

CANADIAN WATER AND WASTEWATER ASSOCIATION
Association canadienne des eaux potables et usées

MINUTES

MEETING OF THE BOARD OF DIRECTORS
CHARLOTTETOWN, PEI
May 30-31, 2013
as approved November 27, 2013

A summary of the discussions and decisions taken during this Board meeting follows.

Item 1.0: Roll Call & Introductions

President, Neil Thomas, called the meeting to order at 08:30 Atlantic Time. He provided regrets from our Treasurer Dwayne Kalynchuk who will join us by phone later this morning, as well as regrets from Jerry Cheshuk, Dennis Kefalas, Diane Sacher, Richard Fontaine and Steve May.

Neil completed the roll call and the record is attached as Annex 1 to these minutes.

Diana Qing Tao was welcomed as the new board representative for Réseau Environnement to replace Daniel Lessard. Daniel was thanked for his many years of service to the board.

Moved by Colwyn Sunderland and seconded by Jeremy Crosby that Diana Qing Tao be appointed to the Board of Directors as the representative for the Réseau Environnement for a three year term effective immediately and expiring at the Annual General Meeting of 2016.

Carried

Item 1.1: Appointment of a Board Meeting Monitor

Jeremy Crosby agreed to serve as Session Monitor.

Item 2.0: Approval of Agenda and Addition of any New Items

Neil Asked that Report of the Compensation Committee be added as Item 5.3.1

Moved by Dan Limacher and seconded by Brian Crist that the Agenda be adopted as amended.

Carried

Item 2.1: Review of Consent Agenda

In the Membership Gains & Losses Report, the loss of some federal departments was noted. On the National Wastewater Conference Report, there was support to repeat the partnership with CAWQ for another shared conference, but the Board saw no need to proceed with a formal MOU yet. The renewed WEF Agreement and the renewed IWA-CNC role were noted.

Item 3.0: Approval of Meeting Minutes**Item 3.1: Minutes of the Board meeting of November 28, 2012**

Moved by Roland Richard and seconded by Joe Salter that the Minutes of the meeting of November 28, 2012 be accepted as presented.

Carried

Item 3.2: Minutes of the Board meeting of November 30, 2012

Moved by Roland Richard and seconded by Colwyn Sunderland that the Minutes of the meeting of November 30, 2012 be accepted as presented.

Carried

Item 3.3: Minutes of the Board meeting of March 1, 2013

It was noted that the meeting adjourned at 12:00 noon.

Moved by Bev Mollard and seconded by John Duong that the Minutes of the meeting of March 1, 2013 be accepted as amended.

Carried

Item 3.4: Review of Rolling Action Items

Robert reviewed the action items list. There were no comments.

Item 4.0: Governance Policy Review

Robert spoke to the 2013 Governance Policy Review Report. The subcommittee of Neil Thomas, Roland Richard, Mike Darbyshire, Dwayne Kalynchuk, and Colwyn Sunderland met on May 14, 2013 and made the following recommendations:

Section EL-5 3f places a limit of \$10,000 on any cheque that the executive director can sign on his own – anything greater now requires a signature of a designated board member. It is recommended by the executive director and supported by the auditor, that this limitation be waived for any mandatory cheques to the government for payroll remittances or taxes. For the purposes of oversight, any such cheque will be scanned and a copy sent to the Board Treasurer along with supporting paperwork. The purpose is to simplify standard, mandatory payments and avoid any penalties. Otherwise, the \$10,000 limit is still appropriate.

Motion:

Moved by Roland Richard and seconded by Nancy Kodousek that the Board amend Executive Limitation EL-5 3f to read as follows:

...the Executive Director shall not:

3f Receive, process, or disburse funds under controls that are insufficient to meet the Board-appointed auditor's standards.

- *Issue cheques in amounts greater than \$10,000 without a dual signature, one of which will be an **authorized Board member** and the other, the Executive Director.*
- ***This limitation does not apply to mandatory payments to the federal and provincial governments for:***
 - o ***Payroll source deduction remittance***
 - o ***HST taxes collected***
- ***Such cheque still require two signatures and must be signed by the Executive Director and Office Administrator***
- ***That all such cheques, after signing by the authorized individuals, have a PDF copy processed and sent to the Board Treasurer with the supporting documentation.***

Carried

Section EL-6 3c states that the Executive Director shall not:

3c Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.

Robert noted that the Board directive of March 1, 2013, requiring Board approval of any changes to benefits must be approved by the Board, was in contravention of this governance policy that left such details to the executive director. Neil responded on behalf of the Board stating they felt the need to intervene temporarily to correct a number of legacy issues developed over the years. The Board will review Robert's report on personnel policies and, following that review, will 'hand the reins' back to the executive director.

Section EL-10 deals with position statements and the need for a process and Board approval. This section has NOT been adopted by the Board. The Governance Policy Review Subcommittee has suggested they work on this further to propose a policy at the Fall meeting. They asked for input from the Board.

It was agreed that the terms 'Policy' statement and 'Position' statement need to be defined and the difference clarified. There needs to be a process that includes the appropriate technical committee or task force to provide input and the Board should approve 'policy'. This is not to limit the executive director's ability to react quickly and speak on behalf of the association.

The following actions were agreed to:

- Robert to look at how our regional associations deal with this
- the Subcommittee (Roland, Mike, Colwyn) to draft revised wording for the fall meeting
- staff to clean up the official copy of the Governance Policies and get the most up-to-date version on the website and distribute to all Board members

Item 5.0: Financial Reports

Dwayne Kalynchuk joined the meeting by teleconference and led the financial discussions.

Item 5.1: Draft Audited Statements 2012

Dwayne reviewed the draft statements from the auditors. He noted comments from Board members. Members noted comments on the separation of duties , imbalance with the sub-ledger and how we record bad debt versus non-renewed memberships. There was also discussion on the need for Board oversight with concerns on reporting and the expectation of quarterly if not monthly reporting. Dwayne felt this was connected to software and system problems that would be addressed in the upcoming review. There were questions on the ‘Internally Restricted Reserves’ and the need to redefine these and confirm that all transfers were by resolution of the Board.

Moved by Dwayne Kalynchuk and seconded by Colwyn Sunderland that the draft Audited Financial Statements be approved as presented.

Carried

Item 5.2: Year-To-Date Financial Report

Robert spoke to the year-to-date finances to April 30, 2013. Finances are on target.

Item 5.3: Revised Budget Forecast 2013

Robert spoke to the revised budget, but was not confident with all the revenue projections nor the expected surplus of \$144,000. The Board agreed that the November target of \$90,000 surplus was still an appropriate target.

Moved by Dwayne Kalynchuk and seconded by Colwyn Sunderland that the Board receive the year-to-date report and the revised budget forecast for 2013 but retain a target surplus of \$90,000 for 2013.

Carried

Item 5.3.1: Compensation Committee

Moved by Neil Thomas and seconded by Roland Richard that the meeting move into closed session to discuss personnel matters concerning the executive director. (11:00 am)

Carried

Robert left the room while the Compensation Committee reported to the board. The Board reconvened in open session at 11:30 am. Robert was advised of their recommendations and the board’s approval. This decision will be communicated in writing.

Item 5.4: Report on Personnel Policies

Robert spoke to the report on his review of the current personnel policies. He presented a table of the current policies and proposed policies.

The board expressed their desire to see the policies brought more in-line with current practices in municipalities as well as changes at the federal level. There were concerns with growing liability around accumulated sick leave and vacation owing. While the Board wanted to see changes, they supported a system of fairness and a transition that would replace current programs with equivalent coverage.

Robert spoke to his proposal to replace sick leave accumulation with a short-term and long-term disability program as well as a proper benefits plan with a benefits carrier. The Board supported this proposal.

It was recommended that the separation clauses be removed completely. Bonuses should be based on performance.

It was recommended that the proposed changes be reviewed by an appropriate lawyer and transition be worked in as part of the overall process and human resources review.

This report was received as a compliance report for the executive director and the board requested a follow-up report at the fall meeting.

Item 5.5: Process and H.R. Review

Robert presented his report on what he feels are systemic problems with the administration and processes within CWWA. After his first year on the job, he has identified concerns with the software, duplication of work, a lack of cross-coverage to ensure continuity and a lack of clarified job descriptions. He also saw a need for renewed policies and processes for determining regular remuneration and bonuses. He has identified \$30,000 in the budget to hire consultants for a holistic review that would look at the finance systems as well as the human resource concerns. The board was very supportive of this plan of action.

This report was received as a compliance report for the executive director and the board requested a follow-up report at the fall meeting.

Item 6.0: Executive Director Monitoring Report

Robert presented this report as a compliance report reviewing his own activities and those of the staff and how these served the goals of the association.

There was a discussion on reviewing and revising the format and process for these monitoring reports to ensure compliance with the governance policies.

Moved by Colwyn Sunderland and seconded by Brian Crist that the Executive Director's Monitoring Report be accepted.

Carried

Item 7.0: Strategic Work Plan

Robert Haller presented his strategic work plan that was based on the Strategic Plan presented in November, 2012. He has laid out all the projects in a table and assigned staff to each and suggested a timeframe for each project.

The Board reviewed each of the work plans and provided comments and suggestions for the staff. Overall, the Board was very supportive of the work plan as presented.

The meeting adjourned for the evening at 4:00 pm.

Neil reconvened the meeting at 8:40 am Friday, May 31, 2013.

Item 8.0: Not-For-Profit Corporations Act and By-law Review

Robert spoke to his report outlining the requirements of the Canada Not-For-Profit Corporations Act and the subsequent by-law review to ensure our compliance with the new act. He presented a table comparing our current by-laws with proposed by-laws. Wherever an item is covered in the act it is recommended we not repeat it in our by-laws. Rather, our by-laws only record variance, where permitted, from the Act.

The Board reviewed the report and table and the following points were agreed to:

- while an auditor is not required by the Act, our by-laws shall require an audit
- with regard to notice of meetings, notice shall be by email OR publication OR standard mail OR a combination of any of the three and we shall use the standards set in the Act
- while the Act allows directors to be paid, our by-laws shall state that directors shall NOT be paid for service as a director – related expenses can still be reimbursed
- quorum for an AGM must be in the by-laws and shall be increased from 6 members to 10
- quorum for the Board will remain the same but must be noted in the by-laws – need 7 and 3 of the 7 must be Reg. Assoc. reps
- terms for Board members must be listed in the by-laws
- the ability of the Board to appoint members-at-large to the Board
- require the same 14 days notice for Board meetings
- need to clarify the Officers of the Board
- voting shall remain by hand (or ballot) in-person at a meeting – no electronic voting or absentee voting at this time
- financial statements will not be mailed to all members, but all will be given notice they are available on-line and can be emailed upon request
- If the CWWA were to dissolve we must state who gets any remaining funds after all debts are paid – it was agreed that any funds would be split equally amongst the 6 Reg. Assocs.
- The role and powers of the Executive Director as limited by the Governance Policy shall be noted in the by-laws

The Board then reviewed the Membership Categories and the recommendations from Robert. Robert stated he revised the wording to match the template from the Act. It was agreed we would stick with:

- Utility Members
- Regional Association Members
- Associate Members

- We would eliminate the Individual Membership from the by-laws but could still recognize Subscriptions and “Honorary” Memberships through internal policy. This avoids confusion with voting rights of ‘members’ under the Act.

Items to be clarified:

- Rules around ‘election’ of directors, especially for Reg. Assoc. reps
- Membership categories

Robert to take outstanding issues and review with solicitor specialized in this Act. Robert will redraft the by-laws according to direction from the Board so far and then review with the Governance Committee by September. We will then seek Board approval by a teleconference and then distribute to the membership for approval at the AGM.

Robert to also prepare a Procedural Booklet for the Board that combines the by-laws with the relevant parts of the Act for easier use as a guide at our meetings.

Staff to review membership categories and fees by the AGM.

Item 9.0: National Project

Robert presented his report on efforts to create a national project with the regional association partners. This has been developing since the Window on Ottawa last fall and has gained the support of AWWA and WEF. Robert has proposed a booklet or set of educational tools to support senior municipal managers in educating their councils, MPP’s and MP’s. So these are intended for use by senior managers, but written for council members and possibly the media. Robert also hoped to see this as a project to get the regional partners working together. He hoped this could turn into a larger, modular project, but this first project could stand alone if necessary or be the start of a larger series. While this is a staff initiative, Robert welcomed Board input into the concept.

Some members felt more needed to be done to support and assist communities with the new WSER regulations. Robert agreed but felt that work would be separate from this project.

Comments supported educating on how infrastructure is funded and how rates are set. Others saw an opportunity to profile our industry and the benefits of water (health/economy).

It was suggested we approach this as a possible single project with ability to grow and to use various formats for different purposes.

As the project progressed, Robert hoped to have an advisory panel made up of the executive directors from all 6 regional partners as well as the 6 members of our CWWA Board that represent those regional partners – as well as Robert and the CWWA President. The Regional reps felt this was not in their mandate and the Regional Partners should be asked to assign a rep of their choice to this project, but Robert was concerned with the delay this would create.

Moved by Joe Salter and seconded by Colwyn Sunderland that the Board supports a national educational project and direct the executive director to proceed with a letter to all Regional Associations for their endorsement and invite their participation.

Carried

Moved by Colwyn Sunderland and seconded by Neil Thomas that the Board accept the Executive Director Monitoring Report.

Carried

Item 10.0 Board of Directors' Terms

Dan Limacher reviewed the list of Board members and their scheduled terms of office. Brian Crist completes his second term as rep for Yukon this year, but believes he has a potential candidate to replace him. Mike Darbyshire has agreed to stand for another term as the rep for Alberta. Diane Sacher has agreed to stand for a second term as the rep for Manitoba. Richard Fontaine completes his first term as the rep for Quebec and will be asked if he wishes to continue for another term. As regional association reps, Dan Limacher (WCW) and Joe Salter (OWWA) complete their second terms while John Duong (WEAO) will step down as CWWA rep to take a VP role within WEAO. All three associations will be asked to make new appointments.

Items 11.0, 12.0, 13.0 Director Reports, Regional Association Reports and Provincial Scans

Brian Crist, Yukon – they have been working on issues around operator certification and system certification and a lack of standardization. The board discussed this topic and felt there were enough other groups addressing these issues and so it was not a national issue for the CWWA at this time.

Jeremy Crosby, PEI – He is working on bringing in a new member utility. He is also working on a potential services agreement for Stratford and is looking for examples of such agreements.

John Duong, WEAO – They are in the process of hiring a new executive director and redefining that role for the association. WEAO hosted the WEFMAX event in Niagara Falls which was well attended. On the provincial scene, WEAO has been an active member in Ontario's Infrastructure Coalition that has been very successful at bringing parties together with the government. Utilities are completing their Environmental Compliance Approvals and the province is looking at a more systems approach and Halton is a pilot community for a new program. The province is addressing water issues through the Great Lakes Protection Act and within the Provincial Policy Statements, while there is new legislation being developed to address water and energy demands.

Nancy Kodousek, Ontario – has been promoting CWWA across the province and especially the Energy & Water Efficiency Conference this fall. She had attended the CWWA Wastewater Conference in Hamilton and has received great feedback from those that attended.

Joe Salter, OWWA – The OWWA has just hired a new executive director, Mark Carr. Joe has been talking to many about the CWWA and most are very pleased with our offerings, but are restricted from travelling. OWWA has also been an active member of the Infrastructure Coalition and have been working with WaterTAP and the Province on promoting the water industry in Ontario. He shared some statistics on the water innovation companies in Ontario. Drinking Water Authorities now receive a license as opposed to the former Certificate of Approval. A second round of external audits has commenced and each will receive new

Certificates of Accreditation. The province has been looking at land use controls to help protect water and have named a new Chief Drinking Water Inspector. The Green Energy Act addresses water and wastewater too.

Andrew MacKinnon, Nova Scotia – His town of Truro hosted the Provincial Public Works Association conference where he promoted CWWA to the delegates. Storm water management was a key issue for many and felt there would be interest in a storm water committee and or conference. Compliance with the WSER is still a concern.

Bev Mollard, Ontario – she attended both the WEAO and OWWA conferences promoting CWWA and was pleased with our presence at both events. Her employer, OCWA, is working with the province and municipalities around the issues of certification to meet new provincial regulations. OCWA is developing guidelines and she shared some data on licensing and employment data.

Mike Darbyshire, Alberta – As most other provinces, Alberta is dealing with budget austerity. The province is looking at small systems and regionalization as a possible solution. The Province has developed its own regulations in addition to WSER and a new report is out on fracking to address public concerns on water quality.

Roland Richard, ACWWA – ACWWA is developing a new magazine “Go With The Flow” and will host its conference in Fredericton. Their focus is on supporting operators. He has been working with Duncan Ellison on a number of ISO related activities.

Dan Limacher, WCW – He sees WCW focus is also on the operators and their conference will be in Edmonton this fall. He agrees with Mike’s comments around regionalization being considered around the province. He has also noted a greater interest on the part of Environment Canada in the west related to their industrial growth, around issues of oil, pipelines, fracking and more.

Diana Qing Tao, Réseau Environnement – Their annual meeting will be in Quebec City with a water and wastewater symposium. Réseau is very interested in building its relationship with other associations across Canada. The province of Quebec is setting its own wastewater effluent regulations as well as new regulations on intake protection and the transportation of water. Quebec is also developing a new strategy for water efficiency. The Ministry of Health is promoting fluoride while Réseau continues to oppose its use.

Colwyn Sunderland, BCWWA – Membership is strong and growing with 4,700 members. He is pleased to write a column in their magazine on CWWA activity and was pleased to welcome Robert at the BCWWA Conference. Daisy Foster is retiring as the executive director and her replacement will be named soon. BCWWA has been very supportive of CWWA and assisting on national level projects to build our role in national advocacy. BCWWA borrowed our Window on Ottawa concept to host a very successful Window on Victoria event. Drinking Water Week was in May in BC and they were very active with campaigns about wastewater and infrastructure. BC is also dealing with austerity budgets and the effects of the WSER.

Neil Thomas, New Brunswick – He has been trying to recruit new members from utilities and private sector while recruiting participants for technical committees. He was pleased to

contribute an article to Water Canada for CWWA. New Brunswick has a new system of Certificates of Approval based on the new WSER which have added e coli and total phosphorus reporting. Many have concerns with reporting requirements for the WSER.

Item 14.0 Federal Scan

Robert spoke to the continuing involvement of CWWA with Environment Canada concerning the WSER and its implementation. The technical committee continues to gather comments and share input with the federal government.

Health Canada is pulling all financial support for the National Drinking Water Conference, but have asked CWWA to still run the event. Staff have met with the Federal Provincial Territorial Committee and all agree to move the 2014 event to Ottawa to save costs and allow federal staff to attend.

The federal Budget was released and CWWA was able to make timely comments to our members and related associations.

CWWA has been very active with Public Safety Canada on its Cross-Sector Forum addressing security concerns for treatment plants and operations.

Item 15.0 Board Goals for 2013

The Board was very supportive of the Strategic Plan and priorities as set out by Robert and staff. They see the financial review as very critical to providing them better reports. The Board must address the Canada Not-For-Profit Act requirements and complete the required By-law changes.

The Board agreed to a 2% increase in membership rates for 2014.

Moved by Colwyn Sunderland and seconded by Bev Mollard that the membership rates be increased by 2% for 2014

Carried

Item 16.0 Report of the Session Monitor

Jeremy reported on what he felt was a well-run meeting as times were generally kept and members stayed on topic. It was recommended the next Spring meeting be in Whitehorse.

Item 17.0 Motion to Adjourn

Moved by Dan Limacher and seconded by Nancy Kodousek that the meeting be adjourned. (12:30)

Carried

Annex 1 – Attendance at the Board Meeting

From	Name	Attending
		Yes / No
BC	Dwayne Kalynchuk	N
YT	Brian Crist	Y
AB	Mike Darbyshire	Y
NT	Dennis Kefalas	N
SK	Jerry Cheshuk	N
MB	Diane Sacher	N
NU	Vacant	-
ON	Bev Mollard	Y
ON	Nancy Kodousek	Y
QC	Richard Fontaine	N
QC	Vacant	-
NB	Neil Thomas	Y
PE	Jeremy Crosby	Y
NS	Andrew MacKinnon	Y
NL	Steve May	N
Director- at-Large		-
BCWWA	Colwyn Sunderland	Y
WCW	Dan Limacher	Y
OWWA	Joe Salter	Y
WEAO	John Duong	Y
RÉSEAU	Daniel Lessard	N
	Diana Qing Tao	Y
ACWWA	Roland Richard	Y
CWWA	Robert Haller	Y
Totals		14

ANNEX 2 – Rolling Action Item List

Board Meeting	Action Item	Assigned to	Status
May 2013	Repeat partnership with the CAWQ for another conference	Robert & Staff	host a joint conference in 2014
May 2013	Governance Policy EL-5 3f amended to allow cheques over \$10,000 for gov't payments	Robert	Advise staff and auditor of new process
May 2013	Governance Policy EL-10 concerning Policy Statements Robert to see what others do Subcommittee to draft a new version for the fall meeting	Robert Roland, Mike, Colwyn	Develop a new policy process for consideration Fall 2013
May 2013	Approved the Draft Financial Statements	Robert	Advise Auditors and prep for AGM
May 2013	2013 Surplus still set for \$90,000 Concerns with budget to be addressed Approved consultant to conduct full financial systems review	Robert, Dwayne and Roland	Finance Review in Sept 2013
May 2013	Compensation Committee – approved review of executive director and pay adjustment	Robert	Execute pay adjustment
May 2013	Personnel Policies reviewed and changes recommended	Robert	Rewrite Policies as part of HR Review
May 2013	HR Process and Policy Review Approved hiring of consultants to conduct HR review, set job descriptions and revise personnel policies including benefits plan as proposed	Robert	Hire consultants and complete review and set new policies in place
May 2013	Strategic Work Plan – support for the plan and priorities as presented	Robert	Proceed to implement
May 2013	NFP Corps Act review Support for process Need to clarify memberships, elections and legal questions then complete preparation for filing under new Act	Robert with Neil, Roland and Duncan	Robert to seek legal advice To report final proposal at Fall Board Meeting
May 2013	National Project Robert to write reg. assoc. For support and request a rep from each.	Robert	Write to all Regional Associations
May 2013	Board Terms of Office Need to conduct process to fill vacancies	Robert to support Dan	by Fall AGM
May 2013	WSER – are there still concerns or a role for CWWA	Robert & staff	Investigate needs with tech. cttee
May 2013	Membership rates – approved 2% increase in 2014	Robert & staff	Advise members Implement at AGM