



City of Hamilton
**SPECIAL HAMILTON UTILITIES CORPORATION SHAREHOLDER
 REPORT 18-001**

5:31 p.m.

Council Chambers, Hamilton City Hall, 71 Main Street West

Present: Mayor F. Eisenberger (Chair), Deputy Mayor A. Johnson
 Councillors T. Whitehead, D. Skelly, T. Jackson, C. Collins, S. Merulla,
 J. Farr, D. Conley, M. Pearson, B. Johnson, L. Ferguson, A. VanderBeek,
 J. Partridge

**Absent with
 Regrets:** Councillors R. Pasuta, M. Green – Personal

**THE HAMILTON UTILITIES CORPORATION SHAREHOLDER PRESENTS REPORT
 18-001 AND RESPECTFULLY RECOMMENDS:**

1. **Proposed Guelph Municipal Holdings Inc. and Guelph Hydro Electric Systems Inc. / Alectra and Alectra Utilities Corporation Merger (FCS18018/LS18003) (Item 11.4)**
 - (a) That the City of Hamilton approve the new Alectra Shareholders' Agreement presented by Alectra in connection with the merger of Guelph Municipal Holdings Inc. ("GMHI") and Guelph Hydro Electric Systems Inc. ("GHESI")/ Alectra Inc. ("Alectra") and Alectra Utilities Corporation ("AUC") (the "Transaction" in the form of the resolution attached as Appendix "A" to Report 18-001; and,
 - (b) That Report FCS18018/LS18003, respecting the Proposed Guelph Municipal Holdings Inc. and Guelph Hydro Electric Systems Inc. / Alectra and Alectra Utilities Corporation Merger, remain confidential.

FOR THE INFORMATION OF THE SHAREHOLDER:

(a) CHANGES TO THE AGENDA (Item 1)

The Committee Clerk advised of the following changes to the agenda:

7.1 Consideration of Item 7.1 will need to be deferred until after completion of the Closed Session portion of the meeting, as the final resolution will be dependent on the outcome of those discussions.

Item 7.1 was subsequently removed from the agenda, as it was addressed through Item 11.4.

7.2 Proposed Guelph Municipal Holdings Inc. and Guelph Hydro Electric Systems Inc. / Alectra and Alectra Utilities Corporation Merger (FCS18018/LS18003) is a Confidential report and has been moved to Item 11.4 on today's agenda.

The agenda for the January 17, 2018 Special Hamilton Utilities Corporation Shareholder meeting was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

(i) November 22, 2016 (Item 3.1)

The Minutes of the November 22, 2016 Hamilton Utilities Corporation Shareholder were approved, as presented.

(d) PRIVATE & CONFIDENTIAL (Item 11)

The Hamilton Utilities Corporation Shareholder moved into Closed Session to discuss Items 11.1, 11.2, 11.3 and 11.4.

(i) Hamilton Utilities Corporation Board of Directors Presentation respecting the Proposed Merger of Guelph Municipal Holdings Inc. and Guelph Hydro Electrical Systems Inc. with Alectra and Alectra Utilities Corporation (Item 11.1)

The presentation provided in Closed Session, respecting the Hamilton Utilities Corporation Board of Directors Presentation respecting the Proposed Merger of Guelph Municipal Holdings Inc. and Guelph Hydro Electrical Systems Inc. with Alectra and Alectra Utilities Corporation, was received.

(ii) Presentation by WeirFoulds LLP respecting the Proposed Merger of Guelph Municipal Holdings Inc. and Guelph Hydro Electrical Systems Inc. with Alectra and Alectra Utilities Corporation (Item 11.2)

The presentation provided in Closed Session, by WeirFoulds LLP respecting the Proposed Merger of Guelph Municipal Holdings Inc. and Guelph Hydro Electrical Systems Inc. with Alectra and Alectra Utilities Corporation, was received.

(iii) Presentation by Karen Taylor, Independent Financial Advisor, respecting the Proposed Merger of Guelph Municipal Holdings Inc. and Guelph Hydro Electrical Systems Inc. with Alectra and Alectra Utilities Corporation (Item 11.3)

The presentation provided in Closed Session, by Karen Taylor, Independent Financial Advisor, respecting the Proposed Merger of Guelph Municipal Holdings Inc. and Guelph Hydro Electrical Systems Inc. with Alectra and Alectra Utilities Corporation, was received.

(e) ADJOURNMENT (Item 7)

There being no further business, the Hamilton Utilities Corporation Shareholders meeting adjourned at 6:32 p.m.

Respectfully submitted,

Mayor Fred Eisenberger

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk

RESOLUTION OF THE CITY OF HAMILTON
Re: Project Mercury

WHEREAS Hamilton Utilities Corporation, the Municipality’s subsidiary (the “**Subsidiary**”) and the City of Hamilton (the “**Municipality**”) are parties to the Unanimous Shareholders Agreement for Alectra Inc. (“**Alectra**”) dated January 31, 2017 (the “**Current Alectra Shareholder Agreement**”);

AND WHEREAS the Board of Directors of the Subsidiary has approved the purchase by Alectra of all of the issued and outstanding shares of Guelph Hydro Electric Systems Inc. (“**GHESI**”) from Guelph Municipal Holdings Inc. (“**GMHI**”) in consideration for the issuance to GMHI of Class G Common Shares in the capital of Alectra, and the amalgamation of Alectra Utilities Corporation (“**AUC**”) with GHESI, both of which at such time will be wholly-owned subsidiaries of Alectra, under Section 174 of the *Business Corporations Act* (Ontario), to continue as one local distribution company to be called Alectra Utilities Corporation, all conditional upon the completion of a merger participation agreement to be entered into between Alectra, AUC, GHESI and GMHI, in accordance with the conditions set out therein;

AND WHEREAS it is desirable to amend the Current Alectra Shareholder Agreement to add GMHI and the Corporation of the City of Guelph as parties thereto (the “**New Alectra Shareholder Agreement**”);

AND WHEREAS the form of New Alectra Shareholder Agreement has been provided to the Municipality;

AND WHEREAS management of Alectra and staff of AUC, and their advisors, have provided a review of the key aspects of the New Alectra Shareholder Agreement;

NOW THEREFORE IT IS RESOLVED THAT:

1. The Municipality authorizes and approves the New Alectra Shareholder Agreement, substantially in accordance with the form presented to the Municipality, subject to any non-material modifications or amendments as approved by the President & CEO and General Counsel & Secretary of Alectra and authorizes the Municipality to enter into and deliver the New Alectra Shareholder Agreement in a form satisfactory to the President & CEO and General Counsel & Secretary, and to perform, observe and comply with its obligations under such Agreement;
2. The Mayor and City Clerk of the Municipality are hereby authorized and directed to execute and deliver the New Alectra Shareholder Agreement in accordance with the foregoing resolutions; and
3. The Mayor and City Clerk of the Municipality are hereby authorized and directed to sign and/or dispatch and deliver all other documents, notices, articles, certificates to

be signed and/or dispatched or delivered under or in connection with the New Alectra Shareholder Agreement or to take any action deemed necessary in respect of any of the foregoing.

4. That the Mayor, on behalf of the Hamilton Utilities Corporation Shareholder, request that Alectra include the acquisition of Hydro One customers within the municipal boundaries of the City of Hamilton as a priority in its ongoing Strategic Plan;
5. That Alectra, subject to the completion of the Transaction, be requested to mitigate the forecast reduction in dividends to the City of Hamilton in 2019 and 2020.

DATED as of this 17th day of January, 2018.

City of Hamilton

Fred Eisenberger
President

Rose Caterini
Secretary