



Tomahawk

Rural Electrification Association

Annual General Meeting – April 17, 2018 MacKenzie Conference Centre - Drayton Valley, Alberta

Meeting Minutes

Cheryl Thomas, Chairperson of the Tomahawk REA Board commenced the meeting at 7:01 p.m., and welcomed all in attendance.

The following Board members were present: Cheryl Thomas, Wayne Tourneur, Sherry Buttrey, Cindy Iverson, Edward Machuk, Mike Kos, and Dave Rogers.

Invited Guests:

Al Nagel, AFREA
Dino Wylie AREA (District 4)
Albert Wagner, Duffield REA
Stephen Jettkant, Duffield REA
Barry Vanderwell, Duffield REA
Bob Bryant, Rocky Mountain House REA
Dave Simmelink, Rocky Mountain House REA
Linda Floden, Lindale REA
Patty Pischke, Lindale REA
Dan Davie, Drayton Valley REA
Darwin Mulroy, Drayton Valley REA
Arnold Kellgren, Drayton Valley REA
Shane Hines, Drayton Valley REA
Danny Fischer, Mayerthorpe REA
Tom Birkbeck, Mayerthorpe REA
Dustin Madsen, BEMA Enterprises
Dan Levson, BEMA Enterprises
Ed Toupin, AltaLink
Shaun Doyle, Equus

Meeting Personnel:

Nolan Crouse, Presiding Officer
Matt Anderson, Duncan & Craig LLP
Rob Feddema, Feddema & Associates
Michelle Tetreault, Chief Returning Officer
Rita Bijeau, Recording Secretary
Tracy Lamontagne, TREA Admin
Lonnie Ross (LR Light & Sound), Meeting Recording
Aundrea Thomas, Electronics
Carson Peters, Electronics
Filip Gaczol, Electronics
Edyth Floden, Registration
Erin Hickman, Registration
Kathy Madsen, Registration
Tina Seely, Registration
Cathy Weetman, Election Clerk
Monica Cappis, Election Clerk
David Kirkup, Election Clerk
Al Hagman, Election Clerk
Len Legeas, Election Clerk
Georgina Daves, Election Clerk
Carl Leakvold, Election Clerk
Susan Kelly, Election Clerk
Russ Kelly, Election Clerk
Garry Mastre, Election Clerk

Ms. Thomas introduced Mr. Nolan Crouse as the Presiding Officer and Ms. Michelle Tetreault as the Chief Returning Officer who provided a demonstration of the electronic voting system. Mr. Crouse assumed the role of Chair at 7:14 p.m. Quorum was confirmed as present at 7:16 p.m., as more than 50 members were registered for the meeting.

1.0 Approval of AGM Rules

Moved by Mr. Dean Iverson, Seconded by Mr. Wade Thomas, to adopt the Annual General Meeting Rules.

97% In Favour, 3% Opposed

CARRIED

2.0 Approval of Agenda for the April 17, 2018, Annual General Meeting

Moved by Ms. Cheryl Thomas, Seconded by Ms. Sherry Buttrey, to adopt the Agenda as circulated, with the addition of three (3) items:

- 1) 2018 Distribution Fees to be added following the Financial Reports,;
- 2) Policy Committee Direction regarding policies and bylaws to be added under New Business; and
- 3) Miscellaneous Reports to be added under New Business.

97% In Favour, 3% Opposed

CARRIED

3.0 Approval of Minutes from April 20, 2017, Annual General Meeting

Ms. Barb Bundt, provided typographical edits to the April 20, 2017, Annual General Meeting Minutes, requested a reorder of the motions under Item 8.0, the motion under Item 8.0 which referenced option "a" should be "b", clarification on non-binding motions, and that the amending motion on page 4 is missing the details on what was being amended. Mr. Matt Anderson, legal counsel for the Tomahawk REA, and Mr. Nolan Crouse provided clarification on binding and non-binding motions.

Moved by Mr. Wayne Tourneur, Seconded by Mr. Philip Crittenden, to adopt the April 20, 2017, Annual General Meeting Minutes as corrected and that the clarification on the non-binding motions was provided.

82% In Favour, 18% Opposed

CARRIED

4.0 Nominations and Approval of Election Clerks

Mr. Crouse declared the meeting open for nominations at 7:33 p.m. to the three (3) Director positions vacant. The following nominations were made:

- Mr. Joute de Vries nominated Mr. Sheldon Balkwill for Director. Mr. Balkwill accepted the nomination.
- Ms. Lillian Duperron nominated Ms. Harriet-Jane Brydges for Director. Ms. Brydges accepted the nomination.
- Mr. Ron Zutz nominated Mr. Terry Hutchinson for Director. Mr. Hutchinson accepted the nomination.
- Ms. Kathy Strocher nominated Mr. Trent Myck for Director. Mr. Myck accepted the nomination by way of a Nomination Consent Form that was approved by legal counsel and the Chief Returning Officer.
- Mr. Dave McCulough nominated Ms. Linda Hartum for Director. Ms. Hartum accepted the nomination.

- Mr. Jeff Wardlow nominated Mr. Edward Lang for Director. Mr. Lang accepted the nomination.

Mr. Crouse issued a second call for nominations.

Mr. Crouse issued a third call for nominations.

Mr. Crouse declared nominations closed at 7:40 p.m.

Moved by Mr. Wade Thomas, Seconded by Ms. Barb Bundt, to approve the Election Clerks as identified by the Presiding Officer:

- Ms. Cathy Weetman
- Ms. Monica Cappis
- Mr. David Kirkup
- Mr. Al Hagman
- Mr. Len Legeas
- Ms. Georgina Daves
- Mr. Carl Leakvold
- Ms. Susan Kelly
- Mr. Russ Kelly
- Mr. Garry Mastre

97% In Favour, 3% Opposed
CARRIED

5.0 Reports

- Annual Operations Report –EQUUS
Mr. Shaun Doyle a report to the Board and membership regarding 2017 operations. The following questions were asked after Mr. Doyle completed his report:
 - Ms. Barb Bundt inquired into the maintenance schedule. Mr. Doyle advised that the maintenance schedule is coordinated wherever possible and appropriate as well as being in line with standard practices.
 - Mr. Sheldon Balkwill inquired into the cost of a power pole. Mr. Doyle advised that the cost is an average of \$1,875.
 - Mr. Barry LaChance inquired into inspections of secondary services. Mr. Doyle advised that the maintenance of secondary infrastructure is the responsibility of the landowner.
- Directors Report
Mr. Tourneur, Vice-Chair; Ms. Sherry Buttrey, Director; and Ms. Cheryl Thomas, Chair, provided reports to the membership.

Mr. Crouse read the Ministers statement from August 30, 2017, which stated that the “Minister is no longer of the opinion that the affairs of the TREA are mismanaged and the case is now closed”.

The following questions were asked of the Board:

- Ms. Barb Bundt inquired into the status of the recommendations from the Minister, specifically recommendation seven. The Board will review the material with legal counsel with the view of determining what can be disclosed.
- Mr. Clint Schwalbe requested clarity on the advertising statement made by Ms. Sherry Buttrey. Ms. Buttrey clarified that advertising needs to clearly state who the funder is as the TREA did not commission the large postcard advertising for the 2018 AGM.
- Mr. Dean Iverson inquired into the costs to gain ownership of files belonging to TREA. Mr. Matt Anderson advised that the costs were approximately \$8,500.
- Reverend Juliette Trudeau made a request for improved communication between the Board and membership. Mr. Crouse advised of an agenda item, which is intended to address this concern.

- Financial Audit

Mr. Rob Feddema provided a report to the Board and membership on the 2017 financial statements. The following questions were asked of the Mr. Feddema and the Board:

- Ms. Brenda Cathrea made an inquiry to Note 9. Mr. Feddema advised that this is regarding FORTIS disputing a service installation. Ms. Cheryl Thomas provided further information on measures the Board has put in place to address the dispute and the plan to mitigate potential for repeated disputes.
- Ms. Linda Hartum inquired into fees for auditing. Mr. Feddema provided information regarding GAAP (General Accepted Accounting Principles) compliances and valuation tools.
- Ms. Theresa Machuk made an inquiry into the legal fees from EQUUS. Present legal counsel was not retained at the time and was not able to provide those figures.

Moved by Mr. Barry LaChance, Seconded by Ms. Barb Bundt, to adopt the 2017 financial reports as presented.

96% In Favour, 4% Opposed
CARRIED

Moved by Ms. Cheryl Thomas, Seconded by Mr. Dean Iverson, that members approve a 5% reduction in the TREA distribution fees effective May 1, 2018.

95% In Favour, 5% Opposed
CARRIED

- AltaLink Transmission Report

Mr. Ed Toupin, Municipal Relations Manager, with AltaLink provided the Board and membership a report on the transmission infrastructure. The following question were asked of the Mr. Toupin:

- Ms. Cheryl Thomas inquired into the transmission fee differences. Mr. Toupin responded that there are different fees for residential and commercial lines and that they are not cross subsidized.

- Alberta Federation Rural Electrification Association

Mr. Al Nagel presented the Board and membership a report from the Alberta Federation Rural Electrification Association.

- Valuation Consultation Report –BEMA Enterprises

Mr. Dan Levson, President of BEMA Enterprises and Mr. Dustin Madsen, Managing Consultant, BEMA Enterprises presented a proposal to the members for valuation services. The following questions were asked of the Board and BEMA Enterprises:

- Mr. Clint Schwalbe requested information on the differences between the two presented options. Mr. Madsen provided the information.
- Reverend Juliette Trudeau inquired into the purpose of a valuation. Mr. Rob Feddema advised that a valuation of the infrastructure can be utilized for GAAP analysis and may be used towards the sale of assets as well.
- Ms. Barb Bundt inquired into the credentials of the BEMA Enterprises, specifically if the proposal would meet the requirements of Article 5 in the Minister's report. Ms. Bundt was advised that the staff does not have the credentials referenced in Article 5.

Moved by Ms. Sherry Buttrey, Seconded by Ms. Cindy Iverson, that Tomahawk REA engage BEMA Enterprises to conduct a valuation of Tomahawk REA assets on the terms and conditions proposed under option 2 of the consultant's report.

Ms. Barb Bundt moved to amend the motion to include the criteria that the proposal includes the qualifications of a charter business valuator.

Presiding Officer Nolan Crouse, ruled the amendment out of order for the reasons that the amendment would result in the original motion being no longer valid and opened the original motion for debate. Ms. Barb Bundt expressed opposition for the motion. Mr. Jeff Wardlow requested that the electronic voting be reset. Mr. Wade Thomas requested that the Board provide the rationale and process that brought them to bring the proposal forward to the membership. The Board advised that the proposal is being brought forward to identify a value for existing assets in relation to accounting practices. Mr. Crouse closed the debate and called for a vote on the original motion.

62% in Favour, 38% Opposed
CARRIED

6.0 Appointment of Auditor – 2018

Moved by Mr. Dean Iverson, Seconded by Mr. Barry LaChance, to approve the appointment of Feddema and Company as the Auditor for 2018.

87% In Favour, 13% Opposed

CARRIED

7.0 Election of Directors

- Presentations

The six (6) Nominees for Director made presentations to the membership. Chief Returning Officer Michelle Tetreault declared voting open at 9:52 p.m.

Ms. Tetreault closed the voting at 10:11 p.m.

8.0 New Business

- Policy Committee Direction regarding Policies and Bylaws

Moved by Ms. Brenda Cathrea, Seconded by Mr. Paul Buttrey, to direct Policy Committee of the TREA to review and provide recommendations on Policies and By-laws to the 2019 AGM.

The electronic voting mechanism malfunctioned therefore the Presiding Officer performed a standing count and show of cards. The votes cast were majority in favour with one (1) vote opposed.

CARRIED

Moved by Ms. Barb Bundt, Seconded by Ms. Brenda Cathrea that the Tomahawk REA Board of Directors be directed to report back to the membership on the topics to be read by the Presiding Officer. Mr. Crouse read the topics as follows:

1. Costs of early termination of the EQUUS JV
2. Membership registry, use, access and good standing
3. Records management
4. Further detail re Note #9 to Financial Statements
5. Options for RRO providers
6. Options for DSO providers
7. EQUUS operational plans
8. Verification of EQUUS reports
9. Process for a potential sale
10. Amount owing under Investment in Services program
11. Legal rights of members under Investment in Services program
12. Unfunded liability

Presiding Officer Nolan Crouse called for debate on the motion. Reverend Juliette Trudeau expressed opposition on the motion. M. Cheryl Thomas requested information on the timeline required for the information request. It was determined that the information should be provided well before the next Annual General Meeting. Mr. Crouse closed the debate and called for a vote on the motion.

The electronic voting mechanism malfunctioned therefore the Presiding Officer performed a standing count and show of cards.

61 votes In Favour, 34 votes Opposed

CARRIED

- Ballot Vote

Moved by Ms. Cheryl Thomas, Seconded by Mr. Paul Buttrey, to destroy ballots used in election of Directors after 90 days.

The electronic voting mechanism malfunctioned therefore the Presiding Officer performed a sitting count and show of cards.

CARRIED UNANIMOUSLY

9.0 Other Announcements

Mr. Crouse thanked the individuals working and volunteering for the Annual General Meeting and provided the membership an estimated time when the count would be completed.

10.0 Announcement of Vote

The Presiding Officer introduced Chief Returning Officer Michelle Tetreault whom announced that of the 154 eligible ballots, 150 votes were cast as follows:

- Mr. Sheldon Balkwill – 52 votes
- Ms. Harriet-Jane Brydges – 53 votes
- Ms. Linda Hartum – 56 votes
- Mr. Terry Hutchinson – 86 votes
- Mr. Edward Lang – 91 votes
- Mr. Trent Myck – 92 votes

Accordingly, Mr. Terry Hutchinson, Mr. Edward Lang, and Mr. Trent Myck were declared elected as Directors to the Tomahawk REA Board for a period of three (3) years expiring at the 2021 Annual General Meeting.

11.0 Adjournment

Mr. Crouse declared the meeting adjourned at 10:44 p.m.