



FOUNDATION DOCUMENT PART I: THE 2012 SALE OF COLLUS SHARES

Chapter 1: The Town of Collingwood: Roles Responsibilities and Relationships in 2012

**Commissioner: The Honourable Frank N. Marrocco, Associate Chief
Justice, Superior Court of Justice, Ontario**

Please note that the statements in this Foundation Document have not been tested for the truth of their contents. The contents may be tested, challenged, supplemented, proven false, or discredited through the evidence called and the submissions made at the Inquiry. It will be for the Commissioner to consider all the evidence before ascribing any weight to anything contained in the Foundation Document.

Chapter 1 The Town of Collingwood: Roles, Responsibilities and Relationships in 2010

8. The Town of Collingwood was incorporated on January 1, 1858 and is located in Simcoe County on the shores of Georgian Bay. Between 1991 and 2011, Collingwood had a 33.8% increase in the size of its population, which was close to the average Ontario population increase during the same period. In 2016, Collingwood had a population of 20,102.

Simcoe County Website Article re Collingwood Sesquicentennial, [CJI0008925](#)

Town of Collingwood Community Profile, 2015, [CJI0008926, p 6](#)

Town of Collingwood Community Profile, undated, [TOC0403589, p 4](#)

Assessment of the Town of Collingwood's Financial Health, BMA Management Consulting Inc, January 2014. [TOC0414463, p 5](#)

Collingwood, Ontario 2016 Census Profile, [CJI0008924, p 1](#)

1.1 The Town Council and the Municipal Act

9. The Town of Collingwood is governed by an elected council, with elections held every four years.
10. The events that are the subject of this inquiry happened during the 2010-2014 council term. On October 25, 2010, a council election was held. Sandra Cooper was elected Mayor of the Town of Collingwood. Rick Lloyd was elected Deputy Mayor.

[Summary Document 1-1, Town of Collingwood Council 2010-2014](#)

11. The roles and responsibilities of Ontario's municipal councils, heads of council, local boards and municipal employees are set out in the *Municipal Act*. This legislation applied to the councillors of Collingwood.

Municipal Act, S.O. 2001, c. 25, [CJI0008523](#)

12. During the events that are the subject of this inquiry, Collingwood councillors were also bound by the *Municipal Conflict of Interest Act*. Under the *Municipal Conflict of Interest Act*, members of a municipal council were considered to have an indirect pecuniary interest in a given matter that came before Council if they:
- a. “[were] a shareholder in, or a director or senior officer of, a [private corporation] ...that [had] a pecuniary interest in the matter”;
 - b. “[had] a controlling interest in or [were] a director or senior officer of, a [public corporation] ...that [had] a pecuniary interest in the matter”;
 - c. “[were] a member of a body that [had] a pecuniary interest in the matter” or;
 - d. “[were] the partner of a person or...in the employment of a person that [had] a pecuniary interest in the matter”

Municipal Conflict of Interest Act, Historical version for the period July 1, 2010 to December 4, 2016, s 1-2, [CJI0009666](#)

13. Further, for the purposes of the *Municipal Conflict of Interest Act*, “the pecuniary interest, direct or indirect, of a parent or the spouse or any child of the member [was], if known to the member...deemed to be also the pecuniary interest of the member.”

Municipal Conflict of Interest Act, Historical version for the period July 1, 2010 to December 4, 2016, s 3, [CJI0009666](#)

14. Councillors that had a direct or indirect pecuniary interest in a matter as defined by the *Municipal Conflict of Interest Act* were required by the Act to:
- a. Disclose their interest in the matter before the matter was considered by Council;
 - b. Not take part in any discussions, votes or questions regarding the matter; and
 - c. Not attempt to influence councillors’ votes on the matter before, during or after relevant meetings.

Municipal Conflict of Interest Act, Historical version for the period July 1, 2010 to December 4, 2016, s 5, [CJ10009666](#)

15. If a matter was being considered at a closed meeting, the *Municipal Conflict of Interest Act* also required councillors with a pecuniary interest to leave the room for the part of the meeting during which the matter was discussed.

Municipal Conflict of Interest Act, Historical version for the period July 1, 2010 to December 4, 2016, s 5, [CJ10009666](#)

16. These requirements did not apply to any pecuniary interest that a councillor had “by reason only of the member being a director or senior officer of a corporation incorporated for the purpose of carrying on business for and on behalf of the municipality or local board or by reason only of the member being a member of a board, commission, or other body as an appointee of a council or local board.”

Municipal Conflict of Interest Act, Historical version for the period July 1, 2010 to December 4, 2016, s 4(h), [CJ10009666](#)

17. The senior administrator responsible for municipal services and staff is known as the Chief Administrative Officer or “CAO.” At the start of the 2010-2014 term of council, the CAO for the Town of Collingwood was Kim Wingrove. Ms. Wingrove reported to Council through the Office of the Mayor, Sandra Cooper.

Municipal Act, S.O. 2001, c. 25, [CJ10008523](#)

Town of Collingwood organizational chart, November 2010, [CJ10009087](#)

Executive Search document for CAO Wingrove, April 2009, [TOC0512154](#)

18. On November 25 and 26, 2010, Council received an orientation session from CAO Kim Wingrove. The presentation covered various health and safety matters, building security, municipal facilities and emergency procedures. Council members were advised that they had no expectation of privacy in the use of Town communications systems as these were part of the business records of the Town of Collingwood and were subject to inspection, review or disclosure without prior notice, for any business purpose or as required by law.

Town of Collingwood CAO to Council Orientation, November 25 and 26th 2010, [CJI0009073](#)

19. On January 6 and 7, 2011, a second Council orientation session was held at Collingwood Town Hall. John Mascarin and Leo Longo of the law firm Aird & Berlis gave slide presentations on municipal Law, defamation, and the *Municipal Conflict of Interest Act*.

2010 Council Orientation Itinerary, January 6 and 7, 2011, [CJI0009072](#)

Aird & Berlis Slides, Municipal Law, January 6, 2011, [CJI0009081](#)

Aird & Berlis Slides, Defamation, January 7, 2011, [CJI0009075](#)

Aird & Berlis Slides, Municipal Conflict of Interest Act, January 7, 2011, [CJI0009080](#)

20. The Town had a procurement policy in the form of By-law 2006-42. The By-law provided procedures for the Town for: establishing price ranges for purchases, tenders, quotes, establishing inventories, executing purchases, determining levels of approval for purchases, procurement or appointment of professional services and disposal of surplus goods.

By-law No. 2006-42, Town of Collingwood, 2006, [TOC0517154](#)

21. Under the *Municipal Act*, a municipal Clerk is responsible for keeping records of meetings, votes, minutes, by-laws and related records. The agendas, materials and minutes of Council meetings are to be made public, unless they fall under the exceptions in the *Municipal Act*. Sara Almas, the current Clerk for the Town of Collingwood, held the position of Clerk during the 2010-2014 council term. Ms. Almas is not a lawyer.

Municipal Act, S.O. 2001, c. 25, Part VI, Municipal Organization and Administration, [CJI0008523](#)

22. In 2010, the *Municipal Act* had provisions that permitted municipalities to establish Codes of Conduct for Councillors, and to appoint an Integrity Commissioner to conduct inquiries into breaches of those Codes of Conduct.

Municipal Act, S.O. 2001, c. 25, [CJI0008523](#), s. 223.2 and 223.3(1)

23. On April 27, 2009, Clerk Sara Almas brought a staff report to Council recommending that it establish an *ad hoc* committee to review the Collingwood Councillor Code of Ethics and consider replacing it with a Code of Conduct. Council voted to accept the Clerk’s recommendation.

Staff Report, Code of Ethics Review, April 27, 2009, [CJI0009231](#)

24. In 2010, the Town of Collingwood did not have a Code of Conduct or an Integrity Commissioner.

Municipal Act, S.O. 2001, c. 25, [CJI0008523](#)

Staff Report, Code of Ethics Review, April 27, 2009, [CJI0009231](#)

1.2 The Town of Collingwood Code of Ethics for Members of Council

25. On May 15, 2006, Collingwood Council approved a Code of Ethics for Members of Council. The Code of Ethics was in place during the 2010-2014 Collingwood Council term and stated: “...this document will provide a guideline for elected officials in exercising their **policy making** role having regard to the statements and ideals enunciated hereunder” [emphasis in original]. The Code included provisions regarding confidential information, treatment of staff, gifts, use of Town property, transparency, and roles.

Staff Report, Code of Ethics Review, April 27, 2009, [CJI0009231, p 1](#)

Code of Ethics, December 6, 2010, [TOC0534828](#)

26. The Preamble to the Code of Ethics began by stating that “[a]ttaining an elected position within one’s community is a privilege which carries significant responsibilities and obligations.” The Preamble also stated that members of Council should carry out their duties in a “fair, impartial, transparent and professional manner.”

Code of Ethics, December 6, 2010, [TOC0534828](#)

27. Following the preamble, the Code of Ethics provided that:

The Town of Collingwood’s Members of Council fundamentally understand that;

- a. the proper operation of democratic and representative municipal government requires that they be independent, impartial and responsible to the people,
- b. there are open and proper channels for decision making and approval of policy,
- c. conflicts between the private interests of elected representatives and their public responsibilities represent an ethical challenge to maintaining an open, accountable and transparent process;
- d. as leaders of the community, they are held to a higher standard of behaviour and conduct.

Code of Ethics, December 6, 2010, [TOC0534828](#)

28. The version of the Code of Ethics in place during the 2010 – 2014 Council term prohibited members from accepting any gift that could be construed as having been given to a member of Council in exchange for special treatment. Members were also not to accept gifts with a value higher than \$500 without approval from Council, nor to accept gifts related to accommodation and transportation with a value over \$200. The Code of Ethics that was in place during the 2010-2014 Council term did not address lobbying activity.

Code of Ethics, December 6, 2010, [TOC0534828](#)

29. All members of the Council of 2010-2014 signed the Code of Ethics on December 6, 2010. The signature lines appeared under the following statement:

Council of the Corporation of the Town of Collingwood have read the information attached hereto in its entirety and hereby acknowledge and accept the Code of Ethics for Members of Council.

Code of Ethics, December 6, 2010, [TOC0534828](#)

1.3 The Mayor of Collingwood, Sandra Cooper, and Paul Bonwick

30. Sandra Cooper was the Mayor of Collingwood for the 2010 – 2014 term.

[Summary Document 1-1, Town of Collingwood Council 2010-2014](#)

31. During the 2010 election, Mayor Sandra Cooper campaigned in part on a platform of reducing the Town's spending and decreasing its debt. Prior to her election as Mayor,

Sandra Cooper served as a Councillor (from 1997-2003), and then Deputy Mayor (from 2003-2010). Mayor Cooper's brother, Paul Bonwick, was a member of Council from 1994 to 1997. He also served as a member of the parliament of Canada from 1997 until 2004.

Campaign Flyer, Sandra Cooper, Election of 2010, [SCO0000203](#)

Council Agenda, Draft Street Naming Policy, March 17, 2014, p. 58, [CJI0008249](#)

https://lop.parl.ca/sites/ParlInfo/default/en_CA/People/Profile?personId=9469#municipal, [CJI0009230](#)

32. In an email which he addressed to his "Little Sister," Paul Bonwick helped Mayor Cooper write her inaugural speech.

Email from Paul Bonwick to Mayor Cooper, December 4, 2010, [TOC0034211](#) (email) and [TOC0034212](#) (attachment)

33. Mr. Bonwick also provided Mayor Cooper advice early in her term to help her "build support" and on how she could "look good." Examples of his advice are set out in the next three paragraphs.

Email chain including a third party, Paul Bonwick, and Sandra Cooper, December 14, 2011, [TOC0035308](#)

Email chain including Chris Carrier, Paul Bonwick, and Sandra Cooper, April 26, 2011, [TOC0045876](#)

34. On February 25, 2011 Mr. Bonwick wrote an email on the subject, "Bulldog" to Mayor Cooper as follows: "cut cut cut...strong leadership." Mayor Cooper responded to her brother's message with thanks.

Email chain including Paul Bonwick and Sandra Cooper, February 25, 2011, [TOC0040529](#)

35. On March 3, during a budget meeting, Mr. Bonwick wrote to advise Mayor Cooper to "push hard woman...1% reduction and you will be a hero...do not take no for an answer...make a clear and hard statement."

Email chain including Sandra Cooper and Paul Bonwick, March 3, 2011, [TOC0041369](#)

36. In the lead-up to Council budget deliberations in 2011, Mr. Bonwick suggested to Mayor Cooper that cutting spending would show strong leadership on her part. His email set out the following “[i]deas”:

- Eliminate several positions in by-law department
- Cut the Economic Development Budget by 250K
- Cut Museum budget by 150K
- Tell CAO you want a 1% reduction!
- Differ capital projects if possible.

Mr. Bonwick also provided Mayor Cooper with draft remarks for the budget meeting. The remarks included praise for budget Chair and Deputy Mayor Rick Lloyd, and the following statement: “[o]ur Commercial and Industrial businesses have struggled to simply survive, if ever the time is now to offer a helping hand.” The draft remarks concluded as follows:

Let’s send a message that we are open for business and sympathetic to the difficult time many people in our community are facing. I for one want to see our staff go back to the drawing board and present this Council with a reduction in spending. Not more and not status qoe!

Email from Paul Bonwick to Sandra Cooper, March 4, 2011, [TOC0041595](#) (email) and [TOC0041596](#) (attachment)

37. In 2010, Paul Bonwick and his company, Compenso Communications Inc. (“Compenso”), were in the business of government relations. Mr. Bonwick was a registered lobbyist.

Articles of Incorporation, Compenso Communications Inc., June 2004, [CJI0007702](#), [CJI0007704](#)

Email from Paul Bonwick to Brian Bentz, February 18, 2011, [ALE0000074](#)

Letter from PowerStream to Paul Bonwick, June 1, 2011, [ALE0000160](#)

Email from Sarah Griffiths to John Glicksman, May 2, 2012, [ALE0032392](#)

1.4 The Deputy Mayor of Collingwood, Rick Lloyd, and Paul Bonwick

38. Rick Lloyd was the Deputy Mayor of Collingwood for the 2010 – 2014 Council term.

[Summary Document 1-1, Town of Collingwood Council 2010-2014](#)

39. Paul Bonwick and Deputy Mayor Lloyd were former business associates. They worked together from 2008 to 2009 in a gravel pit business (Blue Mountain Aggregates, formerly Eden Oak) purchased by Mr. Bonwick. Deputy Mayor Lloyd worked in the day-to-day operation of the gravel pit. Several Lloyd family members were on the payroll of Mr. Bonwick's company, Compenso, during the period of 2008-2009.

Affidavit of Paul Bonwick and Exhibit "F" with Gravel Pit Payroll records, Exhibit "G" with business records for Gravel Pit addressed to Rick Lloyd, March 4, 2010, [CJI0007718](#) (Affidavit), [CJI0007718.0006](#) (Payroll records), [CJI0007718.0007](#) (Business records)

40. By the start of the 2010 council term, Mr. Bonwick was being sued by Di Poce Management Ltd., and was the subject of bankruptcy proceedings which continued until 2013. On April 3, 2011, Mr. Bonwick introduced Deputy Mayor Lloyd to his lawyer as the former Director of Operations for Blue Mountain Aggregates and as a potential candidate to swear an affidavit. Deputy Mayor Lloyd was copied on that email. All matters in the litigation were settled in 2013.

Statement of Claim, Di Poce Management Limited v. Paul Bonwick, Court File No. CV-09-003572, March 26, 2009, [CJI0007713](#)

Order for Summary Judgment, Di Poce Management Limited v. Paul Bonwick, Court File No. CV-09-00375267, June 24, 2009, [CJI0008814](#)

Order, Court File No. CV-09-387737, Di Poce Management Limited v. Edward Paul Bonwick a.k.a. Paul Bonwick and Sandra Bonwick, [CJI0008815](#)

Affidavit of Paul Bonwick and Exhibit "F" with Gravel Pit Payroll records, Exhibit "G" with business records for Gravel Pit addressed to Rick Lloyd, March 4, 2010, [CJI0007718](#) (Affidavit), [CJI0007718.0006](#) (Payroll records), and [CJI0007718.0007](#) (Business records)

Application for Bankruptcy Order Re: Paul Bonwick, Court File No. 31-OR-207756-7, July 4, 2010, [CJI0007720](#)

Notice of Dispute of Bankruptcy Re: Paul Bonwick, Court File No. 31-OR-207756-7, September 2, 2010, [CJI0007723](#)

Full and Final Release, Litigation Actions, Injunction, 68 Lockhart Road, Bankruptcy Application among De Poce management Limited, Paul Bonwick et al, November 28, 2012, [CJI0008817](#)

Order of Dismissal, In the Matter of the Bankruptcy of Paul Bonwick, Court File No. 31-OR-207756-T January 14, 2013, [CJI0008813](#)

Satisfaction Piece for Order of Justice Strathy, Court File No. CV-09-375267, June 24, 2009, De Poce Management Limited and Paul Bonwick, March 15, 2013, [CJI0007719](#)

Email from Paul Bonwick to Rick Lloyd and Paul Shaw, April 3, 2011, [TOC0044222](#)

1.5 Councillor Ian Chadwick, Paul Bonwick, and Compenso Communications

41. Ian Chadwick was a member of Council for the 2010 – 2014 term.

[Summary Document 1-1, Town of Collingwood Council 2010-2014](#)

42. Councillor Chadwick provided services to Paul Bonwick's company, Compenso, during the 2010-2014 term of Council. In April of 2011, Compenso paid Councillor Chadwick \$2625 for services provided. Starting in July of 2011, Councillor Chadwick provided Compenso with monthly research services and summaries of news about the electricity sector. Compenso paid Councillor Chadwick \$700.00 per month for this work. At times, Mr. Chadwick provided other services for Compenso, for which Compenso paid him additional fees. These activities are described in greater detail in Summary Document 1-5

Invoice from Ian Chadwick to Compenso Communications Inc, August 12, 2011, [CJI0000704](#)

Compenso Communications Inc, Transactions by Account Report, 2011, [CJI0007733](#)

Invoice from Ian Chadwick to Compenso Communications Inc, September 2, 2011, [CJI0000729](#)

Invoice from Ian Chadwick to Compenso Communications Inc, August 12, 2011, [CJI0000704](#)

[Summary Document 1-5: Councillor Chadwick's Services to Compenso: 2011 – 2014](#)

43. Various unsigned independent contractor agreements between Councillor Chadwick and Compenso contemplated a one-year contract in which Councillor Chadwick would provide services to Compenso at a rate of \$37.50 per hour. The term in the agreement was between March 1, 2011 and March 1, 2012. In one iteration of the agreement, Mr. Chadwick was required to communicate only with Mr. Bonwick for all matters related to the agreement whereas, in other versions, Mr. Chadwick was to communicate with another specific individual. Some versions of the agreement required Mr. Chadwick to complete his work in Compenso's offices, while others permitted Mr. Chadwick to carry out his work at home.

Unsigned agreement between Ian Chadwick and Compenso Communications Inc., March 1, 2011, [CJI0000026](#)

Unsigned agreement between Ian Chadwick and Compenso Communications Inc., March 1, 2011, [CJI0000027](#)

Unsigned agreement between Ian Chadwick and Compenso Communications Inc., March 1, 2011, [CJI0000060](#)

44. As discussed in more detail below in section 7.12 and in Summary Document 1-5, Councillor Chadwick worked for Paul Bonwick and Compenso for the period between August 2011 and December 2013. Compenso paid Councillor Chadwick a total of \$24,475 for his work. Compenso's last payment to Councillor Chadwick was on December 23, 2013.

[Summary Document 1-5: Councillor Chadwick's Services to Compenso: 2011 – 2014](#)

1.6 Collingwood Electricity Distribution: Structure and Relationships 2000-2010

45. Before the share sale of 2012, which is a subject of this inquiry, the Town of Collingwood was the sole shareholder of Collus (the Collingwood Utilities Services Corporation, also referred to as COLLUS). Collus was a holding company. It owned three subsidiary companies:
- a. Collus Power: a licensed electricity distribution company known as an LDC or local distribution company. Collus Power was regulated by the Ontario Energy Board;
 - b. Collus Solutions: a corporation that provided services to Collus Power, the Collingwood Public Utilities Services Board (the municipal services board responsible for drinking water, also referred to as the CPUSB), and the Town; and
 - c. Collus Energy: an inactive corporation.

2010 Schematic of Collus Companies, the Town and CPUSB, [CBB0000155](#)

OEB decision, EB-2009-0220, March 31, 2010, [KPM0000633](#)

Collus Power Corp Request for Proposal – Strategic Partnership, October 4, 2011, [CPS0006891](#)

46. Collus, and each of its subsidiary companies had a Board of Directors. Each of those Boards included Council representatives.

2010 Schematic of Collus Companies, the Town and CPUSB, [CBB0000155](#)

OEB decision, EB-2009-0220, March 31, 2010, [KPM0000633](#)

47. In June 2006, Collus implemented a policy to regulate the company's purchase of goods and services. Under the policy, the purchase price for goods or services were to be determined as follows:

Up to \$1,500 - For any purchases other than those items contained in a Standing Purchase Order, when the amount is less than \$1,500, the Buyer making the purchase shall obtain verbal quotations from more than one supplier, or, they may purchase directly from catalogues, suppliers' lists or through negotiations, upon assuring themselves that all prices offered are fair and equitable;

\$1,500 to \$50,000 - For all purchases, when the amount is between \$1,500 and \$50,000, an Inquiry for written Quotation shall be issued on Prescribed Forms;

[O]ver \$50,000 - By Tender on Prescribed Forms;

Collus Policy to Provide for the Purchase of Goods and Services, undated, [CPS0011290 0001](#), s 3

48. Further, purchases made by Collus were subject to approval requirements that varied based on the value of a given purchase:

[U]p to \$ 5,000 - By any Buyer or Department Head;

[U]p to \$25,000 - By any Department Head; and

[O]ver \$25,000 - By Department Head and the Chief Executive Officer or Chief Financial Officer as evidenced by the passing the current years budget."

Collus Policy to Provide for the Purchase of Goods and Services, undated, [CPS0011290 0001](#), s 5

49. The policy also described the procedures by which purchases, tendering and the procurement of professional services were to be carried out.

Collus Policy to Provide for the Purchase of Goods and Services, undated, [CPS0011290 0001](#), s 6-8, Appendix A

1.7 History of the Collus Companies

50. The *Electricity Act*, passed by the Ontario Legislature in 1999, required local public electric utilities to be constituted as business corporations under the *Ontario Business Corporations Act*. In 1999, the Collingwood Public Utilities Commission received advice during its corporate transition from accounting firm KPMG (Klynveld Peat Marwick Goerdeler) partners John Herhalt and Jonathan Erling, and from the law firm Power Budd. Mr. Herhalt, Mr. Erling and Peter Budd presented at a strategic planning session for the Collingwood Public Utilities Commission in 1999. On March 27, 2000, the Town passed a by-law approving the incorporation of Collus and its subsidiary companies: Collus Power, Collus Solutions and Collus Energy.

Strategic Planning Session, August 28, 1999, [KPM0000447](#)

Minutes of Council approving By-law 02-22, March 27, 2000, [TOC0516736](#)

51. Collus was a member of the Cornerstone Hydro Electric Concepts Association group (CHEC), a group of 12 utilities that shared resources.

Email from Daniel Miller to Brian Bentz, John Glicksman, Mark Henderson, Dennis Nolan and John McNeil, September 27, 2011, [ALE0000440](#)

52. The CPUSB was created by by-law on February 16, 2004. Relevant services agreements were amended on November 4, 2004 to correspond to the new name for the Public Utilities Commission, the CPUSB.

Original Shared Services Agreement, January 1, 2003, [TOC0515233](#)

By-law 04-29, February 16, 2004, [TOC0517827](#)

Amending Agreement, November 4, 2004, [TOC0515234](#)

1.8 The Town of Collingwood's Shareholder Direction to Collus

53. When the Collus companies were created in 2000, Council passed a Shareholder Direction to govern the relationships between the Town and the Collus companies. The Shareholder Direction, amongst other things, recognized the primacy of the Ontario Energy Board, or the "Regulator", on matters of decision-making and policy. The Shareholder Direction provided, amongst other things, that,

The Shareholder's objective in its relationship with the Corporation and the Electricity Business is that the Board supervise the management of the business and affairs of the Corporation in a manner that:

- (a) ensures that the value of the Corporation and the Subsidiaries is maintained or increased;
- (b) protects the investment of the Shareholder by managing the exposure of the Corporation to risks inherent to the Electricity Business through the development of a strategic planning process and risk management strategy;
- (c) provides the Shareholder with its desired rate of return on its investment as permitted by the OEB;
- (d) provides adequate reporting to the Shareholder;
- (e) establishes and maintains appropriate financial and capital structures for the Corporation and the Subsidiaries giving due consideration to the rate of return permitted by the OEB; and
- (f) provides energy services in an environmentally responsible manner.

Collus Shareholder Direction, October 25, 2000, [TOC0080015, s. 2.2](#)

54. The Shareholder Direction required that the Shareholder and the directors and officers of Collus ensure that, "no confidential information of the Shareholder, the Corporation or any Subsidiary [was] disclosed or otherwise made available to any Person..." with the exception of disclosure as necessary to perform duties and obligations under the Shareholder Direction, or as required in judicial proceedings or pursuant to law, or where the confidential information become part of the public domain.

Collus Shareholder Direction, October 25, 2000, [TOC0080015, s. 2.2](#)

55. The Shareholder Direction of 2000 required the Corporations to report to the Town annually on:

- (a) The strategic direction and any new business initiatives which the Corporations will undertake;
- (b) An operating and capital expenditure budget for the next fiscal year and an operating and capital expenditure projection for each of the two fiscal years thereafter, including the resources necessary to implement the draft business plan;
- (c) Pro forma consolidated Financial Statements for each fiscal year, including projected dividend payments to the Shareholder;
- (d) An acquisition budget setting forth the nature and type of capital expenditures proposed to be made in the following fiscal year, supported by explanations, notes and information upon which the budget was based;
- (e) Energy conservation programs and environmental plans;
- (f) Any material variances in the projected ability of any business activity to meet or continue to meet the financial objectives of the Shareholder; and
- (g) Any material variances from the Business Plan then in effect.

Collus Shareholder Direction, October 25, 2000, [TOC0080015, s. 2.2](#)

1.9 The Collus/CPUSB/Town Service Agreements

56. A series of service agreements governed the arrangements between Collus, Collus Power, Collus Solutions, the CPUSB, and the Town. These services included:

- a. Combined billing for power, water and wastewater charges;
- b. The Town providing space to Collus, for which it received annual rental payments; and
- c. Collus Solutions providing information technology (IT) services to the Collus entities, the Town and the CPUSB. Collus charged the Town for these services.

In addition to these services, work done by Collus employees on Town matters was shown on Collus's financial reports and statements as "in kind" benefits (dividends) to the Town.

2010 Schematic of Collus Companies, the Town and CPUSB, [CBB0000155](#)

Report to Council on 2011 budget and in-kind services, 2002-2010, [CPS0007390 0001](#)

1.10 The Promissory Note to the Town and Collus' Financial Objectives in 2010

57. On June 10, 2002, Collus Power issued a promissory note to the Town. The promissory note provided that Collus Power would pay the Town \$1,710,169.00 at the Town's demand. Collus made annual interest payments on the note to the Town at an interest rate of 7.25%. The promissory note was still in place at the time of the 2010 council election.

Promissory Note to Town of Collingwood, June 10, 2002, [CBB0000159](#)

58. Collus presented its financial statements for 2009 to Council during an *in camera* (closed) session in June of 2010. In its capital disclosures to Council for the year ending 2009, the financial statements included the following statement:

The company's main objectives when managing capital are to:

- (a) Ensure ongoing access to funds that will allow the ongoing operation of the service company.
- (b) Ensure ongoing access to funding to maintain and improve the electricity distribution system and to ensure that capital needs are met.
- (c) Ensure compliance with covenants related to its credit facilities and the Town of Collingwood promissory note.
- (d) Ensure that the capital structure is such that the debt to equity structure deemed by the OEB is not exceeded.

Collingwood Utility Services Corp. Consolidated Financial Statements, December 31, 2009, [TOC0043451 at p 13](#)

Council in-camera agenda, June 28, 2010, [TOC0512274](#)

1.11 Ed Houghton: Dual Roles with Collus and the Town of Collingwood

59. In 2010, Ed Houghton was the President and CEO for Collus and its three subsidiaries, and the Executive Director of Engineering and Public Works for the Town of Collingwood.

Ed Houghton Curricula Vitae, [CPS0011080 00001](#)

60. In his role as President and CEO of Collus and its subsidiaries, Ed Houghton reported to the Boards of Directors of those corporations. The Collus and Collus Power Boards were chaired by Dean Muncaster, who also chaired the Board of the CPUSB. The Collus Solutions Board was chaired by Joan Pajunen, and the Collus Energy Board was chaired by Doug Garbutt. All electricity and water employees reported to Ed Houghton through the Director of Operations and IT services, Larry Irwin. Collus Solutions paid the salaries of Mr. Houghton and Mr. Irwin.

Collus Organization Chart, [CBB0000155](#)

Staff Report, September 12, 2006, [ARB0000228 at p 4](#)

[Collus Employee Organization Chart, 2012, CPS0011299 0001](#)

61. Based on internal PowerStream memos and employment contracts, some information about Mr. Houghton’s annual salaries and bonuses while working for Collus – and later Collus PowerStream – is detailed in the table below:

Year	Salary	Hourly rate	Bonus	Car allowance
2008			\$10,000	
2009	\$207,193.77	\$99.61		
2010	\$213,409.58	\$102.60	\$15,000	
2011	\$218,744.82	\$105.17	\$15,000	
2012		\$107.79	\$34,000	\$1,000 / month
2013*		\$110.49	\$24,200	
2014	\$8,850 bi-weekly			\$1,000 / month
2015	\$6,805 bi-weekly			\$1,000 / month
2016	\$6,975 bi-weekly			\$1,000 / month

*Between September 5, 2013 and April 3, 2014, Mr. Houghton's bi-weekly salary increased by \$3,125.00 as compared to the previous year's salary.

Memoranda related to Ed Houghton's salary, 2008-2013, [CPS0011289_0001, p 1-9.](#)

Ed Houghton employment contracts with Collus-PowerStream, [CPS0011289_0001, p 1-9.-21.](#)

62. Expenses incurred by Mr. Houghton in his role as President and CEO of Collus required the approval of the chair of the Collus Board of Directors.

Collus expense approval document, undated, [CPS0011291_0001](#)

63. In his role as the Executive Director of Engineering and Public Works for the Town, Ed Houghton was responsible for the oversight of roads, maintenance, storm water management, the airport, public transit, and capital budgets. In this Department Head position, Mr. Houghton attended meetings of Town Department Heads, which were overseen by the CAO. Town staff who reported to Mr. Houghton as Director of Engineering and Public Works included the Manager of Public Works, the Manager of Engineering, and an Administrative Assistant. The Director of Engineering and Public Works position description in 2010 required the holder of the position to be a professional engineer, with a P. Eng. designation. Mr. Houghton held a diploma from Fanshawe College in civil engineering technology.

Curricula Vitae, Ed Houghton, [TOC0033720](#)

Position Description, Town of Collingwood, Director, Engineering and Public Works, December of Public Works and Engineering, December 14, 2004, [CJI0009078](#)

Revised Position Description, Town of Collingwood, Director, Public Works and Engineering, revised version, November 12, 2013, [CJI0009077](#)

Town of Collingwood organizational chart, November 2011, [CJI0009084](#)

Email to Town Department Heads with Agenda and Minutes, September 18, 2009, [TOC0015300](#) (email) and [TOC0015301](#) (attachment)

64. Between 2000 and 2013, Ed Houghton listed his Town position on his resume as "Executive Director, Town of Collingwood." Council Minutes describe Mr. Houghton as

“Executive Director, Public Works”. The Town of Collingwood organizational chart for 2011 identified a position of “Executive Director, Public Works (Collus)”. Other department heads on the organizational chart were referred to as directors.

Email from Ed Houghton to Paul Bonwick, November 23, 2010, [TOC0033719](#) (email) and [TOC0033720](#) (attachment)

Email from Ed Houghton to Paul Bonwick, January 7, 2014, [TOC0399366](#) (email) and [TOC0399367](#) (attachment)

Council Minutes, January 11, 2010, [CJI0007853](#)

Town of Collingwood organizational chart, November 2011, [CJI0009084](#)

Staff Report to Council, Award of RFP to Greenland Consulting, Jan 17, 2011, [CPS0007384_0001](#)

65. Ed Houghton received a \$250 monthly car allowance from the Town of Collingwood.

Transaction Inquiry Report, Ed Houghton (April 2010-April 2013, pages 4-8 re car allowance) [CJI0008905](#)

1.12 The Relationship Between Paul Bonwick and Ed Houghton

66. Ed Houghton and Paul Bonwick were friends. Mr. Bonwick assisted Mr. Houghton by advising Mayor Cooper on matters of interest to Collus. In April of 2011, Mr. Bonwick suggested to Mayor Cooper that she consider obtaining a legal opinion on the public disclosure of the salary of Collus employees, including that of Mr. Houghton. Mr. Houghton expressed his appreciation for Mr. Bonwick’s help in an exchange of emails on April 5 and 6, 2011.

Email from Paul Bonwick to Sandra Cooper, April 5, 2011 [TOC0044450](#) (email) and [TOC0044451](#) (attachment)

Email from Ian Chadwick to Council, Kim Wingrove, and Ed Houghton, April 5, 2011, [TOC0516598](#)

Email chain involving Paul Bonwick, Sandra Cooper, and Ed Houghton, April 5-6, 2011, [TOC0044458](#)

Town of Collingwood Special Meeting of Council Minutes, April 18, 2011, [CJI0007951](#)

Email from Paul Bonwick to Sandra Cooper, May 30, 2011, [TOC0048444](#)

Email from Ed Houghton to Paul Bonwick, August 26, 2011, [TOC0204917.0001](#)

Emails between Paul Bonwick and Ed Houghton, October 9, 2011, [TOC0061761](#)

Email from Paul Bonwick to Ed Houghton, December 5, 2011, [TOC0069702](#)

Undated notes by Brian Bentz, [ALE000008](#) (handwritten), [CJI0009233](#) (transcription)

67. On April 12, 2012, Ed Houghton assumed the role of “Acting CAO” with the Town. After taking on this role, Mr. Houghton provided advice to Mayor Cooper with regards to the wording of an email she was to send to the rest of Council. Mr. Houghton forwarded his e-mail exchange with Mayor Cooper to Paul Bonwick, who then advised Mr. Houghton on how to give feedback to Mayor Cooper.

Email exchange between Paul Bonwick and Ed Houghton, December 17, 2012, [TOC0257136.0001](#)

In-Camera Minutes of Council, Town of Collingwood, April 12, 2012, [TOC0512134](#)

68. Paul Bonwick and Ed Houghton also assisted each other in business. For example, in November 2010 and January 2011, they discussed a trip to Ottawa to meet with a First Nations band chief about a proposal for federal funding. On November 23, 2010, Mr. Houghton “...put together a brief document...” that he said was intended to “...drill down to ensure the deliverables are exactly what the Chief requires.” Mr. Houghton attached his resume to this email. On March 23, 2011, Compenso recorded a payment from the First Nations band in the amount \$10,828. A second payment was recorded on March 31, 2011 in the amount of \$16,242.

Email chain including third parties, Paul Bonwick, and Ed Houghton, November 22, 2010, [TOC0033709](#) (email) and [TOC0033710](#) (attachment)

Email from Ed Houghton to Paul Bonwick, November 23, 2010, [TOC0033719](#) (email), [TOC0033720](#) (attachment), and [TOC0033721](#) (attachment)

Email chain between Ed Houghton and Paul Bonwick, January 27 - 28, 2011, [TOC0038041](#)

Email from Paul Bonwick to third party and Ed Houghton, January 19, 2011, [TOC0037490](#)

Email chain between Paul Bonwick and Ed Houghton, February 1, 2011, [TOC0038196](#)

Compenso Transactions by Account Report, entries of March 23, 2011 and March 31, 2011, [CJI0007733](#)

69. In March of 2011, Paul Bonwick wrote to Ed Houghton: “You also need to think about participation in my Stesco initiative...” Mr. Bonwick described Stesco to Mr. Houghton as an “Environmental Company I own 49% of in NB... Aboriginal Company.” The 2011 Compenso financial records show payments from Stesco to Compenso on November 1, 2010 and May 5, 2011 totaling \$9,600.00.

Email between Paul Bonwick and Ed Houghton, March 15, 2011, [TOC0042388](#)

Compenso Transactions by Account Report, entries of November 1, 2010 and May 5, 2011, [CJI0007733](#)

70. In May 2011, Ed Houghton and Mayor Cooper discussed the possibility of Collingwood applying to host a conference. Mr. Houghton forwarded this conversation to Paul Bonwick stating: “I sent this to Sandra! She was really interested in hosting the 2013 IJC Conference and I have a number of contacts with them and they said we need to start now!” Mr. Bonwick replied: “Sounds interesting...let's chat later today regarding size, scope and opportunities\$”

Email chain including Ed Houghton, Sandra Cooper and Paul Bonwick, May 20, 2011, [TOC0047924](#)

71. Paul Bonwick sent Ed Houghton a draft proposal for a company owned by Mr. Bonwick to perform paid work for the Town. The proposal involved Gemba Environmental Services Ltd., a company that Mr. Bonwick incorporated in April 2011. Mr. Bonwick emailed Mr. Houghton about “opportunities that may be available on a regional basis for Gemba” on May 3, 2011. On June 2, 2011, Mr. Bonwick emailed Mr. Houghton a proposal from Gemba addressed to “Ed Houghton, Executive Director, Public Works”. In his email, Mr. Bonwick wrote, “[p]lease review and comment.” On June 13, 2011, Mr. Houghton replied to Mr. Bonwick’s June 2 email, writing “I made a couple of minor changes but other than that it looks great.”

Corporate Records, Gemba Environmental Services Ltd., April 27, 2011, [CJI0007707](#)

Email from Paul Bonwick to Ed Houghton and “Craig”, May 3, 2011, [TOC0046532](#)

Email from Paul Bonwick to Ed Houghton June 2, 2011, [TOC0048736](#) (email) and [TOC0049938](#) (attachment)

Email chain including Ed Houghton and Paul Bonwick, June 13, 2011, [TOC0049948](#)

72. In early 2012, Deputy Mayor Rick Lloyd wrote to Town staff about using Gemba's services:

Earlier today I had a meeting with Ed regarding Public Works budgets and one item that we discussed was the risks associated with our many fuel storage tanks. Ed mentioned that Collus and Public Utilities has hired Gemba Environmental Services to perform an initial assessment of their fuel storage facilities. He also mentioned that a discussion took place with the CAO and Treasurer during the preliminary budget talks that the Town has even more gas tanks that need to be assessed and ultimately made to meet minimum risk management.

Many of these tanks fall under Public Works authority but there are many that fall back to you under facilities. As Budget Chair I would suggest that it makes sense from a consistency perspective that consideration be given to have Gemba perform an initial assessment of our facilities. I would suggest a call to Ed would help fill in the blanks.

Email from Paul Bonwick to Ed Houghton and "Craig", May 3, 2011, [TOC0046532](#)

Email from Rick Lloyd to Dave McNalty, Marcus Firman, Brian Macdonald, and Ed Houghton, January 3, 2012, [TOC0074410](#)

73. The CPUSB retained Gemba to provide these services after discussions with Mr. Houghton.

Email chain involving Rick Lloyd, Dave McNalty, Marcus Firman, Brian Macdonald, and Ed Houghton, January 3, 2012, [TOC0074453](#)

Email chain involving Marcus Firman, Craig Fisher, Paul Bonwick, January 12, 2012, [TOC0080493.0001](#)

74. In September 2012, the Town paid Gemba \$12,949.80 for providing petroleum storage tank review services. Mr. Bonwick's company, Compenso, received payments from Gemba in 2012.

Town of Collingwood Ledger of Invoice and Payment to Gemba Environmental Services Ltd., 2012 [CJI0008911](#)

Compenso Transactions by Account Report, entry of January 24, 2012, [CJI0006931](#)

75. Paul Bonwick sought and received information about Town fuel usage from Ed Houghton on behalf of a different client. On May 5, 2011, Mr. Houghton wrote to Mr. Bonwick:

I just wanted you to know that I have asked my staff to prepare a summary of all the fuels that we use including costs from the Public Works Building, the Police/Fire Complex, the Airport and our water and wastewater facilities. I have also asked my staff to discuss with Sinton Transportation how they handle their fuel purchases and if they mitigate against price fluctuations.

I have also requested a survey of the Airport Properties.

Email chain including Ed Houghton and Paul Bonwick, May 5, 2011, [TOC0046747](#)

76. On May 13, 2011, Ed Houghton forwarded fuel consumption information to Mr. Bonwick and his client. On October 9, 2011, Mr. Bonwick emailed Mr. Houghton, writing, "...when you have time available over the next few days please send me that note we discussed about [client] not following up with you." On October 10, 2011, Mr. Houghton emailed Mr. Bonwick, writing:

On or about May 13th, we provided a breakdown of our fuel usage to [client]. I heard from [client] on July 5th asking for a meeting on either July 12th or 13th which you relayed to him that those dates did not work for me. However, I have not heard from him since, save and except when he did call (or email or relay the information in some fashion) and let me know that he was busy working on another project.

That was fine then but we are in the midst of our budgeting and I was hoping to have the information from him to include in our budgets. In fact, if the savings are truly there, which he touted to us in May, then we could have had significant savings already to date. If there is no interest on [client's] part, which is their choice, then we will seek another retailer but they need to tell us of their lack of interest. In reality, I have been holding out because of you and [others].

Email chain including Dave McNalty, Ed Houghton, Paul Bonwick, and client, dated May 13, 2011, [TOC0047362](#)

Email chain between Paul Bonwick and Ed Houghton, October 9, 2011, [TOC0061754](#)

Email chain including Dave McNalty, Ed Houghton, Paul Bonwick, and a third party, October 14, 2011, [TOC0062443](#)

77. Mr. Bonwick forwarded Mr. Houghton's email to his client, who contacted Mr. Houghton that same day.

Email chain including Dave McNalty, Ed Houghton, Paul Bonwick, and a third party, October 14, 2011, [TOC0062443](#)

1.12.1 The Relationship Between Paul Bonwick and Shirley Houghton

78. Shirley Houghton is Ed Houghton's spouse. In January 2011, Paul Bonwick sent Ms. Houghton an email stating:

Thanks for taking time last night to review the proposal that I am putting together for Powerstream. It drew my attention to a situation that I have needed to address for some time. Ideally, I require a part-time person that can help edit letters, proposal, etc as well as assist in matters related to the Lobbyist Registrar at both the Federal and Provincial level. The work can be mostly completed out of office with the support of a computer and a phone. It is not a lot of hours at this time however it will likely require more in the coming weeks if I have a couple more contracts approved.

I would expect twenty hours a month at this time and see where it goes from there. I can pay \$20.00 per hour.

Please give it some subject to you being able to free up some time.

Email from Paul Bonwick to Shirley Houghton, January 20, 2011, [TOC0037652](#)

79. Between March and June 2011, Paul Bonwick sent Shirley Houghton documents for her review and comments.

Email chain including Ed Houghton, Shirley Houghton, and Paul Bonwick, March 1, 2011, [TOC0041101](#)

Email chain including Ed Houghton, Shirley Houghton, and Paul Bonwick, April 27 – May 1, 2011, [TOC0046421](#)

Email from Shirley Houghton to Paul Bonwick, June 20, 2011, [CJI0008702](#)

80. In 2011 and 2012, Shirley Houghton helped Paul Bonwick register with the Provincial Lobby Registrar. Ms. Houghton kept notes regarding which Ontario Ministries were relevant to Mr. Bonwick's various clients.

Email from Ontario Lobbyist Registration Office to Shirley Houghton, February 11, 2011, [CJI0009631](#)

Email chain including Paul Bonwick and Shirley Houghton, March 16, 2012, [CJI0009653](#)

Handwritten notes, undated, [CJI0009636](#)

81. In May 2011, Paul Bonwick asked Shirley Houghton to draft congratulatory letters to recently elected Members of Parliament and recently appointed Senators in Mr. Bonwick's name. Mr. Bonwick also asked Ms. Houghton to draft thank you letters to outgoing Members of Parliament.

Email from Paul Bonwick to Shirley Houghton, May 3, 2011, [CJI0009637](#)

Draft letter of congratulations to Senator, July 6, 2011, [CJI0009639](#)

82. On September 6, 2012, Paul Bonwick sent Shirley Houghton information regarding updates to Canada's lobbying registry.

Email from Paul Bonwick to Shirley Houghton, September 6, 2012, [CJI0009657](#)

83. In October 2012, Shirley Houghton helped Paul Bonwick send out Christmas cards to over 500 Senators, Members of Parliament and Members of Provincial Parliament.

Email chain including Paul Bonwick and Shirley Houghton, October 2-10, 2012, [CJI0009661](#)

Email chain including Paul Bonwick, Shirley Houghton, Abby Stec and Christine Harper, October 5-8, 2012, [CJI0009660](#)

1.13 Mayor Cooper, Deputy Mayor Lloyd, Ed Houghton and Paul Bonwick's Client, Amaizeingly Green

84. Mr. Bonwick acted as a consultant to local businesses, including at least one large company, Amaizeingly Green or "AGP". AGP was in arrears: (1) to the Town on its taxes, (2) to Collus Power for power, and (3) to the CPUSB for water. AGP was also trying to obtain provincial government funding.

Email from Rick Lloyd to Paul Bonwick, September 15, 2011, [TOC0059065](#)

Email from Tim Fryer to Ed Houghton, November 10, 2011, [KPM0001647](#) (email) [KPM00001648](#) (attachment)

85. Paul Bonwick emailed Mayor Cooper about AGP on January 19, 2011, writing:

Please let me know if you have time tomorrow morning to review the AGP situation.

It is there hope that you will be able to send a letter out this week requesting a meeting for the February 26, 27 or March 2,3.

It was explained to me that Cindy Hood take her marching orders from the Director. As a result it is important of him to be in the room when the meeting takes place. I know that previous Directors have traveled here in the past so it should not present a problem.

If there is the slightest hesitation on behalf of the Director I can call John Wilkinson's (Minister and friend) office and ask him to give the Director a bit of encouragement.

I am available to chat in the morning if you have free time. Also curious how you made out with the CAO in clarify roles and conduct.

...

Email from Paul Bonwick to Sandra Cooper, January 20, 2011, [TOC0037574](#)

86. Mayor Cooper responded, "I will be in my office for 9 a. m. You can call me there."

Email from Paul Bonwick to Sandra Cooper, January 19, 2011, [TOC0037580](#)

87. AGP was trying to obtain public funding. Paul Bonwick helped AGP write briefing notes to be used in fundraising meetings with the Ontario government. Mr. Bonwick forwarded the briefing notes to Mayor Cooper, who responded:

Paul

I believe it is bang on. There is some spelling which requires correction if I am to pass this along to MoE. Do I have permission to forward to Ed?

Sandra

Email chain including Daryl Dorchak, Paul Bonwick, Sandra Cooper, and third parties, February 28 - March 1, 2011, [TOC0040918](#)

88. Two separate versions of the briefing notes were made: one on Mayor Cooper's Town of Collingwood letterhead, and one on AGP's letterhead. Mayor Cooper, Ed Houghton, and AGP used these notes in attempts to secure public funding for AGP.

Email from Paul Bonwick to Pam Hogg and Ed Houghton, March 1, 2011, [TOC0041037](#) (email) and [TOC0041038](#) (attachment)

Email from Ed Houghton to xbc@fairmont.com and Paul Bonwick, March 1, 2011, [TOC0041125](#) (email) and [TOC0041126](#) (attachment)

89. Mr. Houghton and Mr. Bonwick discussed an introductory meeting between government representatives, Mayor Cooper, and Mr. Houghton. The meeting was about AGP. Mr. Bonwick wrote to Mr. Houghton:

On a side note, it may be a little overpowering for an introduction of the issue to have three of us involved. He does not yet know that I do work for this company. This is purely a Municipal deal for the first meeting.

Email from Ed Houghton to xbc@fairmont.com and Paul Bonwick, March 1, 2011, [TOC0041125](#) (email) and [TOC0041126](#) (attachment)

Email from Paul Bonwick to Ed Houghton, March 1, 2011, [TOC0041099](#)

90. Mayor Cooper emailed Paul Bonwick early in the evening on March 1, 2011, "...[w]e met with minister Wilkinson. I will call later. Positive."

Email from Sandra Cooper to Paul Bonwick, March 1, 2011, [TOC0041152](#)

91. Mr. Bonwick arranged for AGP to provide a hotel room in Toronto to Deputy Mayor Lloyd for the night of March 9, 2011 in connection with the Heritage Dinner, a political fundraiser. Mr. Bonwick forwarded the booking confirmation to Deputy Mayor Lloyd, which showed a rate of \$259.00.

Email from Paul Bonwick to Rick Lloyd, March 4, 2011, [TOC0041573](#) (email) and [TOC0041574](#) (attachment)

92. On September 18, 2011, Mayor Cooper emailed Ed Houghton, writing, "I have recently being asked again about AGP and outstanding debt to the town. I want a full report so that this can be brought to council." Mr. Houghton forwarded the Mayor's email to Paul Bonwick, writing, "I hope she doesn't mean this. I have been lenient because of your involvement and this could be very embarrassing." Mr. Bonwick replied, "No she does not...but they are getting pissed right off!" Mr. Houghton asked who "they" were. Mr. Bonwick responded, "Council as it relates to the back taxes. We can chat later this afternoon."

Email chain including Sandra Cooper, Ed Houghton, and Paul Bonwick, September 18, 2011, [TOC0059201](#)

93. On another occasion, in October 2011, Deputy Mayor Lloyd forwarded Paul Bonwick correspondence regarding a Collingwood citizen's complaint about the AGP plant. Mr. Bonwick responded to Deputy Mayor Lloyd, attaching a letter from the Minister of Natural Resources, advising that the Ministry did not have the jurisdiction to address the citizen's complaint. In a separate response to Deputy Mayor Lloyd, Mr. Bonwick wrote, "I would recommend you get [the CAO] to send a note to Ms. Beggs [Deputy Minister, Ministry of the Environment] bringing in question [the citizen's] credibility. hehehe". Deputy Mayor Lloyd emailed Mayor Cooper, CAO Wingrove and the Clerk Almas, writing, "I would send a letter to Ms. Beggs bringing in question [citizen's] credibility. This nonsense needs to stop!" Deputy Mayor Lloyd forwarded this email chain to Mr. Bonwick.

Email chain including citizens, Gail Beggs, Chris Hyde, Dolly Doucette, Cindy Hood, Kim Wingrove, Sandra Cooper, Rick Lloyd, Sara Almas, and Paul Bonwick, October 18-19, 2011, [TOC0062872](#) (email) and [TOC0062873](#) (attachment)

Email chain including citizens, Gail Beggs, Chris Hyde, Dolly Doucette, Cindy Hood, Kim Wingrove, Sandra Cooper, Rick Lloyd, Sara Almas, and Paul Bonwick, October 18, 2011, [TOC0062875](#)

Email chain including citizens, Gail Beggs, Chris Hyde, Dolly Doucette, Cindy Hood, Kim Wingrove, Sandra Cooper, Rick Lloyd, Sara Almas, and Paul Bonwick, October 18-19, 2011, [TOC0062881](#)

94. Again in 2012, when a citizen raised concerns about layoffs at AGP, Mayor Cooper forwarded this information to the Acting CAO (Mr. Houghton), who in turn provided it to Mr. Bonwick. Mr. Bonwick responded: "...I will think about how to use it in other ways to support the initiative.."

Email chain including Paul Bonwick, Ed Houghton, and Sandra Cooper, November 15, 2012, [TOC0244478.0001](#)

Email chain including Paul Bonwick, Ed Houghton, and Sandra Cooper, November 15, 2012, [TOC0244482.0001](#)

Email chain including a Collingwood citizen, Sandra Cooper, Ed Houghton, and Paul Bonwick, November 16, 2012, [TOC0244641.0001](#)

1.14 Mayor Cooper, Deputy Mayor Lloyd, Paul Bonwick, and Council Proceedings

95. In advance of a motion brought to Council on April 4, 2011 in favour of shifting oversight of the Downtown Revitalization Committee from Town Staff to the Collingwood Downtown Business Improvement Area (BIA) Board of Management, Paul Bonwick drafted a statement for Mayor Cooper to read in support of the motion. He shared the statement with Deputy Mayor Lloyd.

Email from Paul Bonwick to Sandra Cooper, April 3, 2011, [TOC0044218](#) (email), [TOC0044219](#) (attachment), and [TOC0044220](#) (attachment)

Email chain including Paul Bonwick and Rick Lloyd, April 3 - 4, 2011, [TOC0044255](#)

Collingwood Council Minutes, April 4, 2011, [CJ10007949, p 3](#)

96. The statement that Paul Bonwick drafted for Mayor Cooper to read was as follows:

In interest of entering in to a new era of cooperation moving away from confrontations of the past I believe it is important that we allow the new Board to fulfill the mandate provided to them from their membership.

If our Merchants in the Downtown Core have placed their trust in this new Board of Director than I would highly recommend that we do the same.

I would also respectfully suggest that we do not need to create make work projects for our Staff when there is an arm's length body that is fully capable of the doing the work. I suggest we need less government not more.

We told the electorate in the last election that we would be exploring strategic alliances, new partnerships and relationships in order to better service our constituents as well as save the tax payers money. This transfer of responsibility accomplishes all those things and more.

I feel we should embrace and celebrate the fact that we are able to create exciting working relationship like this one.

I will be supporting Councillor Chadwick motion and encourage all members of Council to do the same.

Email from Paul Bonwick to Sandra Cooper, April 3, 2011, [TOC0044218](#) (email), [TOC0044219](#) (attachment), and [TOC0044220](#) (attachments)

97. During the April 4, 2011 Council meeting, Mayor Cooper responded to Councillor Chadwick's introduction of the motion, stating:

I think that in keeping with a new era of cooperation, I think your remarks are very positive. Moving forward, I had an opportunity today to have a brief conversation with a former BIA representative, board member and executive member and he was quite excited about the [revitalization] and having a closer connection with the downtown. It's sort of shoulder season right now and it would be positive I think for the downtown to bring people in, so I'll be supporting your motion councillor [Chadwick].

Video of Collingwood Council Meeting, April 4, 2011, TOC0555938, 41:38-42:33

98. The motion to shift the oversight of the Downtown Revitalization Committee to the BIA Board of Management would go on to pass.

Collingwood Council Minutes, April 4, 2011, [CJ10007949, p. 3-4](#)

99. After the debate, Mr. Bonwick asked Deputy Mayor Lloyd, "how did she do?" Deputy Mayor Lloyd responded that, "she was good."

Email chain including Paul Bonwick and Rick Lloyd, April 4, 2011, [TOC0044381](#)

100. On another occasion, Paul Bonwick asked Deputy Mayor Lloyd to sign letters in his official capacity on behalf of one of Mr. Bonwick's clients during the 2010-2014 term of Council. On September 17, 2012, Mr. Bonwick emailed Deputy Mayor Lloyd. In his email, Mr. Bonwick wrote, "as per your request her are draft letters for your review. I also want to offer my thanks for making a public statement of this nature. I know the employees very much appreciate your support." Mr. Bonwick had attached two letters, drafted in Deputy Mayor Lloyd's name:

- a. A letter to the Chair of the Niagara Escarpment Commission, demanding that the Commission remove its challenge to the approval of an aggregate business; and
- b. A letter to Ontario Attorney General John Garretson seeking Attorney General Garretson's support for the aggregate business.

Email from Paul Bonwick to Rick Lloyd and client representatives, September 17, 2012, [TOC0216131.0001 \(email\)](#); [TOC0216131.0001.0001 \(attachment\)](#); [TOC0216131.0001.0002 \(attachment\)](#)

Email chain including Town Council, Ed Houghton, Sara Almas, and Paul Bonwick, October 5 - 6, 2012, [TOC0226132.0001](#)

Letter from Deputy Mayor Rick Lloyd to the Niagara Escarpment Commission, September 18, 2012, [TOC0225966](#)

101. In addition, Deputy Mayor Lloyd kept Paul Bonwick apprised of internal council matters. In April 2012, Deputy Mayor Lloyd forwarded Mr. Bonwick an email thread containing a conversation between Mayor Cooper, Deputy Mayor Lloyd, and Town solicitor Leo Longo regarding an agenda item for an upcoming council meeting. Mr. Bonwick forwarded this conversation to a private citizen who had an interest in the matter.

Email chain including Sandra Cooper, Rick Lloyd, Leo Longo, Paul Bonwick, third party, April 2, 2014, [TOC0135342.0001](#)

102. In May 2012, Deputy Mayor Lloyd sent a confidential email to the owners of a property indicating Council's intention to purchase the property and use it to widen the lane of an adjacent highway. After sending this email to the property owners, Deputy Mayor Lloyd forwarded the same email to Mr. Bonwick.

Email from Rick Lloyd to Paul Bonwick and others, May 9, 2012, [TOC0155656.0001](#)

103. Deputy Mayor Lloyd also sent updates to Paul Bonwick from Town Council meetings. In one instance, Mr. Bonwick responded to an update from the Deputy Mayor by stating: "By the way....great job! Next...."

Email from Rick Lloyd to Paul Bonwick, June 18, 2012, [TOC0173501.0001](#)

Collingwood council minutes, June 18, 2012, [CJ10008088](#)

Email chain including Rick Lloyd and Paul Bonwick, July 30, 2012 [TOC0193240.0001](#)

Collingwood council minutes, July 30, 2012, [CJ10008084](#)

1.15 The Report of the Ontario Distribution Sector Review Panel

104. In April 2012, the Ontario Minister of Energy established the Ontario Distribution Sector Review Panel to provide expert advice to the government on how to improve efficiencies in the electricity sector, with the aim of reducing the financial cost of electricity distribution for consumers. Collus director David McFadden was a member of the Panel. The Panel published a report in December 2012.

The Report of the Ontario Distribution Sector Review Panel, December 2012, [CJ10010462, p 2](#)

105. The report reviewed the history and current state of Ontario's electricity sector and concluded that "most municipalities and LDCs understand the status quo will not serve the citizens of the province well in the decades to come." The report's primary recommendation was that 73 of Ontario's Local Electricity Distribution Companies (LDCs) be consolidated into "8 to 12 larger regional distributors that are large enough to deliver improved efficiency and enhanced customer focus, while at the same time maintaining a strong connection with their local communities."

The Report of the Ontario Distribution Sector Review Panel, December 2012, [CJ10010462, p 42, 45](#)