



August 30, 2023

Chief Wilbert Marshall, Chair

The special meeting of the AFNWA Board will be held on Wednesday September 27, 2023, at 11:00 AM via Zoom.

AGENDA

In Camera Reports

- 1C Approval of Minutes of the In-Camera Meeting held on 30 August 2023.
- 2C Business Arising from Minutes
- 3C Contract Award – SCADA Design

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

Regular Reports

- 1. a) Ratification of In-Camera Motions
b) Approval of the Order of Business and Approval of Additions and Deletions
- 2. Approval of Minutes of the Meeting held on 30 August 2023.
- 3. Business Arising from Minutes
- 4. Election of Chair and Vice-Chair
- 5. Policy Amendments

Motion: That the AFNWA Board approve the policy amendments provided in the substantive form attached.

- 6. Document Management Policy

Motion: That the AFNWA Board approve the Document Management Policy in the substantive form attached.

- 7. Annual Report Content

Motion: That the AFNWA Board approve the content for the annual report in its substantive form attached.

Original signed by _____

James MacKinnon
Board Secretary



**Atlantic First Nations Water Authority
MINUTES
30 August 2023**

PRESENT:

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

REGRETS:

Chief Andrea Paul, Director
Chief Terry Paul, Director

STAFF:

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

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CALL TO ORDER

James MacKinnon, upon direction from the Chair, called the regular meeting to order at 10:40 AM via the Zoom virtual platform.

1. RATIFICATION OF IN-CAMERA MOTIONS

MOVED BY Chief Wilbert Marshall, SECONDED Chief Leroy Denny that the AFNWA Board ratify the In-Camera motions of the August 30, 2023 meeting.

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

MOVED BY Tood Hoskin, SECONDED BY Aaron Sock that the AFNWA Board approve the Regular Minutes from the July 26, 2023, Board Meeting.

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

N/A

4. BUSINESS PLAN EDIT: SERVICE CONNECTIONS IN DEVELOPED AREAS

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

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

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

assert that only approved materials and installation methods are employed which minimizes the risk for service interruption or system infiltration.

Chantal Leblanc clarified the funding is retroactive to April 1, 2023

MOVED BY interim National Chief Darlene Bernard, SECONDED BY Todd Hoskin that the AFNWA Board approve AFNWA funding for the installation of water and wastewater service laterals for new or replacement residential or community buildings in developed areas that are not supported by ISC, effective April 1, 2023.

MOTION PUT AND PASSED.

5. FIRST QUARTER FINANCIAL RESULTS

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

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

Material variances are as follows:

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

Investment Update

AFNWA received funds from ISC in March 2023, in line with expectations as captured in the Q3 - F22-23 update. This transfer of funds lead to a deposit balance of approx. \$33 million. \$20 million was deposited to investment accounts on March 31 2023, as follows:

- \$12 million, 1-year fixed GIC at 5.85%
- \$8 million, 6-month fixed GIC at 5.55% (expires Sept 29)

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

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

Chief Darlene Bernard asked if some O&M expenditures for an emergency response could be billed back to funds available for repairs caused by Hurricane Fiona?

Chantal Leblanc responded that is good to know these funds are available because we are still fixing issues within communities that were caused by Hurricane Fiona, however this issue in particular was not caused by Fiona, but it was Amendment 12 project, originally approved in 2020, that was delayed.

MOVED BY Chief Wilbert Marshall, SECONDED BY Chief Leory Denny that the AFNWA Board approve the report on first quarter results, in its substantive form attached.

MOTION PUT AND PASSED.

1-I Annual General Meeting

The AFNWA Plans to hold a virtual Annual General Meeting (AGM) on September 27th, before our regularly scheduled board meeting. It was originally thought that the AFNWA could hold our AGM during the APC All Chiefs and Council meetings, however, after some delays from our auditor, management thought it best to delay the meeting until the end of September.

Primary orders of business at our AGM will be as follows:

- Approve the audited financial statements.
- Call for nomination for the board
- Election of new directors

- Appointment of the auditor

Todd Hoskin asked why we have to re-elect direct directors?

James MacKinnon responded we have vacancies from directors originally elected in 2019 nearing the end of their terms.

Chief Darlene Bernard asked what is the board term?

James MacKinnon responded that the term of Director is 4-years but the Chair can serve 5- Years. Directors can serve two consecutive terms, then they must wait a term before they reoffer to serve again.

Todd Hoskin asked if any director whose term is ending will be reoffering?

James MacKinnon responded he didn't want to speak for anyone. However, Regional Chief PJ Prosper had to leave the board due to his appointment to the Senate, so the AFNWA will be looking to confirm a new ex-officio legal expert to the board.

CLOSING

The AFNWA Board adjourned the regular meeting at 10:55.

James MacKinnon
Board Secretary

Chief Wilbert Marshall
Chair



Item #5
AFNWA Board
September 27, 2023

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

SUBMITTED BY: Original Signed by
Chantal LeBlanc, Director of Corporate Services, CFO

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

DATE: September 22, 2023

SUBJECT: Policy Amendments

ORIGIN

Approval of the AFNWA Governance Manual on November 6, 2020. HR Policy, as originally approved November 2020 with the most recent revision on July 26, 2023. Approval of the Financial Policy at the Board meeting held July 29, 2020, with most recent revision on March 24, 2023. Investment Policy, approved at the Board meeting held November 25, 2022.

RECOMMENDATION

It is recommended that the AFNWA Board direct AFNWA Management to make the policy amendments, and draft new policies, as described within the report.

BACKGROUND

As a part of the FMB Practice Directives associated with the economic oversight project, FMB conducts a review of AFNWA policies against FMB NPO Standards. The review against standards could result in an FMB Compliance Opinion or Certification. FMB Staff conducted an audit during the week of September 11th to test adherence to their NPO Standards.

DISCUSSION

As a result of the FMB Audit. The following policy amendments, and new policies, are recommended:

Governance Manual

- Add to CEO Responsibilities:
 - Ensure all policies and procedures are made available to those affected by them.
 - Ensure all policies and procedures are in compliance with all applicable legislation, including HR Policy
 - Establish and maintain policies and procedures respecting the security of information technology and organizational data.
 - Add Business Continuity to CEO Responsibilities, specifically; contingency plans for the recovery of systems, data and operations, the frequency of testing the recovery plan, assignment of roles and responsibilities of personnel within a continuity plan, the communication of the plan to all affected persons, and annual review of the plan.
 - Responsibility to maintain and enforce Whistleblower and Fraud policy.
 - Responsibility to maintain an updated organization chart – inclusive of Board and committees, also ensure access to the organization chart to be provided to all persons affected by it.
 - Responsible for reviewing annual internal audit, defined in Financial Policy, prepared by CFO.
 - Appointment of CFO to include delegated tasks such as: to prepare the annual budgets and multi-year financial plans, actively monitor compliance with the legal obligations of the NPO and any policies and procedures respecting its financial management, evaluate financial management systems and recommend improvements, develop and recommend procedures for identifying and mitigating financial reporting risks and risk of fraud and to ensure approved procedures are followed.
 - Requirement to prepare multi-year financial plan which must; include life-cycle management plan of tangible capital assets within the capital budget (which should be included in annual budget process), include all required reserves, include the life-cycle management program for tangible capital assets, include any planned capital asset projects. The multi-year plan must also be consistent with and support objectives of the strategic plan (referred to in standard 38), must be based on projections of revenue and expenditures, and transfers between accounts, segregated by significant category.
 - Requirement to establish policies and procedures respecting the management and safeguarding of tangible capital assets, as well as implementation of safeguards to preserve the value and longevity of tangible capital assets.

- Establish policies and procedures respecting capital projects which includes applicable capex approval limits, specify the criteria for when a formal capital project plan is required (including monetary thresholds), require capital project plan includes all information that is necessary to assist decision making to reach informed decision on the proposed capital project including financial viability, project operating requirements, and risk assessment. Include processes for the procurement, contract management, risk management and administration of capital projects that are in accordance with GACPMS in the location of the project.
- Establish policies and procedures respecting a documented life-cycle program that includes regular inspection, planning and oversight of tangible capital assets. (67.2 for specifics)
- Add to Board Responsibilities:
 - Requirement to establish policies and procedures respecting insurance coverage (adequacy and completeness)
 - Include provisions for the management of and any limitations on budget deficits in the annual approval of a budget for the next year.
 - Must receive audited financial statements and consider recommendation from the Audit and Finance Committee within 120 days of fiscal year end.
 - Audited Financial Statements must be signed by Chair and Vice-Chair of the Board and made available to all members (availability of statements addressed in by-laws already).
 - Establish policies and procedures respecting the preparation of an annual report, which must include description of strategy used to achieve purpose, goals, and performance measures in comparison to expectations, risks and opportunities, Environmental Social and Governance considerations, financial highlights, future outlook. Publication within 180 days, or less, of fiscal year end and the means by which it is made available to all members.
 - AFNWA Board Members may not solicit or accept gifts in the exchange for future considerations. Board Members shall not accept gifts other than incidental gifts, customary hospitality, or other benefits over \$150 in their capacity as a director.
 - Board members will sign the governance manual annually to acknowledge their review and understanding.
- Add to Audit & Finance Committee Responsibilities:
 - Quarterly financial reports from CFO, within 45 days of period end.
 - Policies and procedures regarding the appointment and dismissal of auditor – to include a process for determining that a proposed auditor meets requirements of the by-laws and minimum

requirements of standard 44 (minimum qualifications of auditor – independent, public firm/accountant, in good standing, licensed in Canada), require that the terms and conditions of the audit to be set out in a signed engagement letter in accordance with Canadian GAAS, specify the basis for dismissing the auditor, and include a process for replacing an auditor who has been dismissed or has resigned.

- Auditor must conduct audit in accordance with GAAS.
- Confirm that annual tax filings were completed.
- Annual review of register for signing authorities with the Bank, along with information on who has access to online accounts and what type of access they have. As well as written notification when any changes are made (no approval required but confirm changes).
- Responsible to establish policy and procedures to ensure effective investment management strategy – risk assessments to be performed, preservation of capital and liquidity, approvals to be given before investing, reviews conducted to ensure investments meet requirements of the by-laws and consistent with investment management strategy, records kept and maintained for all investment decisions, compliance with applicable legislation and/or funding agreements.
- Verify that there is a process for removal of A&F committee members (35.2)
- Add document retention for minimum 7 years.

Financial Policy

- Ensure all records pertaining to AFNWA's financial management system should be retained, legible, identifiable, and retrievable.
- Annual review of all internal controls, identification of fraud risk and mitigating factors and/or recommendations to remedy, documented in a report, due to A&F annually, refer to 19.2 for specific inclusions, include manual journal entries reviewed quarterly in deliverables.
- Ensure the segregation of duties responsibility for those who receive and handle cash and make deposits.
- Ensure a segregation of duties when cash receipts or cheques need to be entered into the accounting software.
- Add that bank accounts must be used and maintained solely for identified purposes. (Confirm requirement for multiple signatures to open accounts in AFNWA name).
- Confirm that the requirements in 56.2 are met for maintenance of reconciliation documents, maintenance of signing authorities (including online banking access), and changes are reported to A&F.
- Funding contributions are reconciled against Funding agreements within 30 days.

- Add reconciliations for salaries/wages/payroll remittances including pension (bi-weekly) and loans (monthly) – ensure segregation of duties (prep versus review)
- Add policies and procedures regarding incurring debt, debt management, and use of borrowed funds – proper consideration of the need to incur debt, approval of terms and conditions on loan, granting of security, granting of guarantees, timely payment of debt obligations, monitoring and reconciliation of loan payments, reporting of debt obligations, records kept and maintained of all decisions and transactions.

HR Policy

- Ensure all records pertaining to AFNWA's employees should be retained, legible, identifiable and retrievable and private.
- All job descriptions to be reviewed annually in conjunction with annual review and kept up to date.
- Article 11 for safeguarding personnel records should extend to contractors.
- Maintenance of current records of the skills, experience, qualifications, competencies and training of the officers, employees, consultants and contractors involved in the operation and management of financial management system.
- Background checks and employment references prior to hiring are required.
- The person hired has the skills, experience, qualifications and competencies required for the position being filled and AFNWA ensures fair and impartial hiring practices (consistent selection criteria, consistent evaluation of applicants, effective use of rating processes and reference checks and hiring on merit)
- AFNWA will provide all necessary training and orientation to new employees, based on their new roles and responsibilities.
- AFNWA will provide ongoing training and professional development to employees based on their roles and assigned responsibilities, and also as part of a performance management plan.
- All employees will be annually evaluated based on pre-determined and pre-discussed metrics (IE: Balanced Scorecard and Core Competencies)
- AFNWA will establish a performance management plan based on the results of the annual performance evaluation.
- AFNWA will provide access to all relevant buildings, premises, information tech systems and moveable assets to employees. Access to be reviewed regularly and revoked when required.

Investment Policy

- Add requirements for maintenance and storage of documents for decisions, statements, etc.
- Add what to do if corrective action is required to meet investment objectives (61.2)

BUDGET AND FINANCIAL IMPLICATIONS

None to be discussed.

ALTERNATIVES

None to be discussed.

ATTACHMENTS

None.

Report Prepared By Original Signed By
Chantal LeBlanc, MBA, CPA, CMA, CFO (902-603-0312)

Financial Reviewed By: Original Signed By
Susheel Arora, M.A.Sc., P.Eng., CEO, (902-603-0312)



ITEM # 7
AFNWA Board
27 Sept. 2023

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

SUBMITTED BY: Original Signed by
Adam Gould, Manager of Communications and Outreach

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

DATE: 22 September 2023

SUBJECT: **AFNWA ANNUAL CONTENT**

ORIGIN

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

RECOMMENDATION

It is recommended that AFNWA Board approve the 2022-23 Annual Report in its substantive form attached.

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 summer 2023 with format and design done by NATIONAL PR and content provided by the Manager Communications & Outreach, Director of Engagement & Government Relations , Director of

Corporate Services/ CFO, former Interim CEO Carl Yates, and current CEO Susheel Arora. The annual report provides a concise overview of activities and milestones of the 2022-23 fiscal year.

BUDGET IMPLICATIONS

Funds for the annual report are contained in the 2022-23 Operations budget as funded through agreement with Indigenous Service Canada, the annual report is estimated to a maximum of \$15,500, based on National’s scope document dated September 5, 2023.

ALTERNATIVES

N/A

ATTACHMENT

2022-23 AFNWA Annual Report content overview.

Report Prepared by: <u>original signed by</u> _____ Adam Gould, Manager of Communications & Outreach , 902-603-0312
Financial Reviewed by: <u>original signed by</u> _____ Chantal LeBlanc, CFO, 902-603-0312
Report Approved by: <u>original signed by</u> _____ Susheel Arora, CEO, 902-603-0312