



FOUNDATION DOCUMENT PART I: THE 2012 SALE OF COLLUS SHARES

Chapter 8: Public Consultations, Commercial Relationships After the Collus Share Sale and the Post-Closing Reviews

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 8 Public Consultations, Commercial Relationships After the Collus Share Sale and the Post-Closing Reviews

684. After the Collus PowerStream transaction closed, the Town of Collingwood determined how to spend the transaction proceeds. This chapter provides an overview of this process.
685. After the Collus PowerStream transaction closed, the Town and Collus PowerStream entities retained various consulting firms to address the commercial consequences and new relationships created after the transaction:
- a. In 2013, a Collus PowerStream entity retained the HSG Group (Howard Gorman) to consider cost allocations by Collus PowerStream Solutions;
 - b. In 2013, a Collus PowerStream entity retained Consol Asset Group to report on the benefits and successes that Collus PowerStream experienced in the aftermath of the transaction;
 - c. In 2013, the Town of Collingwood retained KPMG to conduct an organizational review;
 - d. In 2013, the Town of Collingwood retained BMA Consulting to conduct a review of Collingwood's financial health;
 - e. In 2014, the Town of Collingwood retained Beacon 20/20 and True North to report on the shared services agreements between the Town and Collus PowerStream Solutions;
 - f. In 2015, the Town retained:
 - i. BMA Management Consulting Inc. and DFA Infrastructure International Inc. to assess the Town's water and wastewater operations, including services provided pursuant to the shared services agreements;
 - ii. Miller Thomson to report on issues related to the Collus share sale and the services agreement between the CPUSB (water services), the Town and Collus PowerStream Solutions;
 - g. Henley International to provide a valuation of Collus PowerStream; and

h. Borden Ladner Gervais to report on the history and evolution of the Collus family of companies since 2000 and potential “go forward” options in 2015-2016.

686. This chapter provides links to each of those reports and a brief description of each report in chronological order.

8.1 December 2012: A Public Meeting is held to Discuss Spending the Collus PowerStream Transaction Proceeds

687. On December 1, 2012, Collingwood Council held a public meeting to discuss the use of the funds received from the Collus share sale and related refinancing activities.

Special Meeting of Collingwood Council Minutes, December 1, 2012, [TOC0000636](#)

688. At the public meeting, Town Staff circulated a survey to the public, setting out certain options for the use of the funds. The top three public responses to the survey were Hume Street Reconstruction, Harbour enhancements and paying down the Town’s debt.

Town of Collingwood Survey re Allocation of Collus Funds, Undated, [TOC0250627](#)

Staff Report #T2013-04, Collingwood Council Agenda, February 25, 2013, [CJI0008124, p 11-20](#)

689. A Town staff report dated February 25, 2013, included estimates from “the CFO for COLLUS/PowerStream Corporation” as to the total funds available for spending from the Collus-PowerStream transaction. The report referred to “the sale of 50% of Town owned shares in COLLUS Power and stated that the total funds available were \$14,458,559”. Details are provided in the staff report.

Staff Report #T2013-04, Collingwood Council Agenda, February 25, 2013, [CJI0008124, p 4-20](#)

690. On June 10, 2013, Town Council voted to allocate the funds from the Collus-PowerStream transaction towards the Central Park Arena and the Centennial Pool redevelopment. This allocation included funding for any unbudgeted expenditures and an appropriate

construction allowance. Any left-over funds after the completion of the arena and pool projects were to be allocated to the redevelopment of Hume street in Collingwood.

Council Minutes, June 10, 2013, [TOC0534947](#)

Staff Report #T2013-04, Collingwood Council Agenda, February 25, 2013, [CJI0008124, p 4-20](#)

8.2 The Post-Closing Reviews Begin with the HSG Report Commissioned by a Collus PowerStream Entity in 2013

691. On January 4, 2013, Collus PowerStream CFO Cindy Shuttleworth hired Howard Gorman of HSG Group to produce a report to analyze how to allocate the costs of the services Collus PowerStream Solutions provided to Collus PowerStream (Power), the CPUSB (water), and the Town. Mr. Gorman presented the HSG report to Collus PowerStream (Power) and the CPUSB on July 22, 2013.

Email chain between Cindy Shuttleworth and Howard Gorman, December 5, 2012, [TOC0252669](#)

Email from Howard Gorman to Cindy Shuttleworth, December 12, 2012, [TOC0255567](#) (email) and [TOC0255568](#) (attachment)

Email chain between Howard Gorman, Cindy Shuttleworth, and Ed Houghton, January 4, 2013, [TOC0260880](#)

Email from Howard Gorman to Cindy Shuttleworth and Greg Van Dusen, April 26, 2013, [TOC0311154](#) (email) and [TOC0311155](#) (attachment)

Calendar entry from Pam Hogg for July 22, 2013, [CPS0004292](#)

692. The HSG report identified the services each employee of Collus PowerStream Solutions provided and the portion of time each employee spent providing those services. It then distributed the time (and other costs) between Collus PowerStream (Power), the Town and the CPUSB via:

- a. Direct assignment where the portion of the activity devoted to any particular business could be reasonably established; and
- b. Allocation through the application of “cost drivers” – formulas for sharing the costs of an activity among the businesses that caused the cost to be incurred, based on cost

causation. Where cost causation was not clear or easily implemented, cost drivers based on the benefits received were proposed.

Email from Howard Gorman to Cindy Shuttleworth and Greg Van Dusen, April 26, 2013, [TOC0311154](#) (email) and [TOC0311155](#) (attachment)

693. The HSG cost allocation allocated the costs of the services Collus PowerStream Solutions provided to Collus PowerStream (Power), the CPUSB (water), and the Town as follows:

Collus PowerStream (Power)	59.4%
CPUSB (water)	32.7%
Town	7.9%

Email from Howard Gorman to Cindy Shuttleworth and Greg Van Dusen, April 26, 2013, [TOC0311154](#) (email) and [TOC0311155](#) (attachment), p 14

694. The HSG report concluded that,

The methodology developed for Collus PowerStream Solutions Corp. to distribute its costs among the businesses it serves is cost-based, consistent with OEB precedent and regulatory practice, and is transparent and efficient.

Email from Howard Gorman to Cindy Shuttleworth and Greg Van Dusen, April 26, 2013, [TOC0311154](#) (email) and [TOC0311155](#) (attachment), p 14

8.3 March 2013: Media Attention on Paul Bonwick and his Involvement in Public Projects

695. On March 5, 2013, CBC reporter Dave Seglins requested an interview with Mayor Cooper to discuss “Paul Bonwick, and his involvement in projects around Collingwood.” On the same day, Eric Fagen sent Ed Houghton talking points for an interview with Mr. Seglins. Mr. Fagen recommended that Mr. Houghton focus on:

“the process you had in place to secure a strategic partner...how the Town of Collingwood was ahead of the curve in regards to its concept of finding synergies through forming a strategic partnership with a larger utility...[and] how PowerStream has been able to find savings through several; consolidations prior to forming a strategic partnership with the Town of Collingwood.”

Email from Mary Schollenberger to Sandra Cooper and Ed Houghton, March 5, 2013, [TOC0286901.0001](#)

Email from Eric Fagen to Ed Houghton, March 5, 2013, [ALE0003863](#)

696. The next day, Sandra DiPonio sent Brian Bentz an email stating: “Dennis is extremely concerned and would like to speak to you (with Eric) asap...re: an investigative reporter call and raising the issue with Paul Bonwick.” A few hours later, John Glicksman asked Paul Bonwick to send him a copy of an agreement between PowerStream and Compensio “that removed, as mutually agreed upon, any bonus related to the Collus initiative while retaining bonuses for future successful transactions with other named LDC’s.”

Email from Sandra DiPonio to Brian Bentz, March 6, 2013, [ALE0003872](#)

Email from John Glicksman to Paul Bonwick, March 6, 2013, [ALE0003871](#)

697. On March 8, 2013, the CBC published an article titled “Collingwood mayor’s brother paid by casino, power companies.” The article reported that the Ontario Provincial Police were investigating “...complaints of potential conflict of interest”, including Mr. Bonwick’s work for PowerStream.

Collingwood mayor’s brother paid by casino, power companies, Dave Seglins, CBC news, March 8, 2013, [CJ10007669](#)

698. Soon after, Dennis Nolan informed PowerStream staff members that the CBC had published an article about alleged conflicts of interest involving Paul Bonwick, including the Collus-PowerStream transaction, and that an OPP investigation, “the scope of which has not been disclosed,” had been initiated.

Email from Laura Venafro to the PowerStream Executive Management Team and others, March 8, 2013, [ALE0003880](#)

699. A March 8, 2013 Enterprise-Bulletin article expanded on the CBC article. Amongst other things, the article stated that Mr. Bonwick denied lobbying members of council or municipal staff on the PowerStream transaction and that he had disclosed his PowerStream work to the town, including Mayor Cooper, Deputy Mayor Lloyd, CAO Wingrove, and Clerk Almas. Further, the article said that “[t]he question was also asked of municipal officials if it was felt there was a conflict, “and the answer was a resounding no,” said Bonwick.” The article also included the following:

PowerStream CAO and president Brian Bentz, in an interview with QMI Agency in May, 2012, said Bonwick played no role in the sale — and the idea that a third party would act as a broker in any deal “would not be normal practice in our industry.”

Email from Eric Fagen to the PowerStream Executive Management Team and others, March 8, 2013, [ALE0003879](#)

700. In an article published by The Collingwood Connection, Mr. Bonwick stated that his role with PowerStream was to develop a communications strategy regarding the future of local distribution companies and to “educate the public and elected officials without having any direct involvement with elected officials.”

Email from Eric Fagen to PowerStream staff, March 8, 2013, [ALE0003878](#)

8.4 April – December 2013: Council Considers and Retains an Integrity Commissioner

701. In April 2013, Collingwood Council raised the issue of retaining an Integrity Commissioner. At Council’s direction, Staff issued a Request for Proposals. An RFP evaluation team made up of the CAO, the OPP Detachment Commander, the Town Clerk, and the Deputy Town Clerk reviewed and assessed the responses. On December 2, 2013 Town Council directed Staff to appoint Robert Swayze as the Integrity Commissioner for the Town of Collingwood.

Staff Report C2013-14, June 24, 2013, [CJI0008138](#), p 4 – 12

Council Minutes, June 24, 2013, [TOC0000716](#), p 3

Council Agenda and Staff Report C2013-25, December 2, 2013, [CJI0008119](#)

Council Minutes, December 2, 2013, [CJI0008173](#), p 3

Council Agenda, December 16, 2013, [CJI0008120](#), p 1-4, 163

Council Minutes, December 16, 2013, [CJI0008175](#)

8.5 April 2013: Ed Houghton Steps Down as Acting Collingwood CAO

702. On April 15, 2013, Ed Houghton stepped down as Collingwood’s CAO and Executive Director of Public Works effective immediately.

8.6 April 2013 – January 2014: KPMG Organizational Review

703. On April 17, 2013, the Town engaged KPMG to conduct an organizational review of Collingwood’s municipal governance. The review was to consist of three phases:
- a. Phase One: Analysis of CAO and EMT structure, and establishment of terms of reference to assist the Town in its preparations to hire a new CAO;
 - b. Phase Two: Operational review examining the delivery of municipal services to ensure the long-term sustainability of the Town. This phase was to include consideration of service levels, delivery methods and opportunities for optimization through structural changes or outsourcing; and
 - c. Phase Three: Committee & Boards Governance Review: A “[r]ationalization of the Town’s Committees and Boards to ensure that the Town has a consistent governance system that is both effective and efficient and captures the ideas and energy of the Town’s citizens, including terms of reference for recommended Committees and Boards.”

Letter of Engagement Service Delivery Review from KPMG LLP to Sara Almas, April 17, 2013, [KPM0000049](#)

704. The first phase of KPMG’s organizational review included a CAO Position Profile, a proposed CAO recruitment plan, and Draft Executive Management Team Terms of Reference. Bruce Peever of KPMG presented the results of the first phase to Collingwood Council on May 13, 2013. The Enterprise Bulletin reported on Mr. Peever’s presentation and described Mr. Peever’s recommendations as follows:
- a. The Town should hire someone who has already worked as a CAO to be the next Collingwood CAO. Mr. Peever explained that, “...given [the Town’s history], it would be appropriate that [the Town] would recruit someone who is a seasoned CAO”;

- b. The Town should consider retaining an executive search consultant for the CAO position because these consultants are trained to make objective judgments and offer confidentiality; and
 - c. The members of the EMT should be Town staff. On this point, Mr. Peever stated that, “The importance of having your senior management as employees of the municipality can not be understated.” Mr. Peever was also quoted as saying that, “If there are two employers, and the individual would have somewhat of a conflict of whose interest (that person) is representing.”
705. The Council Minutes from the meeting indicated that Mr. Peever’s responses to questions from Council included a discussion of the risks associated with appointing individuals who were not directly employed by the Town to an Executive Management Team.

Council Meeting Agenda, May 13, 2013, [CJI0008150](#)

Council Minutes, May 13, 2013, [TOC0534975](#)

Phase One Interim Report: CAO – EMT Alignment, May 13, 2013, [TOC0317445](#)

Email from Lisa Foster to Mario Paron and Bruce Peever, May 14, 2013, [KPM0000228](#)

706. At the May 13, 2013 Council meeting, Mr. Peever also gave a preliminary presentation outlining the upcoming second phase of KPMG’s organizational review, which was to analyze the Town of Collingwood’s financial performance.

Council Minutes, May 13, 2013, [TOC0534975](#)

Phase Two Preliminary Presentation to Council, May 13, 2013, [TOC0317444](#)

707. After Mr. Peever’s presentation, Councillor Ian Chadwick brought a motion to have Town staff solicit a legal opinion on the benefits and liabilities of having non-Collingwood employees work on a potential Collingwood Executive Management Team.

Council Minutes, May 13, 2013, [TOC0534975](#)

708. At a meeting on May 27, 2013, Collingwood Council conducted an *in camera* review of KPMG’s phase one report and the legal opinion requested by Councillor Chadwick. The

legal opinion noted there was nothing legally preventing a non-employee from being a member of the EMT. The opinion identified risks in appointing non-employees and approaches to mitigate the risks. Council voted to allow “other individuals that provide services to the Town” to work for Collingwood’s executive management team, provided that appropriate contracts were put in place to ensure that “accountability, liability and management matters [were] defined.”

In-Camera Council Minutes, May 27, 2013, [TOC0534984](#)

In-Camera Council Agenda, May 27, 2013, [TOC0512008](#)

Aird & Berlis Legal Opinion to Sara Almas and Marianne Nero, May 24, 2013, [ARB0000402](#)

709. During the public portion of the meeting on May 27, Council voted to: receive KPMG’s Phase One Report, approve the Report’s description of a CAO’s responsibilities, proceed with a Request for Proposal to retain a search consultant to conduct a search for a new CAO, and defer the creation of EMT terms of reference until the completion of the KPMG Phase Two Report.

Council Minutes, May 27, 2013, [CJ10008200](#)

710. On May 28, 2013, KPMG requested that all Collingwood councillors complete a short survey indicating their policy preferences regarding tax, service levels and service delivery models. Councillors Ian Chadwick and Kevin Lloyd and Deputy Mayor Rick Lloyd refused to fill out the survey. Later that day, Mayor Cooper sent the following email to Town Council:

I want to keep you informed with KPMG and the organizational review which has been previously approved by Council.

Mr. Peever (KPMG) met with some staff for next steps. That was not my understanding.

My understanding is that Council is to be engaged from the start.

I am contacting Mr Peever by phone tomorrow with clarification on next steps.

I will keep the line of communication open with Council after the conversation tomorrow.

Email chain including Kate Mackenney and Rick Lloyd, May 28, 2013, [KPM0000251](#)

Email chain including Kate Mackenney, Ian Chadwick, Sandra Cooper and Rick Lloyd, May 28, 2013, [TOC0323624](#)

Email chain including Kate Mackenney Ian Chadwick, and Bruce Peever, May 28, 2012, [TOC0323754](#)

Email chain including Kate Mackenney, Kevin Lloyd, Sandra Cooper, Rick Lloyd, Sara Almas, Marjory Leonard, and Larry Irwin, May 28, 2013, [KPM0000252](#)

711. In response, Councillor Mike Edwards sent an email to Council thanking Mayor Cooper for her message and expressing frustration that KPMG was prioritizing consultations with Town staff over consultations with Council in carrying out its organizational review.

Email chain between Mayor Cooper, Mike Edwards and Town Council, May 28, 2012, [TOC0323963](#)

712. In an email to John Herhalt on June 1, 2013, titled, "Another KPMG Slam," Ed Houghton wrote:

I'm sure you are not involved but I wanted to let you know that one of your colleagues, Mr Bruce Peever, has destroyed 35 years of a good partnership between the utility and the Town of Collingwood. His actual quote in the local paper in reference to what I have personally been doing for years is "The importance of having your senior leadership being employees of the Town (not employees of Collus) can't be understated."

I cannot believe this and I am so saddened by this.

Regretfully.....Ed

Email from Ed Houghton to John Herhalt and John Rockx, May 31, 2013, [TOC0325799](#)

713. In a June 4, 2013 email to KPMG employee Oscar Poloni, John Herhalt reported that Ed Houghton was,

...upset because the quoted from Bruce in the local paper have suggested that the comingling of utility and Town employees created unnecessary risk and no benefit. Ed's view is that the synergies and coordination that was achieved in a small town like Collingwood was beneficial and some councillors are not pleased with the view we have put forward. He is also upset because now the team at the utility wants to pull away entirely from working collaboratively with the Town based on the comments that have arisen as a result of our report.

Ed is not sure whether our view is coming from entirely our own research or it is the product of some views from administration or other councillors.

Email chain between John Herhalt, Oscar Poloni, and Chas Anselmo, June 4, 2013, [KPM0000260](#)

714. Mr. Poloni advised John Herhalt that he had spoken with Clerk Almas about KPMG's engagement and that Clerk Almas had commented that [Mr. Peever] "was correct about the senior management team, etc. but may not have stressed the need for good paper as much as he could have." Mr. Poloni then stated: "That said, [the Clerk's] perception is that [Mr. Peever's] message was sound but just not what Council wanted to hear and as such, Bruce is pretty much mud up there now." Clerk Almas also indicated to Mr. Poloni that Mr. Houghton was "lined up with some of the councilors so some of this may reflect the general environment."

Email chain between John Herhalt and Oscar Poloni, June 3 – 4, 2013, [KPM0000276](#)

715. On June 6, 2013, Clerk Almas emailed Bruce Peever, writing:

Please be advised that our Executive Management Team is going through a transition as we proceed with our CAO Recruitment Process as recommended by KPMG and approved by Council – great news. However, having further discussions with the Mayor and Deputy Mayor – the Mayor Sandra Cooper will be taking the lead on the next phase of the project. There has been some confusion with respect to the role of staff and the role of Council, particularly without a CAO, as well as the expectations with respect to the Phase II process. As Council is making the decision – they would like to be more engaged in the process.

Email from Sara Almas to Bruce Peever and Matthew Betik, June 6, 2013, 12:22 pm [KPM0000270](#)

716. Later that day, Bruce Peever informed Oscar Poloni that,

...The Clerk has just resigned as project manager for the project because she has had enough. The executive management team has broken down and is publically fighting and the Mayor wants to be the project manager for the project.

I have suggested to Matt that we suggest to the client that they may find it a more valuable project if they defer it until the Town hires a new CAO.

Email between Oscar Poloni and Bruce Peever, June 6, 2013 3:56pm, [KPM0000265](#)

717. On June 7, 2013, Mr. Herhalt emailed Mr. Houghton indicating that he had expressed Mr. Houghton's concerns to the KPMG team and Mr. Peever. Mr. Herhalt said that "[t]hey got it and I am hoping that they will be communicating a clarified view early next week".

Email from John Herhalt to Ed Houghton, June 7, 2013, [TOC0328542](#)

718. At the Council meeting on June 10, 2013, Bruce Peever and Oscar Poloni of KPMG made a presentation to Collingwood Council and recommended that the rest of KPMG's operational review be halted until the Town of Collingwood hired a new CAO.

Phase One Interim Report: CAO – EMT Alignment, June 10, 2013, [KPM0000280](#)

719. The minutes from this meeting recorded that, during KPMG's presentation, Mr. Poloni also "provided clarification of the benefits and interaction of a shared service provider such as the Town's relationship with our utilities and Collus." The minutes noted that the relationship between the Town and its utilities would be reviewed through the next phase of the project together with appropriate contracts to recognize and formalize the relationship.

Council Minutes, June 10, 2013, [CJ10008189](#)

720. On June 14, 2013, Ed Houghton emailed John Herhalt, writing:

I wanted to thank you for wading into the latest Town of Collingwood issue. It seems that Monday's presentation was much better.

Email from Ed Houghton to John Herhalt, June 14, 2013, [TOC0331416](#)

721. On July 11, 2013, Clerk Almas emailed Bruce Peever to inform him that John Brown had been hired as Collingwood's new interim CAO and that Mr. Brown wanted to meet with Mr. Peever to discuss KPMG's organizational review. In the email, Ms. Almas stated:

We have a new Interim CAO, Mr. John Brown. He has worked as the City Manager of both Oshawa and Brantford and new undertaking temp work in his retirement. He has been a breathe of fresh air – speaks very candidly and frank with a great grasp on

complications of municipal government including political control and Council/Staff relations.

He has had a number of meetings with Council members and staff this week and is very concerned with a number of “organizational” matters – and would really appreciate sitting down with you and Oscar to discuss some of your Phase 1 findings, and your thoughts on moving forward.

The meeting between Mr. Peever and Mr. Brown took place on July 26, 2013.

Email from Sara Almas to Bruce Peever, July 11, 2013, [KPM0000294](#)

722. On December 4, 2013, Collingwood Council held a special meeting to discuss priorities for the Town’s development over the coming years. Council determined that the Town’s top four priorities should be: 1) Marketing, Business Development and Co-location; 2) Completing a governance review; 3) Completing an organizational review; and, 4) Creating a strategic financial plan. With regards to the governance review and organizational review, Council determined that it was appropriate for the Town’s CAO to take the lead in conducting the reviews and retain consultants for assistance where necessary.

Staff Report # CAO2014-01, December 4, 2013, [CJ10008235](#), p 4-11

Council Minutes, December 4, 2013, [CJ10008174](#)

723. On January 13, 2014, Collingwood Council voted to end its existing contract with KPMG. Council also voted to authorize the CAO to retain KPMG and use its services where necessary to assist Town staff in conducting a governance review and organizational review.

Staff Report # CAO2014-01, [CJ10008235](#), p 4-11

Council Minutes, January 13, 2014, [CJ10008280](#)

8.7 January 2014 – February 2014: BMA Report on Collingwood Financial Health

724. In January 2014, BMA Management Consulting published a report assessing the Town of Collingwood’s ability to finance its services on a continuing basis. The BMA Report stated,

amongst other things, that Collingwood was in a negative financial position with a net financial liability of \$16.4 million at the end of 2012 and that its debt per capita was higher than the average debt per capita of 98 other Ontario municipalities that had been surveyed by BMA. The report concluded that "...without action to address the Town's financial position, the Town will become increasingly challenged to provide the services and infrastructure that citizens expect and value." BMA sent a draft of its report to Collingwood Treasurer Marjory Leonard on December 1, 2013.

Email chain including BMA Consulting and Marjory Leonard, November 29-December 1, 2013, [TOC0390374](#)

Assessment of the Town of Collingwood's Financial Health, January 2014, [TOC0414463](#), p 1, 12, 24, and 28

725. After the BMA report was published, Deputy Mayor Lloyd, Councillor Lloyd and Councillor Chadwick contested the report's conclusions about the extent of Collingwood's debt in an email chain including Mayor Cooper and Treasurer Marjory Leonard.

Email chain including Ian Chadwick, Marjory Leonard, Rick Lloyd, Kevin Lloyd, and Sandra Cooper, February 20, 2014, [TOC0415209](#)

8.8 February 2014 – March 2014: the Consol Report

726. PowerStream commissioned a report from Steven Haasz of Consol Asset Group to review "...in practical terms, the benefits and successes that Collus PowerStream has been able to experience since its strategic partnership with PowerStream...". The report was launched on February 23, 2014 at a conference session called "Understanding the Strategic Value and Options for Your LDC". The session was sponsored by KPMG and Aird & Berlis. In a memo from Steven Haasz to Brian Bentz, Mr. Haasz reported that:

The Phase 1 report titled Review of the Collus PowerStream Strategic Partnership: Delivering Value to the Customer is currently being used as a communications tool to highlight the benefits and successes of the strategic partnership to industry stakeholders (the "Report") The Report includes fourteen (14) case studies that illustrate how the strategic partnership has positively impacted the company's ability to serve and provide value to its customers.

Third Party Review of the Collus PowerStream Strategic Partnership: Delivering Value to the Customer, [TOC0485476](#)

Memo from Steven Haasz to Brian Bentz, March 11, 2014, [ALE0010721.0001](#)

727. The Consol report included a background section that stated:

On July 31, 2012 PowerStream purchased a 50% interest in Collingwood Utility Services Corp. from the Town of Collingwood. In addition to the Town of Collingwood receiving proceeds from the sale, the utility—later rebranded as Collus PowerStream—would also be able to secure services from PowerStream through mutually agreed upon shared service agreements. Enhancing service offerings to customers by combining the local operational approach of a local utility with the resources available through a regional utility was the thinking behind the strategic partnership... Collus PowerStream pioneered the strategic partnership as a viable alternative to the traditional merger and acquisition model [that] delivers a solution to the Ontario Government’s request to seek efficiencies from the distribution sector...

The report further noted that:

Collus PowerStream agrees that it should have executed a more comprehensive communication strategy to provide a clear message that Collus continues to be active in the community and has never lost the rich heritage that the utility has built since the early 1860s. And that Collus still remains a small LDC providing direct service to its population of 16,000 customers from its legacy offices on 43 Stewart Drive in Collingwood with the same employee base that it had prior to the strategic partnership transaction.

Third Party Review of the Collus PowerStream Strategic Partnership: Delivering Value to the Customer, [TOC0485476](#), p 4

8.9 July 2014: The Collus PowerStream 2013 Annual Report

728. In or about July 2014, Collus PowerStream published its first Annual Report. The Annual Report referenced the Consol Report, which was attached as Appendix “A” to the Annual Report.

Press Release, July 15, 2014, [TOC0455473](#)

2013 Collus PowerStream Annual Report, [ALE0040924.0001](#)

8.10 April 2014 – August 2014: John Brown Discusses the Town’s Legal Representation

729. On April 1, 2014, CAO John Brown sent Aird & Berlis counsel John Mascarin an email stating:

“we received your most recent bill and Sarah and i discussed it . Sarah will be calling you to clarify some matters and to see if you can split the bill up so that we do not have a single bill for 11000 dollars , which will make it notable and require explanation.”.

In a follow up email, Mr. Brown asked Mr. Mascarin to “expunge this email thread”

Email thread including John Brown and John March 31 - April 1, 2014, [ARB0000496](#)

730. In an email exchange dated July 25, 2014, CAO Brown asked Ed Houghton which entity each of Leo Longo and Ron Clark represented in respect of the share sale transaction. Mr. Houghton responded that “Collus worked through Ron Clark [and] the Town through Mr. Longo...”

Email chain including John Brown, Ed Houghton, David McFadden, Brian Bentz, and Pam Hogg, July 25, 2014, [ALE0005709](#)

8.11 August 2014 – March 2015: Beacon 2020 and True North Report

731. On August 22, 2014 the Town of Collingwood and the Collingwood Public Utilities Services Board (CPUSB) hired Beacon 2020, Inc. and True North Consultant Inc. to carry out an operational review of the shared services agreements under which Collus-PowerStream Solutions provided services to CPUSB. The review was conducted by Sandy Scott of True North and Rienk de Vries of Beacon 2020.

Letter from the Town of Collingwood and the Collingwood Public Utilities Services Board to True North Consultant Inc. and Beacon 2020, Inc. [TOC0515251](#)

732. Beacon 2020 and True North published a final operational review report (the Beacon Report) on December 22, 2014. The Beacon Report identified several issues, including:

- a. The Shared Services Agreement between Collus PowerStream Solutions and CPUSB did not reflect the services actually delivered and may have expired on January 1, 2005 (p 7);
- b. The Collus-PowerStream partnership caused conflicts of interest for individuals who held high ranking positions for both CPUSB and Collus-PowerStream, including:
 - i. The CEO of Collus PowerStream was also a voting member of the CPUSB board (Ed Houghton). The Beacon Report explained that “[i]t is not advisable for any Board to have representation from a service provider as this creates a conflict of interest” (p 11);
 - ii. The CFO of CPUSB was also an employee of Collus-PowerStream (Cindy Shuttleworth). The Beacon Report stated that “[i]t is not advisable for an employee of any service provider to hold a strategic or executive management position within its client organization” (p 11); and
 - iii. The executive assistant to Collus-PowerStream's CEO was also Collus-PowerStream Director of Human Resources and the secretary for the CPUSB board (Pam Hogg);
- c. The Beacon Report stated that “[i]t is not advisable for an employee of any service provider to hold a strategic or executive management position within its client organization or to perform an administrative role on its Board” (p 11 – 12); and
- d. PowerStream had a stated objective of earning stable, regulated returns while the Town had a “break-even” mandate (p 11).

Collingwood Public Utilities Service Agreement Review, December 22, 2014, [CPS0006376](#)

733. The Beacon Report recommended that the shared services agreement between Collus-PowerStream Solutions and CPUSB be terminated.

Collingwood Public Utilities Service Agreement Review, December 22, 2014, [CPS0006376](#), p 5

734. On January 5, 2015, Rienk de Vries presented the Beacon Report to Council and recommended next steps. Council voted to defer the question of whether to receive the Beacon Report for one month:

...to allow the president and CEO of Collus/PowerStream to review and comment on the report, and that the report be further circulated to the interview participants and the CPUSB to provide any corrections/clarifications that may be reflected in an updated report.

Collingwood Public Utilities Services Agreement Review, January 5, 2015, [CJI0006676](#)

Town of Collingwood Council Agenda, January 19, 2015 with Minutes for January 5, 2015, [CJI0008345](#)

735. Collus PowerStream responded to the Beacon Report in writing, providing general concerns and detailed rebuttals to many of the Beacon Report findings. The response concluded:

...We would respectfully recommend that rather than spend more time on the review document that we put sincere effort into the drafting of a new “service agreement” that reflects the current services being provided by both parties and an agreed upon pricing model.

Correspondence from Ed Houghton to Sara Almas, January 27, 2015, [EHH0000117](#) (letter) and [EHH0000117.0001](#) (attachment)

736. The CPUSB wrote a short report responding to the conclusions of the Beacon Report. This response stated that the Beacon Report contained numerous inaccuracies and questionable assumptions, but also had some valid recommendations that would be useful in updating the shared services agreement.

Correspondence from Doug Garbutt to Sara Almas, January 27, 2015, [EHH0000118](#) (letter) and [EHH0000118.0001](#) (attachment)

737. Ian Chadwick wrote a 26-page document responding to the conclusions of the Beacon Report. In his response, Mr. Chadwick agreed that the existing shared services agreement required review, analysis and revision to bring it up-to-date and “to more clearly define the services provided, their performance, and costs thereof.” Mr. Chadwick also expressed an opinion that the Beacon Report did not reflect what he recalled saying in his

interviews with the report's authors. Mr. Chadwick further opined that the Beacon Report did not serve the public interest or accomplish its intended or expected goals.

Correspondence from Ian Chadwick to Sara Almas, January 29, 2015, [TOC0515504](#)

738. After Mr. Chadwick published his response to the Beacon Report, he was contacted by CAO Brown, who sought clarification to some of Mr. Chadwick's comments. Mr. Chadwick declined to provide any clarifications to Mr. Brown, stating that Collingwood Council had asked him, as an interviewee for the original Beacon report, to write a response to the report and that this request from Council did not include a responsibility to respond to CAO Brown's comments and concerns.

Email from John Brown to Ian Chadwick, February 12, 2015, [TOC0516776](#)

Email from John Brown to Ian Chadwick, February 12, 2015, [TOC0516779](#)

Email correspondence between John Brown and Ian Chadwick, February 12, 2015, [TOC0516778](#)

739. By letter dated February 12, 2015, the authors of the Beacon Report advised the CAO Brown that, "[b]ased on the responses received, the recommendation and conclusions in the Report remain the same."

Letter from Beacon 2020, Inc. and True North Consultants, Inc. to CAO Town of Collingwood & Clerk Town of Collingwood, February 12, 2015, [TOC0516775](#)

740. On February 17, 2015, Collingwood Council resolved to receive and approve the Beacon Report and to,

...defer the recommendation to provide notice of termination of the current agreement until the Board and CAO have an opportunity to review and report back to Council by no later than May 13, 2015 of the required services.

Resolution No 077-15, February 17, 2015, [CPS0007337_0001](#)

741. By email dated February 25, 2015, Dan Horchik (PowerStream board member) provided the Collus PowerStream board with a letter agreement dated July 31, 2012 and "signed by [PowerStream] the Town, and all of the Collus affiliate corporations." The body of Mr.

Horchik's email also included a prior email in which PowerStream's Vice President and General Counsel analyzed the letter agreement. According to Mr. Horchik, the letter agreement provided that: "(1) the Service Agreements were extended to 2018; (2) the parties shall review and amend the ["Service Agreements"], if necessary, and (3) the [Service Agreements] can only be terminated by mutual consent." Mr. Horchik further commented that the letter agreement was overlooked by the Beacon Report authors and concluded, "I think that at the right time we may have to remind the Town of the contents of this letter."

Email chain including Vinay Mehta, Dan Horchik, Brian Bentz, Dennis Nolan, David McFadden, Sandra Cooper, David Garner, Jeff Lehman, and Ed Houghton, February 24 – 25, 2015, [CPS0005254](#) (email)_and [CPS0005255](#) (attachment)

Collingwood PowerStream Utility Services Corp 2012 Post Partnership Organizational Chart, [CPS0011297 0001](#)

742. On March 4, 2015, CAO Brown emailed Cindy Shuttleworth and Pam Hogg, raising the Beacon Report's conclusions that:

1 The Chief Financial Officer for the CPU is an employee of Collus PowerStream. It is not advisable for an employee of any service provider to hold a strategic or executive management position within its client organization.

2 The Executive Assistant of the President and CEO of Collus PowerStream / Director of Human Resources serves as the Secretary to the CPU Services Board. It is not advisable for an employee of any service provider to hold a strategic or executive management position within its client organization or to perform an administrative role on its Board.

Mr. Brown then wrote:

I would appreciate if you both would give thought as to how the consultants expressed caveats with regard to your responsibilities can be appropriately addressed and that your thoughts in this regard be made available to me so that I can advance them at the Board's next meeting.

Email from John Brown to Cindy Shuttleworth and Pam Hogg, March 4, 2015, [TOC0474581](#)

743. Pam Hogg forwarded this email to Ed Houghton, who then forwarded the email to Mayor Cooper with a message stating: "[i]s this what you wanted?"

Email from Ed Houghton to Sandra Cooper, March 4, 2015, [CPS0005269](#)

744. Ms. Hogg responded to John Brown on March 18, 2015:

I am responding on behalf of both Cindy and I. We do not believe that we are in a conflict of interest position. We have spoken to our lawyer, and Cindy has spoken to her professional association.

Further, we will be discussing this with our Chair and the President & CEO of PowerStream tomorrow. They will review this and it is our understanding that PowerStream is preparing a letter to be sent to their partner Collingwood Council.

Email from Pam Hogg to John Brown, March 18, 2015, [TOC0475163](#)

745. The following day, Ms. Shuttleworth sent a three-page letter to CAO Brown in which, amongst other things, she stated that the authors of the Beacon report were not lawyers and thus not qualified to “express an opinion on conflict of interest,”. Ms. Shuttleworth also pointed out that, while the report’s authors said it was not advisable that she work for both CPUSB and Collus PowerStream, they did not state that doing so violated any “rules” nor did they recommend that Ms. Shuttleworth step down from either of her positions. Ms. Shuttleworth further stated that she had received a legal opinion from BLG on the matter, and that she felt comfortable continuing to work for both Collus PowerStream and CPUSB.

Email chain and attachment including Cindy Shuttleworth, John Brown, Leo Longo, Sandra Cooper, Doug Garbutt and Tim Fryer, March 19, 2015, [ARB0000301](#) (email), [ARB0000302](#) (letter)

8.12 January 2015 – June 2015: BMA and DFA Water and Water Services Report

746. In or around 2015, the Town of Collingwood also commissioned BMA Management Consulting Inc. and DFA Infrastructure International Inc. to assess the Town’s water and wastewater operations and make recommendations for improvement.

Town of Collingwood Water and Wastewater Services Review Final Report, June 16, 2015, [BLG0000035_0001](#), p 4

747. On June 16, 2015, BMA Management Consulting Inc. and DFA Infrastructure International Inc. published a joint report that identified several issues with the Town’s water services, including:
- a. That best practice was for municipalities to directly control and operate water and wastewater within the municipal structure, as a rate supported service, to increase public transparency and accountability, as opposed to through a separate service board;
 - b. “The current arrangement whereby two (2) Collus Solutions positions also function as the CFO and HR Manager for the CPUSB does not facilitate clear accountability and transparency as Collus Solutions is also a service provider to the CPUSB (I.e. the provider of the service also represents the buyer of the service). This is not consistent with the Town’s policies and practices respecting real or perceived conflicts of interest”; and
 - c. Collus Solutions’ method of charging costs to the CPUSB, Collus PowerStream and the Town prevented CPUSB from independently validating those costs. Further, those costs were charged on an allocation basis at the discretion of the CPUSB as opposed to a fee for service basis.

The report recommended that water and wastewater services be removed from CPUSB and returned to the direct control of the Town of Collingwood to ensure clear accountability and transparency regarding the provision of services. The Report estimated that this would save the Town of Collingwood \$706,531 annually.

Town of Collingwood Water and Wastewater Services Review Final Report, June 16, 2015, [BLG0000035_0001](#), p 20 and 35 – 42

748. The BMA/DFA report was presented to Collingwood Council on June 22, 2015. Following the presentation, Council voted to shift control of Collingwood’s water and wastewater service delivery from the CPUSB to the Town.

Staff Report #CAO2015-10, June 22, 2015, [TOC0517662](#)

Town of Collingwood Resolution, June 22, 2015, [TOC0516667](#)

Town of Collingwood Water & Wastewater Service Review Presentation to Council, June 22, 2015, [DFA0000039](#)

Change to water/wastewater operations in Collingwood, June 23, 2015, [TOC0479347](#)

8.13 March – May 2015: Town Solicitors Clarify Additional Legal Matters

a) Representation of the Town and Collus during the Collus PowerStream Share Sale

749. On March 2, 2015, Town solicitor Leo Longo sent an email to CAO John Brown, stating, “Further to our conversation I wish to confirm that I was not the solicitor of record on the Town’s deal with Powerstream respecting the Collus transaction.”

Email from Leo Longo to John Brown, March 2, 2015, [ARB0000212](#)

750. On March 4, 2015, Leo Longo informed fellow Aird & Berlis counsel Ron Clark that CAO Brown had asked “who was the lawyer of record that represented the Town on the transaction”. Mr. Longo also commented:

“It wasn’t you. I don’t know what entity you billed but I don’t believe it was the Town. It wasn’t me...as I was never involved in the negotiation of any of the agreements and other closing documents....Frankly, I believe the Town chose not to have a lawyer of record on this transaction.”

Email from Leo Longo to Ron Clark, March 4, 2015, [ARB0000100](#)

751. Mr. Clark responded:

My understanding at the time was that the Town had designated Ed to give us instructions on behalf of Collus and the Town.

I'm not certain "lawyer of record" has any meaning in a commercial transaction (as opposed to litigation).

Ultimately, the firm advised both the Town and Collus and Ed instructed us as representative of both.

Email from Leo Longo to Ron Clark, March 4, 2015, [ARB0000100](#)

752. The following day, CAO Brown asked Ron Clark from whom he took instructions and to whom he reported during the execution of the Collus PowerStream share sale. Mr. Clark

responded: "Ed Houghton". In a separate conversation regarding the share sale with CAO Brown on the same day, Mr. Clark stated: "I represented both the Town and Collus."

Email chain including Ron Clark, John Brown and Leo Longo, March 5, 2015, [ARB0000568](#)

Email chain including John Brown, Ron Clark and Leo Longo, March 4-5, 2015, [ARB0000028](#)

753. Two weeks after this conversation, CAO Brown informed Ed Houghton that, contrary to Mr. Houghton's prior statement in an email on July 25, 2014 (see section 8.10), Leo Longo did not represent the Town during the Collus PowerStream share sale and Ron Clark represented both the Town and Collus. Mr. Houghton forwarded this email to Mr. Clark stating: "As you know, Leo was involved. Please provide a correction to Mr. Brown." Mr. Clark forwarded Mr. Houghton's email to Leo Longo, who responded: "As we have discussed, my peripheral "involvement" was minimal and I was not the lawyer of record for the Town respecting that transaction...Please do not suggest otherwise."

Email chain including Ron Clark, Jon Brown, Ed Houghton and Leo Longo, March 19-20, 2015, [ARB0000173](#)

754. The following week, Leo Longo sent CAO Brown the following email:

My involvement with the Town respecting the Powerstream Share Purchase Agreement was sporadic and minimal.

My recollection is that I was not asked to assist or provide any opinion to Town Council or staff other than what is set out below.

While I was periodically copied on multi-recipient emails, I was not instructed to undertake anything other than what is set out below.

My general recollection of the entire transaction is one of me sitting on the sidelines with little expectation that I would be called into the game. I did attend on a few group conference calls and one closed session council meeting on January 16, 2012 at which Ron Clark, Ed Houghton and John Rocx made presentations to Council. I was attending this closed session meeting to address a different confidential matter. I was not asked to and did not make any presentation to council on the Powerstream matter.

Three specific activities I recall engaging in are set out below.

1) Advising that the Town Consider Separate Legal Counsel

In emails I sent to the Mayor and Deputy Mayor mid-January, 2012, I advised that my review of the share purchase agreement focussed on the draft reps and warranties contained therein being attributed to the Town. I could not comment on the financial aspects of the deal and asked if the Town had received any advice that it was receiving fair value. I pointed out that Ron Clark and Corrine Kennedy were representing Collus and that the Town's interests might not be identical to Collus. Both the Mayor and Deputy Mayor did not share my concern.

2) Commenting on the draft Reps & Warranties

As noted above, I reviewed the draft reps and warranties in the draft agreement and recall advising the clerk [and perhaps others] that certain reps and warranties in their then current wording.

ought not to be given by the Town. I believe some redrafting followed.

3) Commenting on the Authorization By-law

My assistance was sought respecting the Authorization By-Law. I provided an initial draft of this by-law to the Town CAO and Clerk and Ed Houghton. In my by-law draft, the Town Staff and Town Solicitor were mentioned as serving an advisory and reporting role back to council respecting the transaction and closing documentation. See By-Law 1 attached.

Ron Clark and Corinne Kennedy prepared further, more detailed drafts of this by-law. Their drafts retained mention of the role to be performed by Town Staff and the Town Solicitor.

Ed Houghton found their drafts too detailed/complicated and undertook drafting the Authorization By-Law. Any reference to the advisory and reporting role of the Town Staff and Town Solicitor was removed. I commented upon his draft and re-inserted mention of the by-law provision respecting the Town Staff and Town Solicitor advising and reporting further to council respecting conditions precedent to the closing of the transaction.

Ed Houghton prepared the final version of the by-law. That draft again removed the clause which mentioned the role of the Town Staff and Town Solicitor. See By-Law 2 attached.

Other matters worthy of mention.

- I had never seen and was unaware of the July 31, 2012 Powerstream letter respecting the Shared Services Agreement ("SSA") until you recently brought it to my attention. I was not consulted about its content or legal implications at the time nor ever prepared any opinion respecting it.
- I was not involved in any aspect of the closing of the transaction. I did not prepare any documentation respecting this deal. I did not attend on the closing. I have never seen the closing document books. I was never asked for any

opinion respecting the legal implications of signing any of the closing documents by the Mayor and Clerk.

- Last week I was provided with a copy of the attached Officer's Certificate which I understand was one of the closing documents. I did not prepare this document, was unaware of its existence and was never consulted respecting it or gave any advice respecting it. Note paragraphs 8 and 10. I had recently reviewed with you the applicability of the Town's Purchasing By-Law's to the SSA and the legal effect of the July 31, 2012 letter referenced above.

I hope this is of assistance to you.

Email from Leo Longo to John Brown and Sara Almas, May 8, 2015, [ARB0000041](#) (email), [ARB0000042](#) (attachment), [ARB0000043](#) (attachment), and [ARB0000044](#) (attachment)

b) The Legal Status of the Shared Service Agreements between Collus PowerStream and Collus PowerStream Solutions

755. On March 28, 2015, Leo Longo sent CAO Brown an email answering certain questions that had been posed by CAO Brown regarding the Shared Service Agreements between the Town and Collus PowerStream Solutions. In the email, Mr. Longo stated that:

- a. While Collingwood council likely did not fully understand the terms of the Shared Services Agreement, a contractual arrangement under which the Town paid Collus Solutions for services rendered was likely in force.
- b. Any future action taken by Collingwood Council with regards to the Shared Services Agreements must respect relevant Town by-laws and policies.

Email from Leo Longo to John Brown and Sara Almas, March 28, 2015, [ARB0000594](#)

756. In the email, Mr. Longo also wrote that he did not have sufficient experience in contract law to determine whether the existing shared services agreement had been fundamentally breached by Collus Solutions.

Email from Leo Longo to John Brown and Sara Almas, March 28, 2015, [ARB0000594](#)

757. On April 7, 2015, in another email discussing the shared services agreements and the Collus PowerStream transaction generally, Leo Longo stated to John Brown:

A matter that I find troubling is that the Town has had a Purchasing By-law No. 2006-42 throughout this period and that:

- i) between the adoption of this by-law in 2006 and the PowerStream deal in 2012, the Town has been annually paying Solutions for services without adhering to the tender and procurement provisions of said By-law;
- ii) it appears that no consideration was given to Purchasing By-law No. 2006-42 and its requirements when the various PowerStream agreements were entered into; and
- iii) it appears that no consideration was given to Purchasing By-law No. 2006-42 and its requirements when the Mayor and Clerk signed the Town's acceptance and agreement to the July 31, 2012 PowerStream letter (**author's note**: see section 6.17) .

Email from Leo Longo to John Brown, April 7, 2015, [ARB0000513](#)

758. In this email, Mr. Longo also referred to a memo written by Ron Clark which confirmed that neither the Town of Collingwood nor PowerStream had adhered to the requirements of the July 31, 2012 agreement in which both parties agreed to undertake a review of relevant shared services agreements within twelve months of the closing of the Collus-PowerStream transaction (see section 6.17).

Email from Leo Longo to John Brown, April 7, 2015, [ARB0000513](#)

c) Mayor Cooper's Dual Role with the Town and Collus

759. On March 30, 2015, CAO Brown called Leo Longo to ask about the "the propriety of the Mayor attending a closed session meeting of Town council at which council would/might determine its legal position respecting its contractual relationship [the Shared Services Agreement] with an arms-length corporation on which the Mayor sits as a director."

Email chain including John Brown, Leo Longo, John Mascarin and Sara Almas, March 31, 2015, [ARB0000209](#)

760. In an email to CAO Brown the following day, Mr. Longo wrote:

"It is accepted that as a member of a board of directors of a corporation that the Mayor owes a fiduciary duty to that corporation that is distinct from her duties to the Town... She also owes a duty to Council to respect the Code of Conduct she signed when assuming office.... Attending the closed session council meeting will be placing

the Mayor in a very difficult situation. She must maintain council confidentiality while owing a fiduciary duty to the arms-length corporation for which she sits as a director. Which “master” does she serve? Which interest overrides the other? How is she to reconcile her two competing duties?”

At the end of the email, Mr. Longo indicated that the uniqueness of Mayor Cooper’s dual role as a councillor and member of a corporate board that was controlled jointly by private and public entities made it difficult for him to find case law that would help resolve the above-mentioned issues.

Email chain including John Brown, Leo Longo, John Mascarin and Sara Almas, March 31, 2015, [ARB0000209](#)

d) Town Counsel, Clerk Almas and Mayor Cooper’s Knowledge of Transaction Documents

761. In April 2015, Town Clerk Sara Almas advised Leo Longo that, during the closing of the Collus PowerStream share sale, nobody ever explained to her the significance of the July 31, 2012, agreement in which the Town of Collingwood and PowerStream agreed to review and amend relevant shared services agreements within twelve months of closing the share sale (see section 6.17).

Email from Leo Longo to John Brown, April 7, 2015, [ARB0000513](#)

762. In an email to CAO Brown one month later, Ron Clark indicated that he was “not certain” he ever saw a final, executed version of the July 31, 2012 agreement (see section 6.17).

Mr. Brown responded asking:

If you did not see a final copy of the final letter (July 31 2002) before it was executed then it would appear that you were not asked for legal advice with regard to it . as the towns lawyer , would you have expected to have been consulted on this (very) significantly different agreement that the one it replaced(and one you had cautioned Mr. Houghton on specifically as potentially binding)?

Mr. Clark responded: “Not really. It is up to the client to decide what they want to consult me on.” CAO Brown then asked:

Are you stating that the Town indicated that it did not want your advice on the July 31 2012 letter , even though it was on the closing agenda? If so, who would have given you that direction on behalf of the Town - your client?

Mr. Clark replied: "After I spoke to Ed I don't believe the issue was raised again."

Email chain including John Brown, Ron Clark and Leo Longo, April 7-May 6, 2015, [ARB0000308](#)

763. On April 30, 2015, Ron Clark sent Leo Longo an email including an attachment entitled "Officer_s Certificate (Cooper – Town)." Mr. Longo responded asking: "Did you or Corinne draft this document?...advise the Mayor respecting its contents?". Mr. Clark responded: "Likely Corrine or I drafted it. I don't think we ever sat down with the mayor or spoke with her directly."

Email and attachment from Ron Clark to Leo Longo, April 30, 2015, [ARB0000081](#)

Email chain including Leo Longo and Ron Clark, April 30, 2015, [ARB0000153](#)

8.14 May 2015: Miller Thomson Report on the Services Agreement and the Share Sale

764. On January 19, 2015, Council voted to "retain the primary legal services of Miller Thomson LLP." At that meeting, Council also directed Town staff to report back on a code of conduct, the implementation of a lobbyist registry, a review of procurement and sole source policies and to advise Council on "any other policies, procedures or initiatives to enhance and improve transparency and accountability in municipal governance.

Council Agenda for February 2, 2015 with attached Minutes, January 19, 2015, [CJI0008342](#), p 8 - 11

765. On May 15, 2015, Miller Thomson reported to the CAO of the Town of Collingwood on "Issues Surrounding the Services Agreement between Collingwood Public Utilities Commission and Collus Solutions Corp., the Sale of Shares in Collingwood Utility Services Corp., and Related Issues". The report referred to these issues as a "complex matter".

Miller Thomson report regarding issues surrounding the services agreement between Collingwood Public Utilities Commission and Collus Solutions Corp., the sale of shares in Collingwood Utility Services Corp., and related issues, May 15, 2015, [CJ10008820](#), p 1

766. With respect to the service agreement, Miller Thomson concluded that there was a strong argument that the service agreement between the Collingwood Public Utilities Commission and Collus PowerStream dated January 1, 2003 was still in force and that the July 31, 2012 letter agreement did not amend the terms of the service agreement. The report set out options for the Town including termination or amendment of the service agreement.

Miller Thomson report regarding issues surrounding the services agreement between Collingwood Public Utilities Commission and Collus Solutions Corp., the sale of shares in Collingwood Utility Services Corp., and related issues, May 15, 2015, [CJ10008820](#), p 3-6

767. Miller Thomson also concluded that the sale of 50% of Collus' shares had occurred without any significant Council review or input. Nevertheless, the report advised that the share sale was valid and binding. Miller Thomson also noted that the Town had not received copies of the closing documents from the transaction until "recently."

Miller Thomson report regarding issues surrounding the services agreement between Collingwood Public Utilities Commission and Collus Solutions Corp., the sale of shares in Collingwood Utility Services Corp., and related issues, May 15, 2015, [CJ10008820](#), p 4, 8

768. Miller Thomson provided observations and opinions on various aspects of the Collus PowerStream share sale, including:
- a. The Town ought to have been actively involved in all aspects of a major transaction such as the Collus transaction.
 - b. There was confusion as to which lawyers were acting on the transaction and which parties these lawyers were representing; and
 - c. "Given the multiple roles Mr. Houghton held, it would be difficult, if not impossible to determine whose interests Mr. Houghton was representing in the transaction."

Miller Thomson report regarding issues surrounding the services agreement between Collingwood Public Utilities Commission and Collus Solutions Corp., the sale of shares in Collingwood Utility Services Corp., and related issues, May 15, 2015, [CJ10008820](#),p 8-9

769. Miller Thomson concluded that in a major transaction such as the sale of half of the Town's shares in Collus to a third party, the parties involved ought to have considered several issues, including:

- a) whether it was appropriate for the Town, Collus and its subsidiaries to have the same legal representation;
- b) whether the interests of all parties were fully aligned;
- c) whether independent legal advice was necessary or advisable for any or all of these parties;
- d) even if all of the parties believed it was appropriate to be represented by the same law firm, whether each party should have designated a different person to give instructions to their lawyer within that law firm and to determine if any conflicts arose; and

...

- e) whether 50% co-ownership was in the best interest of the Town.

Miller Thomson report regarding issues surrounding the services agreement between Collingwood Public Utilities Commission and Collus Solutions Corp., the sale of shares in Collingwood Utility Services Corp., and related issues, May 15, 2015, [CJ10008820](#),p 9

770. With respect to the by-law authorizing the share transaction, Miller Thomson wrote:

The final form of the by-law authorizing the share transaction gave the Mayor or the Clerk a great deal of discretion and authority not only to complete that transaction, but to enter into other significant agreements without having to return to Council. We have several concerns about this approach...the grant of this type of far-reaching authority is highly unusual for a major municipal transaction where the interests of the constituents of Collingwood were to be protected...by not placing any parameters around the exercise of authority...the authorizing by-law created the opportunity for the transaction to move forward without the Town having independent legal representation. We recommend that such a broad grant of authority for significant transactions not be repeated in the future, and that Council maintain its role as overseer of such matters.

Miller Thomson report regarding issues surrounding the services agreement between Collingwood Public Utilities Commission and Collus Solutions Corp., the sale of shares in Collingwood Utility Services Corp., and related issues, May 15, 2015, [CJI0008820](#), p 10

8.15 June 2015: KPMG Advises That There Was no Final Valuation of Collus Power in 2011

771. On June 11, 2015, Pam Hogg asked John Rockx for a final copy of the May 20, 2011 Report titled “The Calculation of Value prepared for Collus Power Corp.” Mr. Rockx provided an electronic copy of the draft report, explaining that, “KPMG never did issue the valuation report in final as we never received an executed representation letter from Collus Power.”

Email chain including John Rockx to Pam Hogg, Ed Houghton and Jonathan Erling, [CPS0005636](#)

Email and attachment from Jonathan Erling to Ed Houghton, Tim Fryer, John Rockx and John Herhalt, [KPM0001030](#) (email) and [KPM0001031](#) (attachment)

8.16 June 2015: Henley Valuation Report

772. In or around 2015, the Town of Collingwood retained Henley International Inc. to undertake a valuation of Collus PowerStream.

Report on Valuation Results by Henley International Inc, June 16, 2015, [BLG0000023_0001_0001](#)

773. The report pointed out that its analysis used only publicly available information and information provided by the Town of Collingwood. “Additional data such as business plans, capital expenditure plans and budgets and even the latest financial statements that are normally provided were unavailable in this case.” The report concluded that the information available through the Ontario Energy Board was “adequate to reach conclusions that are believed to be sound.”

Report on Valuation Results by Henley International Inc, June 16, 2015, [BLG0000023_0001_0001](#)

774. The valuation report found, amongst other things, that:

- a. Collus-PowerStream’s firm value was between \$26.5 and \$30.3 million and its equity value was approximately \$15.7 million;
- b. Collingwood and PowerStream’s joint ownership of Collus-PowerStream restricted the Town’s ability to sell its interest in the company and potentially made the company less attractive to buyers; and
- c. In the case of Collus PowerStream Solutions, the history of earnings through business with related companies only could make a potential buyer concerned that the existing business would be uncertain once separated from the related companies; Henley assigned no value to Collus PowerStream Solution.

Report on Valuation Results by Henley International Inc, June 16, 2015, [BLG0000023_0001_0001](#) p 2, 3, 15, 16, 19, 21

8.17 October 2015 – April 2016: Borden Ladner Gervais Report

775. On October 5, 2015, Collingwood Council asked Mark Rodger of Borden Ladner Gervais to prepare a report (the “BLG Report”) describing the history and evolution of the Collus family of companies since the year 2000 and providing information on potential “go forward” options for its interest in the Collus PowerStream companies.

The Collus Family of Companies: History, Orientation, Services Provider Role and “Go Forward” Options, Public Version, March 31, 2016, [ALE0004057](#)

776. Mark Rodger presented the initial findings from the BLG Report to Collingwood Council on February 3rd, 2016.

In-Camera Agenda, February 3, 2016, [TOC0518020](#)

777. On February 10, 2016, Mark Rodger forwarded a subsequent draft of the BLG Report to members of the Collus PowerStream Board, asking for comments and feedback. Board member John Worts responded two days later, taking issue with, amongst other things, the lack of opportunity provided to Collus PowerStream to comment on the report before

it was presented to Council, and the limited time now provided to Collus PowerStream to respond.

Email chain including Mark Rodger, David McFadden, John Worts, Ed Houghton, Sandra Cooper and John Brown, February 10, 2016, [BLG0000078_0001](#)

778. On February 18, 2016, Ed Houghton wrote an email to Brian Bentz and David McFadden, co-Chairs of the Collus PowerStream Board:

It is with an extremely heavy heart that I am forced to be in a situation where it is necessary to write this email.

Further to our meeting last week, you both agreed that a mutual separation seemed to be in everyone's best interests, including the best interests of Collus PowerStream. As I expressed upon you then, I am so disappointed that the situation has escalated to the point where, to be honest, I view the current work environment as tantamount to a constructive dismissal of my employment. I know that you are both too well aware of the issues with the Town of Collingwood and the various players involved. It is certainly not my intent to go through that in this e-mail. I do not believe such an exercise would be constructive at this point. I would rather focus on coming to a fair resolution, which recognizes my substantial service and ensures my stellar reputation remains intact.

I don't think I need to remind anyone that I have nearly 39 dedicated years with Collus/Collus PowerStream. During that time I have been loyal and faithful to Collus, the ratepayers of our service territories and to the Town of Collingwood. I do not think that it can be disputed in any way that I have discharged all my duties as President & CEO in a professional, diligent and very capable manner in line with the objectives of the Board. I have grown the business to where it is today and to echo Brian, "I am the glue that makes it work". At the very least, this can all be seen by the bonuses that I have been paid over the years with my various roles at Collus or within the Town of Collingwood. I have always done everything that has ever been asked of me and more. The successes are many and the recognitions are as well.

What follows is what I see as fair and what I would expect as part of an agreement to end my employment:

1. End Date – As was mentioned last week, my last day of employment would be March 31, 2016. I would receive all of my salary, car allowance, benefits and accrued vacation pay up to my last day.
2. Compensation - I would receive 24 months' compensation equal to my salary, car allowance, vacation pay, and bonus (2 x 20% of salary). I would be able to elect whether

to receive the compensation by lump sum payment or salary continuance. While I understand that I can receive much more than 24 months, I have come up with this severance period after much thought in order to arrive at a quick and amicable resolution which I believe is very fair to both parties.

3. Benefits – Collus would pay all the premiums to continue my employee benefits for 24 months following my end date. If the provider will not permit certain benefits to continue, Collus would pay me a lump sum amount sufficient for me to secure such benefits.

4. Announcement – My reputation to me in the industry is of great importance. Accordingly, we would have to mutually agree to the specific form of announcement regarding my departure.

Email from Ed Houghton to David McFadden and Brian Bentz, and reply email to Ed Houghton, February 18 and 21, 2016, [TOC0497341](#)

Email between Ed Houghton and David McFadden, with follow up email from Sandra Cooper, February 18-21, 2016, [TOC0497343](#)

779. On February 23, 2016, the chair of Collus PowerStream, David McFadden, responded to Mr. Rodger. In the response, Collus PowerStream commented on, clarified and criticized numerous elements of the BLG report. Examples of Collus PowerStream’s comments included:

- a. Stating that the Aird & Berlis presentation of January 16, 2012 showed Council was aware of the change from Collus Power to the holding company [Collus] as the target for the share sale;
- b. Disagreement with the various dollar amounts referenced in the report, including but not limited, to the dividend payment to the Town, which Collus PowerStream said totalled \$4,598,389;
- c. Disagreement that the Town had not received annual business plans from Collus PowerStream. Collus PowerStream stated that “this has always been provided as per the definition of a business plan as part of the agreement shown below. This is a one-year budget for operations and capital, with the forecast for dividends being within the range allowed by the dividend policy”; and

- d. Disagreement about information the Town claimed it did not receive, such as the retained earnings for Collus and amounts available for dividends. Collus PowerStream pointed out that retained earnings had been part of every financial statement produced to the Town since the inception of the Collus group of companies.

Letter from David McFadden to Mark Rodger, February 23, 2016, [CPS0006336](#) at p 7, 10-11, 13-15, 17, 31.

780. David McFadden concluded by stating:

These materials and comments have been provided to you in good faith and it is our expectation that they will be considered when revising your report. We look forward to your review of our comments and materials and the opportunity for further discussion with you prior to presenting a revised report back to Council.

Letter from David McFadden to Mark Rodger, February 23, 2016, [CPS0006336](#), p 2

781. Mark Rodger revised the BLG Report to incorporate some of Collus-PowerStream's comments. In response to these revisions, CAO John Brown contacted Mr. Rodger and asked questions regarding the manner in which Mr. Rodger incorporated Collus-PowerStream's comments. Mr. Rodger provided responses directly to CAO Brown on the additional submissions and explained his thinking behind certain portions of the report, particularly the portions of the report on which he had received conflicting information.

Email chain between Marjory Leonard, John Brown and Mark Rodger, March 2–3, 2016, [BLG0000093 0001](#)

782. On March 10, 2016, Mark Rodger sent Collingwood Council a letter requesting an extension on the submission date for the BLG Report so that Collus-PowerStream could have enough time to locate and provide relevant documentation. Council agreed to postpone the presentation of the BLG Report by two weeks.

Letter from Mark Rodger to Sandra Cooper and the Town Council, copied to John Brown, Ed Houghton and David McFadden, March 10, 2016, [CPS0006320](#)

783. On March 22, 2016, Ed Houghton on behalf of Collus-PowerStream forwarded documents related to the Collus-PowerStream sale to Mark Rodger. According to Mr. Houghton, these documents included:

- a. A memo from 7 of the 9 members of the 2010 Collingwood Council, in which the councillors stated that they were fully advised and apprised of the Collus-PowerStream transaction and were completely satisfied with the related process and communications that took place.
- b. A memo from councillor Dale West elaborating on the premises stated in the memo mentioned above;
- c. A document authored by Ian Chadwick in which he reviewed the process leading up to the Collus-PowerStream transaction;
- d. An email chain involving CAO Wingrove, Clerk Almas and Ed Houghton. In this chain, CAO Wingrove requested edits to Staff Report CAO 2012-01 from Clerk Almas, Mayor Cooper and Mr. Houghton. Mr. Houghton noted that he included these emails as proof that he was not the primary author of the Staff Report.

Email from Ed Houghton to Mark Rodger, David McFadden, Sandra Cooper, John Worts, Pam Hogg, Cindy Shuttleworth, and Larry Irwin, [BLG0000124 0001](#) (email)

Items for Clarification and Confirmation, March 18, 2016, [BLG0000131 0001](#)

Memo from Dale West to Ed Houghton, March 19, 2016, [BLG0000130 0001](#)

Debunking the Collus Myths, Ian Chadwick, undated, [BLG0000134 0001](#)

784. In the same email, Mr. Houghton also answered a follow up question that Mr. Rodger had asked regarding Collus' scoring of the RFP bids. Mr. Rodger's question referred to a specific slide in Collus' December 5, 2011 presentation to Collingwood Council. The slide has been reproduced below.

Proposal Evaluation Summaries				
	Horizon	Hydro One	PowerStream	Veridian
Total cash consideration to Town of Collingwood	3rd	1st	2nd	4th
Provision of strategic and specialized resources, support in growing COLLUS			1 st 9 out of 9	
Support for employees and their careers	1 st 2 out of 9		1 st 6 out of 9	1 st 1 out of 9
Customer experience and satisfaction, supporting the interests of the communities			1 st 9 out of 9	
Competitive distribution rate and cost structure of COLLUS	1 st 8 out of 9			1 st 1 out of 9
Cultural and synergistic fit			1 st 9 out of 9	
	1 st	1 st	1 st	1 st
	Totals 10 out of 45	0 out of 45	33 out of 45	2 out of 45

Email from Ed Houghton to Mark Rodger, David McFadden, Sandra Cooper, John Worts, Pam Hogg, Cindy Shuttleworth, and Larry Irwin, [BLG0000124_0001](#) (email)

Collus Power Corp Strategic Partnership Request for Proposal Results and Evaluations Update to Council, December 5, 2011, [ALE0005133.0002, slide 14](#)

785. Mark Rodger had asked Ed Houghton how it was possible that Hydro One scored first with regards to total cash consideration to the Town of Collingwood, yet still finished with a total of zero points out of 45. Mr. Houghton responded as follows:

This slide was explained fully to Council but I can see where there is confusion. As you know there were nine persons on the Strategic Partnership Task Team. Therefore there were nine persons reviewing the non-financial portions of the proposals. There were five sections in the non-financial portion. (9 times 5 = 45) At the bottom of the slide it shows how many times the nine reviewers rated the particular proposal first. For example, 33 times the nine reviewers rated PowerStream with a first in the non-financial portion. Hydro One did not receive any first place ratings in the non-financial portions thus they received 0 out of 45. Hydro One got full marks for the financial consideration but did not win the bid based on the approved evaluation criteria. You can also see that the cash consideration evaluations that KPMG did on the Town's behalf are at the bottom of [slide] 15.

Slide 15 from the presentation is set out below:

Proposal Evaluation Summaries				
Business Issue	Horizon	Hydro One	PowerStream	Veridian
Binding/Non-Binding	Non-Binding	Non-Binding	Non-Binding	Non-Binding
Shares	50%	50% or less	50%	50%
Unassumed Liabilities	unconfirmed	unconfirmed	confirmed	unconfirmed
Recapitalization	60%/40% Debt to Equity \$2.65 M to Town \$2.65 M to Horizon	60%/40% Debt to Equity \$3.2 M to Town \$3.2 M to Hydro One	60%/40% Debt to Equity \$5.3 M to Town \$0.0 to PowerStream	60%/40% Debt to Equity \$2.65 M to Town \$2.65 M to Veridian
Promissory Note	\$1.71 M payout	\$1.71 M payout	\$1.71 M payout Town's option	\$1.71 M payout
Governance	50% Town 50% Horizon Majority Independent	20% Town 20% Hydro One 60% Independent	50% Town 50% PowerStream Majority Independent 2 Co-Chairs	50% Town 50% Veridian 100% Independent
Total cash consideration to Town	\$11.86 million in cash	\$15.998 million in cash	\$15.010 million in cash	\$10.86 million in cash

Email from Ed Houghton to Mark Rodger, David McFadden, Sandra Cooper, John Worts, Pam Hogg, Cindy Shuttleworth, and Larry Irwin, [BLG0000124_0001](#) (email)

Collus Power Corp Strategic Partnership Request for Proposal Results and Evaluations Update to Council, December 5, 2011, [ALE0005133.0002](#), slide 15

786. On March 30, 2016, CAO John Brown, Mayor Cooper and members of the Collus-PowerStream board received a confidential, redacted copy of BLG's final report.

Email from Sara Almas, John Worts, David McFadden, Ed Houghton, John Brown, Sandra Cooper and Mark Rodger, March 30, 2016, [CPS0006426](#) (email) and [CPS0006427](#) (attachment)

787. On March 31, 2016, BLG published its final report and presented it to Council. Council voted to receive the report and authorized Mr. Rodger's continued retainer. The report's findings included:

- a. From 2000 to the PowerStream sale in 2012, the Collus corporations paid no cash dividends to the Town and maintained a lower debt capitalization than permitted by the OEB. These strategies were not typical of similar municipally owned utility companies at the time;
- b. There did not appear to be any consensus as to why Collus decided to sell 50% of its shares in 2012. Interviewees provided conflicting information on this point, including

that the transaction was caused by concerns that Collus needed to partner with a more sophisticated entity to survive upcoming government-forced consolidation of LDCs, and that the transaction was caused by a desire to provide the Town with a cash infusion;

- c. The service model and agreements under which Collus-PowerStream Solutions provided services to other Collus PowerStream and Town entities was complicated and not transparent;
- d. BLG did not receive sufficient information from Collus-PowerStream's directors and officers to fully benchmark the financial performance of the Collus-PowerStream partnership and determine whether the partnership had been successful;
- e. BLG identified a breakdown in communication and, at some levels, a mutual erosion of trust between Collus PowerStream and the Town with respect to matters, including the events occurring in the prior years and the process resulting in the 50% share sale in 2012;
- f. Neither the Town nor Collus-PowerStream were able to provide BLG with any rationale as to why a 50% sale of Collus' shares was chosen in 2012 as opposed to an 100% sale, the sale of a smaller percentage of Collus' shares or a merger;
- g. BLG had difficulty locating information regarding Collingwood Council's:
 - i. Establishment of the Strategic Partnership Task Team;
 - ii. Approval of the criteria used in the 2012 RFP process; and,
 - iii. Goals and preferred approach for negotiations with RFP bidders.

The Collus Family of Companies: History, Orientation, Service Provider Role and "Go Forward" Options, Public Version, March 31, 2016, [ALE0004057](#) (report) at p 6-8, 10-11, 20, 30-32 and [BLG0000154_0001](#) (slide presentation)

Council Minutes, March 31, 2016, [CJI0008416](#)

788. An unredacted version of the report was provided to the Inquiry. Information related to a discussion of the Henley Report and certain terms in the Unanimous Shareholders

Agreement signed by Collus and PowerStream on July 31, 2012 was redacted from the public version.

The Collus Family of Companies: History, Orientation, Services Provider Role and “Go Forward’ Options, March 31, 2016, [BLG0000169_0001](#)

8.18 June 2016: Council Replaces its Representatives on the Board, Two Collus PowerStream Directors Resign from the Board, and Ed Houghton Resigns from Collus PowerStream

789. On June 10, 2016, Board Chair David McFadden announced his intention to resign from the Board of Directors of Collus PowerStream, citing a “dysfunctional” relationship between the Town and the company.

Email from Marjory Leonard to John Brown, June 10, 2016, [TOC0502604](#)

“Collus Powerstream chair resigns cites dysfunctional relationship with Collingwood administration,” June 10, 2016, [TOC0502640](#)

790. John Worts resigned from the Board of Collus PowerStream on June 13, 2016.

Email chain including John Worts, Sandra Cooper, Town Council, Dan Horchik, Ed Houghton, others, June 13 – 22, 2016, [CPS0006609](#)

791. On June 13, 2016, Council voted to replace the Town’s three nominee directors (Mayor Cooper, David McFadden, and John Worts) on the Collus PowerStream Board of Directors. The staff report recommended that Treasurer Marjory Leonard, Clerk Almas and CAO Brown be named as town representatives to the Collus PowerStream board. Draft minutes of that meeting note a range of views from members of Council including concerns with communication, a need for stability and better information for the public. These details were not included in the final version of the Minutes.

Council Agenda including Draft Appendix A, Requisition of Meeting of Shareholders, June 13, 2016, [CJI0008456](#), p 4 and 143 – 144

Unsigned Minutes of Council, June 13, 2016, [TOC0502754](#), p 7

Council Agenda, June 27, 2016 with Minutes of Council attached June 13, 2016, [CJI0008404](#) at p 13

792. On June 15, 2016, CAO Brown, Treasurer Leonard and Clerk Almas were elected directors of Collus PowerStream.

Collingwood PowerStream Utility Services Corp. Resolution of Shareholders, June 15, 2016, [TOC0515687](#)

793. On June 6, 2016, Ed Houghton and the Collus PowerStream board agreed on the wording of a mutual termination agreement between Mr. Houghton and Collus PowerStream. The agreement contemplated that Mr. Houghton would step down from his position with Collus PowerStream on June 23, 2016. On July 5, 2016, Eric Fagen emailed PowerStream staff a Collingwood Connection article announcing Mr. Houghton's retirement from Collus PowerStream. On July 7th, Pam Hogg sent out materials for that day's joint Collus PowerStream, Collus PowerStream (Power) and Collus PowerStream Solutions board meeting. Amongst these materials was a statement indicating that Ed Houghton had stepped down from his position as President and CEO of Collus PowerStream effective June 24, 2016. At the time of his resignation, Mr. Houghton had been working on a one-year contract with Collus PowerStream (Power) that was signed in 2015.

Email and attachment from John Worts to Brian Bentz, Dan Horchik, David McFadden, Jeff Lehman and Sandra Cooper, June 6, 2016, [ALE0009710](#) (email) and [ALE0009710.0001](#) (attachment)

Email from Eric Fagen to PowerStream staff, July 5, 2016, [ALE0020861](#)

Email and attachment from Pam Hogg to Brian Bentz, Dan Horchik, Dennis Nolan, John Brown, Sara Almas, Marjory Leonard, Cindy Shuttleworth, Larry Irwin, Vinay Mehta, Sandra DiPonio and Laura Venafro, July 7, 2016, [TOC0503485](#) (email) and [TOC0503489](#) (attachment)

Ed Houghton Employment Contract, January 1, 2016-December 31, 2016, [ALE0010762.0001](#)

794. In September-December of 2013, Mr. Houghton and Collus PowerStream (Power) had discussions about a consulting agreement and then an employment agreement.

Email and attached draft consulting agreement, September 5, 2013, [CPS0004418](#) (email); [CPS0007695 0001](#) (attachment); [CPS0007696 0001](#) (attachment)

Follow up emails and draft agreements, September 27, 2013, [CPS0004434](#) (email); [CPS0007698 0001](#) (attachment)

Email and attachment from Pam Hogg to Sandra DiPonio, December 5, 2013, [ALE0039062](#) (email) and [ALE0039062.0001](#) (attachment)

Email and attachment from Pam Hogg to Ed Houghton, December 5, 2013, [CPS0004492](#) (email), [CPS0004493](#) (attachment)

795. On February 1, 2017, Ed Houghton signed a consulting agreement with Alectra Utilities Corporation for a term of 12 months.

Consulting agreement between Ed Houghton, February 1, 2017, [CJI0009237](#)

8.19 November 2016: Second BMA Financial Health Report

796. On November 7, 2016, Treasurer Leonard asked BMA to provide an updated report on Collingwood's financial health based on the Town's 2015 fiscal year. BMA published its report on November 23, 2016.

Email chain between Marjory Leonard, Jim Bruzzese, and Michael Switzer, November 7, 2011, [CJI0006634](#)

Assessment of the Town of Collingwood's Financial Health, November 23, 2016, [CJI0006629](#)

8.20 July 2016 – October 2017: The EPCOR Sale

797. On July 11, 2016 Collingwood council voted to authorize Mark Rodger to explore options for selling the Town's remaining 50% interest in Collus-PowerStream.

Council Minutes, July 11, 2016, [CJI0008423](#) at p.8

798. On October 23, 2017, Town Council voted to sell the Town's 50% stake in Collus PowerStream and issued a buy-sell offer to Alectra (see section 6.13). On November 9, 2017, Alectra informed the Town that it had chosen to sell its shares of Collus PowerStream back to the Town. The Town then commenced the process of selling 100% of the shares of Collus PowerStream to EPCOR. On October 1, 2018, EPCOR completed the acquisition of Collus PowerStream.

Town of Collingwood Press Release, November 15, 2017, [SCO0000006.0007](#)

<http://www.collingwood.ca/node/18808> [CJ10009244](#)

8.21 Collus PowerStream Orientation Materials

799. Collus PowerStream produced a set of orientation materials for its Board members for 2016 and 2017, which included education on its Code of Conduct and avoiding conflicts of interest.

Collus PowerStream, Board of Directors Orientation, 2017, [CPS0006977](#), p 14-17

Collus PowerStream, Board of Directors Orientation, 2016, [CPS0006646](#), p 10-13