



September 4, 2024

Chief Wilbert Marshall, Chair

A meeting of the AFNWA Board will be held on Wednesday September 4, 2024, at 9:30 AM via Zoom.

AGENDA

In Camera Reports

1C Approval of Minutes of the In-Camera Meeting held on May 29, 2024.

2C Business Arising from Minutes

3C Neqotkuk Water Treatment Project – Additional Expenditures

Motion: That the AFNWA Board approve the recommendation as outlined in the confidential report dated August 30,2024.

4C Owners Advisor – Headquarters Building Design Build Project

Motion: That the AFNWA Board approve the recommendation as outlined in the confidential report dated August 30,2024.

In-Camera Information Reports

1-IC Director of Engineering Search Update - Verbal



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 May 29, 2024.
3. Business Arising from Minutes of the Meeting.

4. Audited Financial Statements

Motion: That the AFNWA Board approve the Audited Financial Statements in the substantive form attached.

5. First Nations Financial Management Board Not for Profit Standards

Motion: That the AFNWA Board approve the attached letter requesting the First Nations Financial Management Board Not for Profit Standards Audit.

6. COVID-19 Policy Review

Motion: That the AFNWA Board revoke the AFNWA Covid-19 Vaccination Policy.

Information Reports

- 1-I Q1 Financials
- 2-I Annual General Meeting
- 3-I Member Community Update

Original signed by _____

James MacKinnon
Board Secretary



**Atlantic First Nations Water Authority
MINUTES
29 May 2024**

PRESENT:

Chief Aaron Sock
Chief Terry Paul
Chief Leroy Denny
Chief Ross Perley
Chief Darlene Bernard
Regional Chief Andrea Paul
Tuma Young
Todd Hoskin
Methilda Knockwood-Snache

REGRETS:

Chief Wilbert Marshall
Regional Chief Joanna Bernard
Tuma Young
Dr. Shelley Denny

STAFF:

Susheel Arora, 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
Terrie Blackburn, Administrative Assistant, Engagement and
Government Relations

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CALL TO ORDER

James MacKinnon, upon direction from the Chair, called the regular meeting to order.

1. RATIFICATION OF IN-CAMERA MOTIONS

MOVED BY Tuma Young, SECONDED BY Chief Aaron Sock that the AFNWA Board ratify the In-Camera motions.

MOTION PUT AND PASSED

2. APPROVAL OF MINUTES – 27 MARCH 2024

MOVED BY Chief Terry Paul, SECONDED BY Todd Hoskins that the AFNWA Board approve the Regular Minutes from the March 27, 2024, Board Meeting, noting there is a typo on the date of the minutes.

MOTION PUT AND PASSED

3. BUSINESS ARISING FROM MINUTES

N/A

4. Q4 FINANCIAL REPORT

Chantal presents the report and advises a detailed report was presented to the Audit and Finance Committee in more detail so we are starting to evolve how it is presented to the board.

Tuma asks if all remittances have been paid? Chantal confirms all have been paid.

MOVED BY Chief Aaron Sock, SECONDED BY Todd Hoskins that the AFNWA Board Approve the Q4 Financial Report in their substantive form attached.

MOTION PUT AND PASSED

5 BALANCE SCORECARD

The utilization of a balanced scorecard [BSC] 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 BSC 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 BSC outcomes. The utilization of a BSC is founded on two main principles; measure what is important to the mission and incent employees to achieve excellence.

Chief Terry says the best way to save power is to not use it.

Susheel clarifies that we need to purchase power because we are not able to produce our own, therefore at the moment we have no choice but to purchase power from NSP.

Chief Terry asks do we have any plans to produce our own power.

Susheel advises that options have been discussed.

At this point Chief Leroy advises he needs to leave meeting shortly; James advises Regional Chief Andrea will be leaving as well. Quorum is maintained.

MOVED BY Chief Terry Paul, SECONDED by Chief Leroy Denny that the AFNWA Board approve the Balanced Scorecard to measure organizational performance in the substantive form attached.

6 DRAFT DISPUTE RESOLUTION FRAMEWORK

James asks Methilda if he has her permission to present this report on her behalf, with permission James proceeds to present report. Elders have been working on this for a little over a year.

AFNWA By-Laws allow the creation of a culturally relevant, dispute resolution framework. With that in mind, The Elders Advisory Lodge has guided AFNWA management on its development.

The concept of an Elders Advisory Committee was born through engagement with Chiefs, Elders and First Nations community representatives during the completion of the Corporate Structure Report by Halifax Water/Accelerator Inc. in 2017. Throughout these engagements, it was evident that significant value is attached to environmental stewardship, the spiritual aspects of water and Two-Eyed Seeing.

Elders play a crucial role in First Nation communities, and it is critical the AFNWA incorporate First Nations traditional knowledge and culture. To ensure the AFNWA is and remains aligned with First Nations values, culture and knowledge, Section 3.10 of the AFNWA Corporate Governance Manual sets out the creation of an ex officio advisory committee through which community Elders will provide advice to the Board.

Tuma comments he checked on appeal process, in case there is no resolution.

Methilda would like to say a few words. She mentioned her Native name is Turtle Woman and how proud she is about both of her names. The 8th fire has been lit and tells the significance of this. There are generations of change of who we are as people. There is a fire lit according to the changes we go through up until now we were at 7 fires. During the eclipse the 8th fire was lit on Lennox Island she believes it has tremendous significance in the changes to come. She thanks the chiefs for being here and the staff for being on the call. To Methilda it is very significant and in listening to our meeting that we must acknowledge who we are. She remembers Chief Terry mentioning we own the water and that we must be careful how we proceed. Two-Eyed seeing needs to be adapted, we shouldn't be asking permission as FN people. She mentions the conflict of interests mentioned previously during meeting. Without water we perish, and we need to be aware of climate change effects on our water. As an elder she wanted to bring up to us since the 8th fire has been lit, we are going to see a lot of change. Predictions say we are sleeping and are going to wake up. Some of us will not wake up.

James thanks Methilda for her discussions and asks if there are any more questions.

MOVED BY Chief Terry Paul, SECONDED by Todd Hoskins that the AFNWA Board to accept the Dispute Resolution Framework in its substantive form attached.

Information Reports

1-I ELDERS ADVISORY LODGE UPDATE

James asks Methilda if he has her permission to present this report on her behalf, with permission James proceeds to present report.

James requests a motion to close the regular portion of meeting.

MOVED BY Chief Terry Paul, SECONDED by Tuma Young, that the regular portion of the meeting be adjourned.

James requests Methilda to close meeting with a prayer.

Elder Methilda provides closing prayer.

Meeting adjourned at 10:43am.



Item #1-I
AFNWA Board
September 4, 2024

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

SUBMITTED BY: Original Signed by
Chief Terry Paul, Chair of the Audit & Finance Committee

DATE: September 4, 2024

SUBJECT: First Quarter Financial Results

ORIGIN

Governance Manual approved November 6, 2020. Approval of the 2024-2025 AFNWA Budget on November 29, 2023.

BACKGROUND

The Governance Manual specifies that the Audit and Finance Committee must receive and review the quarterly financial statements.

DISCUSSION

Table 1: First Quarter O&M Expenses

	ACTUAL - 3 month period ending June 30/24	BUDGET Quarterly	BUDGET Annual	
Expenses				
Total 60001 · Personnel Costs	1,314,154	1,230,053	4,735,526	7%
Total 62000 · Professional Development	69,136	105,507	406,187	-34%
Total 63000 · Travel	59,568	103,611	398,888	-43%
Total 64000 · Contract Services	958,299	999,085	3,846,334	-4%
Total 65000 · Services & Office Supplies	497,273	388,218	1,494,583	28%
Total 66000 · Professional Services	168,773	154,571	595,075	9%
Total 67000 · Public Relations	3,955	33,828	130,234	-88%
Total 72000 · Board & Committees Compensation	41,750	64,503	248,328	-35%
Total 73000 · Fleet Costs	58,991	66,797	257,157	-12%
Total 75000 · Computer Equipment	52,492	22,212	85,514	136%
Total 76000 · Chemicals	51,705	35,348	136,084	46%
Total Expense	3,276,095	3,203,733	12,333,910	2%
77000 · Other Expenses				
77600 · Building Lease/Rent Expense	52,333			
77800 · Bank Charges	630			
77860 · Interest on Long-term Debt	9,037			
Total 77000 · Other Expenses	62,000	164,542	658,167	-62%
Total Expenses	3,338,095	3,368,275	12,992,077	-1%

With regards to Operations & Maintenance (O&M) expenditures as captured above in Table 1, AFNWA staff provides the following commentary for material variances to budget:

- Total expenditures are within 1% of budget.
- Material overbudget variances such as Personnel Costs and Services & Office Supplies are anticipated to continue as we invest in capacity building through human resources and technology alike. However, these material overbudget amounts will continue to be netted out by a planned reduction in professional services and a continued commitment to reducing recurring expenses by leveraging economies of scale and creating/improving efficiencies.

Table 2 below provides a detailed account of funds received and expended for O&M activities.

F23 Funding - O&M	5,662,694	
F23 Funding - Admin & Governance	82,650	
F23 Funds Available, carried over		5,745,344
F24 Funding - O&M	2,885,000	
F24 Funding - Admin & Governance	225,000	
F24 Funding - TOTAL		3,110,000
Total Available Funds		8,855,344
Total Expenses F24	12,303,689	
Deduct: Amortization on Capital Assets	707,523	
Deduct: Unfunded Expenditures on Private Wells & Septics	29,173	
F24 Applicable Expenditures <i>(subject to adjustment)</i>		11,566,993
Funding Deficit		-2,711,649
Transferred from Capital		2,711,649
Fund Balance at Fiscal Year End		-
F25 Funding - O&M	10,045,525	
F25 Funding - Admin & Governance	225,000	
F25 - CPI Adjustment	1,506,907	
F25 - Available Funds		11,777,432
F25 Budgeted Expenses		12,992,077
F25 Forecasted Deficit - O&M, Admin & Governance		-1,214,645

Capital Projects Summary

A detailed report on total capital spend to June 30, 2024 was presented and discussed with the Audit and Finance Committee. A total of \$8.9 million has been invested in capital assets and projects. Of this, \$3.1 million was invested in assets such as fleet, tools and equipment. A further \$1.3 million has been invested in equipment or assets put in service (IE: pump replacements, SCADA hardware, etc.). There are currently

approximately \$32 million in active capital projects, with a total spend of approximately \$5.8 million to June 30, 2024.

In Table 3 below, a detailed analysis of capital funds received, funds expended and committed projects, which captures the funds that remain available to commit to Capital Projects for this Fiscal Year.

We note that the total budgets for these projects (highlighted in gray below) is currently under review by the Engineering department.

Table 3: Funding received for Capital Expenditures

F23 Funding - 10Y Capital	16,187,597	
F23 Funding - Amendment 12	12,184,691	
F24 Funding - 10Y Capital	522,480	
F24 Funding - Amendment 12	1,100,000	
F25 Funding - 10Y Capital	8,869,620	
F25 Funding - 10Y Capital NRBCPI Adjustment Receivable	<u>2,417,120</u>	
Total Funds Received - Capital		41,281,508
Transferred to O&M	<u>-2,711,649</u>	
Total Funds Available		38,569,859
Total Investments F24	6,393,396	
Total Investments F25 Q1	<u>2,545,870</u>	
Total Investments YTD		8,939,266
<i>Total Budget for Active Projects</i>	<i>31,931,309</i>	
Funds Invested to Active Projects	<u>5,772,251</u>	
Funds Committed to Active Projects		26,159,058
Available Funds to commit to Capital Projects - F25		<u>3,471,535</u>

Cash Position & Investment Income

As of June 30, 2024, AFNWA recorded total cash and investments of approximately \$32M. All investments have matured. Indicative rates on GICs are less favorable than current deposit interest and Management recommends maintaining funds on deposit.

BUDGET AND FINANCIAL IMPLICATIONS

All Budget and Financial Implications are discussed above.

ALTERNATIVES

None to be discussed.

ATTACHMENTS

None

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

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



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

SUBMITTED BY: original signed by
James MacKinnon, MPA, Director of Engagement and Government Relations

APPROVED: original signed by
Susheel Arora , M.A.Sc., P.Eng., CEO

DATE: August 28, 2024

SUBJECT: **ANNUAL GENERAL MEETING 2024**

INFORMATION REPORT

ORIGIN

AFNWA Governance Manual Approved at the November 6, 2020, Board meeting. The Canada Not-for-profit Corporations Act.

BACKGROUND

Annual General meetings are a legislated requirement under the Canada Not-for-profit Corporations Act. Specifically, the Act states:

The directors of a corporation shall call an annual meeting of members:
(a) not later than the prescribed period after the corporation comes into existence; and
(b) subsequently, not later than the prescribed period after holding the preceding annual meeting but no later than the prescribed period after the end of the corporation's preceding financial year.

DISCUSSION

The AFNWA Plans to hold an in-person Annual General Meeting (AGM) on September 26, followed by a regularly scheduled board meeting at Delta Dartmouth, 240 Brownlow Ave at 1:00pm. The meeting will immediately follow APC's all Chiefs and Council meetings.

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

Please note that if you are unable to attend the AGM, you are welcome to send a proxy.

ALTERNATIVES

N/A

ATTACHMENT

N/A

Report Prepared by: original signed by
James MacKinnon, Director of Engagement and Government
Relations



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

SUBMITTED BY: original signed by
James MacKinnon, MPA, Director of Engagement and Government Relations

APPROVED: original signed by
Susheel Arora, M.A.Sc., P.Eng., CEO

DATE: August 29, 2024

SUBJECT: **MEMBER COMMUNITY UPDATE**

INFORMATION REPORT

ORIGIN

Service Delivery Transfer Agreement signed November 7, 2022. Funding Agreement approved at the September 7, 2022 Board meeting.

BACKGROUND

On July 31, 2024, AFNWA closed membership agreements with We'koqma'q First Nation. AFNWA is now in full responsible charge of the community's water and wastewater infrastructure.

DISCUSSION

Immediate actions in We'koqma'q include:

- Oversee the commissioning of a lift station that has been previously funded by ISC
- Develop compliance sampling schedules in accordance AFNWA's Regulatory Compendium and facilitate the transition from First Nations & Inuit Health Branch sampling

- Initiate discussions with Inverness County to negotiate a new Municipal Type Service Agreement for wastewater treatment
- Incorporate We'koqma'q O&M and projects as part of annual budget planning in November

BUDGET AND FINANCIAL IMPLICATIONS

We'koqma'q First Nation's Operations and Maintenance budget from 2024-2025 will be transferred from the community to AFNWA. Staff shall review all costs; capital and operations for the future years during the budget deliberations in October/November 2024. Furthermore, AFNWA has the budget flexibility to accommodate We'koqma'q capital projects until renegotiation in 2025-2026.

ALTERNATIVES

N/A

ATTACHMENT

N/A

Report Prepared by: original signed by
James MacKinnon, Director of Engagement and Government Relations