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**MEETING:** Audit Committee Meeting

**DATE:** February 25, 2025

**TIME:** 6:30 PM (Immediately following the Special Council Meeting at 6:00 PM)

**PLACE:** Town Council Chambers

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### Agenda

1. Call to Order
2. Approval of Agenda
3. Approval of Minutes January 9<sup>th</sup>, 2025
4. Infrastructure Update – Presentation by Kyle Meisner, P.Eng., Director of Public Works
5. Adjournment

## DRAFT

### **Audit Committee Meeting January 9, 2025 Town Council Chambers**

#### **Present**

Mayor S. Cameron  
Deputy Mayor D. Roberts  
Councillor L. MacLellan  
Councillor, P. McKenna  
Councillor A. Murray  
Councillor J. Pelly  
Councillor J. Sullivan

M. Oxner, Community Committee Member

R. Delorey, CAO  
M. Fougere, Deputy Clerk  
M. Barkhouse, Director of Corporate Services  
B. Collier, Manager of Accounting  
K. MacInnis, Director of Community Development  
K. Meisner, P.Eng., Director of Public Works

Darren Chiasson, CPA, CA, - MNP, LLP

#### **1. Call to Order**

Mayor S. Cameron called the meeting to order at 6:02 PM and acknowledged that the meeting took place in the traditional and ancestral territory of the Mi'kmaq people, and that we are all treaty people.

#### **2. Approval of Agenda**

It was Moved and Seconded "to approve the agenda as presented."

**Motion carried.**

#### **3. Approval of Minutes**

It was Moved and Seconded "to approve the Minutes of the June 17, 2024, Audit Committee meeting."

**Motion carried.**

#### **4. Review of Financial Statements (Consolidated and Non-Consolidated)**

Round Table Introductions took place.

M. Barkhouse introduced Darren Chiasson, Partner at MNP, LLP, to the new Council.

R. Delorey introduced Community Committee Member Mary Oxner to the new Council.

Audit Update;

M. Barkhouse provided an update on the audit process, explaining that delays in finalizing the Town's financial statements were due to several factors.

The Town owns 63% of AREA (Alternative Resource Energy Authority) and its financial statements needed to be completed and approved before finalizing the town's statement's

M. Barkhouse further noted that the AREA audit information was submitted in August, but due to resource constraints, board changes following the November municipal election, and multiple revisions, the process was extended.

Additionally, M. Barkhouse clarified that the Financial Information Return (FIR) cannot be submitted until the financial statements are approved. The FIR consolidates municipal financial data into a standardized format for provincial comparison. The delay in submission caused a delay in receiving gas tax funds, though no administrative penalties or financial consequences resulted.

M. Barkhouse highlighted that municipalities across the province faced similar delays of three to six months due to resource constraints. Despite these challenges, the Town's financial team worked diligently to complete the financials and meet auditing requirements.

The Committee discussed any potential legislative implications for approving the financial statements; no concerns were identified.

D. Chiasson provided an update on the audit, noting that it was nearly complete, with mid-January 2025 as the anticipated completion date.

Key points from the audit:

- No changes were made to the audit service plan.
- One minor unrecorded item was noted.
- No issues related to fraud or other significant concerns were identified.
- AREA's financial statements were restated, requiring updates to the Town's statements.
- No changes were made to accounting policies or risk assessment procedures beyond this restatement.

D. Chiasson presented the 2024 Audit Findings Report to the Council, covering both consolidated and non-consolidated financial statements. No significant issues were reported.

Discussions ensued.

**DRAFT**

The final auditor's report will be attached to the Town's consolidated financial statements once approved.

The Audit Committee will recommend the Council approve the draft financial statements to finalize the process.

**Motion:**

It was Moved and Seconded "to recommend to Council on January 9, 2025, to accept the draft Consolidated and Non-Consolidated Financial Statements as presented by D. Chiasson, MNP, LLP, to the Audit Committee."

**Motion carried.**

At 8:02 PM, the meeting moved in-camera for a discussion with the auditor.

**Motion:**

It was Moved and Seconded "to go out of camera at 8:40 PM."

**Motion carried.**

Staff returned to the Council Chambers at 8:40 pm.

At 8:41 PM, the meeting was adjourned.

# State of the Town Infrastructure

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Infrastructure Update and Recommendations

Part 2

February 25<sup>th</sup>, 2025

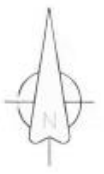


# Asset Management

- Asset management broadly involves the tracking of assets for their age / condition and when they need to be replaced.
- Our Town is old, and our infrastructure, especially underground infrastructure, has not received the level of investment it requires to be sustainable.

# Town and County Fringe Sewer Mains – Age Mapping

- pre 1957
- 1970's + Earlier
- pre 1995
- post 1995



- Dashed lines signify County
- Solid lines signify Town

KM Feb. 25/19



# Background Information

- **Depreciation / Replacement Rates**

- If we assume an asset (for example, water and sewer main) is going to last 50 years, we have a 2% depreciation rate.
- This generally means we should be replacing 2% of our water / sewer system every year.
- We need to budget appropriately to cover the required level of replacement for each asset.
- We have ~50km of piping for water and sewer (each).
  - **We should be replacing ~1km each of water and sewer mains per year.**
  - **Contractor Prices have been between \$600 - \$2,000 per meter.**
    - (\$600,000 - \$2,000,000 per km)
- We are behind on replacements and have been focusing efforts on areas of greatest commitment.
  - We have been undertaking \$~100,000 - \$200,000 per year for each water and sewer mains in the last 5 years.
  - Prior to that, work done was sporadic and dependant on funding.

# Levels of Commitments

1. Legislative/Regulatory
2. Its broken and we have to fix it
3. It will break if we don't replace it soon
4. Future planning

# 1. Regulatory Commitments

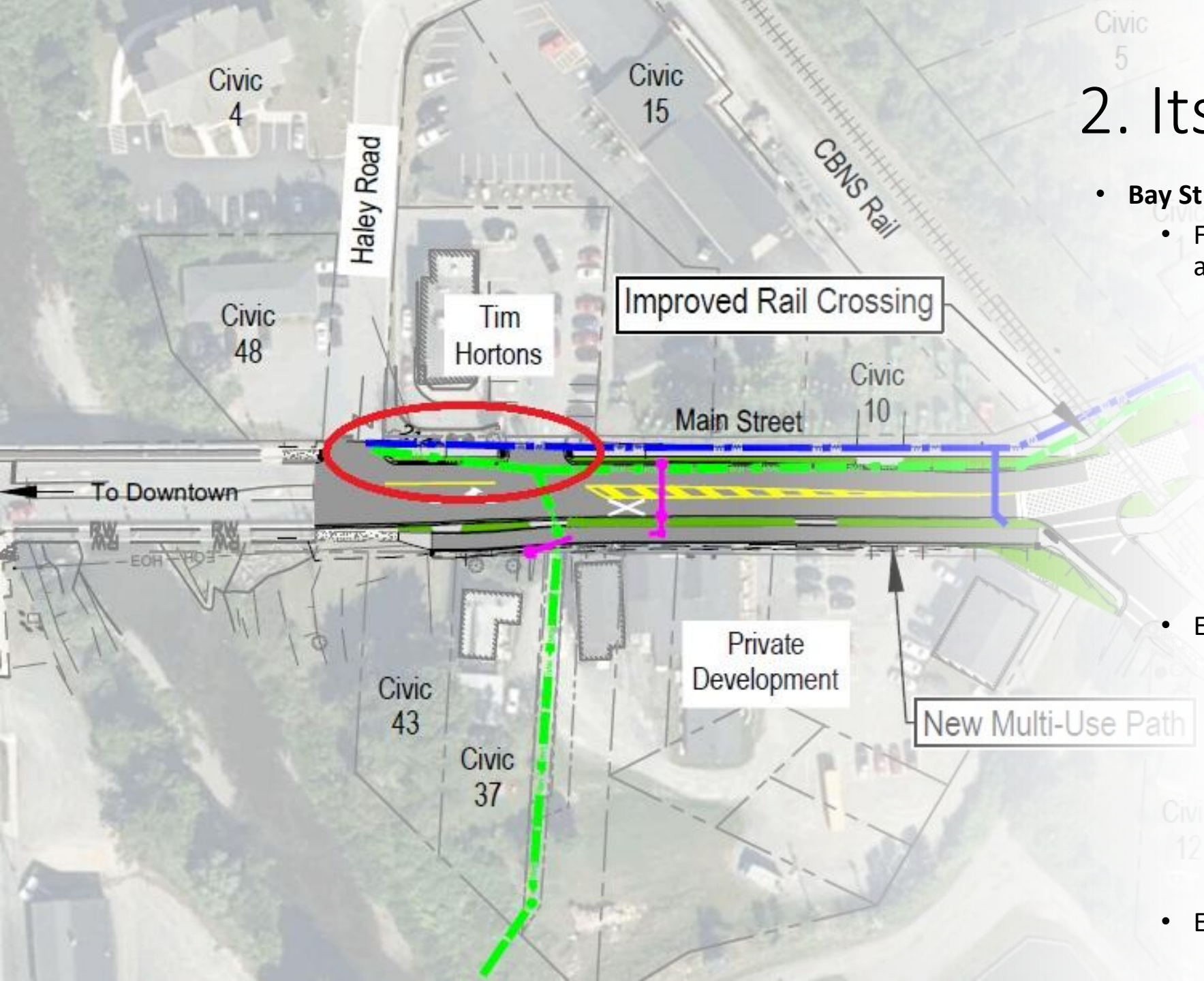
- Sewage Treatment Plant – Front End / Screening
  - Fulfills commitment to Dept of Environment through Operational Approval for several items, including:
    - Standby Power Requirements
    - Upgrades to assist in meeting effluent regulations, as set out in System Assessment Report
    - Commitment to undertake upgrades to permanently resolve odor issue
  - Expected Costs:
    - Overall Project - \$5.4M
    - TOA cost = \$1.8M
  - Timeline: 2025



# 1. Regulatory Commitments (continued)

- Brierly Brook Water Treatment Plant
  - Backwash settling ponds / waste residuals
    - Ongoing issue with plant waste stream (backwash water)
    - Settling ponds are full, complete cleanout (desludging) is required
    - Backwash water stream requires additional treatment setup to meet standards
    - CBCL involved in studies to assess, further design work required
  - Expected Costs (Water Utility):
    - Desludging of Ponds - \$300,000
    - Additional treatment for waste stream - \$200,000
  - Expected Timeline: 1-2 years





## 2. Its Broken Currently

- **Bay St Sanitary Sewer**
  - Failed sanitary sewermain between Haley Rd and Tim Hortons
    - Previous inspection of pipe led to loss of camera (never recovered)
    - Pipe has no bottom – Significant Inflow / Infiltration Issue
    - Extremely difficult area to dig, proximity to bridge, infrastructure and businesses
    - Solution = run new sewermain with Bay St Project, abandon old main.
  - Expected Costs (Full Bay St Project):
    - Full Project expected cost = **\$4.7 M**
    - Secured Funding = \$1.8M (ICIP), \$1.1M (GRID) = **\$2.9M**
    - Funding Applications Pending = \$0.55M (ATF)
    - Remaining Municipal = **\$1.25M** (with a portion split with County)
  - Expected Timeline: 2025

## 2. Its Broken Currently (continued)

- **James St Sanitary Sewer**
  - Failed sanitary sewermain between A+W and the RCMP Station
    - Last inspection of pipe led to loss of camera (recovered)
    - Pipe has no bottom – Significant Inflow / Infiltration Issue
    - Old concrete main, deteriorating with exposure to fast food sewage (cleaners + grease)
    - Solution = line the sewermain (non-intrusive, does not require digging up street)
  - Expected Costs (Relining of Pipe):
    - Pipe Re-lining - \$200,000
  - Expected Timeline: 2025



# 3. It will break if we don't replace it soon

- West St Watermain
  - Sections of Watermain on West St require replacement before paving of the street can take place
    - Old 4" line (original feed on West St, still live) and old 8" line (original feed to school)
    - Tendered spring of 2024, pricing significantly above budget
    - Significant number of water breaks, including 2 this winter so far
    - Solution = Tender: cut and remove 4" line, replace remaining old 8" (cast iron)
  - Expected Costs:
    - West St Watermain - \$450,000
    - West St Paving - \$550,000
  - Expected Timeline: 2025

### 3. It will break if we don't replace it soon (continued)

- **Public Works Equipment**

- Loader is 2014 vintage (11 years old)
  - Has had significant trouble in the last few years, repair costs are increasing.
  - Expected to require a full rear end (\$30k+) in the near future or will be inoperable.
- Single Axle Salt Truck is 2010 vintage (15 years old)
  - Has also had significant trouble in the last few years, repair costs are increasing.
- Expected Costs:
  - Loader - \$300,000
  - Salt Truck - \$250,000
- Expected Timeline: 2025



# 4. Future Planning - Source Water

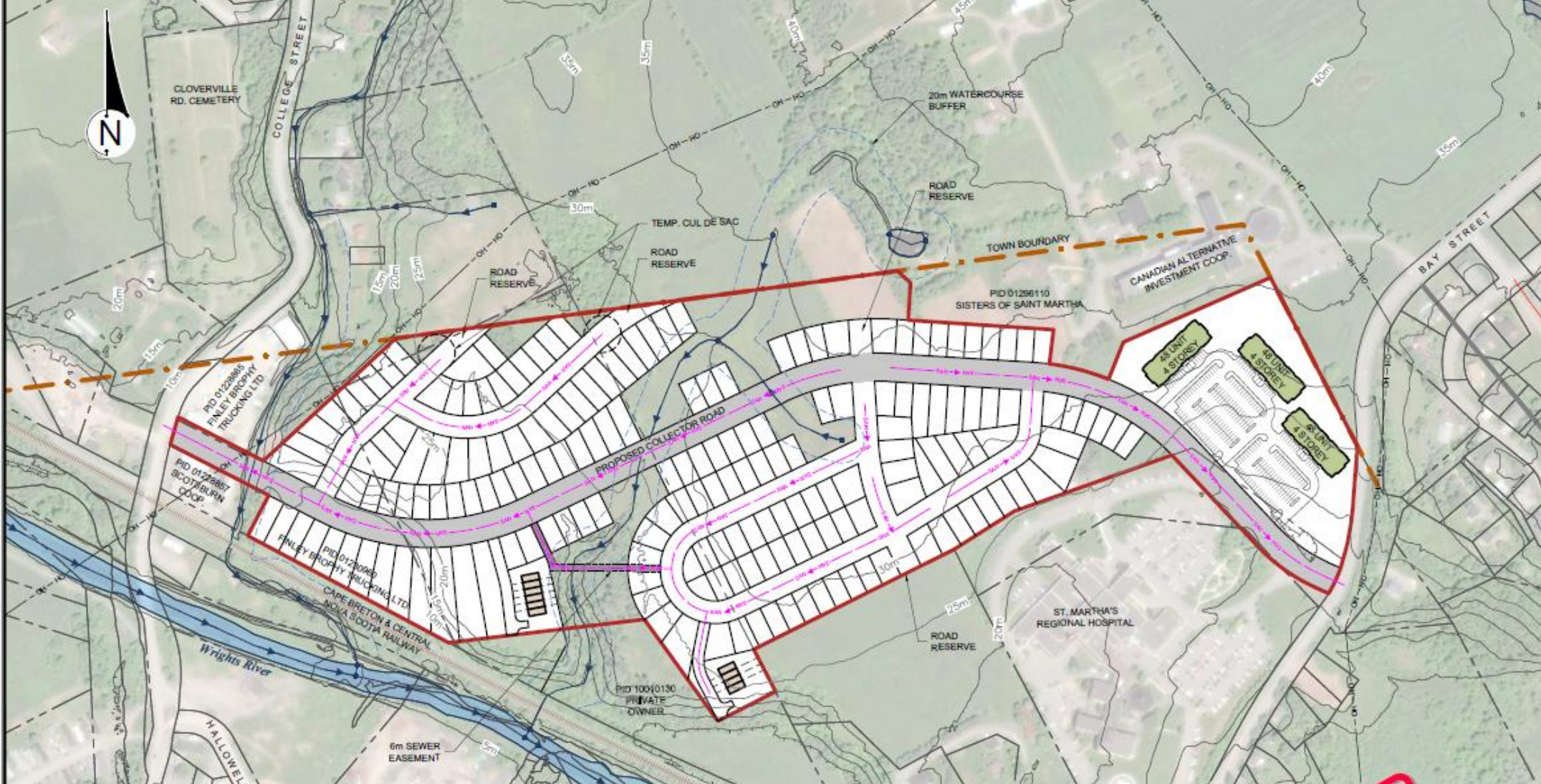
- Search for Additional Source Water
  - James River Dam has insufficient storage for a 1:20 year drought
  - Test Wells are proposed in the Brierly Brook to James River area
  - The untapped aquifer there may yield up to ~2,000m<sup>3</sup>/day (~50% of current usage)
- Expected Costs:
  - Test Wells - \$300,000 – 2025
    - Partially funded by HAF (Housing Accelerator Fund)
  - Well Development - \$3.7M – Future
    - Will make applications for funding



# 4. Future Planning – Sewage Treatment Plant

- Additional Plant Capacity Required for Future
  - May be possible to gain back 13% of capacity through Inflow / Infiltration reductions.
    - Requires significant time and monetary investment to replace kms of aged pipe along rivers and swamps.
    - Is a requirement of NSE regardless.
  - Plant Expansion is possible, with a target of 33% increase in capacity, moving plant from 1.8MGD to 2.4MGD
    - Possible to add mechanical processes (new building) to back end of plant, keeping the lagoon system as a primary treatment before secondary.
    - Also possible to expand existing systems (bump out building) by adding additional filters, proper mixing, updated UV.
  - Plant Replacement is also possible
    - Would require the filling in of the space used by lagoon cells, and the creation of a larger more complex mechanical plant.
- Estimated Costs:
  - I/I Reductions - \$5M over 5 years
  - Plant Expansion - \$5M - \$10M
  - Plant Replacement - \$50M – \$75M





- Proposed Property Boundary
- - - Town Boundary
- Watercourse
- - - Overhead Electrical Lines
- Gravity Sewer Routing

**SITE SUMMARY:**

- Land Area: 22.1 Ha / 54.6 Acres
- Single lots: 186 Units
- Townhouses: 10 Units
- Multi-Unit Bldg: 144 Units

**Total 340 Units**

- NOTES:**
- Property lines approximate only. Site subject to survey.
  - Watercourses shown are from provincial mapping and are subject to watercourse and wetland delineation.

**SOURCES:**

- Plan based on Option A Plan & Profile drawing '161-04038 - 06.dwg', Rev. 0, dated 2016/11/25

Designer: <b>K. WATTERS</b>	<b>VERSION</b>
Engineer: <b>G. O'BRIEN</b>	<b>103</b>

**NORTHERN COLLECTOR ROAD ALIGNMENT OPTION A - CONCEPT**  
ANTIGONISH, NOVA SCOTIA

# 4. Future Planning – Northern Collector

TOWN OF ANTIGONISH

MARCH 01, 2018 161-04038-103

SCALE



# Cost Summary

		Project Cost	Targeted Year	Approved Funding	Pending Funding	Cost to Town
<b>Regulatory</b>	STP Front End / Screening	\$ 5,400,000.00	2025	\$ 2,700,000.00	\$ 900,000.00	\$ 1,800,000.00
	WTP Backwash Ponds / Waste Residuals	\$ 500,000.00	2026			\$ 500,000.00
<b>Broken</b>	Bay St Sanitary Sewer	\$ 4,700,000.00	2025	\$ 2,900,000.00	\$ 550,000.00	\$ 1,250,000.00
	James St Sanitary Sewer	\$ 200,000.00	2025			\$ 200,000.00
<b>Will Break</b>	West St Watermain / Paving	\$ 1,000,000.00	2025		\$ 275,000.00	\$ 725,000.00
	Public Works Equipment	\$ 550,000.00	2025			\$ 550,000.00
<b>Source Water</b>	Test Wells	\$ 300,000.00	2025	\$ 200,000.00		\$ 100,000.00
	Well Development	\$ 3,700,000.00	2026+			
<b>STP Capacity</b>	I/I Reductions	\$ 5,000,000.00	2026 - 2030			
	Plant Expansion	\$ 10,000,000.00	2026+			
	Plant Replacement	\$ 75,000,000.00	2026+			
<b>Growth</b>	Northern Collector	\$ 14,000,000.00	2026		CHIF	

Urgent

Important

Growth

# Closing Remarks

- Council should be aware of commitments and priorities in the upcoming budgeting process, and how those will impact long term sustainability of the Town.
- We will be presenting further information and options as we go forward on how we can fund and meet these commitments.
- Investments into asset management will be important going forward.

Questions?

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