	-	-
Interest and bank charges	12,000	1,109	-
Office supplies and expense	38,000	12,189	-
Professional fees	120,000	21,571	-
Professional development	-	1,015	-
Project equipment	-	19,634	-
Rent and facilities	142,000	-	-
Salaries and benefits	500,666	248,609	-
Technology services	-	11,855	-
Telephone and cellular	10,000	2,269	-
Travel	75,259	4,778	-
	2,500,000	676,697	-
Excess of funding over expenses	-	1,829,174	-
Less: deferred revenue as at end of year	-	1,829,174	-
Less: Payable to ISC, end of year	-	-	-
Excess of funding over expenses	\$ -	\$ -	\$ -

Atlantic First Nations Water Authority Inc.
Schedule of Indigenous Services Canada – Fixed Contributions cont'd

2020–2021 FIXED Funding – Q35K			TOTAL		
Training Water-Wastewater			FIXED Funding		
Budget 2021	Actual 2021	Actual 2020	Budget 2021	Actual 2021	Actual 2020
\$ 955,000	\$ 955,000	\$ -	\$ 3,455,000	\$ 3,455,000	\$ -
-	-	-	-	5,871	-
955,000	955,000	-	3,455,000	3,460,871	-
-	-	-	21,000	7,969	-
-	-	-	250,000	27,250	-
-	-	-	-	360	-
905,000	87,441	-	2,159,475	405,055	-
-	-	-	46,600	475	-
-	-	-	30,000	-	-
-	-	-	12,000	1,109	-
-	-	-	38,000	12,189	-
50,000	52,975	-	170,000	74,546	-
-	340	-	-	1,355	-
-	-	-	-	19,634	-
-	-	-	142,000	-	-
-	-	-	500,666	248,609	-
-	-	-	-	11,855	-
-	-	-	10,000	2,269	-
-	-	-	75,259	4,778	-
955,000	140,756	-	3,455,000	817,453	-
-	814,244	-	-	2,643,418	-
-	814,244	-	-	2,643,418	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



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13 Treaty Trail Millbrook, Nova Scotia, B6L 1W1



ITEM # 11
AFNWA Board
September 29, 2021

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

SUBMITTED BY: original signed by
John Lam, P.Eng., Manager of Engineering

APPROVED: original signed by
Carl Yates, M.A.Sc., P.Eng., interim CEO

DATE: September 23, 2021

SUBJECT: **Asset Management Policy**

ORIGIN

Transition Implementation Plan approved at Board meeting on June 24, 2021

RECOMMENDATION

It is recommended that the Board approve the attached Asset Management Policy for the management of assets related to the delivery of water and wastewater services.

BACKGROUND

As outlined in the Transition Implementation Plan approved by the Board, AFNWA is currently completing an Asset Management Plan project which will include development of a 10-year capital plan. The 10-year capital plan will be a key component of the Business Plan which will be used in establishing funding levels for the Water Authority in subsequent years. The AMP policy outlines the approach and principles to be followed in the management and delivery of water and wastewater services, consistent with industry best practice.

DISCUSSION

The Asset Management Policy will guide AFNWA staff in defining the level of service objectives based on communities' expectations, health and safety, environmental protection, regulations and costs.

Some key features in the Asset Management policy include:

- Transparency and accountability to the communities on service delivery.
- Compliance with relevant legislative, regulatory, and statutory requirements.
- Asset management that incorporates risk-based and information-driven decision-making frameworks.
- Long-term sustainability and resilience.
- Holistic “big picture” approach.
- Fiscal responsibility
- Innovation and continual improvement.
- Establishment of roles and responsibilities.
- Integration of the asset management program into operational plans.

The Asset Management also delineates roles and responsibilities of the Board and management to ensure a sustainable approach to asset management. Management is requesting approval of the policy which is foundational to the success of the AFNWA in its service delivery.

BUDGET IMPLICATIONS

Adherence to this policy will have implications for future funding requirements and resources in relation to implementation of the Asset Management Plan. As part of the AMP project, detailed capital plans will be produced for the seventeen communities that have participated in the project.

ALTERNATIVES

There are no recommended alternatives to this policy.

ATTACHMENT

Attachment A – Draft Asset Management Policy

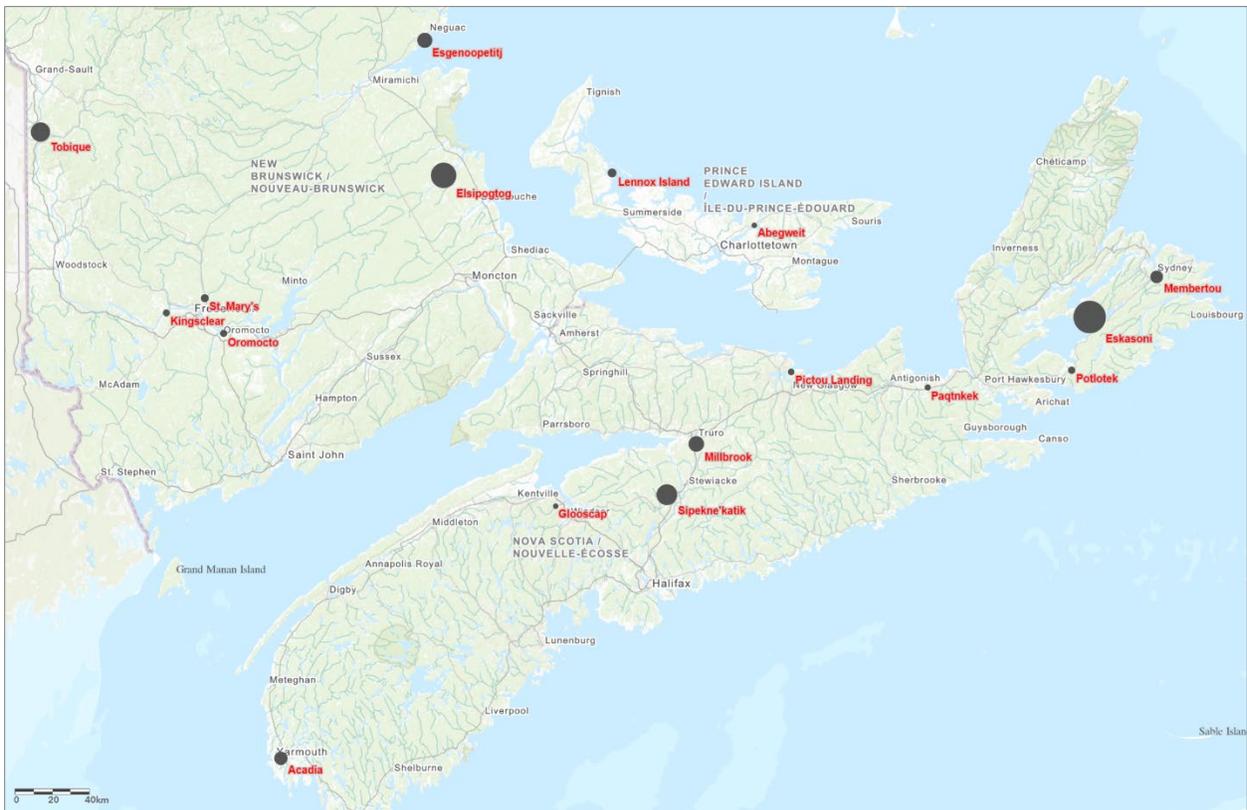
Report Prepared by: original signed by _____
John Lam, Manager of Engineering, (902) 830-9646

Financial Reviewed by: original signed by _____
Chantal LeBlanc,

Report Approved by: original signed by _____
Carl Yates, interim CEO 782-414-6628



Asset Management Policy



Atlantic First Nations Water Authority Inc.

13 Treaty Trail
Millbrook, Nova Scotia
B6L 1W1

www.afnwa.ca



 <p style="text-align: center;">Atlantic First Nations Water Authority Inc.</p>			
Title	Asset Management Policy	Approval on	
Applied to	All department	Revised on	

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Note: This policy was adapted from the Federation of Canadian Municipalities' guide "How to develop an asset management policy, strategy and governance framework".



1. PURPOSE

Atlantic First Nations Water Authority Inc. (AFNWA) provides water and wastewater services to First Nations communities in the Atlantic Region. AFNWA will be responsible for the ownership, operation, maintenance and rehabilitation of physical assets including land, buildings, equipment, water and sewer infrastructure.

Asset Management (AM) is an integrated approach, involving all AFNWA departments, to deliver value to participating communities through the effective management of existing and new infrastructure assets. The intent is to maximize benefits, reduce risk and provide satisfactory levels of service to the communities in a sustainable manner. Good asset management practices are fundamental to achieving sustainable and resilient communities.

This policy outlines the asset management principles to be implemented for assets owned, operated, and maintained by AFNWA.

2. SCOPE

The AFNWA operates/owns many asset types that deliver water and wastewater services to the residents, institutions, and commercial entities in First Nations communities. The services will be provided to the participating First Nations communities with a signed agreement with AFNWA to deliver such services. As part of its normal course of business, the AFNWA will receive or construct new assets. In addition, the AFNWA may rely on natural assets or other assets that it does not own to deliver services. This Asset Management policy applies to the assets operated/owned by the AFNWA. Where service provision is supported by other assets not owned by the AFNWA, staff will work collaboratively with those asset owners and promote the principles outlined in this policy.

The AFNWA recognizes the importance of natural assets and will consider these in its asset management practices. Examples include watersheds, water bodies, wetlands, and wildlife corridors.

Table 1 summarizes the services that the AFNWA provides and gives examples of the asset groups and asset types owned by the AFNWA that support the delivery of those services.

Table 1: Example of assets included in the scope of AFNWA AM policy

Service provided	Examples of asset
Potable water supply	Reservoirs, wells, pipes, valves, pump stations, treatment plants
Wastewater collection and treatment	Pipes, lift stations, manholes, lagoons, treatment plants



3. PRINCIPLES

3.1. Service delivery to communities

The AFNWA will clearly define the level of service objectives that balance communities' expectations, environmental protection, regulations and costs with available resources to:

- Manage assets appropriately to deliver the defined levels of service in an effective and efficient manner.
- Monitor and periodically review level of service objectives to ensure that they meet or support communities and other strategic objectives.

The AFNWA will ensure transparency and accountability to the communities on service delivery. This will include regular communications to the Board to share service performance and technical information such as asset conditions.

The AFNWA will comply with all relevant legislative, regulatory, and statutory requirements.

The AFNWA will implement an AM system that incorporates risk-based and information-driven decision-making frameworks that appropriately consider the potential impacts of asset failure on ongoing service delivery.

The AFNWA will ensure that decisions regarding the need for new assets are made with appropriate due diligence and are evaluated with a focus on service delivery to the communities. The AFNWA will prioritize and direct resources and expenditure to meet levels of service and other communities' benefits at an acceptable level of risk.

3.2. Long-term sustainability and resilience

The AFNWA's asset management decision-making will consider the needs of both current and future generations and the potential challenges associated with changing communities' demographics and expectations related to service delivery and possible modifications to legislative requirements.

The AFNWA's asset management decision-making will consider the potential effects of climate change and other environmental changes and how the increased severity and frequency of climatic events may directly affect levels of service. Where appropriate, the AFNWA will adopt a proactive approach to mitigating the potential impacts of climate change.

3.3. Holistic "big picture" approach

The AFNWA will take steps to connect the appropriate departments, functions, and activities to support asset management decision-making to build effective working relationships and encourage information-sharing. These departments and functions include engineering, operations, corporate services and communications and outreach.

Asset management decision-making will realize optimum value for the communities by focusing on the "big picture." The AFNWA will ensure that decisions are made collaboratively and consider all life cycle stages and the interrelationships between asset performance, operational performance, and overall service performance. Decision-making will also recognize the



interconnected nature of asset systems and how decisions about one set of assets may potentially interact with or affect assets controlled by others.

3.4. Fiscal responsibility and asset management decision-making

The AFNWA will develop and maintain appropriate plans for infrastructure renewal, for the purchase or construction of new infrastructure and for the decommissioning of redundant infrastructure, which includes:

- Developing long-term projections of investment needs.
- Applying rigorous analysis, including consideration of risk, to identify short-term investment needs.
- Implementing processes to ensure that proposed investment plans address needs efficiently and effectively.
- Implementing processes to address the operational budget implications of capital investments.
- Exploring efficiency opportunities where appropriate, including new technologies.
- Analyzing funding requirements and putting in place mechanisms to ensure long-term financial sustainability.

The AFNWA will evaluate relevant asset investment decisions based on considering the whole costs associated with managing those assets through their entire life cycle.

The AFNWA will develop prioritized capital investment plans that reflect communities and stakeholder expectations regarding the level of service and other strategic objectives. The AFNWA will evaluate the magnitude, nature and overall balance of funding plans considering the aggregate value derived for the communities, costs, and intergenerational equity.

3.5. Innovation and continual improvement

The AFNWA views continual improvement as a crucial part of asset management and will focus on driving innovation in developing tools, techniques, and solutions.

The AFNWA will monitor and periodically review the effectiveness of asset management processes and the broader asset management system to support the delivery of strategic objectives and adjust as required.

The AFNWA will assess the asset management competencies required to implement the AM system and provide the necessary support, education, and training to staff.

The AFNWA will review the Asset Management policy in conjunction with the development of an Integrated Resource Plan every five years.

4. ROLES AND RESPONSIBILITIES

Board's role and responsibilities:

- Articulate community values and define priorities.



- Approve Asset Management policy.
- Approve annual funding and resources to implement the Asset Management policy and associated requirements.
- Approve asset funding through multi-year and long-range financial plans.

Senior Management Team:

- Lead the adoption of the Asset Management policy within their departments as applicable.
- Plan for and recommend stable long-term funding to replace, renew, or decommission infrastructure assets.
- Allocate appropriate resources and requirements to implement the Asset Management policy.
- Define the levels of service.
- Establish infrastructure replacement strategies consistent with full life cycle costing principles.
- Provide direction and support for the implementation of Asset Management policy and strategy.
- Review and continually improve the asset management plan and strategy and all other related processes in the asset management system.

Asset Management Technologist/Coordinator:

- Coordinate and advise on asset management practice within the AFNWA.
- Maintain the asset management practices by updating, planning, and identifying requirements, across the AFNWA departments.
- Maintain buy-in for asset management through regular updates to the senior management team on progress implementing the asset management plan and strategy across the AFNWA.
- Support staff by providing technical support and capacity development for issues related to the implementation of asset management practice.

Operational Staff:

- Comply with AFNWA asset management practice by providing data and information on assets and services, participating in risk management, and completing the required analyses.
- Develop Standard Operating Procedures consistent with industry best practices.
- Develop and Maintain a Maintenance Management System to deliver service levels and extend the useful life of assets.

5. INTEGRATION

This policy shall be implemented by staff using accepted industry guidelines and practices. The organization will also comply with required capital asset reporting requirements and integrate the asset management program into operational plans throughout the organization.



A strategic asset management plan will be developed and maintained for all AFNWA's assets and outline long-term goals and the processes and steps to achieve them. The asset management plans will be based on inventories and condition (acquired or derived) assessments, projected performance, remaining service life, and consequences of losses (e.g., vulnerability or critical infrastructure assessments). The asset management plans encompass four pillars: information, life cycle process, financial sustainability, and people and leadership – Figure 1 demonstrates the foundation of the asset management plan.

Operational plans should reflect these details. Replacement portfolios and associated financial goals should consider alternative scenarios and risks. Engagement of participating First Nations communities will be incorporated.

The context and integration of an asset management philosophy within other corporate documents will also be adopted, including:

- Business cases/plans for new facilities.
- AFNWA's annual operating and capital financial plan and budgets.
- Annual reporting, Infrastructure Report Cards, and benchmarking programs.
- Design criteria and specifications for new infrastructure assets.
- Infrastructure servicing, management and replacement plans, master plans, community social plans, and other planning documents developed with the participating First Nations communities.

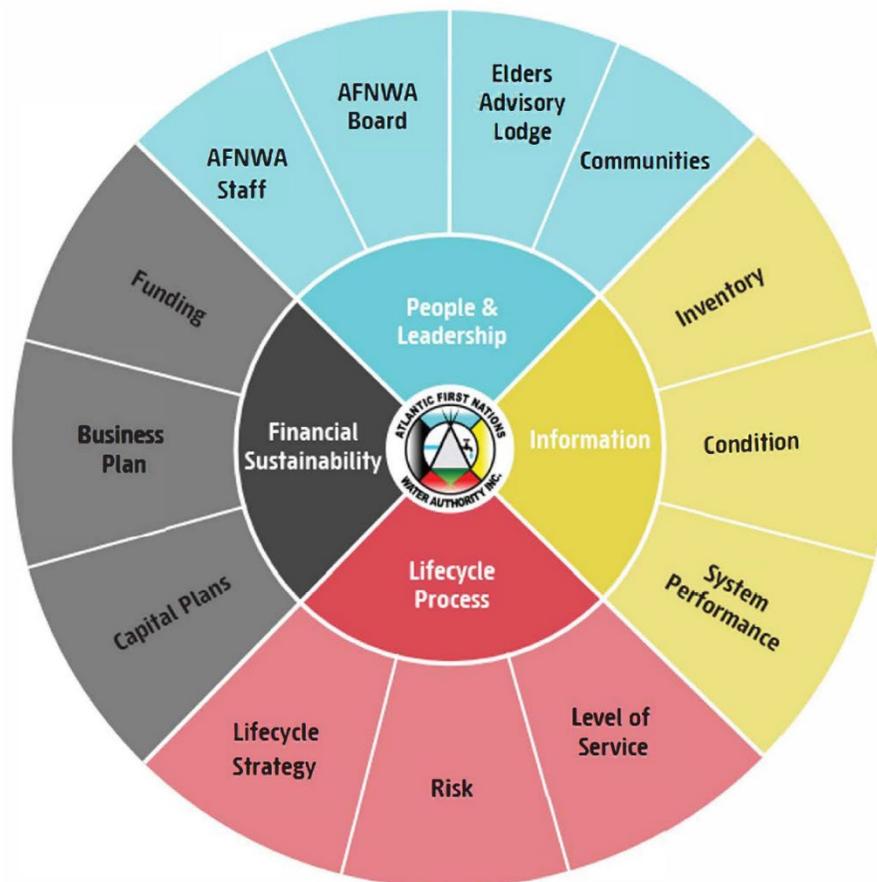


Figure 1: the pillars of asset management plan

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ANNEX A – Terms, definitions, and abbreviated terms

Source: ISO 24513:2019 Service activities relating to drinking water supply, wastewater and stormwater systems — Vocabulary

Asset

Item, thing or entity that has potential or actual value to a water utility

Note 1: Assets are used in a water utility for the provision of the service.

Note 2: Value can be tangible or intangible, financial or non-financial, and includes consideration of risks and liabilities. It can be positive or negative at different stages of the asset life.

Note 3: Physical assets usually refer to equipment, inventory and properties. Examples in the water sector are land, buildings, pipes, tanks, treatment plants, equipment and hardware. Physical assets are the opposite of intangible assets, which are non-physical assets such as leases, brands, digital assets, use rights, licences, intellectual property rights, reputation or agreements. Examples in the water sector are water rights, software and databases.

Note 4: A grouping of assets referred to as an asset system could also be considered as an asset.

Asset management

Processes during the life cycle of an asset to maintain value from an asset system's existing assets while ensuring an agreed level of service and function of the system

Note 1: Processes include:

- all necessary activities for planning, design, procurement, construction/installation, operation, maintenance, rehabilitation and disposal of assets of drinking water systems, wastewater systems and stormwater systems as a functional activity, including their review.
- setting objectives and functional and performance requirements.
- establishing strategic plans, tactical plans and operational plans.
- undertaking investigations, including establishing necessary databases, to assess the actual condition of assets during the life cycle of the asset system.

Asset system

Set of assets that interact or are interrelated

Asset type

Grouping of assets having common characteristics that distinguish those assets as a group or class

Note 1: Examples of asset types include, but are not limited to, physical assets, information assets, intangible assets, critical assets, enabling assets, linear assets, information and communications technology (ICT) assets, infrastructure assets and moveable assets.

Note 2: Examples of physical asset types in the water sector are pipes, valves, pumping stations and reservoirs/tanks of the same type, size, material and function.

Failure

Local inadmissible impairment of the operability of an asset within an asset system at a certain point in time on a certain asset

Failure rate

Ratio of the number of failures of a given category to a given unit of measure

EXAMPLE: Failures per unit of assets and time, failures per number of actions.

Note 1: For pipelines, expressed per kilometer within a year.

Note 2: For connections and valves in relation to drinking water distribution networks, expressed per thousand per year.

Note 3: For wastewater systems in the case of connections, expressed per kilometer within a year.

Note 4: For treatment plants, pumping stations and similar facilities, expressed per year.

Level of service

Parameter, or group of parameters, which reflect social, political, environmental, and economic outcomes regarding the service to users that the water utility delivers

Note 1: The service to users can include any of the following parameters: health, safety, user satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost and availability.

Note 2: A defined level of service can include any combination of the aforementioned parameters deemed important by the asset owner, users or relevant stakeholders.

Life cycle cost

Total cost of an asset or its parts throughout its life cycle

Note 1: Total cost can include planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.

Note 2: Total cost excludes any residual value obtained during disposal.

Management system

Set of interrelated or interacting elements of an organization to establish policies and objectives, and processes to achieve those objectives

Natural Assets

Naturally occurring land or subsurface features which perform or support service delivery (e.g., the wetlands, streams, rivers, which convey and treat storm water run-off). This category also includes artificial features that mimic naturally occurring features (e.g., ditches, ponds). If these assets did not exist, Engineered Assets would be required to provide these services. Natural Assets must be operated and maintained but, if managed appropriately, require no replacement.

Objective

Result to be achieved

Operator

Person performing day-to-day processes and activities necessary for the provision of the service

Plan, Strategic

Strategic plan is a document identifying goals and objectives to be pursued by an organization over a long-term period in support of its mission and being consistent with its values

Plan, Tactical

Tactical plan is a document identifying objectives to be pursued by an organization over the medium term, on the basis of priorities derived from influencing factors/indicators on performance, costs, risk and failure probability and scale of failure

Plan, Operational



Operational plan is a documented collection of procedures and information that is developed, compiled and maintained in readiness for the conduct of operations

Point-of-delivery

<drinking water> Physical fixed interface, downstream of which the water utility does not have the overall legal responsibility for the service or infrastructure

Point-of-use

<drinking water> Physical fixed interface where the user normally takes the water for the intended use

Point-of-collection

<wastewater> Physical fixed interface, upstream of which the water utility does not have the overall legal responsibility for the service or infrastructure

Point-of-discharge

<wastewater> Physical fixed interface where the user normally discharges wastewater for its collection and disposal

Policy

Intentions and direction of an organization as formally expressed by its top management

Risk

The effect of uncertainty on objectives, its consequence or likelihood.

Service life

Period after installation during which an asset or an asset system meets or exceeds the technical and functional requirements

Stakeholder

Person or organization that can affect, be affected by, or perceive itself to be affected by a decision or activity

Water utility

Whole set of organization, processes, activities, means and resources necessary for abstracting, treating, distributing or supplying drinking water, for collecting, conveying, treating, disposing of or reusing wastewater or for the control, collection, storage, transport and use or disposal of stormwater, and for providing the associated services

Wetland

Area of land naturally covered with shallow water or constructed, lined and media-filled bed into which effluent is discharged and which contains suitable flora and fauna that grow and feed on the nutrients in the effluent





ITEM #12
AFNWA Board
29 September 2021

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

SUBMITTED BY: original signed by
Chantal LeBlanc, CMA, CPA, MBA
Manager of Corporate Services & CFO

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

DATE: September 23, 2021

SUBJECT: **Draft Fraud Policy**

ORIGIN

AFNWA Financial Policy and Procedures Manual passed at the Board meeting on July 23, 2020 and AFNWA Governance Manual passed at the Board meeting on November 6, 2020.

RECOMMENDATION

It is recommended that AFNWA Board approve the Fraud Policy, in its substantive form attached.

BACKGROUND

The Fraud policy is an integral document to establish as our organization continues to grow in staff and by assets.

DISCUSSION

The attached Fraud policy addresses outright financial fraud as well as any other actions committed by employees considered to be a misappropriation of assets, impropriety, profiteering, disclosure of information leading to personal gain, and other irregularities.

BUDGET IMPLICATIONS

Fraud Policy to be reviewed by external Legal Counsel, provided for in overall professional fees budget.

ALTERNATIVES

N/A

ATTACHMENT

AFNWA Draft Fraud Policy

Report Submitted by:	<u>original signed by</u> Chantal LeBlanc, Manager of Corporate Services & CFO
Report Approved by:	<u>Original signed by</u> Carl Yates, interim CEO



Draft Fraud Policy

Sept 21 2021

BACKGROUND

The Fraud Policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against AFNWA. It is the intent of AFNWA to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and to guide conduct of investigations.

SCOPE OF POLICY

This policy applies to any irregularity, or suspected irregularity, involving employees as well as, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with AFNWA (also called the Organization). Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Organization.

POLICY

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as:

The intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury.

All AFNWA Staff will be familiar with the types of improprieties that might occur within their department and be alert for any indication of irregularity. Any irregularity that is detected or suspected must be reported immediately to the Manager of Corporate Services, who coordinates all investigations with legal counsel and other affected parties, both internal and external.

ACTIONS CONSTITUTING FRAUD

The terms defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering because of insider knowledge of company activities
- Disclosing sensitive, confidential, or proprietary information to outside parties
- Disclosing to other persons securities activities engaged in or contemplated by the company
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the company. Exception: Gifts less than \$200 in value or Gifts received during ceremonies.
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related irregularity

OTHER IRREGULARITIES

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by departmental management and the Personnel Committee. If there is any question as to whether an action constitutes fraud, contact the Manager of Corporate Services for guidance.

INVESTIGATION RESPONSIBILITIES

The Personnel Committee has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates those fraudulent activities have occurred, the Personnel Committee will issue reports to the CEO for review and action or, if appropriate, to the Board of Directors through the Audit and Finance Committee. Any and all fraudulent activity will be reported to the appropriate authority for investigation and prosecuted accordingly. All efforts will be made to recover wrongfully obtained assets.

CONFIDENTIALITY

The Personnel Committee treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Personnel Committee immediately and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see REPORTING PROCEDURE section below). Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Organization from potential civil liability.

AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD

Members of the Personnel Committee will have:

- Free and unrestricted access to all Company records and premises, whether owned or rented; and
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

REPORTING PROCEDURES

The utmost care must be taken in the investigation of suspected improprieties or irregularities to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. An employee who discovers or suspects fraudulent activity will contact the Personnel Committee immediately and provide any details and preserve any evidence of wrongdoing. The complainant may remain anonymous, per Whistleblower Policy.

All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Personnel Committee or Legal Counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: "I am not at liberty to discuss this matter." Under no circumstances should

any reference be made to “the allegation,” “the crime,” “the fraud,” “the forgery,” “the misappropriation,” or any other specific reference.

The reporting individual should be informed of the following:

- Do not contact the suspected individual to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by Legal Counsel or the Personnel Committee.

TERMINATION

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the designated representatives from Human Resources and, if necessary, by Legal Counsel, before any such action is taken. The Personnel Committee does not have the authority to terminate an employee. The decision to terminate an employee falls under the authority of the CEO.

ADMINISTRATION

The Manager of Corporate Services is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed.

Members of the Personnel Committee include Manager of Corporate Services, HR Generalist and one other Senior Manager, as defined in the HR Policy.