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## PowerStream Considers Whether to Retain Compenso Communications

1. From Paul Bonwick's first contact with PowerStream on January 10, 2011 until PowerStream signed a 90-day consulting agreement with Compenso Communications Inc. on June 7, 2011, PowerStream President Brian Bentz, PowerStream's executive management, and the Board members of PowerStream considered whether PowerStream should retain Compenso. This summary document describes the steps taken by PowerStream in making that decision.

*Email from Paul Bonwick to Brian Bentz, January 10, 2011, [ALE0000045](#)*

### 1.1 Paul Bonwick's Initial Contact with PowerStream

2. On the morning of January 10, 2011, Paul Bonwick sent an email introducing himself to Brian Bentz. Mr. Bonwick's email included the following:

...during the time I spent in elected office the potential sale of Collingwood's Utility Services had been raised with mix emotion... I would like to meet and discuss Powerstream's level of interest in pursuing such an option.

Municipal Council is in the process of beginning their budget considerations and as a result timing is potentially a critical factor. As a result I am requesting an opportunity to meet and discuss the situation should Powerstream have a potential interest.

*Email from Paul Bonwick to Brian Bentz, January 10, 2011, [ALE0000045](#)*

3. Brian Bentz contacted Ed Houghton about Paul Bonwick because he had not heard of Paul Bonwick. Mr. Bentz's undated notes included:

Called Ed - said I received call from him (*i.e. Paul Bonwick*) and what was his view  
(*Ed's response*)

Knows him Thought it was good I called Ed- tell him will meet you for -

Knows him - highly respects him

- Considers him a friend

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- Could help you
- You have to decide

*Undated notes by Brian Bentz, [ALE0000008](#)*

*Brian Bentz transcription of undated notes, [ALE0050195](#)*

4. On January 11, 2011, Brian Bentz emailed Paul Bonwick, writing:

Thank you for the email message you sent me yesterday...

I would be interested in discussing the issues and potential alternatives that you indicated in your email regarding the budget deliberations of the current council. I understand that time may be critical factor and as such would be prepared to meet with you on relatively short notice ...

Please let me know your availability so we can meet to discuss the current situation...

*Email chain including Brian Bentz and Paul Bonwick, January 11, 2011, [ALE0000049](#)*

5. Mr. Bonwick and Mr. Bentz met at the PowerStream offices on January 12, 2011 at 3:00 p.m.

*Email chain including Brian Bentz and Paul Bonwick, January 11, 2011, [ALE0000049](#)*

*Email chain including Paul Bonwick and Brian Bentz, January 11 – 12, 2011, [ALE0000051](#)*

*Calendar entry, January 12, 2011, [ALE0000052](#)*

6. Brian Bentz's undated notes include the following:

Met with Paul. Told him we may be interested in hiring him, would like to receive a proposal.

Something I would need to bring to our AFC

In particular issue with you being brother to Mayor.

Is that a conflict?

*Undated notes by Brian Bentz, [ALE0000008](#);*

*Brian Bentz transcription of notes at [CJI0009233](#)*

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7. Paul Bonwick sent a thank you to President Brian Bentz on January 12, 2011:

Please accept my thanks for making time to meet on such short notice.

Regardless of PowerStream's decision to move on the option we discussed today I would like to organize a golf game this spring and host you and Ed at my home Club.

Once again thanks for your time.

*Email from Paul Bonwick to Brian Bentz, January 12, 2011, [ALE0000053](#)*

### 1.2 Paul Bonwick Obtains Conflict of Interest Information from the Clerk with the Help of Deputy Mayor Lloyd

8. On January 17, 2011, Deputy Mayor Rick Lloyd emailed the Clerk, Sara Almas, writing:

My Brother is considering again Biding on Town Work but was worried about putting me into conflict.

I'm not involved in his business and I told him that I will not have a Conflict (Pecuniary) interest as I'm not involved in his business and the Conflict of Interest Act clearly states that I must declare an interest if its is Spouse, Sons or Daughters and Parents.

I'm sending this to you only to ask if this is your understanding as well and I do realize that you cannot give advice on this matter.

*Email from Deputy Mayor Rick Lloyd to Clerk Sara Almas, January 17, 2011, [TOC0038001](#)*

9. Clerk Almas responded to the email from Deputy Mayor Rick Lloyd within the hour, and copied the Town CAO, Kim Wingrove:

You are correct in that the Municipal of Conflict Interest Act, clearly identifies that a Member of Council is NOT deemed to be in conflict if it's the interest (direct or indirect) of a sibling.

*Email from Clerk Almas to Deputy Mayor Rick Lloyd, forwarded to Paul Bonwick, January 17, 2011, [TOC0038001](#)*

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10. Deputy Mayor Lloyd sent a copy of the Clerk's email about conflict of interest to Paul Bonwick on January 27, 2011. On January 29, 2011, Mr. Bonwick forwarded the email to Brian Bentz, writing:

Here is the response the Deputy Mayor received from the Clerk's office. The CAO (Kim Wingrove), was copied.

Please review and comment.

If you require more substance please let me know. The Deputy Mayor had informed me that it was a legal opinion. That said, the Clerk is the person responsible for the interpretation of the Municipal Act for Council.

*Email from Clerk Almas to Deputy Mayor Rick Lloyd, forwarded to Paul Bonwick, January 17 and 27, 2011, [TOC0038001](#)*

*Email from Paul Bonwick to Brian Bentz, January 29, 2011, [ALE0000069](#)*

11. Brian Bentz's notes include the following:

On \_\_\_ Got back to me sometime later with a proposal & opinion he had received saying Mayor was not in conflict.

(refer to proposal in P---)

Said do you have that opinion? Said it came from City Clerk on advice of Council that if the interest is of a sibling then the elected official does not have a conflict.

→ Said request came from Deputy Mayor not Mayor.

Asked him – can you get some documentation to that effect. Said he would.

Subsequently sent me his correspondence.

*Undated notes by Brian Bentz, [ALE000008](#)*

*Brian Bentz transcription of notes at [CJI0009233](#)*

### 1.3 Paul Bonwick Continues the Conversation with Brian Bentz

12. On January 20, 2011, Paul Bonwick emailed Brian Bentz:

...I wanted to be perfectly clear on my understanding of the conflict guidelines contained in the Municipal Act. The Town's solicitor provided a legal opinion to the

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Deputy Mayor clarifying that there is no breach of conflict of interest guidelines in this situation.

...

Ed and I have had detailed discussions relating to the overall proposal that I have prepared in the context of involvement and timing. As a result of my assessment of the situation I constructed the proposal in a manner that address any potential concerns.

As we both agreed in our meeting the best approach is to be completely transparent and open should our potential business relationship come forward in the public.

It is in this regard I would purpose Powerstream consider engaging my company (subject to a satisfactory fee structure) on a much broader level eliminating the potential accusation that our business relationship is somehow predicated on family contacts.

...

This approach would in no way detract from LDC opportunity presently being discussed...

I took the liberty of designing the proposal on a success based fee structure...

*Email and attachment from Paul Bonwick to Brian Bentz, January 20, 2011, [ALE0000059](#) (email) and [ALE0000060](#) (attachment)*

13. Paul Bonwick's January 20, 2011 email to Brian Bentz attached a proposal from Compensio Communications to PowerStream. That proposal sought:

- A \$9,500.00 per month; retainer;
- Expense allowance of \$1,000.00 per month; and
- A Success fee of 2.5% of acquisition price of a particular LDC.

*Email and attachment from Paul Bonwick to Brian Bentz, January 20, 2011, [ALE0000059](#) (email) and [ALE0000060](#) (proposal)*

14. Paul Bonwick and Brian Bentz scheduled a call on January 25, 2011 to discuss the Compensio proposal. In an email after the call, Mr. Bonwick highlighted the importance of

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a strong public relations campaign. He attached a memo recommending that PowerStream produce a full-page print bulletin to be distributed in Simcoe County.

*Email chain including Paul Bonwick and Brian Bentz, January 24, 2011, [ALE0000067](#)*

*Email and attachment from Paul Bonwick to Brian Bentz, January 25, 2011, [ALE0000068](#)*

15. On February 1, 2011, Paul Bonwick wrote to Brian Bentz, stating,

In the interest of time, I had to initiate the beginning of the process we discussed. Unfortunately the next committee meeting was not scheduled for another two months which would have caused some timing challenges if process was not initiated this week

As a result the Chairperson and Executive Director have now received direction to commence a valuation of the Utility.

A bit of a backgrounder is now being prepared to present to the Audit Committee in order to secure approval on the sole source option as it relates to the valuation. The preparation of this background is currently underway and will be presented in three weeks.

I completely understand that Powerstream will not be in a position to formally consider my proposal until the end of February.

Should you require any information during that time please feel free to call.

I look forward to hearing from you in once you have your Board in place.

*Email from Paul Bonwick to Brian Bentz, February 1, 2011, [ALE0000071](#)*

### 1.4 Brian Bentz Introduces the Potential Collus Power Transaction to the PowerStream Audit and Finance Committee

16. On March 8, 2011, Brian Bentz made a presentation about Collus Power to the Audit and Finance Committee and the Board of Directors for PowerStream. The meeting materials provided details regarding Collus Power rate base multiples and their relationship to purchase price. The presentation included a graph which compared PowerStream and Collus Power electric bills for the typical residential customer.

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*Presentation Materials to Audit and Finance Committee, PowerStream Inc., March 8, 2011,*  
[ALE0004218](#)

17. The presentation advised the committee that informal discussions with “Senior Employees” of Collus Power had led to a suggestion that “PowerStream explore the potential of hiring Paul Bonwick as a consultant.”

*Presentation Materials to Audit and Finance Committee, PowerStream Inc., March 8, 2011,*  
[ALE0004218](#)

18. The slides prepared for the PowerStream Board included this information about Mr. Bonwick:

...

- Mr. Bonwick would assist PowerStream in navigating and advising PowerStream on how to best work with the Town of Collingwood’s Council if an acquisition opportunity were to arise with Collus Power.
- Mr. Bonwick is the brother of the current mayor of Collingwood.
- Mr. Bonwick was a member of Parliament from 1997 to 2003 representing the Simcoe-Grey riding.
- Prior to serving as a Member of Parliament, Mr. Bonwick was a municipal councillor for Collingwood.
- Currently Mr. Bonwick lives in the Town of Collingwood and operates a Government Relations firm servicing clients in Canada and the United States.
- The Deputy Mayor of Collingwood has confirmed that the Municipal of Conflict Interest Act clearly identifies that a Member of Council is not deemed to be in a conflict if it’s the interest (direct or indirect) of a sibling.
- Should PowerStream pursue this arrangement, at a minimum we would want to ensure that there is full disclosure.
- Mr. Bonwick has proposed to PowerStream compensation of a work fee plus a success fee if PowerStream were to complete an acquisition of Collus.

*Presentation Materials to Audit and Finance Committee, PowerStream Inc., March 8, 2011,*  
[ALE0004218](#)



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19. The draft minutes of the March 8, 2011 meeting of the PowerStream Audit and Finance Committee recorded the following:

The President and CEO and EVP and Chief Financial Officer led the Audit and Finance Committee through a confidential update on M & A. They walked the committee through the background behind a potential opportunity involving Collus along with an environmental scan of the overall market for M & A. The Committee was advised that the President and CEO was approached by Ed Houghton, President and CEO of Collus and then by a consultant who offered his services to assist with the possible transaction.

*Draft minutes, Audit and Finance Committee, PowerStream Inc., March 8, 2011, [ALE0000089](#)*

### 1.5 PowerStream Investigates and Considers the Potential Transaction

20. On March 9, 2011, the day after the audit and financial committee meeting, PowerStream Director and Mayor of Barrie, Jeff Lehman wrote to Mr. Bentz. Mayor Lehman offered to schedule a meeting with Mayor Sandra Cooper for Mr. Bentz. Mr. Bentz declined, writing:

I was planning on speaking with Ed first. I was also thinking after our meeting that he may be somewhat sensitive to me seeing the Mayor before this process gets off the ground – I know he wants to maintain control of the process to the extent possible. Perhaps an informal one on one meeting (either by phone or face to face) between you and the Mayor Cooper only would make more sense at this stage, given the fact you know each other. I'll call him in any event and get his perspective – my instincts tell me he wouldn't want me going 'directly to the top' at this point in the process.

*Email exchange between Jeff Lehman and Brian Bentz, March 9, 2011, [ALE0004220](#)*

21. On March 10 and 11, the PowerStream Board held a strategic retreat. The materials for that meeting included a merger and acquisition update that, amongst other things, stated:

- We understand that the Town of Collingwood may be experiencing financial problems related to its 2011 budget and as a result may be looking to divest of some of its assets.

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- Furthermore, we understand that the Collus' Audit and Finance Committee has engaged a consultant to value the utility in case of a potential sale.

*PowerStream Retreat Materials, March 10-11, 2011, [ALE0003463](#)*

### 1.6 PowerStream Considers Letters of Reference

22. On February 13, 2011, Paul Bonwick emailed Brian Bentz, advising Mr. Bentz that he had requested reference letters from representatives of three clients. Mr. Bonwick also provided Mr. Bentz with a letter from Mr. Houghton, dated 2005. Mr. Bonwick explained that, "I contacted Ed to secure his approval of providing this letter to you. It was my opinion that requesting a more current letter from Ed could put him in a conflict situation." Mr. Bonwick sent the reference letters to John Glicksman on May 26, 2011.

*Email from Paul Bonwick to Brian Bentz, February 13, 2011, [ALE0000073](#)*

*Email and attachments from Paul Bonwick to John Glicksman, CC Brian Bentz, Victoria Scofield, and Sandra DiPonio, May 26, 2011, [ALE0035415](#) (email), [ALE0035415.0001](#) (attachment), [ALE0035415.0003](#) (attachment), [ALE0035415.0004](#) (attachment), [ALE0035415.0005](#) (attachment)*

### 1.7 Paul Bonwick Meets with the Mayor Members of PowerStream's Board of Directors

23. The three Mayor representatives on the Audit and Finance Committee for PowerStream, Mayor Lehman, Mayor Bevilacqua and Mayor Scarpitti, met with Mr. Bonwick on April 13, 2011. Mr. Bonwick followed up with thank-you emails to the Mayors and to Brian Bentz along with an invitation to golf and/or have dinner in the future.

*Emails from Paul Bonwick to Audit committee members and to Brian Bentz, April 14, 2011, [ALE0004223](#) (thank you to J. Lehman), [ALE0004291](#) (thank you to M. Bevilacqua), [ALE0000098](#) (thank you to Brian Bentz)*

24. On April 19, 2011, Brian Bentz made a call to Paul Bonwick. Mr. Bentz made notes of this call as follows:

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- Claim you could provide value
- Long term relationship
  - Retail
  - Utility KN (*contract*)
  - Telecom
  - Wi-Fi
  - Cogeco

*Brian Bentz handwritten notes on calendar note, April 19, 2011, [ALE0000101](#) (handwritten), [ALE0050196 \(transcription\)](#)*

25. On April 20, 2011, Paul Bonwick emailed Brian Bentz, writing, “I have attached a memo that I would like you to review prior to participating in the conference call we have schedule. I hope is that it will provide the foundation for our discussion.” The memo read as follows:

CONFIDENTIAL: THIS BRIEFING CONTAINS COMMERCIALY  
SENSITIVE INFORMATION AND MUST BE TREATED ACCORDINGLY.

Brian:

I wanted to put some thoughts to paper for your consideration and that of your Audit Committee.

First of all, I want to once again thank you for providing the opportunity to discuss our potential relationship with your Audit Committee. I was extremely pleased and humbled that your Committee assed value in establishing a relationship between Compenso Communications Inc. and Powerstream. It should go without saying that I would be very proud to have an affiliation with your company. There is no doubt in my mind that the future will present some very exciting opportunities for both our companies.

On the matter related specifically to optics concerning Collus and the Town of Collingwood I would like to share my thoughts and recommendations. The position the Audit Committee has taken on this matter clearly reflects the reputation Powerstream has earned since its inception. Transparency, integrity and unreserved commitment to the shareholders and the reputation of Powerstream continue to be their number one priority.

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It is in keeping with this direction I would recommend the following actions. Subject to the approval of the terms and conditions in an agreement between Powerstream and Compenso, I would propose we agree to create an approach in addressing the perceived issue of optics. If the RFP scenario unfolds I would propose we request a meeting with the following people in attendance: Ed Houghton, President and CEO Collus; Dean Muncaster, Chairman of the Board of Collus; Kim Wingrove, CAO Town of Collingwood; Mayor Sandra Cooper; Deputy Mayor Rick Lloyd, Budget Chair; and Sara Almas, Clerk. The sole purpose of this meeting is to provide full disclosure to the officials of Collus and the Town of Collingwood related to my business activities and relationship with Powerstream and to seek their input as it relates directly to my engagement. I'm confident that if we take this approach the Audit Committee should have the reassurance that they require to be able to move forward in a positive and progressive manner.

In reality, if Compenso is engaged in any manner with Powerstream, the concern of optics still exists unless we move to full disclosure as previously identified. I do not believe that the Audit Committee's concern would be alleviated if I was engaged by Powerstream to provide ongoing services in other areas while not actively participating on the Collus file.

I must reiterate and once again emphasize the importance of Powerstream securing an arrangement with Collus should the Municipality decide to move forward with an RFP. As a recognized leader in the south central Ontario LDC Market and more specifically the C.H.E.C. Group, the Collus acquisition will provide the staging ground to approach several other smaller rural LDCs.

I fully appreciate your busy schedule and recognize the time and energy that you are giving to ensure that we establish a positive relationship whereby all parties are fully engaged and supportive. For this I am deeply indebted. It is this same approach that we will take to secure Powerstream's success!

*Email from Paul Bonwick to Brian Bentz with attached Memo from Paul Bonwick to Brian Bentz, April 20, 2011, [ALE0000103](#) (email) and [ALE0000104](#) (attachment)*

26. Brian Bentz forwarded Paul Bonwick's memo to Audit and Finance committee member, Mayor Frank Scarpitti, writing, "FYI – this is a memo I received from Paul regarding our scheduled telephone conversation tomorrow. Your thoughts in advance of the meeting would be helpful."

*Email from Brian Bentz to Frank Scarpitti, April 21, 2011, [ALE0000112](#)*

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### 1.8 PowerStream and Paul Bonwick Discuss Terms of the Compenso Retainer

27. On April 25, 2011, PowerStream CFO John Glicksman emailed Brian Bentz attaching the Bonwick memo and a page headed “DRAFT Key Points for Discussion”. In the email, Mr. Glicksman stated: “I would suggest we forward or discuss with him the attached “terms of the deal””. The attached document set out “Key Points for Discussion”, including a 3-month initial period, details about the scope of work, and a monthly retainer fee of \$8,000, with the potential for a success fee if the relationship proceeded beyond 3 months. Mr. Bentz thanked Mr. Glicksman and suggested that he would speak to “Frank” before “we take it to the next step.”

*Email from John Glicksman to Brian Bentz and response from Brian Bentz, April 25, 2011, [ALE0000119](#);*

*Email from Brian Bentz to John Glicksman, April 25, 2011, [ALE0000125](#)*

### 1.9 Paul Bonwick Drafts a Letter for Mayor Cooper’s Signature to Give to PowerStream

28. On May 18, 2011, Paul Bonwick sent a draft letter to Brian Bentz which was for Mayor Sandra Cooper’s signature. Mr. Bonwick’s cover letter read, “[h]ere is a draft letter as per our discussion. Please review and let me know if the content is satisfactory.”

*Email from Paul Bonwick to Brian Bentz, May 18, 2011, [ALE0000135](#) (email) and [ALE0000136](#) (attachment)*

29. The draft letter from Mr. Bonwick was not on the Mayor’s letterhead. It was formatted for her signature. It read:

...

My brother, Paul Bonwick recently brought to my attention that he has submitted a proposal to provide services to Powerstream.

Paul has described the potential services his company will be providing to include but not limited to strategic advice in matters related to Public Relations, Strategic Planning, Acquisitions and Media Relations. He has also stated that these responsibilities could

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potentially incorporate advice related to the Town of Collingwood subject to certain conditions unfolding in the coming months.

Should these conditions come in to play Paul has suggested that a meeting be schedule with relevant parties to more formally clarify Paul's role with Powerstream.

This appears to be a reasonable course of action however I would emphasis that should you choose to engage Compenso in some manner of service, it should be based entirely on the merits of the proposal and completely unrelated to his relationship with me and that of my office.

I hope this short note provides the clarification to the matter at hand and I invite you to call should you have any further questions.

Sincerely,

Sandra Cooper

Mayor

*Email and attachment from Paul Bonwick to Brian Bentz, May 18, 2011, [ALE0000135 \(email\)](#); [ALE0000136 \(attachment\)](#)*

30. On May 19, 2011, Paul Bonwick emailed Brian Bentz, writing, "Mayor Cooper called this morning and offered to call Mayor Lehman if he is still would like that to take place. I am available if you wish to call me at some point this afternoon." Mr. Bentz responded that he had spoken with Mayor Lehman, who was "agreeable to receiving a call from Mayor Cooper." Following this exchange, Mr. Bentz sent the draft "Mayor Cooper" letter to Mayor Lehman. Paul Bonwick responded to Mr. Bentz, writing "...as you can see by the letter I drafted, I wrote it with the thought of public disclosure if ever required. Please provide a phone number for Mayor Cooper to call Mayor Lehman."

*Emails between Brian Bentz and Jeff Lehman, May 19, 2011, [ALE0000141 \(email\)](#) and [ALE0000142 \(attachment\)](#)*

*Email between Paul Bonwick and Brian Bentz, May 19, 2011, [ALE0000138 \(email\)](#) and [ALE0000139 \(attachment\)](#)*

31. Brian Bentz emailed Paul Bonwick, providing a telephone number for Mayor Lehman. Mr. Bonwick forwarded the email to his sister, Mayor Cooper, suggesting that they "chat

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first.” Mayor Cooper forwarded this email to her personal email address from her Town email address.

*Email from Paul Bonwick to Mayor Cooper, May 19, 2011, [TOC0518063](#)*

### 1.10 Paul Bonwick and PowerStream Continue to Discuss Terms

32. Brian Bentz and John Glicksman met with Paul Bonwick on May 24, 2011. After this meeting, Mr. Bonwick sent Mr. Bentz and Mr. Glicksman letters of reference and a proposal for a contract with an “initial contract period” of six months, starting on January 24 and ending on July 31, 2011. The proposal sought monthly fees of \$9,500 with a 2.5% success fee based on the acquisition price of a particular LDC “paid within 10 days of closing.” The proposal included the following areas of service:

- a. Build the case and enhance profile
- b. Develop a personalized contact program
- c. Access key decision makers
- d. Issue monitoring
- e. Tactical recommendations

The proposal document closed with this paragraph, “Compenso is uniquely positioned to effectively support the interests of PowerStream. We understand your views and have the experience that will help you strengthen and secure your desired position.”

*Meeting Invitation, May 24, 2011, [ALE0000134](#)*

*Email from Paul Bonwick to John Glicksman and Brian Bentz, May 26, 2011, [ALE0000147](#) (email), [ALE0000148](#) (Compenso Proposal dated 18 January 2011); [ALE0000149](#) (letter of reference); [ALE0000150](#) (letter of reference)*

### 1.11 PowerStream Requires Paul Bonwick to Disclose his Retainer to the Clerk of the Town

33. On May 31, 2011, PowerStream CFO John Glicksman sent a draft consulting agreement to Paul Bonwick. The draft consulting agreement required Mr. Bonwick to represent and

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warrant that he had disclosed the scope of his services and his retainer by PowerStream to the Mayor and to the Clerk of the Town of Collingwood, and to provide written evidence of such disclosure to PowerStream. Mr. Bonwick replied with “one small correction required in the disclosure paragraph.” He said that although he had informed the Mayor, he had not “formally engaged with the Clerk or any other municipal staff on this matter at this time.”

*Email exchange including John Glicksman, Paul Bonwick, Brian Bentz, and Dennis Nolan, [ALE0000159](#) (email) and [ALE0000160](#) (attachment)*

*Email exchange between John Glicksman and Paul Bonwick, May 31, 2011, [ALE0000158](#)*

34. On the morning of June 1, 2011 CFO John Glicksman wrote to Paul Bonwick that there had been “some apparent misunderstanding,” about his disclosure to the Mayor and to the Clerk. Mr. Glicksman wrote:

Thanks for your quick reply and comments on our draft letter. There still seems to be some apparent "misunderstanding" of the disclosures Brian thought you had made to-date to him with respect to both the Mayor and the City Clerk. He was under the impression that you had made disclosure to and received clearance from the City Clerk that under the Municipal Act there was no conflict for you to do work for us leading to or on a potential RFP of Collus and that you had received written confirmation of same from the City Clerk. Given that you had direct discussion with Brian regarding this it may be best for you to give him a quick call so that we can sort the wording out and get on with you supporting us on this exciting project. Thanks again for your co-operation on these matters.

*Email from John Glicksman to Paul Bonwick, June 1, 2011, [ALE0000163](#)*



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### 1.12 Mayor Cooper Sends a Letter to PowerStream Concerning Paul Bonwick

35. On June 2, 2011, Paul Bonwick sent Brian Bentz's email address to Mayor Sandra Cooper, with a copy to Brian Bentz. Mayor Cooper sent a letter dated June 2, 2011 to Mr. Bentz. The letter, which was on Town of Collingwood letterhead, included the following:

My brother, Paul Bonwick, recently brought to my attention that he has submitted a proposal to provide services to PowerStream.

Paul has described the potential services his company will be providing to include but not limited to strategic advice in matters related to Public Relations, Strategic Planning, Acquisitions, and Media Relations. He has also stated that these responsibilities could potentially incorporate advice related to the Town of Collingwood subject to certain conditions unfolding in the coming months.

Should these conditions come in to play Paul has suggested that a meeting be scheduled with relevant parties to more formally clarify Paul's role with Powerstream.

This appears to be a reasonable course of action however I would emphasize that should you choose to engage Compenso in some manner of service, it should be base entirely on the merits of the proposal and completely unrelated to his relationship with me and that of my office.

...

*Email from Paul Bonwick to Sandra Cooper, June 2, 2011, [ALE0000177](#)*

*Email chain including Shelley Fuhre and Brian Bentz, June 2, 2011, [TOC0518176](#) (email) and [TOC0518177](#) (attachment)*

### 1.13 Paul Bonwick Meets the Clerk and CAO

36. In addition to obtaining a letter from the Mayor, Paul Bonwick sought and obtained a meeting with the Town Clerk, Sara Almas. In the email he sent Clerk Almas to arrange the meeting, Mr. Bonwick wrote, "My company has put in a proposal to provide services to a company that will be working throughout the County of Simcoe and as a result I would like to chat with you."

*Exchange of Emails between Paul Bonwick and Sara Almas, June 2, 2011, [TOC0048763](#)*

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37. The Clerk made the following notes of the meeting:

- electrical distributing
- PowerStream -Utility Company out of Vaughan
- Paul Bonick
- “Check”- as one of region and Collingwood is a member.
- PR-Activities/Community Outreach
- President
- CEO - PowerStream Brian Bentz
- email to confirm?
- Paul to send email - ?
- Ian’s role →Media Relations/Training
- Grant writing-applications.

*Excerpt from Clerk’s notebook, June 1, 2011, [CJI0009206](#)*

38. Paul Bonwick emailed Sara Almas on June 2, 2011, writing:

Thanks for taking time to chat this morning regarding my forthcoming opportunity with Powerstream

It is a very dynamic and progress organization and I very much looking forward to working with their Team,

On a separate note, please call if I can ever be of assistance on the potential program opportunities we discussed.

Once again, please accept my thanks and have a great weekend.

Mr. Bonwick forwarded a copy of this email to Brian Bentz and John Glicksman. Clerk Almas was not copied on the forwarded message.

*Email chain including Paul Bonwick, Sara Almas, Brian Bentz and John Glicksman, June 2, 2011, [ALE0000176](#)*

39. That same day, Paul Bonwick wrote another email to Brian Bentz and John Glicksman, copying Sara Almas. Mr. Bonwick wrote,

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I had the opportunity to meet with the Clerk of the Town of Collingwood, Ms. Sara Almas this morning.

During the meeting I described the services my company would be providing to Powerstream throughout the Region as well as specific to Collingwood.

Ms. Almas was kind enough to offer an interpretation (opinion) of the “Provincial Conflict of Interest Act” as it relates to my sister being a member of Municipal Council. Ms. Almas was quite clear that there is no conflict of interest based on my company’s relationship with Powerstream.

Ms. Almas agreed to be copied on this message.

*Email, June 2, 2011, Paul Bonwick to Brian Bentz, John Glicksman, and Sara Almas, [ALE0000175](#)*

40. On June 10, 2011, Paul Bonwick proposed a meeting with the Town CAO, Kim Wingrove, writing that he, “would like to discuss a company that [he] had recently started to provide services. The purpose of the meeting is to provide disclosure as well as purpose an additional meeting.” CAO Wingrove agreed and suggested the following Tuesday, June 14, 2011.

*Email chain between Paul Bonwick and Kim Wingrove, June 10, 2011, [TOC0049604](#)*

### 1.14 PowerStream Retains Paul Bonwick and Compensio Communications Inc.

41. Meanwhile, on June 3, 2011, Paul Bonwick wrote an email to John Glicksman and copied Brian Bentz. The subject line read “Agreement.” Mr. Bonwick reported that:

The Clerk has been thoroughly briefed by me. Previously the discussion had taken place between the Mayor and the Deputy Mayor. I have also informed both Parties that Brian and I will be requesting a meeting over the next two or three weeks as time permits.

Please let me know if you have time available early next week to discuss the next steps for Powerstream. More specifically, I would like to discuss...Powerstream participation in some special events taking place over the summer.

As an fyi, I have learned that Collus has completed their evaluation using KPMG. This step is in keeping with the timelines discussed several weeks ago.

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*Email from Paul Bonwick to John Glicksman, Victoria Scoffield, Brian Bentz, and Sandra DiPonio, June 3, 2011, [ALE0000178](#)*

42. On June 3, 2011, John Glicksman forwarded Mr. Bonwick's June 2, 2011 thank-you email to Clerk Almas to Brian Bentz and PowerStream Executive Vice President Dennis Nolan, writing, "Based on this email and the next one I will pass on I think Paul has meet our request and we will prepare the letter for Brian's signature Monday."

*Email from John Glicksman to Brian Bentz and Dennis Nolan, June 3, 2011, [ALE0000179](#)*

43. On June 7, 2011, Brian Bentz and Paul Bonwick finalized the terms of the initial engagement between PowerStream and Compenso Communications Inc. The agreement had a 90-day initial term (commencing June 1, expiring Aug 30, 2011), "subject to extension as mutually agreed to by the Parties." PowerStream agreed to pay Compenso \$10,000 per month, with \$1,000 monthly for "out-of-pocket expenses." Compenso and Mr. Bonwick would identify potential targets, prepare "detailed briefings identifying key decision makers related to a particular opportunity", "[a]ssist in the preparation of any Proposals that PowerStream intends to submit", and "[a]ssist with any other duties required as it relates to PowerStream's M&A activity." Information under the heading "Methodology and Deliverables" included:

Issue Monitoring:

- [Compenso] is in constant contact with the Municipal Government Leaders and as such is able to monitor and report any changes or opportunities that may arise...our intelligence gathering will help prepare you to respond to any potential critical challenges brought forward regarding this approach.

Tactical Recommendations:

- Throughout this process we will provide PowerStream with an identified contact list and detailed verbal brief of tactics and recommended approaches for proceeding.

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The agreement also expressly required that Mr. Bonwick make any disclosure which may be required in connection with this retainer with PowerStream:

Disclosure:

- Bonwick agrees to make all necessary and prudent disclosures of his/CCI's engagement with PowerStream. Any such disclosures shall be discussed and authorized by PowerStream in advance. Specifically, with respect to any authorized activity on PowerStream's behalf, relating to COLLUS Power, Bonwick represents and warrants that he has disclosed the scope of his services and his retainer by PowerStream to the Mayor and Clerk of the Town of Collingwood, and shall provide written evidence of such disclosure to PowerStream. Further, with respect to COLLUS Power, CCI shall, after consulting with PowerStream, make any additional disclosure(s) that may be prudent or required by applicable law, during the course of this engagement, or any extension thereof. Further, Bonwick nor CCI, will advocate on PowerStream's behalf to the Province of Ontario, or any Ministry or Agency thereof, without PowerStream's express written direction, and further, any such authorized activity shall comply with applicable law, including the *Lobbyists Registration Act, 1998*.

*Letter agreement between Compenso Communications Inc. and PowerStream, June 7, 2011, [ALE0000192](#)*

44. The PowerStream Board attended a strategic retreat on June 16 and 17, 2011. A slide presentation made to the Board at the retreat included the following:

- It is PowerStream's understanding that the Town of Collingwood is seriously considering selling (in part or in whole) the utility and that they have engaged KPMG to assist in valuing their utility and to develop an RFP to gauge the potential interest in the sale of Collus Power.
- At the same time, PowerStream has been approached by the Hon. Paul Bonwick. He is a principal of [Compenso], and has expertise in government relations and communications, and has close relationships within the community that may assist PowerStream in achieving its M&A objectives.
- As a result, PowerStream has engaged the Hon. Paul Bonwick for a period of 90 days commencing on June 1, 2011 and is subject to an extension as mutually agreed to by both parties.

...

*PowerStream materials, M & A Update, June 16 and 17, 2011, [ALE0003463](#)*

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45. The presentation stated that the “next steps” were:

- Continue informal meetings with the President of Collus concerning the status of their plans regarding a potential M&A opportunity
- Start to broaden discussions with senior City staff and the Chair of Collus to make them aware of PowerStream’s interest, reputation and success with our M&A experience.

*PowerStream materials, M & A Update, June 16 and 17, 2011, [ALE0003463](#)*

### 1.15 PowerStream Reviews and Amends its Agreement with Compenso Communications Inc.

46. On September 27, 2011, Paul Bonwick emailed John Glicksman of PowerStream, regarding his retainer with PowerStream. In that email, Mr. Bonwick stated:

In this regard, I agree to the payment terms as discussed. I agree that there will be no bonus attached in any way to the Collus initiative however I would appreciate consideration to treat the new payment terms retroactively.

*Email from Paul Bonwick to John Glicksman, September 27, 2011, [ALE0000441](#)*

47. By email dated October 16, 2011, John Glicksman provided Brian Bentz, Dennis Nolan and others with a memo regarding Paul Bonwick’s continued engagement for discussion with the Audit and Finance Committee the next day. The memo included comments that Mr. Bonwick had “proven to be a valuable asset in providing strategic and communication advice and in assisting us to be successful both with respect to the Collus bid and other utilities in the CHEC group.” The memo stated:

Executive Management is now recommending that we engage Mr. Bonwick on a long-term basis, subject to a normal termination clause at a monthly retainer of \$15,000, with pre-approved monthly expense allowance of \$2500 and a success fee of \$75,000 for each additional local distribution utility merger (i.e. LDC) and/or acquisition in the CHEC group after Collus with an additional bonus of \$100,000 to be paid at the five LDC consolidation mark and at the 10 LDC consolidation mark.

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*Email from John Glicksman to Brian Bentz, Dennis Nolan, Daniel Miller, Mark Henderson, Victoria Scoffield and Sandra DiPonio, October 16, 2011, [ALE0000565](#) (email) and [ALE0000566](#) (attachment)*

48. A senior management report provided to PowerStream’s Audit and Finance Committee at an October 19, 2011 meeting stated:

PowerStream’s Executive Management is now recommending that PowerStream engage Compenso on a long-term basis, subject to a normal termination clause at a monthly retainer of \$15,000, with pre-approved monthly expense allowance of \$2,500 and a success fee of \$75,000 for each additional local distribution utility merger (i.e., LDC) and/or acquisition in the CHEC group after Collus Power. In addition, Compenso will receive a bonus of \$100,000 which will be paid after the successful merger or acquisition of five Local Distribution Companies in the CHEC group and 10 Local Distribution Companies in CHEC. No success fee will be paid to Compenso for a merger or acquisition of Collus Power.

*PowerStream senior management report to Audit & Finance Committee, [ALE0000571](#)*

49. A report by the President and CEO and the Executive Operating Committee for the PowerStream Board of Directors meeting on October 24, 2011 recommended the engagement of Compenso on a long-term basis, and said “No success fee will be paid to Compenso for a merger or acquisition of Collus Power”.

*PowerStream senior management report to Board of Directors, [ALE0000619](#)*