

Date: May 4, 2021

To: Chair and Members of General Committee

From: Andra L. Maxwell B.A., LL.B., CIC.C, City Solicitor

Originator's files:

Meeting date:
May 26, 2021

Subject

Enersource Corporation – Shareholders Resolution in Lieu of Annual General Meeting and Approval of Alectra Resolutions

Recommendation

1. That the financial statements of Enersource Corporation, as contained in the report from the Acting Commissioner of Corporate Services and Chief Financial Officer dated May 4, 2021 entitled “Enersource Corporation – 2020 Audited Financial Statements,” be approved in lieu of an Annual General Meeting.
2. That the Mayor and City Clerk be authorized to execute the Alectra Resolutions attached as Appendices 1 and 2 to the report from the City Solicitor entitled “Enersource Corporation – Shareholders Resolution in Lieu of Annual General Meeting and Approval of Alectra Resolutions” dated May 12, 2021, confirming the directors of Alectra, appointing its auditor and acknowledging receipt of the financial statements and annual report of Alectra for the financial year ended December 31, 2020.

Background

On January 31, 2017 Enersource, Horizon Utilities and PowerStream merged, creating Alectra Inc. which subsequently acquired Brampton Hydro and, most recently, Guelph Hydro. The City of Mississauga continues to hold 90% of the shares in the repurposed Enersource Corporation. The sole business of Enersource Corporation is the management of the Alectra shareholding.

Comments

The shareholders' agreement in place between the City of Mississauga, BPC Energy Corporation and Enersource Corporation dated January 31, 2017 requires the audited annual financial statements to be delivered to the shareholders of Enersource on an annual basis. This is the subject of a separate report. It is a common approach to waive the Annual General Meeting (“AGM”) when there are no substantive matters requiring shareholder action and this has been the practice of Enersource Corporation for several years. Other than waiving the

AGM, approving the Alectra resolutions and being updated on proposed amendments to the Alectra Unanimous Shareholders' Agreement, which is the subject of a separate report from the Acting Commissioner of Corporate Services and CFO, there are no other Enersource matters for the City to consider at this time.

The directors of Enersource Corporation have received notice of the Annual General Meeting of Alectra Inc. to be held on Friday, June 11, 2021. The shareholders of Alectra have been asked to approve a resolution confirming the board of directors of Alectra, appointing KPMG as auditors of Alectra, and acknowledging receipt of the financial statements and annual report for Alectra for the year ended December 31, 2020.

The Ontario *Business Corporations Act* authorizes shareholders of a corporation to pass a shareholders' resolution in lieu of holding an annual general meeting. The Board of Directors of Enersource is recommending that the City and Borealis exercise this option under the Shareholders' Agreement.

Financial Impact

N/A

Conclusion

This report recommends waiving the Annual General Meeting of Enersource Corporation and seeks authority to execute the required resolutions to confirm the directors of Alectra, appoint KPMG LLP as its auditor and acknowledge receipt of the financial statements and annual report of Alectra for the financial year ended December 31, 2020.

Attachments

Appendix 1: Council of the City of Mississauga Resolution respecting Alectra Inc.

Appendix 2: Resolution of the Shareholders of Enersource Corporation respecting Alectra Inc.

Appendix 3: Resolution of the Directors of Enersource Corporation respecting Alectra Inc. – For Information only



Andra L. Maxwell B.A., LL.B., CIC.C, City Solicitor