

Present: Mayor Mitchell
Councillor Drumm
Councillor Emm
Councillor Gleed
Councillor Leahy
Councillor Mulcahy
Councillor Roy
Councillor Yamada

Also Present: M. Gaskell, Chief Administrative Officer
W. Mar, Commissioner of Legal and By-law Services/Town Solicitor
K. Nix, Commissioner of Corporate Services/Treasurer
C. Siopis, Manager of Corporate Communications
C. Harris, Town Clerk
S. Cassel, Deputy Clerk (Recording Secretary)

Regrets: None noted

1. Declarations of Pecuniary Interest

- 1.1 Councillor Emm made a declaration of pecuniary interest under the Municipal Conflict of Interest Act regarding all matters pertaining to Whitby Hydro Energy Corporation as he has a family member that sits on the Whitby Hydro Board. Councillor Emm left the meeting room for the duration of the meeting.

2. Presentations

- 2.1 John Sanderson, President and Chief Executive Officer, Whitby Hydro Energy Corporation
Re: Update on Whitby Hydro Energy Corporation

John Sanderson, President and Chief Executive Officer, Whitby Hydro Energy Corporation (WHEC), and P. McNeil, Chair, Whitby Hydro Energy Board appeared before Council and provided an update on WHEC. Highlights of the presentation included:

- an overview of the 2017 financial performance including the

- consolidated net earnings and consolidated retained earnings;
- conservation demand management programs administered by the Independent Electric System Operator (IESO);
- an overview of the major construction projects in 2017, relocation works and completion of annual maintenance programs;
- an overview of the annual customer outage hours and the increase in new service connections;
- peak system load and demand and the transformer station capacities;
- 2018 initiatives for major constructions, capital works program, Ontario Energy Board regulatory activity, community sponsorships as well as various education opportunities;
- an overview of the work completed to date on the merger discussions with Veridian; and,
- payments to the Shareholder in 2017.

A question and answer period ensued between Members of Council, Mr. Sanderson and Mr. McNeil regarding:

- the overall financial performance and position of Whitby Hydro and the comparison of Whitby Hydro's rates with that of other local distributors;
- the financial forecast and position heading into the merger and how these numbers compared to those included in the merger business plan proposal; and,
- the impacts of the merger on current Whitby Hydro employees and how the Human Resources aspects have been handled thus far.

3. Delegations

3.1 There were no delegations.

4. Items for Consideration

4.1 Audited Financial Statement and Auditor's Report, Whitby Hydro Energy Corporation (Consolidated) and Whitby Hydro Electric Corporation for the period ending December 31, 2017

Resolution # 217-18

Moved By Councillor Leahy
Seconded By Councillor Glead

That the Audited Financial Statements and Auditor's Report for Whitby

Hydro Energy Corporation (Consolidated) and Whitby Hydro Electric Corporation for the period ending December 31, 2017 be received for information.

Carried

4.2 Appointment of Auditor for External Audit Services

Resolution # 218-18

Moved By Councillor Roy
Seconded By Councillor Leahy

That KPMG be appointed as auditor for Whitby Hydro for the 2018 fiscal year end audit as recommended by the Board of Directors of Whitby Hydro Energy Corporation.

Carried

4.3 Office of the Chief Administrative Officer, Corporate Services
Department and Legal and By-law Services Department Joint Report
CAO 14-18
Re: Proposed Merger of Whitby Hydro and Veridian

Detailed discussion ensued regarding:

- potential merger partner being identified through a sole source and the long term impacts of this decision on taxpayers;
- the future of energy distribution in Ontario under the new Premier Elect and whether Whitby Hydro should be retained in light of the uncertainty of the new government regime;
- the variances in the number of customers between Veridian Connections and Alectra Utilities and consideration of what the Town's position could be as a Shareholder within each of these companies;
- the return on the investment to the taxpayer in the merging of Whitby Hydro with Veridian and the actual cost savings on residents' electric bills;
- the future branding of the newly merged company and the process surrounding the search for the new executive leadership team;
- the future of utility companies should the Province mandate amalgamations and the associated impacts on the Town's asset should this occur;
- the process undertaken thus far including the peer and

independent reviews of the merger business case and the anticipated result of creating a stronger entity that will put the Town in a better position;

- the number of mergers that have been reviewed, recommended and implemented by Navigant Consulting and/or KPMG;
- the impacts to services for customers post merger and the ability to provide better customer response under the newly merged company; and,
- the need to ensure that the public understands the utility will continue to be municipally owned by the five participating bodies and the need to ensure the appropriate communication efforts are made to relay this messaging.

Resolution # 219-18

Moved By Councillor Leahy

Seconded By Councillor Gleed

1. That Council approve the merger of Whitby Hydro and Veridian;
2. That Council pass the by-law included in the Special Council meeting agenda in order to approve the proposed amalgamations between: (a) Veridian Corporation and Whitby Hydro Energy Corporation and (b) Veridian Connections Inc. and Whitby Hydro Electric Corporation; and
3. That the Mayor and Clerk are hereby authorized to execute all documents and agreements as are required to implement the proposed amalgamations, and to give effect to the Merger Participation Agreement and Shareholders' Agreement in substantially the same form as provided to Council under separate cover, on such terms as are acceptable to the Chief Administrative Officer, the Treasurer, and the Town Solicitor.

Carried on a recorded vote as follows:

	For	Against	Abstained
Councillor Joe Drumm		x	
Councillor Derrick Gleed	x		
Councillor Chris Leahy	x		
Councillor Rhonda Mulcahy	x		
Councillor Elizabeth Roy	x		
Councillor Steve Yamada	x		
Mayor Don Mitchell	x		
	6	1	0

5. By-Laws

That the following by-law be passed:

- 5.1** By-law # 7418-18, being a by-law to give effect to the proposed amalgamations between: (a) Veridian Corporation and Whitby Hydro Energy Corporation; and (b) Veridian Connections Inc. and Whitby Hydro Electric Corporation.

Resolution # 220-18

Moved By Councillor Leahy

Seconded By Councillor Yamada

That leave be granted to introduce By-law # 7418-18 and to dispense with the reading of the by-law by the Clerk and that the same be considered read and passed and that the Mayor and the Clerk sign the same and the Seal of the Corporation be thereto affixed.

Carried

6. Confirmatory By-law

- 6.1** Confirmatory By-law

Resolution # 221-18

Moved By Councillor Yamada

Seconded By Councillor Mulcahy

That leave be granted to introduce a by-law and to dispense with the reading of the by-law by the Clerk to confirm the proceedings of the Council of the Town of Whitby at its special meeting held on June 25, 2018 and the same be considered read and passed and the Mayor and Clerk sign the same and the Seal of the Corporation be thereto affixed.

Carried

7. Adjournment

- 7.1** Motion to Adjourn

Moved By Councillor Gleed

Seconded By Councillor Yamada

That the meeting adjourn.

Carried

The meeting adjourned at 6:26 p.m.

Christopher Harris, Town Clerk

Don Mitchell, Mayor