



Tomahawk Rural Electrification Association
Annual General Meeting – April 18, 2023
Tomahawk and District Sports Agra Society – Tomahawk, Alberta

Meeting Minutes

Trent Myck, Chairperson of the Tomahawk REA Board called the meeting to order at 6:30 p.m. and welcomed all in attendance to the 70th year of TREA.

The following Board members were present: Trent Myck, Cheryl Thomas, Ed Machuk, Cindy Iverson, Terry Hutchinson, Sherry Buttrey and Edward Lang.

Guests:

AFREA – Al Nagel, Dan Aster

BRPC – Bill Klassen, Curtis Baumann, Mitch Stevenson, Kevin Szelewicki

Dominik Gaciag – MPS Partners (Financial Report)

Drayton Valley REA – Arnold Olson, Bill Turtiak, Dan Davie, Darwin Mulroy, Shane Hines,

Duffield REA – Albert Wagner, Barry Vanderwall, Stephen Jettkant

Lakeland REA – Darryl Werstiuk, Bernie Klammer, Dwayne Kisilevich

Lindale REA – Dino Wylie, Rick Ennis

Meeting Personnel:

Nolan Crouse, Presiding Officer

Reanne Springer, Chief Election Official

Linda Kuprys, Recording Secretary

Melanie deJong, TREA Administration

Garry Mastre, Meeting Recording

Len Legeas, Registration/Election Clerk

Denise Legeas, Registration/Election Clerk

Barry Vanderwell, Registration/Election Clerk

Lindsey Simpson, Registration/Election Clerk

Stephen Jettkant, Registration/Election Clerk

Albert Wagner, Registration/Election Clerk

Trent Myck introduced Nolan Crouse as the presiding officer and Mr. Crouse then assumed the role of Chair.

1. Establishing Quorum

Quorum of 10% was established as there were 69 members in good standing present. In accordance with TREA's Annual General Meeting Rules, the following motion was presented.

Moved by Garry Weis, seconded by Cheryl Thomas

That those present constitute a quorum and be empowered to transact the business to be brought before the meeting.

CARRIED

2. Approval of AGM Rules

Moved by Wade Thomas, seconded by Trent Myck

That the AGM Rules be approved as presented.

CARRIED

3. Approval of Agenda

Moved by Cheryl Thomas, seconded by Trent Myck

That the agenda be approved as presented.

Moved by Barb Bundt, seconded by Bob Hiew

That the agenda be amended by adding “Definitions” as an item under New Business.

CARRIED

The main motion was presented again:

Moved by Cheryl Thomas, seconded by Trent Myck

That the agenda, as amended, be approved.

CARRIED

4. Approval of Minutes – 2022 AGM and 2022 SGM

Moved by Trent Myck, seconded by Garry Weis

That the minutes of the 2022 AGM be approved.

Barb Bunt, referring to the 4th paragraph under Finance and Audit on Page 5, asked if asset disposal was for the New Star service. The Chair said subject to a review of the recording, the minutes would be corrected. *[The recording was subsequently checked and the minutes would be corrected as noted in the following motion.]*

The motion was presented again:

Moved by Trent Myck, seconded by Garry Weis

That the minutes of the 2022 AGM, be amended in Paragraph 4 under Finance and Audit on Page 5 by deleting the words “new distribution system with Fortis” and inserting the words “sale of the New Star distribution system for Fortis” be approved.

CARRIED

Moved by Bob Hiew, seconded by Sherry Buttrey

That the minutes of the 2022 SGM be approved

CARRIED

5. Nominations for Directors and Approval of Election Personnel

The Chair introduced Reanne Springer as Chief Election Official who would be administering the election. The Election Clerks were Len Legeas, Denise Legeas, Barry Vanderwell, Lindsey Simpson, Stephen Jettkant, and Albert Wagner.

Moved by Cheryl Thomas, seconded by Sherry Buttrey

That the Election personnel be approved.

CARRIED

The Chair declared nominations open and called for nominations for the vacant Director positions.

Clint Schwalbe nominated Sheldon Balkwill
Sherry Buttrey nominated Cindy Iverson.
Cindy Iverson nominated Sherry Buttrey.
Cheryl Thomas nominated Edward Machuk .

Responding to the Chair’s question, none of the nominees wished to withdraw their nomination.

The Chair issued a second call for nominations.

The Chair issued a third call for nominations.

No further nominations were made.

Moved by Tom Orchard, seconded by Bob Hiew

That the nominations be closed.

CARRIED

Reanne Springer explained the voting process and that voting would take place later in the meeting.

6. Reports

- Director's Report

Trent Myck, on behalf of the Board, provided a report to the membership.

Clint Schwalbe asked if the Board requested the latest offer and the percentage of increase or decrease from the previous one. He suggested that the Board look at entities other than Fortis and possibly join with other REAs to obtain offers.

Mr. Myck stated that Fortis approached the Board with the offer but he was unable to discuss the details because of ongoing negotiations.

Questions from Leah Wood:

- Was the \$103,000 paid out for wildfire covered by insurance and would future disasters be covered by insurance?
- Could historical information about annual shortfall amounts be provided?

Mr. Myck stated:

- Insurance cannot be obtained for wildfire or other similar disasters.
- He only knew of the shortfalls since 2015 but would look into gathering the historical information on shortfalls as requested.

Wayne Turner wanted to make a motion regarding sale options. The Chair ruled the motion was germane to the discussion of the Director's report and that it would be best to bring the motion forward under New Business.

Alton Wood asked why spraying isn't used instead of brushing down to the dirt which only results in the growth of weeds and willows.

Mr. Myck stated that, starting this year, spraying would be used where brushing takes place.

- Operations Report – Curtis Baumann (Battle River Power Coop)

Curtis Baumann provided a report on their operations in 2022.

Cindy Iverson referred to the approximate 280 pre-1960 poles and asked Mr. Baumann for his recommendation how to catch up on replacing them before replacement becomes more costly.

Mr. Baumann said that Battle River has a "400-pole program" and tries to be proactive about replacing them. It would be up to the Tomahawk Board to choose the appropriate number of poles to replace each year.

- Vegetation Report – Mitch Stevenson (Battle River Power Coop)

Mitch Stevenson provided an overview of the vegetation program, its performance and the volume of work completed in the past year. He added that there is a restriction on spraying tall trees. Tall trees must be cut, and when vegetation grows back, herbicide would be applied.

Barb Bundt asked about A-base breakers and if there was any danger to landowners if they touched the transformers.

Curtis Baumann stated that these old Pioneer A-base breakers were no longer available and he didn't think there was any danger to landowners.

Information received by the Board from Mr. Baumann regarding any danger of A-base breakers to landowners would be forwarded to the membership.

- Finance and Audit – Dominik Gaciag

Dominik Gaciag provided a report on the 2022 financial statements.

Wendy Hiew's comments and questions:

- The cash decrease by \$500,000 over the last two years is alarming. What is your professional opinion about the health of the REA?
- \$367,000 was pulled from restricted cash this year. Was there anything in the budget to increase the remaining amount?

Mr. Gaciag stated that, considering cash flows and operating activities, he thought the REA was fairly healthy and could withstand shortfalls for the next few years.

Trent Mick stated that the REA could manage the costs.

Barb Bundt:

- Why is amortization showing up as a cash flow issue and how amortization of capital contributions is cash in the bank.
- Why isn't the balance of the reserve the same as last year.

Mr. Gaciag:

- Amortization on capital contributions is considered income. No cash is received but the amount is included in the income statement.
- There were timing issues. Payments that have not been received before the fiscal year end are included as accounts receivable and considered as cash.

Moved by Cindy Iverson, seconded by Trent Myck

That the 2022 financial and audit reports be approved as presented.

CARRIED UNANIMOUSLY

- Bill Klassen – Battle River Power Coop

Bill Klassen's presentation focussed mainly on the costs experienced by the membership in 2022 in the context of their monthly bills. He also reviewed the different rates and cases with regard to current and potential energy charges.

Questions and comments:

- Bill Turner: What is Battle River's position on rates coming down?
- Barb Bundt requested that reports be provided to the membership in advance of AGM meetings.
- Cindy Iverson: In light of affordability of increased brushing costs that could push TREAs brushing cycle into the future, what is your opinion about doing so?

Mr. Klassen stated:

- The distribution tariff has been pushed down and has caused a problem in the past.
- His REA's brushing cycle was according to the best practice standard of every five years and the associated expenditure results in savings up to 40%. Past decisions have put Tomahawk in a position of falling behind but there was opportunity to improve. He said Tomahawk was at the bottom of distribution tariffs and there was a lot of room to move. He emphasized that there are costs to doing the work right or partially but if costs are increased now, benefits would be seen later.

- Al Nagel – AFREA

Al Nagel talked about the mandate of the AFREA and reported on its current projects and work with organizations and committees. He also talked about the volatility of the electricity industry and zero concept. He said changes would happen gradually and REAs have time to prepare for them.

Barb Bundt stated that when she asked AFREA a few years ago for information, she was told information would be provided to the Board and the Board would decide what information would be disseminated.

Mr. Nagel's comments confirmed that the process described by Ms. Bundt was correct.

7. Appointment of Auditor for 2023

Moved by Trent Myck, seconded by Cheryl Thomas

That MPS Partners be appointed as TREA's Auditor for 2023.

CARRIED

8. Election of Directors

Reanne Springer advised the nominees that they would have three minutes to address the membership and they did so in the following order: Sheldon Balkwill, Cindy Iverson, Sherry Buttrey and Ed Machuk.

After the nominees finished speaking, Ms. Springer announced 30 minutes would be allowed for voting. Voting commenced at 8:40 p.m. and the Chair declared voting closed at 9:10 p.m.

9. New Business

9.a Definitions

Moved by Barb Bundt, seconded by Brenda Cathrea

That the Board of Directors formulate a schedule of definitions and penalties supplemental to the Supplemental Bylaws as well as Standard Bylaws.

CARRIED

9.b Business Arising from the Director's Report

Moved by Wayne Turner, seconded by Clint Schwalbe

That the Board be directed to seek legal information pertaining to the exploration of options for the sale of the REA and report to the membership.

CARRIED

10. Announcements

There were no announcements.

11. Energy Draw.

Winners of the Energy Draw were Ronald Reich, Josh Seely and John Melnyk. Each winner would receive \$100 off of their next energy bill. Six door prizes were available and winners were David/Ken/Heather Rogers, Phillippe Andre, Trudy Seely, Doug & Kelly White, Burton Brooks, and Lawrence & Florence Davidson.

12. Announcement of Vote Result

Reanne Springer stated there were two 3-year terms and one 2-year term available. In the case of a tie, the two names would be "dropped into a hat" and the person whose name was drawn would be allowed to choose from the available terms, as would the person whose name was not drawn.

Following the vote, the Ms. Springer reported there was a total of 69 vouchers and that two vouchers had left the meeting. There were 67 ballots including one spoiled ballot resulting in 66 valid ballots. Ms. Springer announced the results of the votes and the terms of the elected Directors as follows:

Sheldon Balkwill	41 votes	elected to a 3 year term
Sherry Buttrey	41 votes	elected to a 2 year term
Cindy Iverson	40 votes	elected to a 3 year term
Ed Machuk	34 votes	

13. Motion to Destroy Ballots (after 90 days)

Moved by Garry Weis, seconded by Cheryl Thomas

That the ballots be destroyed after 90 days.

CARRIED

14. Adjournment

Moved by Garry Weis, seconded by Victor Lauder

That the meeting be adjourned.

CARRIED

The meeting was adjourned at 9:40 p.m.