

Phoenix Gas Supplemental By-Laws

Table of Contents

| | | |
|---|--|---|
| 1 | Surplus earnings..... | 1 |
| 2 | Reserve fund | 2 |
| 3 | Elections for the board of directors | 2 |
| 4 | Board term limits..... | 4 |
| 5 | Hiring policy | 5 |
| 6 | Grievance committee | 5 |

1 Surplus Earnings

1.1 Earnings include:

- a. surplus construction funds, or
- b. a flat per member charge (designated as monthly, quarterly, annually), or
- c. a specified cents per GJ charge in the commodity rate, or
- d. an assigned portion of year end operating profit.

1.2 Phoenix Gas Co-op is a non-profit organization and therefore shall use surplus earnings for the attainment of the objects of the association and no distributions shall be made to the association's members.

1.3 Surplus earnings remaining in the hands of the association at the end of any fiscal year shall be dealt with as follows;

- a. remain in the association's general account, or
- b. by setting aside necessary reserves.

2 Reserve Fund

2.1 The objectives of the reserve fund established by the Phoenix Gas Co-op Ltd. shall be:

- a. to provide funds for the partial or total replacement of the association's gas distribution system, or

- b. to provide funds for system improvement or upgrading as may be required from time to time, or
 - c. to provide a working capital fund for expenditures required to alleviate emergency conditions and/or conduct necessary system repairs, or
 - d. to provide funds for completion of installations for work where a portion or all has been pre-paid.
- 2.2 Sources of funds to be placed into the reserve shall be determined by the board from time to time and may include any surplus earnings.
- 2.3 Funds accumulated in the reserve are to be invested by the board of directors in trustee approved securities in such a way that they will be readily available for either expenditures by cashing of securities or use as collateral for temporary borrowings pending maturing of term securities.
- a. The term “trustee approved securities” refers to the types of investments as defined in the Trustee Act. These include various low risk securities such as bank term certificates, treasury bills, municipal bonds etc.
- 2.4 Withdrawals from the reserve are to be for the specified objectives of the fund at such time and in such amounts as the board may deem necessary and prudent for the on-going viable operation and safety of the association’s utility business. Any withdrawals for the purposes other than those specified shall be approved in advance by a general meeting of the association.
- 2.5 Prior to the association’s annual meeting, the board shall review the adequacy of the fund and the components of the forecasting of its future requirements. A report of this review and a separate accounting, with respect to the reserve fund, shall be provided to the membership of the association in conjunction with the annual audited financial statements.

3 Elections for the Board of Directors

- 3.1 Phoenix Gas Co-op is to be divided into two districts for the purpose of electing directors.
- a. The first district will be identified as the “Phoenix Gas South District”, which was previously South Flagstaff Co-op Ltd prior to the amalgamation.
 - b. The second district will be identified as Phoenix Gas North District, which was previously Wainedge Gas Co-op Ltd prior to the amalgamation

3.2 The board of directors shall consist of seven (7) directors; the number of directors and respective terms of office shall be as follows:

| Number of Directors | Term |
|---------------------|---------|
| 2 North District | 3 years |
| 1 South District | 3 years |
| 1 North District | 2 years |
| 1 South District | 2 years |
| 1 North District | 1 year |
| 1 South District | 1 year |

3.3 The respective terms of office of each director shall be determined by the number of votes received for the director when elected. The candidate receiving the largest number of votes shall hold office for the longest term. If candidates are in by acclamation the terms shall be completed by a draw.

3.4 If a director is unable to complete their term on the board, the board has the option to temporarily fill the position until the next general meeting, at which point the position is to be filled by election for a term equal to the number of years remaining on the term when it was vacated. For this reason, there will always be at least one board position up for election from each district every year and two position up for election in the north district every third year.

3.5 The minimum requirements for notice of a general meeting by the association where elections are to take place shall be:

- a. notice shall be at least 30 days prior the general meeting, and
- b. the meeting shall be advertised separate from the members' monthly bill, and
- c. notice shall be delivered in the same manner that the member receives their monthly bill, and
- d. a minimum of a quarter page in size (4.25" x 5.5").
- e. Additionally, notice is also to be posted to the main page on the Phoenix Gas website page in a manner that is easily visible.
- f. The notice is to include:
 - i) the date of the meeting, and
 - ii) the location of the meeting, and

iii) the number of directors' positions and terms of the position that will be elected.

3.6 Any member who has paid all accounts rendered by the association when they became due, is eligible to attend the general meeting where elections take place and vote for a director of the board.

3.7 While there is no requirement to register in advance for a general meeting where elections will take place; membership will be confirmed using the associations register of members prior to permitting members to vote. Membership can be confirmed prior to the meeting by calling the association's head office.

3.8 Any member who has paid all accounts rendered by the association when they became due, is eligible to be nominated and elected to the board of directors.

3.9 Nominations for directors' positions must be received prior to the annual general meeting of the association, and said nomination shall close two (2) weeks before the meeting where the elections are to take place.

4 Board Term Limits

4.1 Directors are limited to fill three (3) consecutive three-year terms, for a total of nine (9) consecutive years as a director on the board.

4.2 Directors are limited to fill the chairman of the board position to three (3) consecutive one-year terms, for a total of three (3) consecutive years.

4.3 After a term limit is reached the individual must vacate the position for a minimum of one year.

5 Hiring Policy

5.1 The board will maintain a hiring policy that is available to the members upon request. The initial hiring policy will be presented at the time these supplemental by-laws are brought to the members for approval.

5.2 Any changes to the hiring policy are to be presented to the members at the next general meeting after the changes are made.

6 Grievance Committee

- 6.1 Members, staff and board members of the association are to have access to all board members' contact information and are encouraged to reach out to one or more of the board members and attempt to resolve concerns prior to utilizing the grievance committee.
- 6.2 A grievance committee will be made available to members of the association, staff of Phoenix Gas and board members. The grievance committee will comprise of two (2) members from the membership at large and either one (1) board member or one (1) independent consultant.
- 6.3 If a complaint is brought forward by a member of the association or a staff member and requests that it be brought to the grievance committee, the board will establish a committee within 30 days from when the request is received;
 - a. by appointing:
 - i) one (1) board member, and
 - ii) two (2) members from among the members of the association who do not sit on the board or work for Phoenix Gas.
 - b. the member bringing the complaint has the option to request a list of five (5) members in which they can choose two to sit on the committee.
- 6.4 If a complaint is brought forward by a board member and requests that it be brought to the grievance committee, the board will establish a committee within 30 days from when the request was received;
 - a. by appointing:
 - i) one (1) independent consultant; all cost associated with the independent consultant will be covered by Phoenix Gas, and
 - ii) two (2) members from among the members of the association who do not sit on the board or work for Phoenix Gas, and
 - b. both members from the association on the committee must approve of the independent consultant before the consultant is hired.
- 6.5 Members who are asked to sit on the grievance committee are permitted to decline the request, in which case alternative members will be asked to sit on the committee.

- 6.6 The board of directors have the option to hire an independent consultant to address member and employee concerns rather than appoint a board member.
- 6.7 Individuals are only to sit on a committee for one complaint. Once a committee has been utilized, a new committee will be established for future complaints.
- 6.8 When a complaint is brought forward, the board of directors will attempt to find members unfamiliar with the situation or the individuals involved in the complaint to sit on the committee. If possible, these members should be chosen not from the district that the complaint arises from.
- 6.9 Other than an independent consultant, committee members will be compensated at the same rate as board members are compensated for their duties.
- 6.10 The committee will report the summary of their findings, along with their decision and recommendations to the board.
- a. If a complaint originates from a board member, a summary report will be provided by the independent consultant in a form that can be presented to the members of the association:
 - i) the board will present the report at the next general meeting, and
 - ii) the board will make the report accessible to members upon request.
 - b. If a complaint originates from a member of the association or an employee of Phoenix Gas:
 - i) the board will report that there was a complaint filed at the next general meeting, and
 - ii) the board will report whether the recommended actions of the committee were followed.
- 6.11 Where the board of directors has decided not to follow the recommendations of the grievance committee, the individual initiating the complaint has the option to appeal the board's decision at the next general meeting of the association. The association may confirm the board's decision, or require the recommendations of the grievance committee be followed.