



THE CORPORATION OF
HALDIMAND COUNTY
SPECIAL COUNCIL
MINUTES

DATE: June 10, 2014

TIME: 6:00 p.m.

PLACE: Cayuga Municipal Administration Building, Council Chambers

PRESENT:

Council	K. Hewitt	Mayor
	L. Bartlett	Councillor
	F. Morison	Councillor
	C. Grice	Councillor
	T. Dalimonte	Councillor
	R. Shirton	Councillor
	L. Boyko	Councillor
SMT	D. Boyle	Chief Administrative Officer
	H. Hanly	General Manager, Community Services
	C. Manley	General Manager, Planning & Economic Development
Clerk	J. Shaw	Deputy Clerk

CALL TO ORDER

Mayor Hewitt called the Council meeting to order.

ROLL CALL

The Mayor and all Members of Council were in attendance.

DISCLOSURES OF PECUNIARY INTEREST

None.

CLOSED SESSION

Resolution 117-14

Moved By: Councillor Shirton
Seconded By: Councillor Bartlett

THAT pursuant to Section 239 of the *Municipal Act*, as amended, Council convene in a meeting at 6:05 p.m. closed to the public, to discuss:

- the security of the property of the municipality or local board
 1. Update on legal review of Share Purchase Agreement for the sale of Haldimand County Utilities Inc. to Hydro One

CARRIED (Unanimously 7-0)

Resolution 118-14

Moved By: Councillor Bartlett
Seconded By: Councillor Morison

THAT this closed meeting now adjourn at 6:54 p.m. and reconvene in open session.

CARRIED (Unanimously 7-0)

Resolution 119-14

Moved By: Councillor Boyko
Seconded By: Councillor Morison

WHEREAS The Corporation of Haldimand County (the "Corporation") is the Shareholder of Haldimand County Utilities Inc. ("HCUI");

AND WHEREAS the Corporation considers the sale of all shares of HCUI to be financially beneficial when a reasonable offer (when compared to the County's current financial situation relative to the Sole Shareholder's Agreement) is received;

AND WHEREAS an offer of purchase from Hydro One Networks Inc. was received and subsequent to financial analysis based on sound financial principles, the offer was deemed to be reasonable that included the following:

- Hydro One will apply to the Ontario Energy Board to reduce the electricity distribution rate for Haldimand County Utilities Inc. customers by 1% and freeze that rate for five years.
- All Haldimand County Utilities Inc. employees will transfer to Hydro One after the sale and continue to have jobs.
- Hydro One will build a new satellite operations centre in Dunnville as it restructures its regional operations. In addition Hydro One will bring approximately 30 jobs to the County as it consolidates operations in the area.
- Hydro One has been a good corporate citizen and will continue to support a wide array of community events and organizations in the County.

- The total value of the deal is \$75.0 million. Hydro One will pay Haldimand County approximately \$65.2 million net after assuming Haldimand County Utilities Inc.'s existing net debt.
- Hydro One will establish an Advisory Committee, including representatives of Council, to monitor and provide input about customer service and other matters. Hydro One has agreed to maintain customer service and reliability standards consistent with Haldimand County Utilities Inc.'s past performance.

AND WHEREAS The Corporation desires to approve the sale of all of the issued and outstanding shares of HCUI (the "Shares") to 1908872 Ontario Inc., a subsidiary Hydro One Inc., (the "Transaction"), substantially on the terms and conditions of the Share Purchase Agreement between the Corporation ("the Vendor"), 1908872 Ontario Inc. ("the Purchaser") and Hydro One Inc. ("the Indemintor");

AND WHEREAS the Transaction is subject to approval by the Ontario Energy Board pursuant to section 86 of the *Ontario Energy Board Act*, 1998, as amended, and the Ontario Energy Board's requirements for Mergers, Acquisitions, Amalgamations and Divestitures in the Ontario Electricity Transmission and Distribution Section ("MAADs") necessitating an application to the Ontario Energy Board (the "MAADs Application");

NOW THEREFORE BE IT RESOLVED THAT

1. The Corporation is authorized to sell the Shares for the consideration and substantially on the terms and conditions of the Share Purchase Agreement;
2. The Corporation authorizes the County Solicitor to prepare and submit the MAADs Application to the Ontario Energy Board;
3. The Share Purchase Agreement is approved as containing a correct statement of the terms and conditions on which the sale of the Shares are to be made and of the respective rights and obligations of the Corporation and Hydro One under the Share Purchase Agreement and the Mayor and Clerk are authorized to execute and deliver the Share Purchase Agreement and MAADs Application on behalf of the County, and any additions and amendments to the Share Purchase Agreement as the County Solicitor may approve and deem necessary, the execution and delivery of the Share Purchase Agreement and MAADs Application by the Mayor being conclusive evidence of such approval; and
4. The Mayor and Clerk are authorized and directed to take all such action as may be necessary or advisable to complete the Transaction and/or MAADs Application including, but not limited to, the execution and delivery of such ancillary agreements, documents, letters, certificates, writings and receipts as in the option of the County Solicitor may be necessary or desirable to complete the Transaction and/or MAADs application.
5. A by-law authorizing the Mayor and Clerk to execute the Share Purchase Agreement be presented to Council for enactment.

CARRIED (Unanimously 7-0)

UNFINISHED BUSINESS

SHARE PURCHASE AGREEMENT FOR THE SALE OF HALDIMAND COUNTY UTILITIES INC. TO HYDRO ONE

Resolution 120-14

Moved By: Councillor Grice
Seconded By: Councillor Boyko

THAT the working documents Re: Share Purchase Agreement for the sale of Haldimand County Utilities Inc. to Hydro One be received as information and remain confidential.

CARRIED (Unanimously 7-0)

BY-LAWS

1. By-law 1452/14 to authorize the execution of a Share Purchase Agreement with a Subsidiary of Hydro One Inc. and all related actions to effect the transaction

Resolution 121-14

Moved By: Councillor Shirton
Seconded By: Councillor Bartlett

THAT By-law 1, as tabled, be hereby introduced and given a first and second reading.

CARRIED (Unanimously 7-0)

Resolution 122-14

Moved By: Councillor Boyko
Seconded By: Councillor Morison

THAT By-law 1, as tabled, be hereby introduced and given a third and final reading, be signed by the Mayor and the Clerk, the corporate seal affixed thereto and numbered.

CARRIED (Unanimously 7-0)

CONFIRMING BY-LAW

Resolution 123-14

Moved By: Councillor Dalimonte
Seconded By: Councillor Boyko

THAT the Confirming By-law be hereby introduced and given a first and second reading.

CARRIED (Unanimously 7-0)

Resolution 124-14

Moved By: Councillor Grice
Seconded By: Councillor Morison

THAT the Confirming By-law be hereby introduced and given a third and final reading, be signed by the Mayor and the Clerk, the corporate seal affixed thereto and numbered.

CARRIED (Unanimously 7-0)

ADJOURNMENT

Resolution 125-14

Moved By: Councillor Bartlett
Seconded By: Councillor Boyko

THAT this meeting is now adjourned at 7:08 p.m.

CARRIED (Unanimously 7-0)

MAYOR

DEPUTY CLERK