



FIRST QUARTER 2015

Report to shareholders for the period ended March, 2015

SAEWA Reports First 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 62 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 overview of 2014, Southern Alberta Energy from Waste Association has had a record year 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, budgeting and optimized scheduling to help SAEWA achieve more aggressive timeline targets over the course, specifically the last quarter of 2014 involved a significant gain in result of Brownlee LLP commissioning the Governance Model Draft. The Draft was submitted to Municipal Affairs for review in November 2014 and we anxiously await the outcome.

The nature of the intrinsic timing has presented an opportunity for SAEWA to engage with P3Canada Program in discussion of development of a pre-screening funding application for Spring 2015 intake.
(please see additional reporting updates on page 2)

Milestones in Review 2015:

- AGM date set for April 24, 2015.
- 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.
- 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. Deadline for applications is March 31.
- Present application to SAEWA Board on March 27 for approval and if successful submit to P3.

Summary:

Municipal Affairs was provided the confidential draft Governance document 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 is now critical to the P3 application and the lack of movement on it has become the focus of the SAEWA Executive Committee. Brownlee has been informed of the situation and has been seeking 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) the implications of any announcement related to the Alberta Governments position on the project will be of great interest to all of SAEWA membership and indeed the majority of small urban and rural municipalities in Alberta. The Province and SAEWA's partners have made a substantial investment in SAEWA and we anticipate being able to submit a Draft Governance Model with the 2015 P3 Canada screening application.

ADVISORIES AND FINANCIALS:

Financials 2014 / 2015 1st Quarter:

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 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
	\$ 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:

February 23, 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; structured by an Executive Council (6) and Board of Directors (14) and Governance Committee (6).

Executive Council Members (6): Meetings held via tele-conference on the 2nd Friday Monthly

Chair – Kim Craig

Vice Chair – Paul Ryan

Treasurer – Don Johnson

Member – Val Warnock

Member – Ben Armstrong

Member – Tom White

Board of Directors (14): Meetings held within Membership Footprint on the 4th Friday Monthly

Chair – Kim Craig, Town of Coaldale

Vice Chair – Paul Ryan, MD of Bighorn

Director - Ben Armstrong, Wheatland County

Director – Don Johnson, Village of Barnwell

Director - Thomas Grant, Town of Vulcan

Director - Val Warnock, Town of Trochu

Director - Ben Goetz, Hillspring

Director - Greg Sheppard, Special Areas

Director - Tom White, Lethbridge County

Director - Earl Hemmaway, MD of Willow Creek

Director - Michel Jackson, Town of Black Diamond

Director - George Piper, Village of Foremost

Interim Director - Dennis Cassie, Town of Coalhurst

2015 Board of Directors Meetings:

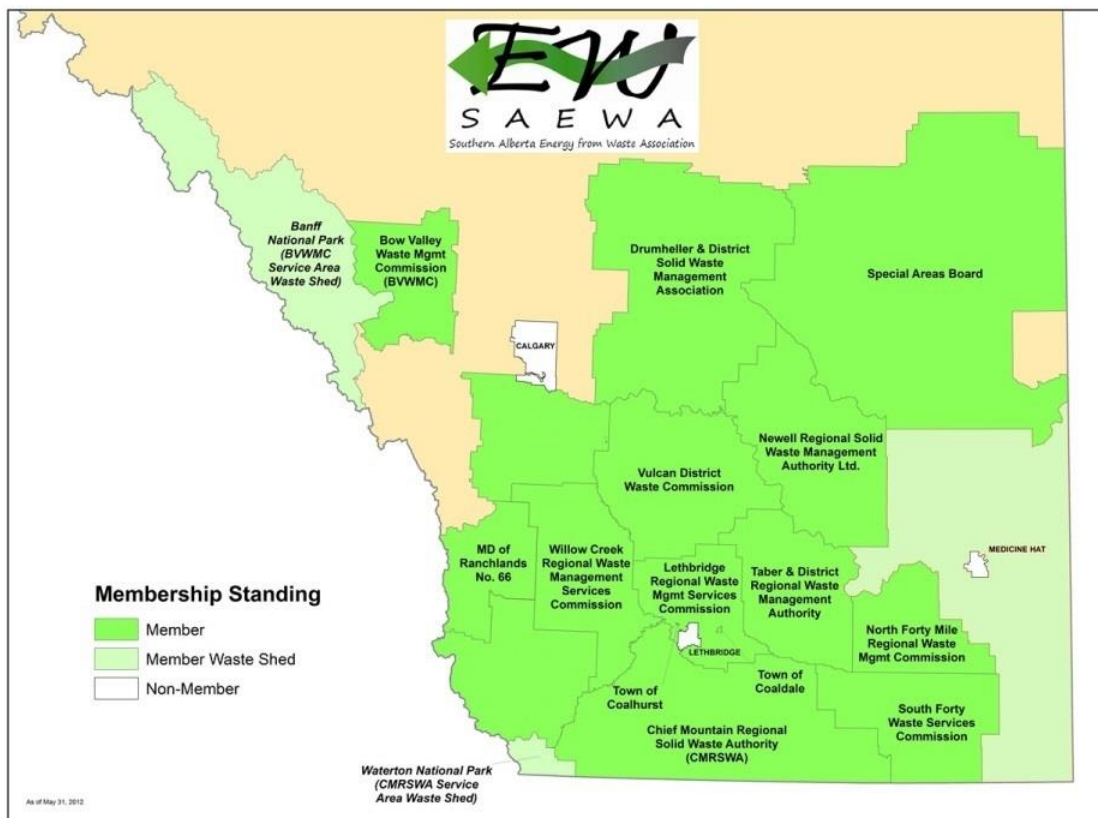
January 02, 2015 – Wheatland County, Strathmore, AB

February 20, 2015 – Town of Coaldale, Coaldale, AB

March 27, 2015 – Brooks, City Hall, Brooks, AB

April 24, 2015 – AGM, Location TBD

SAEWA MEMBERSHIP & FOOTPRINT MAP – REV. 2015



FORWARD LOOKING INFORMATION:

The Annual General Meeting has been set for April 24, 2015. Stakeholder notifications will be included in the reporting update.

SAEWA next steps: March 2015, Vice-Chair Ryan appointed as key representative of P3 engagement is approved to work with HDR Engineering services to assist in preparing a P3 pre-screening application to be submitted by March 2015 deadline. (Noting: HDR Engineering has been recognized as the firm of choice in recognition of their success scorecard in representation of prior energy from waste approved P3 funding engagements.)

Chair Craig and Vice Chair Ryan will be attending a meeting with Municipal Affairs, to be organized by Brownlee LLP, John McDonnell to finalize wording of Governance Model prior to the Annual General Meeting.

On behalf of the organization, HDR Engineering will be presenting P3 pre-screening application discussion at the AGM, as well Brownlee, LLP will be there to present on behalf of the Governance Model implementation process.

The new website www.saewa.ca will be fully commissioned.

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, confirmation of funding streams, site identification - to shovel ready construction, and 25M plus economic attribution.