



September 2<sup>nd</sup>, 2022

Chief Wilbert Marshall, Chair

The special meeting of the AFNWA Board will be held on Wednesday September 7<sup>th</sup>, 2022 at 9:00 AM via the Zoom virtual platform :

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

Meeting ID: 685 292 0354

Passcode: 01650

## AGENDA

### In Camera Reports

- 1C Approval of Minutes of the In-Camera Meeting held on July 27<sup>th</sup>, 2022
- 2C Business Arising from Minutes

- a) Funding Agreement Update

**Motion:** That the AFNWA Board approve the recommendation as outlined in the confidential report dated September 2, 2022

- b) Community Agreement Update

**Motion:** That the AFNWA Board approve the recommendation as outlined in the confidential report dated September 2, 2022

- c) Infrastructure Access Permit Update

**Motion:** That the AFNWA Board approve the recommendation as outlined in the confidential report dated September 2, 2022

### 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 July 27<sup>th</sup>, 2022

Original signed by  
James MacKinnon  
Board Secretary

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**Atlantic First Nations Water Authority  
MINUTES**

**27 July 2022**

**PRESENT:**

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

**REGRETS:**

Regional Chief Paul Prosper, Director

**STAFF:**

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

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**CALL TO ORDER**

The interim CEO, upon direction of the Chair, called the regular meeting to order at 8:45 AM via the Zoom virtual platform. Elder Methilda gave the opening prayer. The Board moved In Camera at 8:50 AM and the regular meeting reconvened at 9:43 AM.

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

**MOVED BY Chief Terry Paul, SECONDED BY Chief Andrea Paul that the AFNWA Board ratify the In-Camera Motions from the 27 July 2022 meeting.**

**MOTION PUT AND PASSED.**

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

**MOVED BY Chief Darlene Bernard, SECONDED BY Chief Andrea Paul that the AFNWA Board approve bringing Item #3C and Item #4C up first in the Agenda and Order of Business.**

**MOTION PUT AND PASSED.**

**2. APPROVAL OF MINUTES – 08 June 2022**

**MOVED BY Todd Hoskin, SECONDED BY Chief Darlene Bernard that the AFNWA Board approve the 08 June 2022 Regular Minutes.**

**MOTION PUT AND PASSED.**

**3. BUSINESS ARISING FROM MINUTES**

Transition Implementation Plan (TIP) Update

James MacKinnon presented on the progress regarding the TIP. There were no questions or comments.

#### **4. QUARTER 1 FINANCIAL RESULTS**

Chantal LeBlanc presented the Quarter 1 Financial as attached in its substantive form with key highlights below:

AFNWA has completed Q1 (3 months ending June 30, 2022) under budget by approximately \$100k. The material differences are summarized as follows:

- Payroll, under budget by approx. \$35k which is due to 2 staff vacancies.
- Contracts under budget by approx. \$40k, a reflection of ongoing legal contracts for the negotiation of the Funding Agreement (schedule to the Service Delivery Transfer Agreement).

We note that we anticipate being under budget throughout most of this 8-month transitional period. This is largely due to the inclusion of funds required to onboard communities in anticipation of a possible funding delay associated with the long-term funding agreement. The new funding agreement takes effect December 1, 2022. AFNWA requested an advance of approx. 10% of community budgets to cover the pre-ordering of critical supplies which must be purchased prior to operationalization. This advance will be netted from the long-term funding agreement.

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

**MOTION PUT AND PASSED.**

#### **5. 2021-22 AUDITED FINANCIAL STATEMENTS**

Management received the draft Audited Financial Statements, as prepared and presented by Grant Thornton, on July 15, 2022. The audit opinion presented by Grant Thornton is unqualified and did not identify any instances of material misstatement. We note that the budget for the fiscal year ended March 31, 2022, as outlined in the Statement of Operations, included funds allocated to capital items such as equipment, furniture, and leasehold improvements. Throughout Fiscal 2021-2022, it was identified that AFNWA target date for operationalization would be adjusted to December 2022. As a result of this change in date, a range of projects and material purchases were re-allocated to the 2022-2023 fiscal year resulting in an amount under budget of approximately \$1.37 million. These amounts were previously discussed with the Committee and the Board in March 2022 and a corresponding request to carryover funds was submitted to and approved by ISC.

All 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 Chief Wilbert Marshall, SECONDED BY Chief Andrea Paul that the AFNWA Board approve the draft audited financial statements, in its substantive form attached.**

**MOTION PUT AND PASSED.**

## **6. AMENDMENTS TO FINANCIAL POLICY**

A summary of the material changes that require Board Approval are as follows:

- Request to move kilometric reimbursement rates from \$0.50/km to \$0.55/km, effective August 1st, 2022, in recognition of globally rising fuel costs which are not anticipated to return to normal in the near term.
- Request to move maximum hotel rate from \$160/night (taxes included) to \$200/night (taxes included) for Atlantic Canada, effective August 1<sup>st</sup>, 2022.
- Request to move maximum hotel rate from \$200/night (taxes included) to \$250/night (taxes included) outside of Atlantic Canada, effective August 1<sup>st</sup>, 2022.
- Request to change authorized Credit Cards in recognition that we now have a fleet of pickup trucks and a number of staff that are required to make purchases in booking travel, office supplies, purchasing fuel or small tools, etc. Previous list of authorized cardholders was restricted to Senior Management Staff with no reference to limits. We note that while Spending Authority is within the CEO's right to delegate, that the delegation of Payment Authority is a Board matter. The use of a Credit Card is essentially exercising both Spending and Payment authority simultaneously. The protection for this comes from the Scotia Visas which protect the organization from Employee Fraud and allows AFNWA to chargeback purchases that were unauthorized.
- In addition to the request to expand the list of positions eligible for a corporate Visa, we have amended the Credit Card Agreement to contain a description of the anticipated purchases for that employee. If an employee is to make a purchase that is outside their pre-authorized list of purchases, they must obtain written authorization. For example: a Superintendent would be permitted to purchase fuel for their truck, pay for travel related expenses such as hotels and small tools for repairs on site. If the superintendent wanted to pay for a new course for their professional development, this would not be on their list of ordinary business, and they would need to acquire written permission from their Manager for this purchase. All staff with a credit card will be required to sign the agreement before they are given a card.
- Removed a lot of process-based information for setting Operations Budgets. This information is not necessary in the Financial Policy, it is a function of the job description and education of the CFO preparing the budget. IE: the definition of what is included in personnel costs is unnecessary in a Financial Policy so long as the CFO has the credentials to determine inclusions and categorizations of Operational budgets.

Other changes are listed within the report as well as in the tracked changes version of the Financial policy provided.

**MOVED BY Chief Darlene Bernard, SECONDED BY Chief Wilbert Marshall that the AFNWA Board approve the Financial Policy , in its substantive form attached.**

**MOTION PUT AND PASSED.**

## **7. INDIVIDUAL WELLS and SEPTIC SYSTEMS**

Carl Yates provided an overview on the Individual Wells and Septic Systems . As provided as an attachment to the report , it was noted that this was a topic brought to the Board's attention in November 2020 and as such it has been on our radar for some time.

At present , similar to centralized systems, individual wells, and septic systems are also underfunded, and do not conform to standards for sustainability. As a result, we're seeing poor public health outcomes, and environmental concerns.

One of the things that we've noticed very early on, was that many of these systems are not well maintained and occasionally operators get involved in the activities around looking after some of the maintenance of individual wells and septic systems.

Within the report , it outlines Tobique First Nation's typical costs (as an example) associated with maintaining individual wells and septic systems on an annual basis ; as these are not centralized systems , therefore unfunded by ISC, this results in resources being blurred.

AFNWA staff have presented three (3) possible options for the Board to consider , noting that we have hired CBCL to create a geodatabase of all individual wells and septic systems within the participating First Nation communities .

(Q) In Unama'ki there is a First Nation community , Malagawatch, which is owned / shared by the 5 First Nations within Unama'ki and is serviced strictly through individual wells and septic systems. If there were issues arise with any of these individual wells and septic systems , would AFNWA come to fix them?

(A) Right now that is not under AFNWA's mandate to look after those individual wells and septic systems. We've recommended that certainly if there's any association with the main reserve, and we have quite a few that are associated with the main reserve, we would get involved. We're certainly at the discretion of the board for direction in that regard and when CBCL does their documentation , communities like Malagawatch for example will be included. Our first step is to document how many wells and septic systems that are in the communities and where they are. So when we go into the field, we'll actually locate the tanks and the wells, with the geo referenced database.



Dr. Shelley Denny advised there needs to be a separation on wells and septic system because the maintenance is completely different for the two. Shelley further advised that the Unama'ki Institute For Natural Resources had also hired CBCL previously for report on the issues/challenges with wells and will check to see if she is able to share this report with AFNWA.

Chief Terry Paul suggested that AFNWA and UINR meet to discuss Malagawatch so that the owners will have a clear understanding on how the AFNWA is moving forward and also familiarize the AFNWA with the concerns/issues. Carl Yates agreed and advised this is a good idea to meet with all the participating First Nations communities , in this regard, to hear their understanding and concerns and document the problems.

**MOVED BY Chief Ross Perley SECONDED BY Chief Andrea Paul that the AFNWA Board approve the recommendation that AFNWA , in the interim, support maintenance activities on individual wells and septic systems within the main Reserve lands and provide professional advice on individual wells and septic systems within the Atlantic Region ,of member First Nations communities and only recover costs associated with third parties from these communities and that staff develop a strategy for sustainability of individual wells and septic systems including request for funding from the federal government for public health and environmental stewardship outcomes.**

**MOTION PUT AND PASSED.**

The next regular Board meeting will be Wednesday September 28th 2022

The meeting was adjourned at 11:00 AM

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*James MacKinnon*  
*Board Secretary*

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*Chief Wilbert Marshall*  
*Chair*

The following Information Items were submitted:

1-I Transition Implementation Update