



April 21, 2023

Chief Wilbert Marshall, Chair

The special meeting of the AFNWA Board will be held on Wednesday April 26, 2023, at 9:30 AM via Zoom.

AGENDA

In Camera Reports

- 1C Approval of Minutes of the In-Camera Meeting held on March 29th , 2023.
- 2C Business Arising from Minutes
- 3C Contract Award- Design and Drilling of Well – Paqtnkek

Motion: That the AFNWA Board approve the recommendation as outlined in the confidential report dated April 21, 2023,

Regular Reports

- 1. a) Ratification of In-Camera Motions
b) Approval of the Order of Business and Approval of Additions and Deletions
- 2. Approval of Minutes of the Meeting held on March 29th , 2023.
- 3. Business Arising from Minutes
 - (a) Transition Implementation Plan (TIP) Update

4 Corporate Balance Scorecard

Motion: That the AFNWA Board approve the Corporate Balance Scorecard in its substantive form attached.

5. Harassment Policy

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

Information Reports

- 1-I Transition Implementation Plan (TIP) Update

James MacKinnon
Board Secretary



**Atlantic First Nations Water Authority
MINUTES**

29 March 2023

PRESENT:

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

REGRETS:

Chief Leroy Denny, Director
Regional Chief Paul Prosper, Director
Chief Terry Paul, Director

STAFF:

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

TABLE OF CONTENTS

CALL TO ORDER		3
1.a) RATIFICATION OF IN-CAMERA MOTIONS.....		3
1.b) APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS		3
2. APPROVAL OF MINUTES – 01 MARCH 2023.....		3
3. BUSINESS ARISING FROM MINUTES.....		3
4. CORPORATE BALANCE SCORECARD		3
5. INDIVIDUAL WELLS & SEPTIC SYSTEMS		4
6. HARASSMENT POLICY		5
7. AMENDMENTS TO FINANCIAL POLICY		5

CALL TO ORDER

Carl Yates, upon direction from the Chair, called the regular meeting to order at 9:39 AM via the Zoom virtual platform. The Board moved In Camera at 9:40 AM and the regular meeting reconvened at 10:16 AM

1.a) RATIFICATION OF IN-CAMERA MOTIONS

MOVED BY Chief Darlene Bernard , SECONDED BY Todd Hoskin that the AFNWA Board ratify the In-Camera Motions from the March 29 , 2023 meeting.

MOTION PUT AND PASSED.

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

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

MOTION PUT AND PASSED

2. APPROVAL OF MINUTES – 01 MARCH 2023

MOVED BY Todd Hoskin , SECONDED BY Chief Wilbert Marshall that the AFNWA Board approve the 01 March 2023 Board Meeting Minutes.

MOTION PUT AND PASSED.

3. BUSINESS ARISING FROM MINUTES

(a) Transition Implementation Plan (TIP) Update

This was deferred to the next Board meeting due to time constraints and maintaining quorum.

4. CORPORATE BALANCE SCORECARD

This was deferred to the next Board meeting due to time constraints and maintaining quorum.

5. INDIVIDUAL WELLS & SEPTIC SYSTEMS

In recognition of the importance of this issue, extensive discussions were held with the Board, community staff and operators. While there is desire for AFNWA to expand the scope of services to include individual wells and septic systems in participating communities, funding has not been provided by ISC for this purpose. In the Board meeting on July 27, 2022, the Board approved two recommendations:

1. It is recommended 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.

2. It is recommended that staff develop a strategy for sustainability of individual wells and septic systems including request funding from the federal government for public health and environmental stewardship outcomes.

Three options were presented to the Board meeting on July 27, 2022, for individual wells and septic systems on main Reserve lands, as follows:

- AFNWA support maintenance activities on individual wells and septic systems and recover costs on a fee for service basis from individual First Nations communities.
- AFNWA support maintenance activities on individual wells and septic systems and only recover costs associated with third parties from First Nations communities, e.g., septic tank pump outs or well pump repairs.
- AFNWA support maintenance activities on individual wells and septic systems at AFNWA expense including third party costs.

As noted above, the Board settled on an expanded version of Option 2 which would entail staff costs to coordinate activities without incurring costs for third parties. The July 27/22 Board report also noted that AFNWA should not be covering operational costs such as electricity, treatment chemicals, or capital costs to drill wells or upgrade failing septic systems.

With the recent onboarding of member communities, we have been asked to reconsider covering direct costs for maintenance activities. Recognizing this is an unfunded mandate for AFNWA, staff reviewed the financial position of the utility and believe we can subsidize some third-party costs without undue hardship. Although there are no guarantees of what funding will be available for wells and septic systems in the future, AFNWA will be in a position to renegotiate funding when the next Ten-Year Business Plan is developed in four years' time.

With the recent review of the AFNWA financial position, staff recommend that AFNWA coordinate services as outlined in Option 2 and provide direct funding for individual wells and septic systems to a maximum of \$250,000.00 per year in total for all participating communities, and distributed based on number of individual wells and septic systems in the participating communities.

MOVED BY Todd Hoskin , SECONDED BY Regional Chief Joanna Bernard *that AFNWA, in the interim, coordinate 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. In addition, AFNWA is directed to subsidize third party costs for individual wells and septic systems, to a maximum of \$250,000.00 per year in total for all participating communities, and distributed based on number of individual wells and septic systems in the participating communities.*

MOTION PUT AND PASSED.

6. HARASSMENT POLICY

This was deferred to the next Board meeting due to time constraints and maintaining quorum.

7. AMENDMENTS TO FINANCIAL POLICY

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

- Request to increase the CEO's approval limit to \$250,000 for projects that were identified and approved within the Annual Budget. Note: Any expenditures that exceed budget by 10% but not less than \$50,000 requires Board Approval.
- Request to amend signing authority as follows:
 - Up to \$100,000, any 2 managers,
 - \$100,000-\$250,000, any 2 of CEO, CFO, COO or Board Executive,
 - Over \$250,000, at least one signature CEO, COO or CFO, and a second signature from Board Executive.
- Request to increase the CEO's approval limit of sole source purchasing or contracting from \$50,000 to \$100,000.

We note that the Financial Policy is subject to further amendment in the near future to accommodate submission deadlines with FNFMB, in their capacity as Economic Oversight Agency. Annual budget submission for FMB would be required by November

30th according to the draft Practice Directives, meaning that the budget deadline for Board Approval would be advanced to the November Board meeting. The January 2024 Board meeting would include an update on application progress with FMB, and the final report for acceptance of the ANFWA budget from FMB would be available for the March 2024 Board meeting. With the Board's support, we also request your approval to amend the budget deadlines within the Financial Policy.

MOVED BY Regional Chief Joanna Bernard , SECONDED BY Chief Andrea Paul that the Board approve the recommended amendments to the Financial Policy, in their substantive form attached, effective April 1, 2023.

MOTION PUT AND PASSED.

8. NEXT MEETING DATE

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

The meeting was adjourned at 10:38AM

James MacKinnon
Board Secretary

Chief Wilbert Marshall
Chair



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

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

DATE: March 23, 2023

SUBJECT: Transition Implementation Update

INFORMATION REPORT

ORIGIN

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

BACKGROUND

The 2022-2023 Transition Implementation Plan [TIP] provides a detailed overview of the AFNWA's internal developments as an organization, and external developments on projects and community outreach. The 2022-2023 TIP is a continuation of the TIP initially approved in June 2020 and will guide the final steps toward operationalization of the AFNWA.

DISCUSSION

Stage 1: Treasury Board Submission

- Stage one is considered complete.

Stage 2: Agreement Ratification Process

- Membership presentations and follow up discussions are on-going.
- Once Community Agreements close, Canada and the AFNWA will initiate the SDTA Implementation Committee with Canada
- Stage 2 is considered Complete.

Stage 3: Capital Program Initiation

- SCADA Standards are complete. Pilots in Pictou Landing and Lennox Island First Nation are now underway.
- The design and construction of the SCADA is underway.
- Stage 3 is considered complete for the purposes of transition.

Stage 4: Information Technology

- Step 4 is now considered complete.

Stage 5: Finance/Corporate Services

- Stage 5 is considered complete.

Stage 6: Oversight and Compliance

- Monitoring and Sampling Plans are being developed and refined by a dedicated AFNWA Compliance Committee.
- Work continues with CBCL regarding the Private Well Private Septic assessment. AFNWA expects a final report in the Spring of 2023.
- Work continues regarding Key Performance Indicators (KPI). Additional detail has been provided in another report.
- Canada has released draft Safe Drinking Water legislation for consultation. AFNWA, in partnership with the APC held an engagement session on the proposed legislation. The act was originally slated to be introduced on March 20th; however the AFN has now confirmed that First Nations have until April 23 to complete engagement.

Stage 7: Operational Initiation

- Work continues to complete the community onboarding checklist as additional communities sign BCRs.
- Training continues for AFNWA staff on the Incident Command System.
- Service area supervisors have been hired; they are:
 - Unama'ki – Patrick Jeddore
 - We'kopekwitk – Corbin Stevens
 - Epekwitk and MIsigeneegatig – Travis Dymment
 - Wolastokuk – Gregg Brewer
 - Float Supervisor – Andrew Lafford

Report Prepared by: original signed by _____

James MacKinnon, interim COO, 902-603-0312

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

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

DATE: April 21, 2023

SUBJECT: **CORPORATE BALANCE SCORECARD**

ORIGIN

Compensation Policy approved by Board at meeting of July 29, 2020. Ten Year Business Plan approved by AFNWA Board at meeting of February 10, 2022. Framework for First Nations Financial Management Board oversight under active development.

RECOMMENDATION

It is recommended that the Board approve the corporate balanced scorecard to measure organizational performance in the substantive form outlined in the staff report.

BACKGROUND

The utilization of a corporate balanced scorecard [CBS] to measure organizational performance is considered a best practice. It was introduced to organizations in the early 90's in recognition that the sustainability of organizations required balance across a wide spectrum of social, economic, and environmental outcomes. As part of the compensation policy approved by the Board on July 29, 2023 it was recognized that incentives tied to the outcomes of a CBS would ensure that employees are focused on strategic goals and the success of AFNWA. Operational budgets contained in the Ten-Year Business Plan approved on July 10, 2023 included a financial incentive of up to \$1,000 for each employee tied to CBS outcomes. The utilization of a CBS is founded on two main principles; measure what is important to the mission and incent employees to achieve excellence.

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

DISCUSSION

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

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

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

Clean Drinking Water

- % of samples in compliance with interim AFNWA regulations
- % of bacteriological samples free of total coliform

Safe Wastewater

- % of samples in compliance with Wastewater System Effluent Regulations [WSER]
- # and volume of unplanned effluent discharges

Financial Stewardship

- Budget Adherence (Annual Operations and Capital)
- Cost per Service Connection (water)
- Cost per Service Connection(wastewater)
- Dollars allocated to Indigenous procurement.
- Funding reporting on time to ISC and FMB

Service Excellence

- # of DWA's and average length of DWA's
- Length of Service Disruption (connection hours lost /community)
- Member Satisfaction Surveys; (include question on % of population using central system versus bottled water)
- Volunteer Hours for Employees on behalf of AFNWA

Operational Excellence

- Water Loss Control- *litres per service connection per day*(Master meters being installed in 2023/24
- % of surface appurtenances uncovered , in working order, and identified in GIS (we have the equipment to uncover and document locations) This is a good one for the first 5 years
- Inflow & Infiltration reduction (wet to dry weather flow ratios - will take some time to get measurements but meters being installed in 2023/24)

Engaged Employees

- Operators certified to the level of the plant which they operate.
- Sick Time
- Employee Satisfaction surveys
- Student placements (student in each service area , scholarships)

Safety Excellence

- % of employees with up-to-date certification
- Lost Time Accidents
- Audit Scores (Annual inspection)
- # of at fault traffic accidents/100,000km driven
- Near Miss reporting (additional monthly incentive with prize draws)

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

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

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

FINANCIAL and BUDGET IMPLICATIONS

The development of the Corporate Balanced Scorecard and future incentive program are supported by capital and operational budgets in the Ten Year Business Plan

ALTERNATIVES

None recommended at this time.

Report Prepared by: original signed by
Carl Yates , M.A.Sc. , P.Eng, interim CEO, 782-414-6628

Financial Reviewed by: original signed by
Chantal Leblanc, CPA, CMA, MBA, CFO, 902-877-3813