

**ANNUAL GENERAL MEETING OF
B.C. FERRY AUTHORITY**

**ANNUAL PUBLIC MEETING OF
BRITISH COLUMBIA FERRY SERVICES INC.**

**THURSDAY, SEPTEMBER 13, 2007
4:00 p.m. – 6:20 p.m.**

**The Evergreen Theatre
(Powell River Recreation Complex)
5001 Joyce Street
Powell River, BC**

MINUTES

Mayor Stewart Alsgard, Moderator, welcomed those in attendance to the fourth Annual General Meeting of B.C. Ferry Authority ("Authority") and the fourth Annual Public Meeting of British Columbia Ferry Services Inc. ("Services" or the "Company"). Mayor Alsgard introduced Elizabeth J. Harrison, Chair of the Board of Directors of both the Authority and Services, and David L. Hahn, President & Chief Executive Officer and Robert P. Clarke, Executive Vice President & Chief Financial Officer, both from Services.

Mayor Alsgard noted some general guidelines for the conduct of the meeting and reviewed the agenda for the proceedings.

Disclaimer

A caution regarding forward looking statements was provided to the meeting.

Chair's Report

Ms. Harrison welcomed the group and, as Chair of the proceedings, called the joint meetings to order. As the first order of business, she tabled the following documents as required for the Authority under the *Coastal Ferry Act* and as required for Services under the Coastal Ferry Services Contract:

B.C. Ferry Authority:

- the annual report, including the audited financial statements for its fiscal year ended March 31, 2007.

British Columbia Ferry Services Inc.:

- the annual report, including the audited financial statements for its fiscal year ended March 31, 2007;
- the annual report to the British Columbia Ferries Commissioner (Commissioner), pursuant to Section 66 of the *Coastal Ferry Act*, for the fiscal year ended March 31, 2007; and
- the business plan for 2007/08.

Ms. Harrison introduced the members of the Boards of Directors of the Authority and Services. She noted the passing of Director G. Raymond (Ray) Whitehead on June 11, 2007, and acknowledged his contributions and dedication to the Company. Ms. Harrison then offered her opening remarks to the meeting, including a description of the role of the Commissioner and a description of the high standards of accountability that must be met by Services.

Ms. Harrison confirmed the Company's continued commitment to safety as its number one priority. She also noted as priorities, the investment in and renewal of the Company's assets and infrastructure, and its employees.

President's Report

Mr. Hahn provided a report on the accomplishments of the Company during the past year, and noted the various initiatives and opportunities that are either currently underway or that will be addressed in the future. He gave an overview of the fleet and reported on traffic levels compared to the previous year. He noted the Company's focus and commitment to safety, as well as to security. He addressed customer satisfaction, including the improved travel experience. He noted the Company's investment and role in the coastal communities, and the relations with its employees and stakeholders. Mr. Hahn also addressed issues respecting the cost of fuel and the fuel reduction plan, as well as the initiatives that are underway respecting the alternative service provider's process, and noted the Company's environmental commitment.

Mr. Hahn reported on the Company's terminal investment program, including the upgrading of marine structures and terminal improvements that have been carried out over the past year. He also reported on the Company's vessel investment program, including vessel upgrades and refits that have been carried out over the past year, and noted upcoming projects. He also provided an overview of the Company's vessel replacement plan for the next 15 years and, in particular, advised of the seven new vessels that will be entering the fleet over the next three years.

Financial Report 2006/07

Mr. Clarke provided an overview of the 2006/07 fiscal year financial results and capital expenditure program for the Company.

Open Dialogue

A question and answer session ensued. This session was facilitated by the Moderator, with questions being directed to the Chair of the Board of Directors of both the Authority and Services, and to the President & Chief Executive Officer and the Executive Vice President & Chief Financial Officer of Services.

Closing Remarks

Ms. Harrison closed the Annual General Meeting of the Authority and the Annual Public Meeting of Services at 6:20 p.m.



Elizabeth J. Harrison, Q.C.
Chair
B.C. Ferry Authority
British Columbia Ferry Services Inc.