

HYDRO VAUGHAN DISTRIBUTION INC., HYDRO VAUGHAN HOLDINGS INC. & HYDRO VAUGHAN ENERGY CORPORATION

Recommendation

The City Solicitor, in consultation with the Vice President of Corporate Services & Secretary of Hydro Vaughan Distribution Inc., recommends:

1. That the attached Special Resolution of the Shareholder of Hydro Vaughan Distribution Inc., Hydro Vaughan Holdings Inc. and Hydro Vaughan Energy Corporation to increase the number of the Board of Directors for each Corporation from 8 to 9 and to establish a quorum of the majority of such number, be executed; and,
2. That the attached Resolution of the Shareholder of Hydro Vaughan Distribution Inc., Hydro Vaughan Holdings Inc. and Hydro Vaughan Energy Corporation to remove Gino Rosati from the Boards of Directors, effective November 30, 2003, and to appoint Councillors Tony Carella, Peter Meffe and Sandra Yeung Racco to the Board of Directors as of December 1, 2003, be executed by the City as sole shareholder.

Purpose

The purpose of this report is to implement the Council direction that the Boards of Directors of the three Vaughan Hydro Corporations be composed of the members of Council. Accordingly, it is necessary to remove Councillor Gino Rosati from the Boards of Directors of the Corporations as a result of him not being returned as a Councillor in the recent election; to appoint the newly elected Councillors as Directors; and to also pass a Special Resolution of the Shareholder increasing the number of Directors to nine (9), from the present number of eight (8).

Background - Analysis and Options

It is recommended that the attached two (2) Shareholder's Resolutions be passed by each Corporation to remove Mr. Rosati from the Boards of Directors on the date that he ceased to be a member of Council and to appoint the newly elected members of Council as Directors.

It is further recommended that the attached Special Resolution for each Corporation increasing the number of Directors to nine (9), from the present number of eight (8), be passed.

Attachments

1. (i) Special Resolution of the Sole Shareholder of Hydro Vaughan Distribution Inc.
(ii) Special Resolution of the Sole Shareholder of Hydro Vaughan Holdings Inc.
(iii) Special Resolution of the Sole Shareholder of Hydro Vaughan Energy Corporation
2. (i) Resolution of the Sole Shareholder of Hydro Vaughan Distribution Inc.
(ii) Resolution of the Sole Shareholder of Hydro Vaughan Holdings Inc.
(iii) Resolution of the Sole Shareholder of Hydro Vaughan Energy Corporation

Report prepared by:

Robert J. Swayze

Respectfully submitted,

Robert J. Swayze
Commissioner of Legal & Administrative Services
City Solicitor

SPECIAL RESOLUTIONS OF THE SHAREHOLDER

OF

HYDRO VAUGHAN ENERGY CORPORATION

(the "Corporation")

FIXING NUMBER OF DIRECTORS

RESOLVED as a special resolution that the number of directors of the Corporation be revised from 8 to 9 and that a quorum be established as a majority of such number.

ELECTION OF ADDITIONAL DIRECTORS

RESOLVED that the following additional persons are elected directors of the Corporation until the next annual meeting of shareholders or until their respective successors are elected or appointed:

Tony Carella
Peter Meffe
Sandra Yeung Racco

CONFIRMATION OF DIRECTORS

RESOLVED that the following persons are confirmed as the directors of the Corporation until the next annual meeting of shareholders or until their respective successors are elected or appointed:

Michael Di Biase
Mario Ferri
Linda Jackson
Joyce Frustaglio
Peter Meffe
Tony Carella
Bernie DiVona
Sandra Yeung Racco
Susan Kadis

The foregoing resolutions are signed by the sole shareholder of the Corporation.

DATED this day of , 2003.

THE CORPORATION OF THE CITY OF VAUGHAN

Per: _____
John D. Leach, Clerk

SPECIAL RESOLUTIONS OF THE SHAREHOLDER

OF

HYDRO VAUGHAN HOLDINGS INC.

(the "Corporation")

FIXING NUMBER OF DIRECTORS

RESOLVED as a special resolution that the number of directors of the Corporation be revised from 8 to 9 and that a quorum be established as a majority of such number.

ELECTION OF ADDITIONAL DIRECTORS

RESOLVED that the following additional persons are elected directors of the Corporation until the next annual meeting of shareholders or until their respective successors are elected or appointed:

Tony Carella
Peter Meffe
Sandra Yeung Racco

CONFIRMATION OF DIRECTORS

RESOLVED that the following persons are confirmed as the directors of the Corporation until the next annual meeting of shareholders or until their respective successors are elected or appointed:

Michael Di Biase
Mario Ferri
Linda Jackson
Joyce Frustaglio
Peter Meffe
Tony Carella
Bernie DiVona
Sandra Yeung Racco
Susan Kadis

The foregoing resolutions are signed by the sole shareholder of the Corporation.

DATED this day of , 2003.

THE CORPORATION OF THE CITY OF VAUGHAN

Per: _____
John D. Leach, Clerk

SPECIAL RESOLUTIONS OF THE SHAREHOLDER

OF

HYDRO VAUGHAN DISTRIBUTION INC.

(the "Corporation")

FIXING NUMBER OF DIRECTORS

RESOLVED as a special resolution that the number of directors of the Corporation be revised from 8 to 9 and that a quorum be established as a majority of such number.

ELECTION OF ADDITIONAL DIRECTORS

RESOLVED that the following additional persons are elected directors of the Corporation until the next annual meeting of shareholders or until their respective successors are elected or appointed:

Tony Carella
Peter Meffe
Sandra Yeung Racco

CONFIRMATION OF DIRECTORS

RESOLVED that the following persons are confirmed as the directors of the Corporation until the next annual meeting of shareholders or until their respective successors are elected or appointed:

Michael Di Biase
Mario Ferri
Linda Jackson
Joyce Frustaglio
Peter Meffe
Tony Carella
Bernie DiVona
Sandra Yeung Racco
Susan Kadis

The foregoing resolutions are signed by the sole shareholder of the Corporation.

DATED this day of , 2003.

THE CORPORATION OF THE CITY OF VAUGHAN

Per: _____
John D. Leach, Clerk

RESOLUTION OF THE SOLE SHAREHOLDER
HYDRO VAUGHAN DISTRIBUTION INC.

RESOLVED THAT Gino Rosati be removed from the Board of Directors of the Corporation effective November 30, 2003, and,

THAT Tony Carella, Peter Meffe and Sandra Yeung Racco be appointed as Directors of the Corporation as of December 1, 2003.

The foregoing is hereby consented to by the Sole Shareholder of the Corporation pursuant to the provisions of the *Business Corporations Act*.

Dated this day of December, 2003.

THE CORPORATION OF THE
CITY OF VAUGHAN

John D. Leach

RESOLUTION OF THE SOLE SHAREHOLDER

HYDRO VAUGHAN HOLDINGS INC.

RESOLVED THAT Gino Rosati be removed from the Board of Directors of the Corporation effective November 30, 2003, and,

THAT Tony Carella, Peter Meffe and Sandra Yeung Racco be appointed as Directors of the Corporation as of December 1, 2003.

The foregoing is hereby consented to by the Sole Shareholder of the Corporation pursuant to the provisions of the *Business Corporations Act*.

Dated this day of December, 2003.

THE CORPORATION OF THE
CITY OF VAUGHAN

John D. Leach

RESOLUTION OF THE SOLE SHAREHOLDER
HYDRO VAUGHAN ENERGY CORPORATION

RESOLVED THAT Gino Rosati be removed from the Board of Directors of the Corporation effective November 30, 2003, and

THAT Tony Carella, Peter Meffe and Sandra Yeung Racco be appointed as Directors of the Corporation as of December 1, 2003.

The foregoing is hereby consented to by the Sole Shareholder of the Corporation pursuant to the provisions of the *Business Corporations Act*.

Dated this day of December, 2003.

THE CORPORATION OF THE
CITY OF VAUGHAN

John D. Leach