

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

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

**TUESDAY, SEPTEMBER 20, 2005
4:00 p.m. – 6:30 p.m.**

**Kay Meek Centre
1700 Mathers Avenue
West Vancouver, BC**

MINUTES

Kevin Evans, Moderator, welcomed those in attendance to the second Annual General Meeting of B.C. Ferry Authority ("Authority") and the second Annual Public Meeting of British Columbia Ferry Services Inc. ("Services"). Mr. Evans 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, Finance & Chief Financial Officer, both from Services.

Mr. Evans 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.

Video Presentation

A video presentation was provided, showing highlights from the past year for Services.

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, 2005.

British Columbia Ferry Services Inc.:

- the annual report, including the audited financial statements for its fiscal year ended March 31, 2005;
- the annual report to the British Columbia Ferries Commissioner, pursuant to Section 66 of the *Coastal Ferry Act*, for the fiscal year ended March 31, 2005; and
- the business plan for 2005/06.

Ms. Harrison introduced the members of the Boards of Directors of the Authority and Services. Ms. Harrison then offered her opening remarks to the meeting, including a description of the role of the British Columbia Ferries Commissioner and a description of the high standards of accountability that must be met by Services.

President's Report

Mr. Hahn provided a report on the accomplishments of Services during the past year and various initiatives that are underway. He addressed customer satisfaction, including the improved travel experience, the new construction and vessel upgrade programs, as well as the terminal revitalization programs. He noted the Company's commitment to safety and security, and the relations with its employees and stakeholders. Mr. Hahn also addressed issues respecting the service integrator model, the impact on the organization of the rising cost of fuel, and reported on the recent Queen of Oak Bay incident at Horseshoe Bay. Mr. Hahn also spoke of the Company's priorities for the next ten years.

During his address to the meeting, Mr. Hahn reported that a letter of intent had been signed with Vancouver Shipyards of the Washington Marine Group regarding construction of an intermediate-size vessel to replace the 45-year-old Queen of Tsawwassen. As well, he advised that the Company would likely need to apply to the British Columbia Ferries Commissioner to implement a second fuel surcharge if world fuel prices continued at the current levels.

Financial Report 2004/05

Mr. Clarke provided an overview of the financial results of Services for the 2004/05 fiscal year and capital expenditure program of the Company.

Open Dialogue

A lengthy 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 & CEO and the Executive Vice President, Finance & CFO, of Services.

Closing Remarks

Ms. Harrison closed the Annual General Meeting of the Authority and the Annual Public Meeting of Services at 6:30 p.m.

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