



Breaking New Ground: History and Next Steps in the Development of the Atlantic First Nations Water Authority

4th Annual AFN Water Symposium

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Outline

- What is the AFNWA?
- AFNWA History
- Governance Overview
- Corporate Structure: Overview & Implementation
- Status Quo vs. AFNWA
- Framework Agreement
- Transition Implementation Plan
- Asset Management Plan
- Regulations
- Next Steps

What is the Water Authority?

- The Water Authority is a First Nation organization, constructed, owned and operated by First Nations. The Water Authority is not be a political organization. It is a technical organization focused on the provision of water and wastewater services for member communities.
- The Water Authority is a legal corporation and is run as a not-for-profit business.
- It is governed by its member First Nations and it is be comprised of representatives from the participating communities.

Genesis

- Office of Auditor General Report (2005);
 - Report cites unbalanced quality of First Nation water relative to non-native communities of similar sizes/locales
- Expert Panel on Safe Drinking Water for First Nations (2006);
 - Multi-stakeholder panel examined options for a regulatory regime for First Nations' drinking water. The panel recommended commissioned Indigenous oversight, which would include inspections and holding particular parties, including Federal Agencies, to account. The Panel identified 16 elements of a proposed regulatory system.
- Regulatory Benchmarks Report April (2009);
 - Produced by Dalhousie CWRS for Atlantic Policy Congress of First Nations Chiefs Secretariat [APC] ; Report determines 14 of the 16 elements proposed by Panel 2006, have direct application to the Atlantic First Nation context.

Genesis

- Auditor General Report (2011);
 - One of the main recommendations related to water and wastewater programs was a call for a regulatory regime to be implemented in First Nations communities because provincial legislation and regulations are not applicable on First Nation reserves.
- Neegan Burnside Assessment (2010-2011);
 - As part of the First Nations Water and Wastewater Action Plan, Neegan Burnside Ltd. was hired by the Canadian government to conduct an independent assessment of the state of water infrastructure in these communities. 807 systems in 560 communities were assessed. It found a vast majority of the Atlantic First Nations Drinking Water systems failed to meet the Guidelines for Canadian Drinking Water Quality (GCDWQ)

Genesis

- Atlantic Canada Water Authority Governance Structure (2012) by Dalhousie CWRS;
 - Report outlines a proposed governance structure for the Water Authority, under the requirements for a P3 Canada agreement. Amongst its three core recommendations, it was eventually adopted that a not-for-profit corporation, by federal statute, would be suitable for the AFNWA.
- Safe Drinking Water for First Nations Act (2013);
 - The Act called for enforceable regulatory standards, in order to ensure safe drinking water, effective treatment and source water protections. The Act also places Chief and Council completely liable and responsible for the state of drinking water and wastewater discharge within their community. Act clearly defines lines of responsibility between the owner and regulator of water assets. This Act would be an enabling statute for AFNWA's regulatory capacity

Synthesis

- Water and Wastewater Infrastructure Asset Condition Assessment (2012-2013 produced by Dalhousie CWRS, and CBCL Ltd.);
 - Study evaluated water and wastewater system conditions in terms of compliance, operations, capacity and management efficiency [Updated in 2018]
- Options for a Regional First Nations Water Authority (2013, produced by Dalhousie CWRS);
 - Report outlines governance options such as incorporation, board of director's structure, management structure, P3 models for community management, liability insurance, the use of water metering and enforcement of regulations
- Project Charter – Clean Water Initiative (2014, APC, P3, NRCan, and INAC);
 - Project Charter serves as the main project management tool to ensure that all aspects and deliverables of the proposed AFNWA are completed. Project Charter details requisite steps required for all stakeholders, including APC, FN communities, INAC and P3 Canada, to determine the value of money and the potential of a P3 option

Recalibration

- Project Reset (2016, Dalhousie, INAC, APC)
 - On July 5th, 2016, APC held a meeting with INAC representatives to discuss the future direction of the AFNWA. The goal was to:
 - Develop a strategic objectives framework to be completed in the 2016-2017 fiscal year;
 - Formulate an implementation plan for following years;
 - Agree upon a clear message that both INAC and APC will share going forward
- Corporate Governance Report – (2017 APC, Halifax Water, Accelerator Inc.);
 - Halifax Water and Accelerator Inc delivered their report with recommendation for the corporate structure of the AFNWA. This recommendation was based on extensive engagement with First Nation Chiefs, Elders, Water Operators and industry professionals.
- Financial Analysis (2018, Ulnooweg Development Inc.);
 - Report on a financial analysis of expenses and funding related to water and wastewater services in participating First Nation communities across Atlantic Canada.

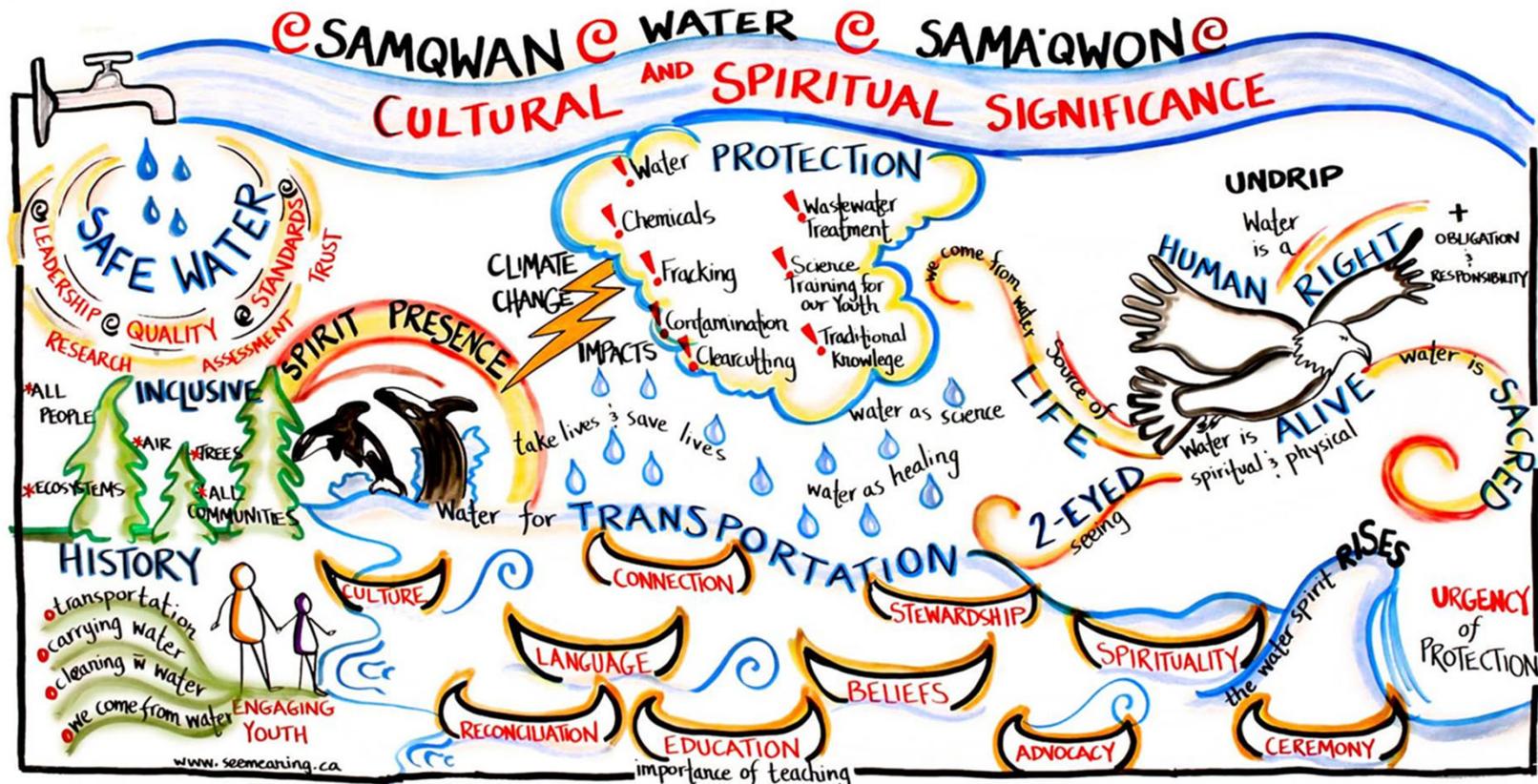
AFNWA Governance

- Atlantic First Nations Water Authority incorporated on July 18, 2018 under the federal Not for Profit Act
- The Water Authority is a First Nation organization, owned and operated by First Nations. The Water Authority is not a political organization. It is a technical organization focused on the provision of water and wastewater services for member communities [Mi'kmaq and Wolastoqiyik]

AFNWA Governance

- The AFNWA is to be governed by a Board of Directors of up to 15 members; 12 First Nation representatives and 3 technical experts. Board currently has seven Directors; Chiefs Wilbert Marshall, Ross Perley, Darlene Bernard, Arren Sock, Terry Paul, Andrea Paul, Leroy Denny
- The AFNWA Board will be supported by an active Elders Advisory Committee to ensure that traditional values and culture are incorporated in the day-to-day operations.

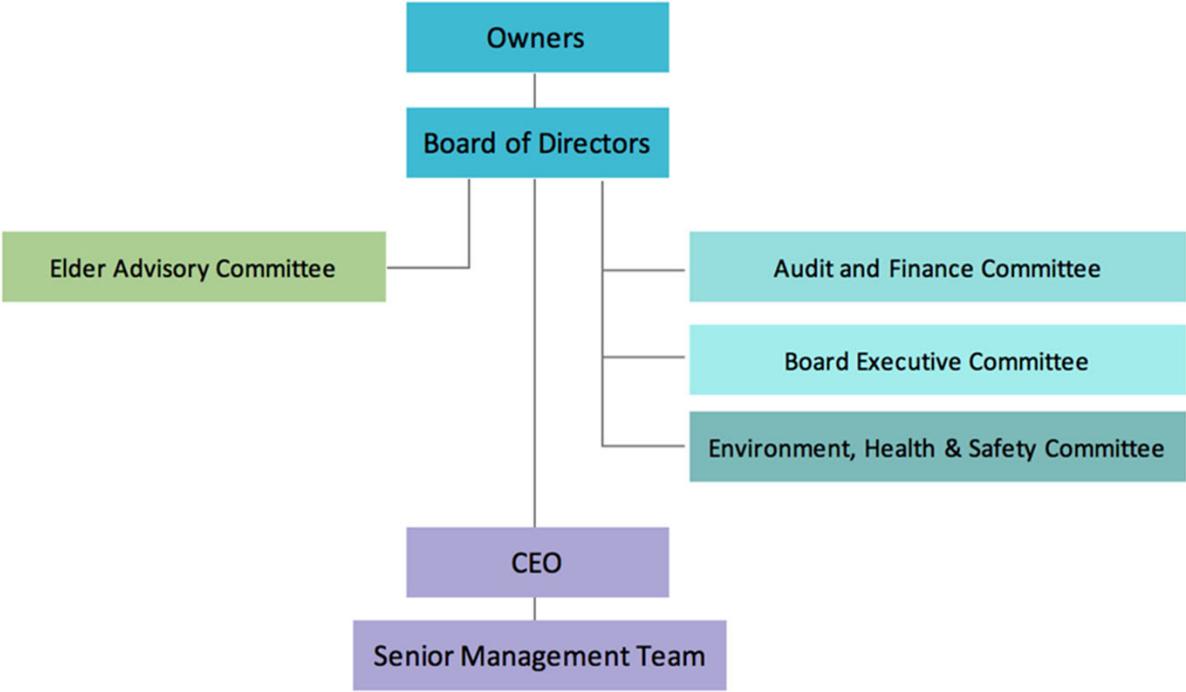
First Nations Cultural and Spiritual Traditions



Water Authority has a Service Accountability that is Equitable and Based on Two-Eyed Seeing



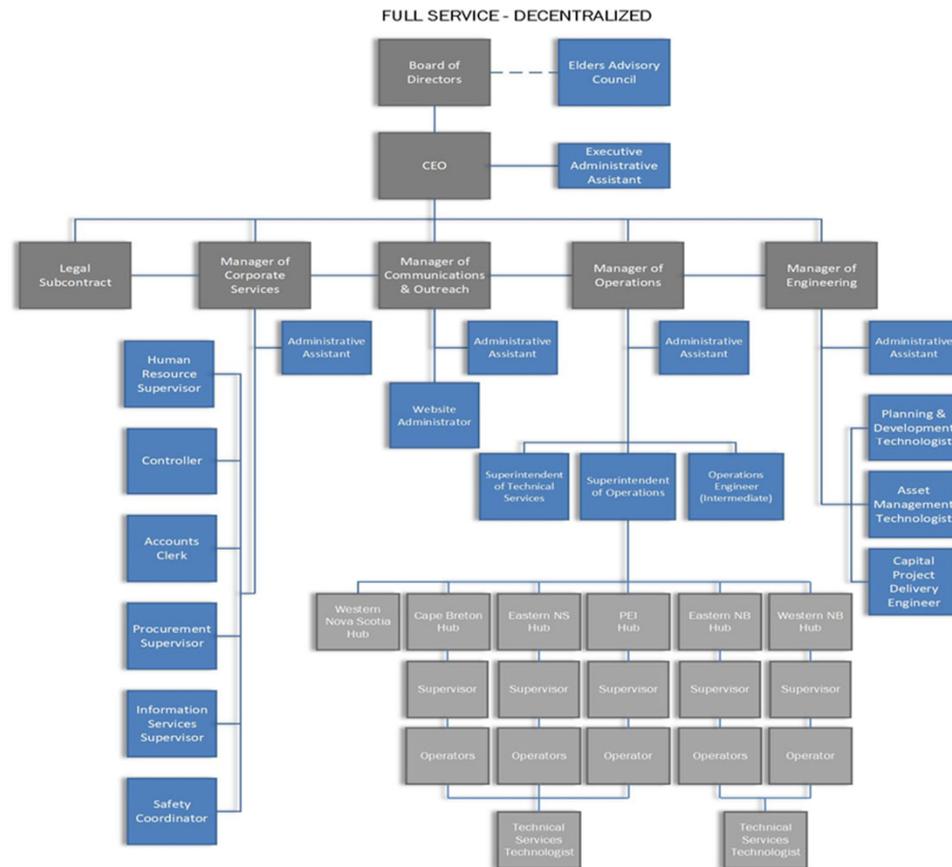
AFNWA Corporate Structure



AFNWA Corporate Structure

- The corporate structure will be a full service – decentralized model for the AFNWA incorporating a hub and spoke model for regional operations for optimal service delivery and stronger community relationships.
- The main office of the AFNWA will be within the service corridor between Halifax and Moncton in a First Nation community to maximize local benefits and strengthen relationships.

Organizational Structure of AFNWA Full Service – Decentralized [FSD]



Corporate Structure - Implementation

- Efforts underway to hire all senior managers by April 1, 2021 with a clear preference to hire First Nation candidates.
- The AFNWA will adopt a formal training and development program for all staff employed by the AFNWA.
- Local operators will be hired wherever possible with an immediate focus on training and certification.

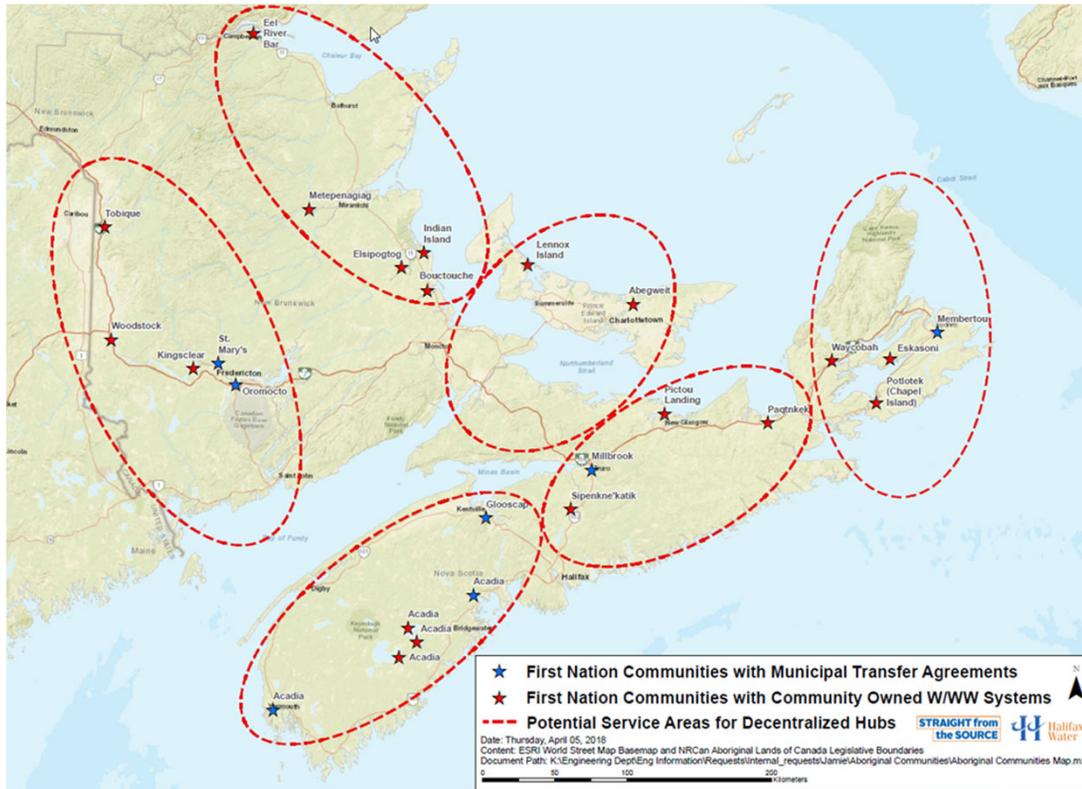
Corporate Structure - Implementation

- Human Resource strategies will recognize the experience and knowledge of staff currently employed in water and wastewater system operations and take a consistent approach to salaries, benefits, training and career development.
- Communications and outreach are central to the success of the AFNWA and full efforts will be made to engage communities in an open and transparent manner.

Full Service – Decentralized [FSD]

- Optimizes response time for operations and maintenance activities utilizing hub and spoke
- Focused relationship with community
- Higher level of service
- Dalhousie's CWRS report workshop results noted the, "in-house staffing approach was considered more desirable by industry and First Nation representatives".

First Nation Communities & Proposed Service Regions for FSD



Water and Wastewater Systems Today

- Capital Upgrades are completed on an ad hoc basis as determined by Indigenous Services Canada;
- Funding is allocated annually with little regard for long term planning;
- Inadequate resources currently in the system for all necessary capital upgrades;
- Decisions on what funding communities receive is decided by Indigenous Services Canada;
- Community's rely on external engineering advice;
- Water quality liability rests with Chief and Council;

The Difference a Water Authority Will Make

- Capital upgrades will be completed based on a long-term capital plan;
- Water Authority would operate with a long term, 25-year time frame with increased resources.
- Consolidated funding for system management, operations and capital;
- Decision making will be with the Authority.
- AFNWA will have its own Engineering Department and staff.
- The AFNWA Operations Department, inclusive of community operators, will work closely with the Engineering Department to ensure the best public health and service outcomes for each community.
- As the owner of community Water and Wastewater systems, the AFNWA will assume the responsibility and liability for operations, maintenance and capital upgrades for infrastructure.

Framework Agreement

- The AFNWA and ISC have signed a Framework Agreement. Its purpose 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 (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 for 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.

Transition Implementation Plan

- AFNWA will be funded directly to cover the 2-year transition period to full operations.
- The funding is for our 3-phase implementation plan:
 - **Phase 1: Approval & Funding:** is an enabling phase which includes tasks which must be complete 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 Business Plan and consolidates 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 developed in 2019.

Asset Management Plan

- Asset Management Plan for a consistent utility wide approach to be developed over the next 12 months
- Supporting Documents include CBCL Water and Wastewater Condition Assessment Reports completed in 2013 and updated in 2018
- The scope of work will also include the development of a ten-year capital budget
- The Asset Management Plan will be completed with support from Dillon Consulting Limited

Regulations

- The AFNWA will have Regulatory Oversight for Drinking Water and Wastewater Effluent Quality
- Environment Canada will have oversight for wastewater with regulations entrenched in the Fisheries Act [WSER]
- Drinking Water to conform to Canadian Drinking Water Quality Guidelines; Regulator ? [TBD]
- Utility proposing to adopt a more proactive approach to Quality Assurance/Quality Control with the adoption of water and sanitation safety plans

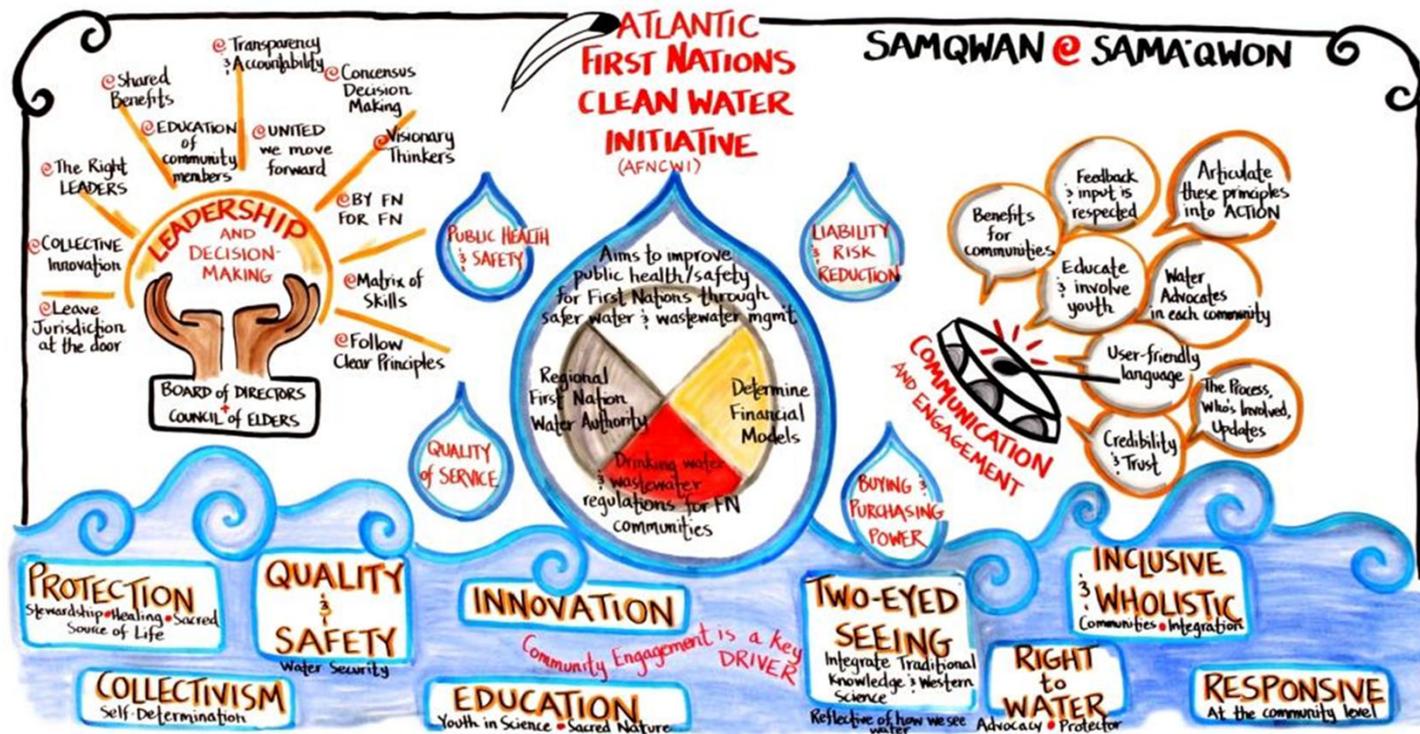
Next Steps for 2020-2021

- Complete recruitment of AFNWA Senior Management Team [Manager of Engineering, Manager of Communications and Outreach, Manager of Corporates Services, and Manager of Operations]
- Establish Board Committees and Elders Advisory Council in accordance with Approved Governance Manual to ensure an accountable, transparent and efficient governance structure
- Secure office space for AFNWA headquarters

Next Steps for 2021-2022

- Complete SCADA Master Plan
- Develop license agreements for land access
- Finalize the AFWNA Asset Management Plan and Ten- Year Capital Program.
- Develop water safety plans in partnership with Dalhousie University
- Develop 2021/22 budget for AFWNA Board approval

Based on Best Practices and Sound Evidence - The Water Authority Represents a Sustainable Path for Generations



Wela'lin!

Questions?

