



Canadian Oil Heat Association – Ontario Chapter

Annual General Meeting Agenda

**White Oaks Conference Resort and Spa
Grand Event A
Niagara-on-the-Lake, Ontario
Wednesday, June 22, 2011**

Chair: Bob Rowe, President

- 3:00 p.m. Welcome and Opening Address
- General Annual Report
- Annual Report
 - Treasurer's Report
- 3:15 p.m. Motions
- Appointment of Auditors
- Presentation of New Executive Officers
- *President* – Kelly Jackson, Wardlaw Fuels
 - *Vice President* – Paul Murray, Ultramar Ltd.
 - *Secretary/Treasurer* – Rick Gosselin, Summeraire Mfg.
 - *Past President* – Bob Rowe
- 3:25 p.m. Other Business
- 3:30 p.m. Adjournment



**Canadian Oil Heat Association – Ontario Chapter
5th Annual General Meeting Minutes
Thursday, June 17, 2010, 2:45 p.m.
Delta Prince Edward, Charlottetown, PEI**

I. Call to Order

The 5th Annual General Meeting of Canadian Oil Heat Association Ontario Chapter was called to order by President Bob Rowe at 2:55 p.m.

Quorum was established.

2. Approval of Minutes of Meeting held May 28, 2009.

MOTION: Kelly Jackson
**That the minutes of the Annual General Meeting held
Thursday, May 28, 2009 be approved.**

SECONDER: Calvin Bell
CARRIED

3. Annual Report

3.1 Chairman's Report

President Bob Rowe reported that COHA Ontario Chapter had one of its busiest and most challenging seasons yet and that Chapter volunteers and staff continued to work hard on behalf of members on the following issues:

- Tank failures
- Regulations/lobbying
- Insurance/risk management/claims management/remediation
- Loss of market share/marketing
- Professional development

Bob Rowe advised that a complete Chapter Report was available in the AGM package distributed prior to the meeting for everyone's review.

3.2 Treasurer's Report

Treasurer Paul Murray presented the audited financial statements for fiscal year ending December 31, 2009.



Revenue:	\$177,498
Expenses:	\$178,673
Year-end Loss:	<\$1,175>
Year-end Reserve (Members' Equity)	\$367,577

MOTION: Brent Francis
That the Audited Financial Statement for fiscal year ending December 31, 2009 be accepted.

SECONDER: Chris Guy
CARRIED

4. Motions

4.1 Appointment of Auditors

MOTION: Kelly Jackson
That the firm of Gilmore & Co LLP of Mississauga, Ontario be appointed as auditors of COHA Ontario Chapter until the close of the next Annual General Meeting.

SECONDER: Calvin Bell
CARRIED

4.2 2010/2012 Board of Directors

Constance Wrigley-Thomas, Executive Director of COHA Ontario Chapter acknowledged the efforts of the 2008/2010 Board of Directors who consistently went above and beyond for the Chapter.

- Paul Murray - Ultramar Ltd.
- Jim Wood - McKeown & Wood Ltd.
- Kelly Jackson - Wardlaw Fuels
- Chris Guy - Guy Fuels Limited
- Steve MacDonnell - MacDonnell Fuels Ltd.
- Bob Rowe - Hensall District Co-Operative, Inc.
- Dave Frittenburg - John Ebos Fuels
- Kevin Dupuis - Kelly's Fuels
- Paul Kowalyk - McDougall Fuels

Constance Wrigley-Thomas then presented the names of the nominees for the 2010/2012 COHA Ontario Chapter Board of Directors:

1. Robert Fortin, MacEwan Petroleum Inc. (Independent Fuel Oil Distributor), Maxville, ON
2. David Frost, Bluewave Energy LP (Branded Distributor) Nepean, ON



3. Rick Gosselin, Summeraire Manufacturing (Equipment Manufacturer), Peterborough, ON
4. John Trozzo, SCM Risk Management Services Inc. (Non-Industry), Markham, ON
5. Bob Rowe, Hensall District Co-Operative, Inc. (Independent Fuel Oil Distributor-Retail), Hensall, ON
6. Kelly Jackson, Wardlaw Fuels (Independent Fuel Oil Distributor-Retail), Sault Ste. Marie, ON
7. Steve MacDonnell, MacDonnell Fuels Ltd. (Branded Distributor), Owen Sound, ON
8. Paul Murray - Ultramar Ltd. (Major Oil Company) Belleville ON
9. Jim Wood - McKeown & Wood Ltd. (Branded Distributor) Napanee ON
10. Chris Guy - Guy Fuels Limited (Independent Fuel Oil Distributor) Winchester ON
11. Kevin Dupuis - Kelly's Fuels (Independent Fuel Oil Distributor) Peterborough ON

A nomination was received from the floor. David Studholme, Sears Canada agreed to add his name to the slate for a total of 12 Board Directors.

Each of the candidates will serve a two year term as directors on the Board of Directors for COHA Ontario Chapter.

MOTION: Bob Parsons

That the Board of Directors for 2010/2012 be approved.

SECONDER: Calvin Bell

CARRIED

5. New Business

Lyne Erwin, Senior Vice President of Marsh Canada Limited provided a brief overview of the COHA Ontario Chapter Risk Management Program.

Highlights include:

- Program launched June 1st, 2009
- 13 Distributors Members have joined the Risk Management program for a total written premium of \$1,441,000
- 7 members are being quoted and another 42 have requested a quote closer to their renewal. Estimated additional premium \$1 million
- 6 contractors bound to date for a total written premium of \$60,000.
- Available Coverages
 - Property including tools – flexible limit options
 - Liability – 1 or 2 million limit options
 - Contractors Pollution Liability – 1 or 2 million limit options
 - Commercial Automobile



6. Adjournment

With no other business, the meeting was adjourned at 3:18 p.m.

Meeting Secretariat:

A handwritten signature in black ink, appearing to read "Constance Wrigley-Thomas".

Constance Wrigley-Thomas – COHA Ontario Chapter
July 10, 2010

COHA Ontario Chapter Annual Report - 2010

By Bob Rowe, President, COHA Ontario Chapter

Chapter Year in Review

TSSA/REGULATIONS

Government Relations

The TSSA/Regulations Committee Executive which includes Jim Wood (McKeown & Wood) and Darin Evoy (McDougall Energy) met regularly in 2010 to discuss a number of items including:

Code Clarifications:

The Committee identified code items that continue to be misinterpreted by TSSA inspectors. The goal was to bring these to TSSA's attention so that they could clarify them in writing and reduce confusion. This requires ongoing effort and vigilance by the Chapter to ensure that TSSA discharges their duties and responsibilities correctly.

Regulation 213/01:

COHA Ontario Chapter sought clarification in writing from TSSA on specific sections of this regulation that have not been consistently interpreted by inspectors across the province, and will be making recommendations for changes to the regulation. Like the code clarifications, this is ongoing.

TSSA Risk Reduction Group for the Ontario Fuel Oil Code (RRG):

While an RRG meeting wasn't held in 2010, COHA Ontario Chapter will attend future RRG meetings and will bring forward any suggestions for change to the Ontario Code.

Along with Bob Smith, Chair of the TSSA Liquid Fuels Council, Jim Wood was appointed to represent COHA Ontario Chapter on the Council. This will provide the Chapter with a strong voice with TSSA.

Grassroots Campaign

In 2010 the Ontario Chapter of the Canadian Oil Heat Association stepped up its lobbying efforts through meetings with politicians and bureaucrats at Queen's Park. The purpose of these meetings and communiqués was to discuss the negative impact that a specific section of Ontario Regulation (Fuel Oil) 213/01 is having on the oilheat industry throughout the province.

One of the main challenges facing oilheat distributors in Ontario is liability for leaks and spills – a situation not supported by the laws of the province. Because of current regulatory practices, oilheat distributors have de facto liability when accidents occur, even when those distributors have little or no control over the upkeep, inspection or safety of storage tanks and systems.

The Technical Standards and Safety Act (TSSA), 2000 puts the onus on the distributor to ensure that the tank and oilheat system are in compliance with all TSSA regulations before oil is delivered.

It is not only unreasonable but also impractical for oil suppliers to be held responsible, legally or otherwise, for ensuring tanks are well maintained and uncompromised. While oil suppliers routinely flag

tanks that have visible safety issues and subsequently halt oil delivery to these consumers, oil suppliers cannot ensure the safety of the entire system, at any time, without a thorough inspection.

Under current regulatory practice, however, oil distributors are being held legally responsible when spills or leaks occur. In close to 95 per cent of lawsuits related to spills or leaks the oil distributor is named, regardless of their culpability.

This has resulted in a number of legal actions. Nearly two-thirds of COHA Ontario members report they have been named in a claim for a fuel oil spill in the last three years – despite having no responsibility for causing the spill. Many members have been forced into multiple claims, with some facing as many as ten. The cost to these companies has been hundreds of thousands of dollars, including liabilities, deductibles, higher insurance premiums and administration costs.

Given the safety concerns of damaged or faulty oil heating tanks and systems, and the limitations of fuel suppliers to monitor the tanks, COHA Ontario believes that the only way to ensure the timely and proper inspection of oil heating systems is to put the responsibility on the owners of the oil heating systems – as is the case in most other jurisdictions.

Throughout 2010, members of the TSSA/Regulations Committee and COHA Ontario Chapter Staff either met or communicated with a number of Ontario Ministries.

During the week of November 8th, 2010, all COHA members in Ontario received a package via Canada Post from the Chapter which included a Grassroots Advocacy KIT created to let Ontario members participate in a group effort to convince elected officials at Queen's Park that current TSSA regulations must change.

The kit included easy step-by-step actions as well as the following:

- List of Ontario MPPs
- Template of Letter to MPP
- Group Petition Form
- Fax-back Participation Check List
- Position Paper
- Chapter President's Letter

The grassroots campaign was also supported by weekly teleconferences for members to ask questions and get direction for appropriate action. A large number of Chapter members became engaged in the campaign giving the COHA Ontario Chapter unprecedented access to political policy-makers.

Tank Study

In early 2010 COHA Ontario retained the University of Toronto to conduct a comprehensive study of steel storage tanks that covers five key areas:

1. Characterization of Field Failure Tank Samples
2. Tank Steel Characterization
3. Fuel Oil Characterization
4. Corrosion Testing
5. Microbial Analysis

Since the study launched in May 2010 the research team has focused its efforts on fuel oil characterization and microbial analysis and has engaged Ontario Chapter members' assistance in collecting fuel samples via easy-to-use test kits. In addition, a number of COHA members have given our study team access to both failed and non-failed tanks for analysis. It is great to see Chapter voluntarism in action!

A preliminary report on the tank study was presented at Education Day on October 6, 2010.

The study is expected to be completed by June 30, 2011 and will cost the Chapter \$172,500. Some funding may come from industry stakeholders but the Chapter will more than likely bear the bulk of the cost. A memorandum of understanding, which defines who owns the study and who will have access to the study has undergone a legal review and will be signed by study shareholders. Final study results will be presented at COHA Ontario Chapter's 2nd Annual Education Day on September 16, 2011 in Niagara Falls.

PROFESSIONAL DEVELOPMENT

COHA Ontario Chapter Education Day

The First Annual Education Day was held October 5/6 in The Village at Blue Mountain in Collingwood. Over 75 attendees and 10 exhibitors were in attendance.

Feedback from the event suggested that this was a very successful event of learning plus strategizing for the future. At the end of the open dialogue sessions, focused on critical issues facing the industry, the Ontario Chapter Board of Directors came away with actionable items and solutions to pursue in addition to the lobbying and research activities already underway.

The 2nd Annual Education Day event will be bigger and better and is scheduled for September 15/16, 2011 in Niagara Falls.

INSURANCE

COHA Ontario Chapter Risk Management and Insurance Program

Now in its fourth year, the COHA Ontario Group Risk Management and Insurance Program provides members with a low-cost, value-rich protection plan that has earned many accolades within the Canadian oilheat industry.

By the end of 2010 18 distributor and 12 service contractor members joined the program for a total annual premium of \$1,800,000. The program grew by 40% since the beginning of the year.

Why such outstanding growth?... for one, participating Fuel Distribution Companies and Contractors like the fact that this group plan also helps all other participating members. It's the only industry group program that works like a non-profit cooperative; the more members who join, the more resources that are directed back into the program to ensure long-term stability and affordable pricing for all.

Homeowner Insurance Companies

Throughout 2010, COHA Ontario Chapter heard from a number of COHA Ontario members who told the Chapter their residential heating oil customers are being hit with home insurance rate increases of 10 to 25%, or their insurance companies have decided not to renew policies for homes heated by oil. The insurers' rationale: rising claims costs.

COHA Ontario Chapter believes the reason claims costs are on the rise is twofold:

- Tank failures (i.e. less than 10 years old) due to internal corrosion/pinhole leaks. The causes of this are still unverified but currently are being researched by the Engineering Department of the University of Toronto as part of a comprehensive study by the Ontario Chapter of Canadian Oil Heat Association. We believe it is critical for COHA members to take immediate action to prevent or mitigate future spills through carefully implementing best practices which effectively manage risk. This will help members and their customers as well.

- Out of control cost overruns by remediation companies that go way beyond acceptable spill cleanup protocols. Some unethical operators use scare tactics to drag out the remediation process resulting in large sums unnecessarily paid out by homeowner insurance companies.

Clearly, homeowner insurance premium increases add a financial burden to residential heating oil customers. Tank failures and claims costs also threaten the survival of the oilheat industry; an industry which satisfies the home comfort needs of 276,000 families in the province and directly employs 7,500 Ontarians.

COHA Ontario Chapter believes working collaboratively with the insurance companies will help find solutions which will benefit all concerned stakeholders. The Chapter wrote letters to several insurance companies that provide insurance to Ontario homeowners asking them to consider other strategies and reverse their pricing policies.