

Opening Remarks

April 15th, 2019

Thank you for the opportunity to provide opening comments to the Collingwood Judicial Review.

I will start with providing an overview of my background regarding community involvement. In 1992, I was elected to the board of directors to the Collingwood Downtown Business Improvement Association (BIA). This was an exciting time for the BIA as we took an active leadership role in working with the business community and town council toward seeing the new and expanded Loblaws, contributed towards the redevelopment of the former Collingwood Shipyards as well as adopting a new progressive business model focused on the inclusion of special events, effectively attracting thousands of locals and visitors to our downtown district.

In 1995, I had the honour to be elected to Collingwood town council. At that time, I campaigned on a platform to work with the business community, with a focus to redevelop Collingwood's waterfront which would later become an iconic destination on the Great Lakes. As part of those efforts, I took a leadership role with the support of town staff and fellow councillors in the town's acquisition of the Collingwood yacht club and the Collingwood grain terminals. During that same period, I worked in support of local industry for the purpose of creating an investment friendly environment in order to retain existing jobs and encourage job expansion.

In 1997, I had the honour of being elected as the Member of Parliament for the newly created federal riding of Simcoe Grey. I was then re-elected in 2000 as our Member of Parliament. During the seven years I served as our MP, I was very proud of the extremely cooperative political environment between my offices, local municipal councils, the MPP and most importantly the business community and our fellow residents. Throughout that seven period, Collingwood and the region experienced unprecedented investment from the federal government. I had the pleasure of working with my municipal colleagues on many campaigns, effectively lobbying the federal government for millions of dollars in investments as well as the acquisition of all the harbour lands owned by the federal government. This led to the redevelopment of our waterfront with an additional grant from the federal government in amount of \$840,000. In 1999, as a result of being elected Chair of the Southwestern Ontario Caucus and extensive lobbying efforts on my behalf to the National Caucus Chair and the Prime Minister's office, Collingwood proudly hosted for the first time, the National Caucus annual summer work retreat. This high-profile working conference effectively profiled Collingwood to the Prime Minister, Cabinet, Members of Parliament, the Senate and the national media in an unprecedented way. It was always my belief that when politicians and staff worked in a cooperative and collegial manner, nothing was out of reach for the benefit of our community. At my core, is an entrepreneurial spirit that allows me to bring creative new approaches with a focus on realizing exciting positive opportunities.

I was also extremely proud of my sister Sandra Cooper who ran for municipal council and subsequently for Deputy Mayor and Mayor of Collingwood. Sandra's commitment and love of her home town earned her the confidence of the residents of Collingwood, winning several elections culminating in her becoming the first female Mayor for the Town of Collingwood. This was and continues to be one of our family's proudest moments, appreciating that she had followed on the same path as my Dad's (Jack Bonwick) having served on Collingwood Council in the mid 1960s. Sandra's ability to establish close positive working relationships with our neighbouring communities, provincial and federal

representatives as well as our business community provided a foundation for many great accomplishments on behalf of Collingwood and the surrounding area. As a former politician, communications professional and most importantly as her brother, I was proud to offer any support that helped he served the people of Collingwood. It is my opinion that Sandra continues to represent the best in all of us, a love of community, family, kindness and integrity.

After the federal election in 2004, I moved into the private sector, opening a communications and government relations firm in Collingwood. As a result of the time I served in municipal and federal government, I became acutely aware of the positive impact I could have in working with companies interested in expanding or investing in communities like Collingwood. While there are many thousands of lobbyists in Canada, I felt with my background and love of our community, I could use my experience to attract and realize many great things for our region. Irrespective of what initiative I became involved with, I always measured my actions in terms of what I believed to be in the best interests of the residents of Collingwood.

Specific to this judicial inquiry, I will address three specific areas, with the intent of providing a clear understanding of events related to the 50% sale of Collus Utility Corporation.

Firstly, it is important for the judicial inquiry and the community to fully understand the environment surrounding the LDC (Local Distribution Corporations) sector during the years 2009 -2012 as well as the political environment across the province as well as here in Collingwood.

The entire energy sector was experiencing a major shift in their traditional operating models. LDC's across the province were being directed to incorporate the latest technologies, sustainable energy and best management practices into their business models. The intent behind this direction was to increase their abilities to service their customer bases in a cost-effective manner while implementing new energy reduction programs and technologies that would reduce demand on the grid and serve their customer base in a more modern cost-effective manner. Part of the focus at that time was to implement strategies that would reduce the \$1.8 billion dollars in costs associated with administration being spent every year.

The Ontario government and the Ontario Energy Board examined various operating models in jurisdictions across Canada and North America with the intent of developing a much more cost effective, energy efficient and sustainable business model that would better service Ontarian's.

As part of this investigation, Don Drummond, a leading Canadian economist and public policy expert was tasked in part to review the energy delivery sector. In Mr. Drummond's report (Drummond Report 2012), he clearly stated that the cost associated with the implementation of new technologies and the ballooning administration costs associated with approximately 80 LDC's across the province was not a sustainable business model that could support a more modernized and cost-effective energy delivery sector. **Mr. Drummond concluded in his report the following recommendation 12-13: Consolidate Ontario's 80 local distribution companies along regional lines to create economies of scale.**

It was believed at the time that this recommendation effectively set the stage for consolidation, either through voluntary proactive initiatives or through regulatory and OEB directives.

This recommendation was delivered at the same time as municipal councils across the province were struggling with downloading from the provincial and federal governments as well as internal demands to

significantly increase their operating budgets. Most forward-thinking councils during that period of time requested all of their department heads to conduct a thorough review of their operations, with a focus on reducing costs while developing a business model that would provide the services their constituents would require in the coming years. Collingwood's Council provided that direction to department heads as well as the LDC that they owned.

I believe it is also important to recognize a relatively new dynamic that took hold in Canada and more specifically municipal politics in the years leading up to these events; a political dynamic that continues today. As a political tool, some elected officials, individuals and special interest groups that are opposed to a particular direction or initiative, have regularly reverted to requesting OPP investigations as well as judicial inquiries for the purpose of demonstrating to their supporters and the broader community their belief that a particular decision was the right one or that a government or elected officials were corrupt and not acting in the best interest of the community, province or country. We witnessed these actions during the last provincial election against our current Premier Ford as well as the former Premier, Kathleen Wynne. In some cases, costing countless millions of taxpayer's dollars. In Collingwood alone, there has been two judicial inquiries requested in past years as well as several complaints filed with the Ontario Provincial Police on various matters. To date, these investigations have done little more than paint a black cloud over the community, cost countless millions of dollars and damaged the reputation of several good people. In short, the local political environment has become caustic in a manner similar to that taking place in the United States.

The residents of Collingwood should know that the Collus Utility Corporation was one of the most highly respected LDC's in the province of Ontario having their management practices and service delivery model recognized through numerous awards on many occasions. They were viewed as industry leaders and called upon on a regular basis to provide advice and support to other LDCs. There should be no doubt in anyone's mind, the staff and board at Collus predicated all of their decisions based upon an inherent love of their community and a sincere desire to make it a better place.

Understanding the direction, the provincial and municipal governments were taking with respect to LDCs, and with the support of Collus's highly effective and respected modern business practices, under the leadership of Mr. Dean Muncaster (Chair), Mr. Ed Houghton (CEO) and the Collus Board and Mr. David McFadden, Board Member (internationally acclaimed energy lawyer) a decision was made to explore the consolidation option with other larger utilities in an effort to ensure their shareholder (Collingwood) and their customer base would be well served in the future.

It is also important to note that there are few more controversial issues for a municipal council or LDC board to tackle, than the potential sale of a municipally owned LDC. Throughout the province, the sale and/or consolidation of LDC's have divided municipalities. In a large part, this is due to a lack of information/education or an over abundance of misinformation and disinformation.

In part, municipalities also viewed owning their LDC as part of their overall identity, effectively creating a level of independence from large cities and LDC's. Specific to consolidation, there is also some legitimate concern expressed by municipal councils related to their loss of ability to influence or direct the operations of an LDC once they sell their shares.

Out of all of this information, Collingwood Council and the Collus Board decided that a 50% sale of their utility would allow them to meet their future demands and create/implement a more modern cost-

effective utility, while not giving up their ability to influence the direction of that utility for the benefit of their community.

Understanding that this was a key issue for other smaller utilities, the PowerStream executive management team along with myself developed a vision that would see several smaller LDC's consolidate into a regional LDC. This regional LDC would be large enough to reduce administration costs in a significant manner, while implementing the latest technologies with the ability to spread those costs over a large customer base. It would also ensure that smaller municipalities would maintain ownership and board representation, effectively ensuring their constituents interest are always a major consideration. As part of this vision, it was determined that Collus (Collingwood) would act as the regional headquarters for the operations centre, lending significant economic impact for many years in the future, should PowerStream be successful in their bid.

PowerStream now Alectra, a municipally owned LDC, continues to be one of the most award winning and respected LDC's in North America. Their inclusive culture and modern business practices based on the highest levels of integrity, form a foundation that is unparalleled in the LDC world. I was and continued to be very proud of my past involvement with this corporation and its management team.

It was in part, my responsibility to communicate this hybrid model we had developed and request feedback from stakeholders as well as to learn as much as possible about what senior staff, the board and members of council were considering in terms of more traditional partnerships that would come from other proponents.

A significant part of my efforts also focused on establishing interest from other LDCs within our region related to the option of moving towards a regional LDC. As part of that focus, I had several meetings with LDC CEO as well as the regional association, representing 11 LDCs in Ontario.

It was my firm belief that the more information PowerStream had available regarding the ongoing process, along with securing a better understanding of how their hybrid should be constructed, would in effectively provide a much better service to other LDCs including Collingwood, should PowerStream be successful in their bid.

Unfortunately, this like most LDC sales, this one became fraught with incriminations, disinformation, misinformation and I believe an ineffective information/education campaign for the customer base and future elected officials.

In hindsight, had a more effective, cooperative and engaging relationship been developed between the new CAO for the Town of Collingwood, Mr. John Brown and its newly elected members of council; Collus PowerStream was structured in a way that would have allowed for future growth and partnerships with communities like Wasaga Beach, Orillia, Innisfil, a long with several others.

Unfortunately, the exact opposite scenario occurred, whereby the new CAO, Mr. Brown and the entire executive management team and board of directors at Collus entered into an unparalleled caustic and accusatory relationship. It devolved to a point where some senior staff were filing complaints regarding abuse in the work place based on the content of some emails and phone calls from Mr. Brown. After 30 years of Collus and the town working in a cooperative, trusting, and collegial environment, the CAO and the majority of Council developed a visceral dislike of Collus, its business structure and its senior management team. It could not have become more dysfunctional.

During this same period of time, some local community activists, including Councillor Steve Berman, launched an unprecedented social media campaign that included wild speculation, unsubstantiated allegations, character assassination, cyber bullying of some elected officials as well as members of the public including myself. As an example, of this behavior and the resulting environment many of us have had to experience, Mr. Berman surreptitiously parked his van in front of my home for several hours, taking pictures while my wife was outside in the front yard with our dog. The OPP put Mr. Berman on notice that if this behavior continued, he would be charged. This is one example of a string of relentless acts that people found themselves experiencing.

The result of this environment is that an incredible opportunity to create a municipally owned regional LDC has been lost for the Town of Collingwood. A lost opportunity that has divided factions in our community and created an environment of mistrust and anger. This has now resulted in the complete sale of Collingwood's LDC through a sole source non transparent sale.

Resident should reflect on the timing when Councillor Brian Saunderson, now Mayor Saunderson, brought forward his motion to request a judicial inquiry, only one week prior to launching his campaign for Mayor. This was the culmination of countless closed-door meetings with the former CAO, Mr. Brown as well as others working with Mr. Saunderson.

It is my sincere hope that as a result of this judicial review and the subsequent report that will be issued by Justice Marrocco, the community will have a better understanding of the process, an appreciation that the municipality's best interest were always the priority and most importantly, recommendations that will help to ensure a scenario like this does not occur again.