

Tomahawk Rural Electrification Association
Annual General Meeting – April 13, 2019
Clean Energy Technology Centre - Drayton Valley, Alberta

Meeting Minutes

Cheryl Thomas, Chairperson of the Tomahawk REA Board called the meeting to order at 1:00 p.m. and welcomed all in attendance.

The following Board members were present: Cheryl Thomas, Ed Machuk, Cindy Iverson, Trent Myck, Terry Hutchinson and Edward Lang. Sherry Buttrey arrived too late for registration; however, as a Board member, she was allowed to attend the meeting but was not allowed to take part in voting.

Invited Guests:

Al Nagel, AFREA
Robyn Fong, Drayton Valley REA
Darwin Mulroy, Drayton Valley, REA
Gary Hovdebo, Duffield REA
Stephen Jettkant, Duffield REA
Andy Metzger, EQUUS
Shaun Doyle, EQUUS
Patti Pischke, Lindale REA
Rick Ennis, Lindale REA
Dannie Fischer, Mayerthorpe REA
Tom Birkbeck, Mayerthorpe REA

Meeting Personnel:

Nolan Crouse, Presiding Officer
Shauna Gibbons, TREA Counsel
Justin Danzo (legal in training)
Rob Feddema, Feddema & Company
Chris Belke, Chief Returning Officer
Linda Kuprys, Recording Secretary
Melanie deJong, TREA Admin.
Joe Barna, Registration
Leonard Legeas, Registration/Election Clerk
Denise Legeas, Registration/Election Clerk
Lindsay Simpson, Registration/Election Clerk
Gary Hovdebo, Registration/Election Clerk
Stephen Jettkant, Registration/Election Clerk
Lonnie Ross (LR Light & Sound)
Meeting Recording
Aundrea Thomas, Electronic Device Personnel
Carson Peters, Electronic Device Personnel
Ken Bitz, PowerPoint and Voting Electronics

Ms. Thomas introduced Mr. Nolan Crouse as the presiding officer. Mr. Crouse assumed the role of Chair. Quorum was confirmed with 99 members in good standing present.

The electronic voting mechanism malfunctioned and the voting for the following agenda items was carried out by a show of cards.

1. Approval of AGM Rules

Moved by Cheryl Thomas, Seconded by Dean Iverson

That the AGM Rules be approved as presented.
CARRIED UNANIMOUSLY

2. Approval of Agenda

Moved by Cindy Iverson, Seconded by Cheryl Thomas
That the agenda be approved as presented.
CARRIED UNANIMOUSLY

3. Approval of Minutes – 2018 AGM

The Chair noted an error with respect to the motion on agenda item 3.0. The motion should have ended after the word “corrected” and the words “Clarification on the non-binding motions was provided” should have followed as a sentence after the vote.

Moved by Cheryl Thomas, Seconded by Ron Zutz
That the minutes of the 2018 AGM, as corrected, be approved.
CARRIED UNANIMOUSLY

4. Nominations and Approval of Election Personnel

The Chair introduced Mr. Chris Belke as Chief Returning Officer who would be administering the election.

The Chair called for nominations for the vacant Director position.

Trent Myck, seconded by Cindy Iverson, nominated Cheryl Thomas for Director.

Ian Brewster, seconded by Clint Schwalbe, nominated Sheldon Balkwill for Director. Mr. Balkwill accepted the nomination.

Jeff Wardlow raised a point of order that Ms. Thomas was not heard if she had accepted the nomination. Ms. Thomas then confirmed that she did accept the nomination.

The Chair issued a second call for nominations.

Pierre Schaub, seconded by Jackie Hutchinson, nominated Barb Bundt for Director. Ms. Bundt declined the nomination.

The Chair issued a third call for nominations.

No further nominations were made.

Moved by Theresa Machuk, seconded by Wade Thomas
That the nominations be closed.
CARRIED UNANIMOUSLY

Moved by Trent Myck, seconded by Cheryl Thomas
That the Election personnel as identified by the Chief Returning Officer and listed below be approved.

- Stephen Jettkant
- Gary Hovdebo
- Denise Legeas
- Leonard Legeas
- Lindsey Simpson

CARRIED UNANIMOUSLY

Jeff Wardlow raised a point of order and asked how the names would be listed on the ballot. The Chair requested Mr. Belke to check into the matter and report back later in the meeting.

5. Reports

- Annual Operations Report – EQUUS
Mr. Shaun Doyle provided a report on EQUUS' 2018 Operations and its plan for 2019. There were no questions from the members.
- Director's Report
Cheryl Thomas, on behalf of the Board, provided a report to the membership.

Clint Schwalbe questioned why book value and not fair market value is shown on the financial statements and what methods are used in determining values. Cheryl Thomas provided an explanation of the difference between the three values, why NBV (net book value) was used, and that the auditor would expand on this in his report.

- Financial Audit
Mr. Rob Feddema provided a report on the 2018 financial statements. There were no questions from the members.

Moved by Cheryl Thomas, Seconded by Edward Machuk
That the 2018 financial reports be approved as presented.
CARRIED UNANIMOUSLY

Wayne Tourneur asked for an explanation of the 2018 legal fees and why another \$60,000 was budgeted for the coming year. Cheryl Thomas said that this information would be covered in the report by TREA's counsel under agenda item 7.

6. Appointment of Auditor for 2019

Moved by Cheryl Thomas, seconded by Ed Machuk

That Feddema & Company be appointed as TREA's auditor for 2019.
CARRIED UNANIMOUSLY

7. TREA Counsel Report

Responding to a question posed earlier in the meeting with regard to ballots, TREA Counsel Shauna Gibbons said that the names on the ballot would be listed in alphabetical order based on the last name of each nominee as prescribed by legislation.

Ms. Gibbons described some of the legal work performed for the Board in 2018 and what was forecast for 2019. She stated that the bulk of her work for the Board was clarifying and providing advice relative to various agreements, the relationship with EQUUS and respective documents, documents concerning the investment program, issues brought forward by members that may have legal complications, and identifying risk to the association.

Ms. Gibbons stated that her client was the association as a whole and not any one individual. The elected Board and she must act in the best interest of the membership. She then invited members with any questions to meet with her at the end of the meeting.

8. Election of Directors

The two nominees for Director made presentations to the members. After Chief Returning Officer Chris Belke explained the instructions for electors and the voting process, he declared voting open at 2:40 p.m.

Mr. Belke closed the voting at 3:05 p.m.

9. New Business – Member feedback via questions to be voted on

Questions posed by Brenda Cathrea regarding Question 14:

- As there is nothing in the rules regarding percentage, what gives the Board the right to set the vote at 65%?
- If it is 64%, does it mean the proposal will not go forward?

Cheryl Thomas responded that, because of the time and work involved in a request for proposal (RFP), the Board considered that 65% in favour to proceed would be a good random sampling of the members. However, if the vote was 64%, it would be up to the Board to decide whether to proceed with the RFP.

Ms. Thomas said that even though there was nothing in the rules requiring these questions, the Board just wanted input.

Shauna Gibbons stated the supplemental by-laws presented at the Special Meeting would clarify the meaning of a “special resolution”.

Clint Schwalbe asked how to enter “0” in Question 6. The Chair said that “up to \$2.50/month” included the zero response.

Barb Bundt commented that current legislation states that all questions would be decided by the majority of members. She was concerned about the Board establishing precedent.

Shauna Gibbons responded that Section 7 refers to voting and Barb Bundt’s point was arguably correct. She said that, even though Section 7 is arguably not intended for member feedback, the questions were properly formulated by the Board. She advised the Board going forward to keep Section 7 in mind.

Cheryl Thomas reminded the members that the questions were not motions and were being asked only for the purpose of gaining information and feedback.

Electronic voting was restored and was used to tally the responses. Any failure by electronic equipment was backed up with voting cards and a manual count.

The first two questions were machine test questions.

1. TEST QUESTION: Are you Male or Female

- A. Female 54%
- B. Male 46%

2. TEST QUESTION: Age:

- A. Under 50 29%
- B. 51-74 59%
- C. 75 and over 12%

end of test questions

3. Is it important to you to be part of a cooperative?

- A. Yes 48%
- B. No 52%

4. Do you personally conduct a meter read and submit your meter read every month?

- A. Yes 39%
- B. No 61%

5. Is it inconvenient for you to personally read and submit your meter read every month?

- A. Yes 69%
- B. No 31%

6. What additional cost are you willing to pay to have electronic meter reads?

- A. Up to \$2.50/ month 88%
- B. Up to \$5.00 / month 12%
- C. Up to \$7.50 / month 0%

7. Currently, TREA does not have insurance available for a catastrophic event (eg. Wild Fire, Ice Storm, Flood, etc.). Are you willing to risk a “cash call” to replace TREA assets lost in any future catastrophic event?

- A. Yes 46%
- B. No 54%

8. What additional cost are you willing to pay for unfunded liability and reciprocal insurance coverage? *Note: these are estimates only*

- A. \$0 65%
- B. *Up to \$46.56 / year for a member (total cost to TREA \$32,500)* 31%
- C. *Up to \$73.32/ year for a member (total cost to TREA \$51,178)* 4%
- D. *Up to \$100 / year for a member (total cost to TREA \$69.800)* 0%

9. Should TREA implement a residential rate for the acreage and non-agricultural members?

- A. Yes 53%
- B. No 47%

10. Should the residential rate be based only on the amount of land?

- A. Yes 30%
- B. No 70%

The electronic voting mechanism had choices incorrectly inputted and the voting for the following question was carried out by a show of cards and a manual count.

11. What should be the maximum size for the residential rate?

- A. 5 Acres 10 votes
- B. 10 Acres 1 vote
- C. 20 Acres 0 vote
- D. Any Size if not used for agricultural 65 votes

The electronic voting mechanism was restored and operational for the following questions.

12. Should agriculture revenue generation be considered when determining a non-agricultural rate?

- A. Yes 44%
- B. No 56%

13. Should TREA have a properly structured financial assistance program to assist new members with new installations to encourage growth?

- A. Yes 48%
- B. No 52%

14. At the 2018 AGM, members requested information on "Process for Sale Proposal". Requesting a proposal is risky and time consuming. Shall the board obtain a sales proposal from Fortis?

- A. Yes 75%
- B. No 25%

****This is **NOT** a vote for a sale - this is a vote for PRELIMINARY INFORMATION that may or may not lead to a sale. Vote in Favour must be 65% for a Proposal to be requested. ****

10. Other Announcements

Three door prizes were drawn, each for a \$100 off of the winner's energy bill. The door prize recipients were Doug and Kelly White, Randy Kuetbach, and David and Janice Kessler.

11. Announcement of Vote Results

The Chief Returning Officer Chris Belke announced that there were 99 valid ballots, 0 rejected ballots and 0 spoiled ballots with the following results:

- Sheldon Balkwill 20 votes
- Cheryl Thomas 79 votes.

Mr. Belke declared Cheryl Thomas elected as Director.

The voting mechanism was not utilized for the rest of the meeting.

Motion by Jeff Wardlow, Seconded by Marion Dunlop

That the ballots be destroyed after the 90-day waiting period.
CARRIED UNANIMOUSLY

There was no one opposed to the foregoing motion and therefore the Chair declared the motion carried unanimously.

12. Adjournment

Moved by Theresa Machuk, seconded by Trent Myck

That the meeting be adjourned.

CARRIED UNANIMOUSLY

There was no one opposed to the foregoing motion and therefore the Chair declared the motion carried unanimously.

The meeting was adjourned at 3:50 p.m.