



ALBERTA
AGRICULTURE AND FORESTRY

*Office of the Minister
MLA, Whitecourt-St. Anne*

AUG 30 2017

Tomahawk Rural Electrification Association
P.O Box 28
Tomahawk, AB TOE 2H0
Attention: Cheryl Thomas, Chairperson

Subject: Inquiry into the affairs of Tomahawk Rural Electrification Association —Minister's Decision

Decision

After requesting further investigation inquiring into the affairs of the Tomahawk Rural Electrification Association (Association) and having reviewed the Updated Report of the Director of Rural Electrification Associations (Director), I am not of the view, presently, that the affairs of the Tomahawk REA are being mismanaged, are not being conducted in accordance with co-operative principles, or are being conducted on an unsound basis, that suggest I should do any of the things under section 27(2) of the *Rural Utilities Act*.

The Updated Report suggests the Association has taken steps to address previous conduct issues. It is hoped the commitment from the Association can be sustained to avoid any need for further inquiries.

Investigation

In 2015, the Director received a request to conduct an inquiry into the affairs of the Association and determined that an inquiry was appropriate. A Director's Report, which included a review from MNP LLP and additional unsolicited information from the Association, was provided to the Minister in July 2016. The Tomahawk REA board was provided an opportunity to provide a response to the initial Director's Report in early 2017.

On April 13, 2017, I informed the Association that after taking into account the information in the Director's Report, and written and oral submissions from the Association that I required further investigation. The information available in the Director's Report and submissions from the Association were contradictory and I required the Director to complete a further investigation and report in an effort to reconcile the variances.

Findings of the Updated Director's Report

Below are the three areas I asked the Director to focus on in the updated report and the Director's updated findings:

1. The Association's Board of Director's (Board) demonstrated transparency of communication with membership (to be evaluated as affairs related to co-operative principles)

.../2

Director's updated findings:

- Over the last year the Board made considerable improvements in communication, and the current Board is demonstrating a strong willingness to communicate with membership in a transparent manner.

2. The Board's demonstrated ability to govern in a democratic manner by providing membership the opportunity for input on the direction of their Association (to be evaluated as affairs related to co-operative principles)

Director's updated findings:

- The Board has taken steps to improve its ability to govern in a democratic manner specifically as it relates to maintaining an up-to-date membership register, implementing a reasonable process to provide members access to the register and running an orderly and transparent 2017 AGM which gave members the opportunity to provide input on the direction of their Association.

3. The Board's demonstrated ability to provide all board directors with information required for decision making and the opportunity to participate in decision making internally as well as the ability of the Board to speak with one voice externally (to be evaluated as affairs related to governance on a sound basis)

Director's updated findings:

- The current Board has demonstrated a commitment to the implementation of various processes (e.g. electronic information sharing, director binders, Board review of communications, establishment of committees with reporting requirements) to improve information sharing and increase the opportunity for Board directors to participate in decision making.

Conclusion of the Updated Director's Report

The Updated Director's Report provides that the steps taken by the Board, over the last year, is positioning the Association to conduct its affairs in accordance with cooperative principles and on a sound basis.

I agree with the Director's comment in his updated report, and hope "to maintain the progress it has made, the Board is encouraged to continue improving its policies and practices related to ensuring transparent communication with its members, governing in a democratic manner and operating with good governance (which includes the Board speaking with one voice externally)."

Based on my decision to take no further steps, this concludes the inquiry into the Tomahawk Rural Electrification Association.

Sincerely,



Oneil Carlier
Minister

cc: Petitioning Members of the Tomahawk Rural Electrification Association

REC. TOMAHAWK REA
15. Sep. 2017