



41st

Annual General Meeting

March 11, 2014

CROSSROADS GAS CO-OP LTD.
41st ANNUAL MEETING AGENDA
MARCH 11, 2014

SUPPER AGENDA

6:00 Welcome Members to Supper: Kent Knudsen

Grace: Jeff Krause

7:00 Introduction of Entertainment – Angus Park

DOOR PRIZE DRAW – Jay Biggs, Herb Nisbet and Robin Sutton

8:00 **ANNUAL MEETING AGENDA**

O Canada – Fred Lutz

Acting Chair:

Charles Moore

Introduction of Guests and Directors and Staff – Charles Moore

Opening Remarks and Welcome to Members

Presentation and Acceptance of Agenda

Presenting and Adopting Minutes

Business Arising from Minutes

Acting Chair:

Brent Saunders

Board Report – Charles Moore

Manager's Report - Reg Olson

Financial Statement - Don Oszli

Cash Flow Projection – Jeff Krause

Nomination of Directors for Election – Richard Hoppins

Nomination of Auditors – Richard Hoppins

New Business

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Operating Reserve – Tom Hunter

Earl Dreeshen, M.P.

Presentation of Certificates – Charles Moore

Closing Comments – Charles Moore

DOOR PRIZE DRAW – Robin Sutton, Jay Biggs and Herb Nisbet

COFFEE AND DONUTS

CROSSROADS GAS CO-OP LTD.
41st ANNUAL MEETING MINUTES
MARCH 11, 2014

Crossroads Gas Co-op Ltd.'s 41st Annual Meeting was held at Elnora Community Centre on Tuesday, March 11, 2014 with 135 members present. Charles Moore called the meeting to order at 8:00 p.m. Fred Lutz led the singing of 'O Canada.'

Chairman Charles Moore introduced the special guests: Leon Layden, former and long term Director and founding Director; Marion Layden, the first Secretary of Crossroads, Claude Trenholm, former director, Ken Hoppins, former director and Councillor, Kneehill County, and Bob Painter, Councillor, Kneehill County. Mr. Hoppins, on behalf of Bob Long and Bob Painter, congratulated Crossroads with managing a 'monopoly' and congratulated the Board of Directors on doing a good job and keeping Crossroads on the 'straight and narrow'. Congratulations to the Board on another successful year. Mr. Moore introduced Earl Dreesen, M.P. and his wife, Judy Dreesen. Mr. Moore then introduced the Board Members and Staff: Reg Olson, Thelma Hein, Jody Jensen, Tim Forsberg, Rob Tinant and Dale Howe.

Mr. Moore stated that it is a pleasure to have been here for many years. There is always a good turnout at the Annual Meetings with an average attendance of 100 members and more for special meetings. The membership makes us strong and we depend on you to bring things forward.

Presentation and Acceptance of Agenda:

AGM 2014-01 Motion: moved/seconded by Bill Ottosen/Jim Ainslie: Agenda is accepted as presented. Motion carried.

2013 Annual Meeting Minutes: Mr. Moore called for any errors or omissions – none.

AGM 2014-02 Motion: moved/seconded by Angus Park/Bob Painter: Minutes are accepted as presented. Motion carried.

Business arising from minutes:

None.

Acting Chair Brent Saunders called on Charles Moore to present the Board Report for 2013, a copy of which is attached to the Annual Meeting package and circulated.

AGM 2014-03 Motion: moved/seconded by Bill Ottosen/Angus Park: Board Report is accepted as presented. Motion carried.

Acting Chair Brent Saunders asked Reg Olson to present the Manager's Report. Mr. Olson stated that he is proud to share the 41st Annual General Meeting with you and he has enjoyed his time at Crossroads Gas. There are key issues facing Alberta and we must keep up with these changes. Natural gas is the safest alternative and is a long term investment. Thanks to the Board and thanks to you (membership) for direction. The new Operations Centre is a long term investment. We now have a construction equipment sterilization system – this is something we

have committed to. As we grow we have had a Certificate of Recognition (COR) and our own in-house Safety Officer. The key is co-operation – we won't forget – you own the land. We service a 6500 km area with 4000 km of pipeline. Appreciation goes to Don Oszli, Skocdopole Construction, ATB (Alberta Treasury Branches) and the Counties. The Counties have a lot on their plate and we appreciate their co-operation. Mr. Olson also thanked the Federation of Alberta Gas Co-ops and the Federal Government. It is a pleasure to work here and I am proud to work the Board of Directors, the dedicated membership and staff.

AGM 2014-04 Motion: moved/seconded by Janice Moore/Eleanor Saunders: Manager's Report be accepted as presented. Motion carried.

Acting Chair Brent Saunders asked Don Oszli of Heywood Holmes and Partners to review the Financial Statements (distributed earlier) with those present. Question from the floor – Kevin Niemi re political contributions. Mr. Oszli commented there aren't any 'political contributions'. Mr. Niemi stated that he checked with Elections Alberta and that Crossroads Gas had made political contributions to the Conservative Party. Mr. Oszli stated that it is not illegal to donate to political parties – there were no political donations but donations were probably charity. Mr. Moore stated that Crossroads Gas does not donate to any political party other than the governing party we may have to lobby. Crossroads Gas has never hired a professional lobbyist. We never have and we don't plan to unless another party becomes the governing body. Mr. Niemi then commented that we should be non-political. Mr. Moore responded that we lobby the government to keep our grants. We consider ourselves non-political. Question from the floor: What is the book value of the company today. Mr. Oszli responded that the book value is just shy of \$16,000,000.00.

Acting Chair Brent Saunders asked if there were any other questions or comments. Eleanor Saunders commented that CAREA (EQUUS) in their annual meeting notice recognized Crossroads Gas and other gas co-ops' success and that they would like the same for themselves. Jeff Krause came to the podium and stated that approximately \$2,300.00 promotion to get \$250,000.00 in grants is a wise investment. We need to have a relationship with the governing body; we need to make ourselves available to the governing body as most MLA's are from the city. Acting Chair Brent Saunders asked if there were any more questions. Question from the floor – if there was a new party in power, would this work against us. Response: It should not. Marion Knudsen, from the floor, stated that the \$2,300.00 is insignificant.

AGM 2014-05 Motion: moved/seconded by Leon Layden/Marion Knudsen: Financial Statements be accepted as presented. Motion carried.

Acting Chair Brent Saunders called on Jeff Krause to present the Cash Flow Projection. Mr. Krause commented that he was the Chair of the Financial Committee with Reg Olson, Tom Hunter and Herb Nisbet. Mr. Krause stated that the Board would like to pay more money on the mortgage. We project to pay an additional \$5,500.00/month on the mortgage. We conferred with our auditor whether to pay down the debt on equipment or the mortgage. It was decided that we should pay down the mortgage as we are now paying mostly principal on the equipment loan. These extra amounts represents a savings of \$50,000.00 in year 13. Eleanor Saunders questioned re payment: how would it be approved and where would it come from. Mr. Krause responded that this will come with the passing of the Cash Flow Projections. There will be no increase in the service charge or delivery.

AGM 2014-06 Motion: moved/seconded by Bob Painter/Eleanor Saunders: the Cash Flow Projection is accepted as presented. Motion carried.

Acting chair Brent Saunders called on Richard Hoppins to oversee the nominations of the Directors.

- For the area of Olds Didsbury East, Nomination Committee nominated Robin Sutton. No further nominations.

AGM 2014-07 Motion: moved/seconded by Claude Trenholm/Elsie Foth. Nominations cease. Robin Sutton declared elected.

- For the area of Innisfail Bowden East, Nomination Committee nominated Herb Nisbet. No further nominations.

AGM 2014-08 Motion: moved/seconded by Ken Hoppins/Jim Ainslie. Nominations cease. Herb Nisbet declared elected.

- For the area of Carstairs East, Nomination Committee nominated Tom Hunter. No further nominations.

AGM 2014-09 Motion: moved/seconded by Jason Leach/Bob Painter. Nominations cease. Tom Hunter declared elected.

Acting Chair Brent Saunders called on Richard Hoppins to conduct nominations for the Auditor. Richard Hoppins – Nomination of the Auditor:

AGM 2014-10 Motion: moved/seconded by Eleanor Saunders/Bonnie Langevin: We retain Heywood Holmes & Partners LLP as auditors for the coming year. Motion carried.

Mr. Moore stated we have not installed AMR because we feel the equipment is not suitable yet. Jim Ainslie recommended we wait for more advanced equipment with the extra ability to report such things as pressure as well as volume.

Acting Chair Brent Saunders called for any new business. From the floor: Leon Layden commented that he was glad to see the website up and running. He noted that in a previous year there was a motion that the Financial Statements would be posted on the website. Mr. Saunders stated that he will put this item on the agenda for the next board meeting.

Acting Chair Brent Saunders called on Tom Hunter to present the Operating Reserve.

AGM 2014-11 Motion: moved/seconded by Marion Knudsen/Angus Park that the interest on the reserve account be re-invested. Motion carried.

Acting Chair Brent Saunders called on Earl Dreeshen, M.P. to address the membership. Mr. Dreeshen gave thanks to everyone and that it is a great pleasure to be here. Mr. Dreeshen stated that this is a great opportunity to see the Directors, Management and Staff. Crossroads Gas has been a leader in the past years and has been a model for other companies. Crossroads Gas and the Federation have worked with the Federal Government, i.e., Industry Canada, and it has been a pleasure to be a part of these meetings. On behalf of our Prime Minister, Stephen Harper, and the Federal Government – thank you and great work.

Acting Chair Brent Saunders called on Charles Moore for the presentation of certificates. Mr. Moore made a presentation to Kent Knudsen (25 years).

Chairman Charles Moore gave the closing comments. He thanked everyone for attending and Ken Hoppins re political contributions. It is great to have comments and questions at an annual meeting. Thanks to the Board of Directors. It is great that four founding Directors are present tonight – Ken Hoppins, Angus Park, Leon Layden and himself, Charles Moore. It has been a great 41 years of building a natural gas distribution system – a reliable system. Angus Park then came to the podium to make a comment re political contributions: those that have gone to the Premier’s Dinner in Red Deer took neither mileage nor a per diem. Mr. Park stated that he is proud of the lobbying he and Charles Moore have done – if it wasn’t for the lobbying of city MLA’s, we could lose our system. Mr. Park encouraged the participation of new people to be part of the Board. Mr. Moore thanked Mr. Park and thanked everyone for their comments and support.

Fred Lutz moved the meeting be adjourned at 9:30 p.m.