

Tomahawk Rural Electrification Association
Annual General Meeting – April 27, 2022
MacKenzie Conference Centre - Drayton Valley, Alberta

Meeting Minutes

Cheryl Thomas, Chairperson of the Tomahawk REA Board called the meeting to order at 6:45 p.m. and welcomed all in attendance.

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

Invited Guests:

AFREA – Al Nagel

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

Dominik Gaciag – MPS Partners (Financial Report)

Drayton Valley REA – Les Sondresen, Shane Hines, Bill Turiak

Duffield REA – Albert Wagner, Gary Hovdebo, Stephen Jettkant

Lakeland REA – Darryl Werstiuk, Bernie Klammer, Dwayne Kisilevich

Lindale REA – Dino Wylie, Rose Gilchrist, 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

Gary Hovedebo, Registration/Election Clerk

Lindsey Simpson, Registration/Election Clerk

Stephen Jettkant, Registration/Election Clerk

Albert Wagner, Registration/Election Clerk

Ms. Thomas introduced Mr. Nolan Crouse as the presiding officer. Mr. Crouse assumed the role of Chair.

1. Establishing Quorum

Quorum of 10% was not in attendance with only 40 members in good standing present. In accordance with TREA's Annual General Meeting Rules, the following motion was presented.

Moved by Jeff Wardlow, seconded by Wade Thomas

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

CARRIED UNANIMOUSLY

2. Approval of AGM Rules

Moved by Brenda Cathrea, seconded by Barb Bundt

That the AGM Rules be approved as presented.

CARRIED UNANIMOUSLY

3. Approval of Agenda

Moved by Kevin Lang, seconded by Pierre Schaub

That the agenda be approved as presented.

CARRIED UNANIMOUSLY

4. Approval of Minutes – 2020 AGM and 2021 AGM

Moved by Trent Myck, seconded by Melinda Buttrey

That the minutes of the virtual 2020 AGM be approved.

CARRIED UNANIMOUSLY

Moved by Trent Myck, seconded by Melinda Buttrey

That the minutes of the virtual 2021 AGM be approved

CARRIED UNANIMOUSLY

5. Nominations and Approval of Election Personnel

The Chair introduced Ms. Reanne Springer as Chief Election Official who would be administering the election. The Election Clerks as identified under the list of Meeting Personnel are Len Legeas, Denise Legeas, Gary Hovedebo, Lindsey Simpson, Stephen Jettkant and Albert Wagner.

Moved by Wade Thomas, seconded by Brenda Cathrea

That the Election personnel be approved.

CARRIED UNANIMOUSLY

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

Edward Machuk nominated Cheryl Thomas for Director.

The Chair issued a second call for nominations.

The Chair issued a third call for nominations.

No further nominations were made.

Moved by Barb Bundt, seconded by Pamela Schaub

That the nominations be closed.

CARRIED UNANIMOUSLY

As only one nomination was received, the Chair announced that Cheryl Thomas was elected Director by acclamation.

6. Reports

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

Mr. Bauman provided a report on their operations and plan for 2022.

Questions with reference to Page 10 of the report were as follows:

- Barb Bundt - Had there been a reassessment?
- Jeff Wardlow - Why did the failure fluctuate from 33% to 2.1%? What was the disposition of the poles? Did anyone validate that the poles were bad?
- Wade Thomas – If testing of the poles was carried out, was it verified?
- Pamela Schaub – What kind of wood are the poles?

Cheryl Thomas replied that there was full testing by DSO (Distribution System Operator) in 2020 and the results were accepted. Mr. Baumann stated that the zone was tested in 2021 and the failure rate was 2.1%. Cheryl Thomas noted that it is possible this number has decreased due to the high number of poles that have been changed over the last few years.

Mr. Baumann said that Battle River carries out its programs in accordance with the test data it receives. Testing wasn't verified right away but a lot of the poles that came back were older and photos were taken of each one. Going forward, testing to verify condition of the poles will occur. Mr. Baumann also responded that the poles are either lodgepole pine or cedar.

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

Mr. Stevenson provided an overview of the methods used to provide vegetation right-of-way maintenance, the performance of their program and the volume of work completed in the past year.

Questions arose regarding the report as follows:

- Don Webb – Has there been any application to the government for recovery of costs related to the wildfire?

- Pamela Schaub – What type of herbicide is used to control vegetation?
- Allan Hoesflood – Has mechanical brushing been considered?
- Ron Zutz – Has there been any thought about upgrading single to three phase? Does REA have any three phase now? Will it be required in the future?

Cheryl Thomas reported that there was no money coming back from the Province. The Province's stand is that wildfire costs should be covered by insurance; however, that coverage is not possible.

Mr. Stevenson stated that the name of the herbicide used and other information was contained in the pamphlet available at the back of the meeting room. He said that, although several methods of brushing are available, most brushing is done with mulchers where possible and that trims are the least cost effective.

Mr. Szelewicki said that three phase is at least double or 2.5 times the cost because it has to go all the way back to the substation. He stated that currently, there isn't any three phase and how to address handling the future growing excess load is yet to be determined.

Jeff Wardlow suggested that, if the offer from Fortis isn't accepted, the Board should attempt to identify those properties which would be more costly to provide vegetation control and encourage the planting of trees further back from roads and driveways and/or further between each other.

- Director's Report and Proposed 5 Year Budget – Cheryl Thomas

Cheryl Thomas, on behalf of the Board, provided a report to the membership.

Barb Bundt – Is there any thought to increasing the investment program charge of \$2 caveat/month to increase revenue? Cheryl Thomas responded that the agreements are in place and can't be changed. She said the remaining \$6300/year is a small amount and will have little effect on the pool and that no interest is incurred on that amount.

Barb Bundt - If the sale is accepted, what will be the effect on those members who had a service installed through the investment program? Will those members have a vote on the proposed sale? Cheryl Thomas responded that the money would have to be returned to the pool. Barb Bundt suggested that those members would be more like renters than owners.

Cheryl Thomas agreed that the Board would get a legal opinion on this matter to be presented prior to the future meeting.

Barb Bundt - If two energy bills are provided to determine potential costs, would the two increases as proposed in the budget be included? Cheryl Thomas

responded that Fortis will not be comparing TREA bills to Fortis bills. She suggested that two bills could be submitted to Mel deJong who, in turn, would return the bills with the increases included.

Barb Bundt – Has there been any attempt to contact previous REAs for feedback from members after a sale? Cheryl Thomas responded that those REAs have been approached to speak and/or provide written comments but they have declined. Answering an additional question, Cheryl Thomas advised Barb Bundt that if she was able to find someone willing to provide comments, she should request that person to send their written comments to the Board.

Wayne Tourneur – If you put in 5%, Fortis wouldn't know anything about that and therefore wouldn't show a true comparison. Cheryl Thomas said that Fortis would not be showing a comparison, only the price they would be charging. She again suggested that the bill be sent to the TREA office and a bill including the rates would be provided. Cheryl Thomas said that the Board has been advised to give 60 days notice of an increase and the increase would appear in the June billing.

- Finance and Audit – Dominik Gaciag

Mr. Dominik Gaciag provided a report on the 2021 financial statements.

Mr. Gaciag stated the importance of each member speaking to his/her own accountant as any money received from the potential sale would be taxable and dependent upon each member's tax bracket.

Barb Bundt – Page 3 of the report notes the gain on disposal of distribution system - what service does this reference? Why was the interest on the reserve account decreased from last year?

Mr. Gaciag responded that the asset disposal refers mainly to the new distribution system with Fortis. The decrease in the reserve account is predominantly due to the decrease in the reserve balance and that is the interest earned on the funds.

Moved by Trent Myck, seconded by Sherry Buttrey

That the 2021 financial and audit reports be approved as presented.

CARRIED UNANIMOUSLY

- Bill Klassen – Battle River Power Coop

Mr. Klassen provided an overview of his organization, its work as a distribution system operator (DSO) including current plans for additional staff and equipment. He reviewed different rates and cases with regard to current and potential energy charges.

Wayne Turner – Will Bill Klassen be available at the Open House? Cheryl Thomas said the upcoming open houses are for Fortis and the Board has promised not to do anything against what Fortis will be presenting. Members requested that the Board hold an Open House specifically for REA members.

Barb Bundt was concerned that energy charges for members who don't use the service for agricultural purposes are not comparable to the energy charges for agriculture members and/or urban members. She requested a copy of the AUC decision.

Mr. Klassen acknowledged Barb Bundt's viewpoint; however, he said that rural residential class could be coming to an end. When asked for the AUC hearing in regards to this matter, Mr. Klassen stated that it is not an AUC hearing but is with the Court of Appeal.

- Al Nagel – AFRFA

Mr. Nagel stated that REAs are a critical element in the electrical industry for Alberta and talked about the relationship between industry, government, the Utility Commission and the REAs.

7. Appointment of Auditor for 2022

Cheryl Thomas said that, from the three bids received, the Board chose Feddema & Co. as Auditor for 2022; however, the company has since been sold and the Board has not yet decided how to proceed. She stated that the Board wants to ensure that a good working relationship could be established with a new company before recommending one as Auditor.

Moved by Jeff Wardlow, seconded by Wayne Thomas

That the Board, at its discretion, be empowered to appoint an Auditor for 2022.
CARRIED UNANIMOUSLY

8. Supplemental Bylaws

Moved by Trent Myck, seconded by Cheryl Thomas

That Supplemental Bylaw #5 be approved.
CARRIED UNANIMOUSLY

Moved by Trent Myck, seconded by Cheryl Thomas

That Supplemental Bylaw #6 be approved.
CARRIED UNANIMOUSLY

Moved by Cindy Iverson, seconded by Paul Buttrey
That Supplemental Bylaw #7 be approved.
CARRIED UNANIMOUSLY

With regard to the following Supplemental Bylaw #8, Barb Bundt questioned the necessity of having 20% of members present in order to constitute a quorum when it was difficult to obtain the 10% of members for a quorum as required in the current bylaw. She was concerned about such a low number of members present this evening being asked to approve bylaws. She asked if there was an alternative way for members to vote if they can't attend the meeting.

Cheryl Thomas responded that all members had an opportunity to speak and, if they were opposed to the bylaw, they could have appeared in person or provided written comments. She then explained the reasons for requiring a 20% quorum and that it would only be required for Special Meetings. She also responded that the current regulations do not allow for alternative ways for members to vote if they can't attend the meeting.

Moved by Edward Machuk, seconded by Cheryl Thomas
That Supplemental Bylaw #8 be approved.
CARRIED UNANIMOUSLY

Moved by Sherry Buttrey, seconded by Wade Thomas
That Supplemental Bylaw #9 be approved.
CARRIED UNANIMOUSLY

Moved by Pierre Schaub, seconded by Allan Hoesflood
That Supplemental Bylaw #10 be approved.
CARRIED UNANIMOUSLY

Moved by Pierre Schaub, seconded by Brenda Cathrea
That Supplemental Bylaw #11 be approved.
CARRIED UNANIMOUSLY

Moved by Trent Myck, seconded by Brenda Cathrea
That Supplemental Bylaw #12 be approved.
CARRIED UNANIMOUSLY

Moved by Barb Bundt, seconded by Sherry Buttrey
That the Province consider enhancing Point 1.3 of Supplemental Bylaw #12 by extending it to ensure no additional terms or renewal would occur without being brought to a Special Meeting of the membership.
CARRIED

Moved by Kevin Lang, seconded by Wade Thomas
That Supplemental Bylaw #13 be approved.
CARRIED UNANIMOUSLY

Moved by Brenda Cathrea, seconded by Gary Weis
That Supplemental Bylaw #14 be approved.
CARRIED UNANIMOUSLY

Moved by Pierre Schaub, seconded by Sherry Buttrey
That Supplemental Bylaw #15 be approved.
CARRIED

Moved by Barb Bundt, seconded by Ron Zutz
That that Province consider an amendment to Supplemental Bylaw #15 by adding Point 4.3.1 to allow attendance of legal representation as an agent for a member to ensure administrative fairness.
DEFEATED

Moved by Cheryl Thomas, seconded by Bonnie Baker
That Supplemental Bylaw #16 be approved.
CARRIED UNANIMOUSLY

Moved by Cindy Iverson, seconded by Sherry Buttrey
That Supplemental Bylaw #17 be approved.
CARRIED UNANIMOUSLY

Moved by Cheryl Thomas, seconded by Wade Thomas
That Supplemental Bylaw #18 be approved.
CARRIED UNANIMOUSLY

Moved by Gary Weis, seconded by Cheryl Thomas
That Supplemental Bylaw #19 be approved.
CARRIED UNANIMOUSLY

9. Announcements

- The Open Houses by Fortis will be held on May 17, 18 and 28, 2022 at the Tomahawk Agra Centre.
- The TREA Special Resolution Meeting has been scheduled for June 21, 2022. If quorum is not reached on June 21st, the meeting will be adjourned.
- The Board will hold an REA Open House (date to be determined) after the Fortis Open Houses. Mr. Bill Klassen will attend the REA Open House.

Mr. Bernie Klammer, Lakeland REA, spoke of how his REA handled the voting process related to a potential sale. The vote was held over a period of four days and was set up essentially as a polling booth.

The Chair granted a request by Mr. Allan Hoesflood to speak at the meeting. Mr. Hoesflood requested members to vote against the sale to Fortis but, if the sale did go forward, he felt that nothing less than \$25,000 each should be accepted.

10. Energy Draw.

Winners of the Energy Draw were Travis Tourneur, Edward Machuk and Pamela Schaub. Each winner would receive \$100 off of their next energy bill.

11. Adjournment

Moved by Trent Myck, Wade Thomas
That the meeting be adjourned.
CARRIED UNANIMOUSLY

The meeting was adjourned at 9:55 p.m.