



SECOND QUARTER 2015

Report to shareholders for the period ended June, 2015

SAEWA Reports Summary of 2nd Quarter Results

The Southern Alberta Energy from Waste Association (SAEWA) is a coalition of waste management jurisdictions with an interest in implementing technologies to recover energy from residual waste and reduce long-term reliance on landfill disposal. With membership of 52 municipalities, encompassing 12 waste authorities and waste commissions, SAEWA represents a significant portion of the population of Southern Alberta outside of the 3 large urban municipalities.

In review of the past 2014 – 2015 project advancements, Southern Alberta Energy from Waste Association has experienced a record 1st and 2nd quarter for 2015 in completion of major and intermediary milestones in both areas of critical business planning and project developments. Measurable outputs have included project roadmap engineering & stakeholder communication sessions, unanimous acceptance of the Governance Model final as presented by Brownlee LLP at the AGM 2015, budgeting and optimized scheduling to help SAEWA achieve more aggressive timeline targets over the course as well the recent adoption of the Strategic Plan which has established goals and priorities to action which will serve as a scorecard to our stakeholders.

SAEWA was invited to engage with the P3 Canada Program to submit a pre-screening funding application. We look forward to being able to provide a dedicated site to add to the application as we complete the Detailed Business Plan in 2015.

(Please see additional reporting updates on page 2)

MILESTONES IN REVIEW 2015 TO DATE:

- SAEWA receives additional requests for presentation to municipalities resulting in new member applications received from the Town of Olds, County of Mountain View, and Village of Cremona; whereby the Board has reviewed and approved the applications for non-voting membership
- Board approves Three Hills request for new membership May 2015
- June 2015 Brownlee distributed Memorandum of Understanding packages to members and the results are very positive
- Development of Project Steering Committee and Terms of Reference underway
- Engineers commissioned to prepare Business Plan –final with scheduled date of delivery end 2015
- SAEWA Executive held strategic planning session and delivered Strategy Plan report in result
- AGM held April 24, 2015 with excellent feedback and attendance

- 2014 audit process completed and 2014 Audited Statements presented & recommended by the Board for presentation at the AGM
- Brownlee LLP Summary Report of Municipal Affairs Review of the Governance Model Draft
- Phase III development planning completed on schedule, scope and budget as approved by the Directors
- Delivery of Southern Alberta stakeholder presentations to MLA's and officiants within regional membership
- Stakeholder Membership Invoicing distributed
- Member Representative Annual Reappointments
- P3 Pre-screening Application engagement with HDR

SAEWA Briefing notes on P3 Canada meetings.

Background:

In November, 2014 SAEWA was contacted by Rob McKay, P3 Canada inquiring about our project and the possibility of SAEWA submitting an application for the 2015 round of P3 funding for eligible Energy from Waste projects.

On December 12, 2014 SAEWA Executive and P3 Canada representatives participated in a teleconference meeting that resulted in P3 requesting more information from SAEWA to assist them in evaluating the state of readiness of the SAEWA project in relation to potential P3 funding.

On January 6th SAEWA was contacted by P3 and advised that they believed we were on the right path and offered their assistance in submitting an application to their program.

On Jan 23, Vice-Chair Ryan of SAEWA and 2 HDR executives met with P3 in Ottawa to discuss next steps in submitting an application for P3 funding.

Current Status:

- Jan 30, SAEWA Board approved moving forward with P3 Application intake for 2016
- Vice-Chair Ryan appointed lead to work with HDR and P3
- HDR preparing application
- Meeting set for March 5 in Ottawa with P3 and HDR to review completeness of screening application
- Meeting outcome determined SAEWA on course with submitting application for 2016 intake

Summary:

Municipal Affairs was provided the Governance document draft by Brownlee LLP in November 2014. The intention was to have agreement on basic wording and work out the fine details as the SAEWA project moves through the detailed Business Plan. The governance document draft was recognized as critical to the P3 application and the

delay in movement had become the focus of the SAEWA Board Executive. Brownlee was informed of the situation and therefore organized a meeting with Municipal Affairs to help the process along.

Given the magnitude of the project (12 Regional Waste Commissions representing the largest ever urban and rural collaboration in Alberta) we continue to be pleased with the support that we have received from the Province of Alberta and a completed Detailed Business Plan will provide valuable information to all parties on the future of waste management in southern Alberta.

The Governance Model -final as presented by Brownlee LLP at the AGM 2015 was favorably approved by the membership as the model to be carried forward.

A Detailed Waste Stream Characterization study to be commenced within 2015 has identified the need for development of a Project Steering Committee which is currently underway.

ADVISORIES AND FINANCIALS:

Audited Financial Results 2014:

KPMG delivered presentation of the approved 2014 Audited Financial Statements, February 20, 2015 reporting on acceptable financial results for 2014 and a balanced budget for 2015.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Southern Alberta Energy from Waste Association as at December 31, 2014, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

The financial statements of Southern Alberta Energy from Waste Association as at and for the year end December 31, 2013, were audited by another auditor who expressed an unmodified opinion on those statements on August 21, 2014.

A handwritten signature in black ink that reads 'KPMG LLP' with a long horizontal line underneath.

Chartered Accountants

February 13, 2015
Lethbridge, Canada

SOUTHERN ALBERTA ENERGY FROM WASTE ASSOCIATION

Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
Assets		
Current assets:		
Cash	\$ 85,993	\$ 133,315
Accounts receivable (note 2)	\$ 64,272	-
Goods and services tax receivable	\$10,691	\$2,382
	<hr/>	<hr/>
	\$ 160,956	\$ 135,697

	2014	2013
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 58,042	\$ 1,407
Net assets:		
Unrestricted net assets	\$102,914	\$134,290
Commitments (note 4)		
	<hr/> \$ 160,956	<hr/> \$ 135,697

See accompanying notes to financial statements.

On behalf of the Board:



Director - Chair, Kim Craig

MANAGEMENT'S DISCUSSION AND ANALYSIS:

June 30, 2015

The Management's Discussion and Analysis should be read in conjunction with the 2014 Audited Financial Statements, and the 2013 Audited Financial Statements. www.saewa.ca

Southern Alberta Energy from Waste Association is an organization registered under the Societies Act of Alberta, with a board structure of (14) total from which (4) are named to the Executive, with a composition as follows:

Executive Director Members (4): Meetings held via tele-conference on the 2nd Friday Monthly

Chair – Kim Craig, Town of Coaldale
Vice Chair – Paul Ryan, MD of Bighorn
Secretary - Val Warnock, Town of Trochu
Treasurer – Ben Armstrong, Wheatland County

Board of Directors (10): Meetings held within Membership Footprint on the 4th Friday Monthly

Director – Ray Juska, Village of Duchess
Director - Thomas Grant, Town of Vulcan
Director - Ben Goetz, Village of Glenwood
Director - Greg Sheppard, Special Areas
Director - Tom White, Lethbridge County
Director - Michel Jackson, Town of Black Diamond
Director - George Piper, Village of Foremost
Director - Dennis Cassie, Town of Coalhurst
Director – Joe Watson, Town of Picture Butte
Director – Rafael Zea, Village of Milo

2015 Board of Directors Meetings:

January 02, 2015 – Wheatland County, Strathmore, AB
February 20, 2015 – Town of Coaldale, Coaldale, AB
March 27, 2015 – Brooks, City Hall, Brooks, AB
April 24, 2015 – AGM, Champion, AB
May 29, 2015 – Lethbridge County
June 26, 2015 – Black Diamond
July 31, 2015 – Town of Trochu
August 28, 2015 – location TBA
September 25, 2015 – location TBA
October 23, 2015 – location TBA
November 27, 2015 – location TBA

SAEWA MEMBERSHIP & FOOTPRINT MAP –

Note: a new version of the Map is being created and will be posted soon!

FORWARD LOOKING INFORMATION:

2015 – 2016 Go Forward Statements: An investment ready Business Development Plan will be fully executable as an integral piece to going forward in Phase III – IV critical development undertakings that include technology identification, waste stream finalization and membership, confirmation of funding streams, site identification - to shovel ready construction-

Development of a Project Steering Committee is underway.

The Board approved administration to submit a call for expression of interest to source a dynamic website & design developer whom specializes in creating enhanced and adaptive websites.

SAEWA is scheduled to revisit the P3 application intake for 2016 upon completion of the Business Plan.

SAEWA sets strategic planning by outlining (6) strategic goals and (7) key priorities identified as critical path that are captured within a Strategic Plan document. The document has been approved by the Board as an official record which will be shared with our stakeholders along with the Briefing Notes Summary distribution.

SAEWA administration is in the process of making application to additional funding streams for critical path project developments such as the facilitation of a waste stream characterization study, technology identification, and site identification.

Energy is building at a rapid pace as we take an approach towards critical path. This momentum is creating an increased interest in membership and requests for presentations to municipalities within and outside the membership footprint and as a result the Board had directed that a "New and Returning Member Policy" be developed. The membership continues to grow and as progress is ramping up we are pleased to share the advancements towards the SAEWA WTE project developments.

Stay tuned!

For additional information please contact:

Chair, Kim Craig- Town of Coaldale @ C. 403-315-3468

Vice Chair, Paul Ryan, MD of Bighorn @ C.403-609-7465

Administration: Sherry Poole @ C. 403-563-5759 or contact us at: www.saewa.ca