

PART 1
CLOSING REMARKS OF PAUL BONWICK
PARTICIPANT IN THE COLLINGWOOD JUDICIAL INQUIRY

On February 26, 2018 Collingwood Council passed Resolution 042-18 formally requesting an inquiry in relation to the Town of Collingwood concluding a Share Purchase agreement for the 50% sale of the Collingwood Utility Services Corporation to PowerStream Inc. on March 6th, 2012.

The request for an Inquiry was made nearly eight years and two council terms after the beginning of the sale process. It was also requested after an exhaustive Ontario Provincial Police investigation which occurred just prior to the 2014 municipal election and as of this date has not resulted in any charges being laid.

The Resolution was brought forward by the Deputy Mayor, Mr. Brian Saunderson several days before the launch of his political campaign for the position of Mayor.

On April 6, 2018, Chief Justice Smith designated the Honourable Frank Marrocco, Associated Chief Justice of the Superior Court of Justice, to serve as the Commissioner to the Collingwood Inquiry.

It is clearly understood that the terms of reference of the Inquiry shall be to inquire into all aspects of the Transaction, including the history, the price at which the shares were sold and the impact on the Ratepayers of the Town of Collingwood, as it relates to the good government of the Municipality, or the conduct of its public business, and to make any recommendations that the Commissioner may deem appropriate and in the public interest as a result of the Inquiry.

In particular, the Commissioner may inquire into:

- I. Was there adequate Town Council oversight over the Transaction?
- II. Was Town Council's delegation of authority in relation to the Transaction appropriate?
- III. Did Town Council receive sufficient independent professional advice prior to delegating its authority to conduct the RFP, negotiate or finalize the Transaction?
- IV. Were the criteria developed to assess the proposals received during the RFP process appropriate and did the criteria serve the interests of the Ratepayers of Collingwood?

During phase I of the Collingwood Judicial Inquiry, I provided a number of my initial thoughts as well as had many questions addressed that are relevant to the proceedings. Much of the information that was shared is even more valid today and deserves

repeating since much of what I said was overshadowed by the narrative of the Part 1 Foundation Document.

By way of some of my background, 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. An honour that I took seriously and one in which 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 an even greater honour of being elected as the Member of Parliament for the newly created federal riding of Simcoe Grey. I was re-elected in 2000. During the seven years in which I served as our MP, I was very proud of the extremely cooperative political environment between my offices, local municipal councils, the MPP, our business community and most importantly my fellow residents.

Throughout that time, 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 the 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, Collingwood proudly hosted for the first time, the National Caucus annual summer work retreat. This high-profile working conference effectively profiled Collingwood to our Prime Minister, the Federal 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. Again, I felt these words needed to be repeated because it demonstrates very clearly that I have always put Collingwood's best interests first. I have worked almost my entire adult life for the benefit of my home town, Collingwood.

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 our father (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 her serve the people of Collingwood.

After the 2004 federal election, I moved into the private sector, opening a communications and government relations firm in my home town, Collingwood. Over this time, I became acutely aware of the positive impact that I could have in working with companies interested in expanding or investing in small communities like Collingwood. While there are many thousands of lobbyists in Canada, I felt my experiences coupled with the love for my community, I could be successful in attracting and facilitating many great things for our region. Irrespective of what initiative I became involved with, I always measured my success in terms of what I believed to be in the best interests of the residents of Collingwood.

I have continued to represent myself throughout these proceedings and I, along with my bookkeeper and accountant have cooperated fully with the inquiry in terms of providing any information that I have available as well participating fully in accordance with the schedule provided by Judicial Counsel.

I believe that it was unfair and inappropriate that the Town of Collingwood denied my request for legal funding and as such I was unable to engage a qualified and experienced lawyer to represent my interests and that of the Inquiry. I feel that both myself and the Inquiry would have benefited if had I been able to engage a lawyer with expertise in the Judicial Inquiry process. While I appreciated the qualified recommendation made by Justice Marrocco for funding my request, the record will show that the Town was not prepared to meet or support any request for funding for the

purpose of my securing legal counsel. This shows clear malice intent against me and their desire for political gain. Please see attached correspondence in schedule 'B' marked Exhibit 1 and 2.

I want to reiterate the following to the Inquiry and the public for the purpose of fully understanding the environment surrounding the LDC (Local Distribution Corporations) sector during the years 2009 and 2012 as well as the political environment across the province.

I spent a great deal of time researching the entire energy sector which was experiencing a major shift in their traditional operating models. LDC's across the province were being directed to invest in and employ the latest technologies, sustainable energy and instill best management practices into their business models. The intent behind this provincial direction was to increase the level of service to Ontario electricity rate payers. Ontario LDC's were about to change and about to change for the better.

During this same period many forward-thinking councils' were requesting that all of their department heads conduct thorough reviews of their operations, with a focus on reducing costs while developing business models that would provide the services their constituents would require in the coming years. Collingwood's Council provided that direction to department heads as well to the LDC in which they owned shortly after their election in 2010.

The residents of Collingwood should take pride in the fact that the Collus Utility 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 LDC's. There should be no doubt in anyone's mind, the board and staff 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.

That said, the following information is critical to understanding the background behind the transaction in question. Having a complete understanding of the direction of the province and knowing the other external factors affecting LDC's, the Board and senior management at Collus began to explore opportunities that would better serve the customers of Collingwood well into the future.

On a parallel path in 2010, the newly elected Collingwood Council embarked on a path to see the residents of Collingwood receive the services they rightly deserved with an overreaching consideration of good financial stewardship.

As a result of both of these initiatives, Collus embarked on a robust process to properly position the LDC to serve the future needs of the residents of Collingwood and the

surrounding region. At the conclusion of this process Collingwood Council and the Collus Board unanimously approved a 50% sale of their utility. This sale or partnership would allow them to meet the future demands of the province and create a more modern cost-effective utility, while not giving up their ability to influence the direction of the utility for the benefit of their community.

It was clearly stated by Mr. Brian Bentz, President and CEO of PowerStream along with other witnesses that the Town of Collingwood received one of the highest share price returns in comparison to similar transactions that had taken place in the province over the previous decade.

It should also be noted that in the subsequent sale transaction to EPCOR that the Town of Collingwood once again was successful in securing an unprecedented additional \$5,000,000 value on top of their share equity.

The readers will see later in this report evidence and testimony that demonstrates over the next year an extremely positive and collaborative working environment between the Town, the water utility, Collus PowerStream and PowerStream

Then entered the new “Acting” CAO, Mr. John Brown who quickly and methodically developed a caustic working relationship with Collus PowerStream as well as many other organizations such as the General & Marine Hospital, the Collingwood Regional Airport and the Collingwood Public Utilities (water utility). Through his many expensive reports which are proven to be factually incorrect, Mr. Brown created a caustic and dysfunctional working environment for everyone from Board Members to senior management. It was noted that several community minded board members resigned during this period as a result of his approach. As mentioned, it needs to be understood that this same caustic environment unfolded with the Collingwood G & M Hospital, the Collingwood Regional Airport as well as with our neighbouring municipalities.

It was clearly stated by several witnesses including Mr. David McFadden, a highly respected lawyer specializing in the energy sector and active board member for Collus Power and Collus PowerStream that this approved RFP process was very unique or a hybrid by its very nature. This RFP process developed in part by the Board Chair, Mr. Dean Muncaster, Board Member, Mr. David McFadden and the President and CEO, Mr. Ed Houghton. The process then lead to the engagement of KPMG, one of the four most experienced international energy consulting firms in the world. As the process advanced, it had the benefit of no less than five specialized lawyers working on the transaction on behalf of the Town of Collingwood and Collus.

The Inquiry has learned through an abundance of evidence that the genesis of the RFP structure was predicated on securing a partner that would support Collus Power in continuing to serve the ratepayers of Collingwood and the surrounding region,

recognizing the increasingly complex regulatory and service delivery standards expected to be provided by LDC's across the Province.

It was also clearly stated that the RFP was established to select a partner that had similar cultural values as well as the financial capability to work with Collus in creating an expanded regional LDC, effectively ensuring they were well positioned to meet the needs of the future; in short, a long-term partner. This approach would effectively create significantly greater value for the shareholders (Collingwood Residents) as well as meet the continual push for consolidation communicated from the government of Ontario within the LDC sector.

Please see Mr. Ron Clark's, a highly experienced and respected lawyer (Aird & Berlis) specializing in the LDC sector as well as legal counsel for the Town of Collingwood. Transcript 20190524 Page 262, Line 6:

MR. PAUL BONWICK: I want to address the use of the word 'value' that came up earlier on that you were being asked questions about, a director's responsibility. Is it accurate to state that a director of a corporation would afford full or perhaps even greater weight to matters related to cultural synergies, historical past, prospect for future growth when assessing a future partner versus simply the cold calculation of what they're prepared to pay?

MR. RON CLARK: Yes, especially in a situation where the shareholder's sticking around and it's not an outright sale.

In keeping with this theme, it should be recognized that Mr. David McFadden, Collus Board Member and Mr. Dean Muncaster, Collus Board Chair as early as 2009 were acutely aware of the very significant changes that were about to be taking place in the electric industry and as a result, emphasised the importance of positioning their corporation in a manner that would best serve the future delivery of services expected and required by the Collingwood ratepayers and the Province of Ontario.

It is also important to note that the development of the RFP and subsequent transactions were in part predicated on the various political campaigns and the subsequent election of new members of council delivering a new mandate after the municipal elections in 2010.

It has been clearly stated during the hearings of the Inquiry by those elected in the 2010 election as well as by senior staff employed with the Town of Collingwood during that period of time that the major election themes centered around financial accountability, reducing spending on outside consultants and lawyers, exploring more cost effective ways to deliver services, meeting the future needs of the Town as well as the need to address existing and future debt loads based on community need.

This mandate was formally delivered by the Mayor during her inauguration speech in late 2010 and again by the Mayor and Council during their initial engagement with department heads and the CAO. In keeping with this mandate supported by the voters of Collingwood, the Mayor also provided written instructions to the Chair of Collus Power to explore opportunities that would serve her Council's mandate as identified.

The Inquiry heard from numerous highly respected industry experts including several lawyers, a former board member and chair, accountants, consultants, senior staff and elected officials engaged on this matter during the time frame leading up to creation of the RFP, the subsequent engagement of potential partners and the final approval by Council of PowerStream. In large part, most of their comments were consistent in terms of delivering a highly robust, transparent and informed process that lead to the best possible deal for the residents of Collingwood.

Please see transcript 20190516, Page 125, Line 11 –Mr. McFadden

MR. PAUL BONWICK: Is it fair to say that the feedback that you received was positive, that it outlined what people believed to be a creative approach in terms of dealing with consolidation, but yet doing in a creative way where it might allow expansion within this particular arena?

MR. DAVID MCFADDEN: I could say right now I -- did -- I never received anybody saying this is crazy or in the public interest, most people were just interested to hear all about it. I never got any negative comments about it from anyone.

We now know that there were several public meetings and notices as well as detailed updates and briefings provided to Collingwood Council by the lead lawyer for the municipality, Mr. Ron Clark along with Mr. Houghton, Pres & CEO, Collus Power and Mr. Dean Muncaster, Chair Collus Power.

Please see transcript 20190524, Page 3 Mr. Ron Clark, Counsel for the Town of Collingwood

MR. FREDERICK CHENOWETH: And you did so for the purpose of explaining the details of the transaction to the Town council?

MR. RON CLARK: Yes.

MR. FREDERICK CHENOWETH: All right. And I take it that, in addition to presenting the Town council on that occasion with slides, you also gave an oral presentation that parali -- or that par -- paralleled the -- the notations that are made in the slides?

MR. RON CLARK: Yes.

MR. FREDERICK CHENOWETH: All right. Thank you. And so that either through the – through the presentation and the slide, from the slide itself, or your oral presentation, there would have been an opportunity for the councillors to understand what you were telling them with respect to the various issues represented in the slides?

Mr. Ron Clark: Yes.

Further to these various briefings/engagements there was also a thorough review of the process leading up to the 50% share purchase by the Ontario Energy Board (OEB) during which time there were public announcements and opportunities for objecting parties to raise issues related to this matter. At that time not one single objection was raised with the OEB. This point was recognized by the consultants for KPMG, Aird & Berlis as well as Mr. McFadden as a surprisingly positive experience considering how contentious many of the past mergers or acquisitions had been unfolded in the province.

As the Inquiry has learned, I had been following with interest the issues facing the Local Distribution Companies (LDC's) for quite some time. I had spoken on more than one occasion with the President and CEO of our own local LDC, Mr. Houghton and asked him to help me understand what environment they were facing such as new regulation, the impacts of conservation demand management, the issues caused by the rising costs, etc.

At this time, we had never discussed what the plans were for Collus Power nor what the discussions were at the Board level. At some point in early 2010, I asked Mr. Houghton who would be someone that I should speak to about getting engaged in the changing electric distribution industry in Ontario. He recommended Mr. Brian Bentz. He suggested Mr. Bentz because he was relatively local from a regional perspective he was highly respected politically and was someone who had significant experience as an aggregator.

I ultimately contacted Mr. Brian Bentz, Pres & CEO of PowerStream in the late winter of 2011, offering my services as a consultant for the purpose of advancing their position within the South Georgian Bay Region and more specifically related to a possible opportunity with Collus Power.

As part of my initial introduction and subsequent meeting, which was made clear through the evidence before the Inquiry, I profiled the need for full transparency should PowerStream choose to engage my company's services. I took pride in the non-partisan reputation I had developed over many years throughout the Simcoe Region as well as at Queen's Park and in Ottawa. I truly believed that the network of trusted relationships I had developed along with an understanding of regional issues would lend significant value in the development of a strategic consolidation model for PowerStream within our

region. That said, I was sensitive to the fact that my sister was the Mayor of Collingwood and it was for that reason I recommend an unprecedented level of disclosure to PowerStream, should my company be engaged on this file.

It is important to understand the environment I was working in. It has been clearly stated by Mr. Leo Longo, Counsel for the Town of Collingwood, Mr. Denis Nolan, VP Corporate lawyer for PowerStream and Ms. Sara Alma, Clerk for the Town of Collingwood that the Municipal Conflict of Interest Act does not apply to a consultant, myself included. It was also clearly stated by Mr. Longo that the Municipal Code of Conduct does not apply to outside consultants or more specifically, me. Testimony from Mr. Longo also clearly stated that there was no lobby registration program in place with the Town of Collingwood from 2010 to 2014. It is also important to note that these realities do not detract from the importance of acting in an ethical manner.

In hindsight, I believe a lobby registration program would most certainly have provided a heightened level of disclosure for the public had it been in place at that time.

Irrespective of the environment during that period and while there was no legal obligation related to disclosure, transparency and disclosure were absolute priorities for myself and for PowerStream. It was for the reasons of transparency and disclosure that on at least four separate occasions, I or other representatives of PowerStream met with Board Members, elected officials as well as municipal officials for the sole purpose of disclosing PowerStream's potential interest in an acquisition of Collus Power as well to disclose my role with PowerStream if they chose to retain my company. Please see the following examples;

1. The Mayor was fully briefed by me on my potential engagement with PowerStream along with the scope of services that I might be called upon to provide. This was evidenced via a letter sent by Mayor Cooper to Mr. Bentz, Pres & CEO, PowerStream.
2. A meeting was held at my request with Ms. Sara Almas, Clerk for the Town of Collingwood in her office for the purpose of disclosing my potential engagement with PowerStream, the scope of services that I would be providing as well as to seek clarity on her opinion as to whether my work with PowerStream would create a conflict of interest under the 'Municipal Conflict of Interest Act' for my sister, Mayor Cooper. A subsequent email was sent to Mr. Bentz confirming the content of the meeting and was copied to Ms. Almas, once again in the interest of transparency and for her to dispute if I misrepresented our discussion.
3. An initial meeting was scheduled at my request with Ms. Wingrove, CAO for the Town of Collingwood in her office. The purpose of the meeting was to provide me the opportunity once again to disclose my potential engagement with PowerStream. During my first visit Ms. Wingrove had to leave and asked me to

reschedule. I rescheduled the meeting and provided her an outline of my engagement when she took a call on her cellphone, mid-meeting. She then, once again, terminated the meeting.

4. A meeting was then held in the Collingwood Council Boardroom at my recommendation, to once again provide full disclosure and transparency to all parties. The meeting was Chaired by Mayor Cooper. In attendance was Mr. Dean Muncaster, Chair of Collus Power, Ms. Kim Wingrove, CAO Town of Collingwood, Deputy Mayor & Budget Chair, Mr. Rick Lloyd, Mr. Brian Bentz, President and CEO, PowerStream and Mr. Jeff Lehman, Mayor for the City of Barrier and Board member for PowerStream.

As mentioned, one of the significant points of disclosure that was specific to a conversation I had with my sister, Mayor Cooper included describing the types of services that I would be providing to PowerStream should they chose to engage my company. At the conclusion of that meeting, I asked Mayor Cooper if she would agree to provide a follow up letter to Mr. Bentz disclosing the content of our discussion and my related responsibilities. She kindly agreed, upon which time I provided her a draft letter that I had vetted with members of the PowerStream team, again in the interest of transparency. It was a result of this disclosure that I asked Mr. Longo, lawyer for the Town of Collingwood the following question and received the answer below. Please reference transcript 20190528, page 171, line 2.

Mr. Paul Bonwick: And so in going through the engagement agreement that I had with PowerStream -- you've had the opportunity to review that -- did I understand you correctly that when you went through it line by line by line, you understood that the information contained in the letter incorporated the information that was contained in the retainer agreement?

MR. LEO LONGO: Your Honour, I saw that letter for the first time today. I looked at it. I could see how you could argue that the bullets contained in that engagement letter could be argued to have been included in paragraph 2 of the June 2nd letter

Leo Longo, an expert on Municipal law and one of the Town's lawyers stated the following in response to my questions: Transcript 20190528 Page 171, Line 22

Mr. Paul Bonwick: As I understand it -- or I'm looking for direction from you, sorry -- does the Municipal Conflict of Interest Act apply to a government relations consultant?

MR. LEO LONGO: Only if that government relations consultant is also a municipal Councillor.

MR. PAUL BONWICK: Thank you. The oath of office that municipal Councillors take, does that in somehow apply to a government relations consultant that is not sitting on Council?

MR. LEO LONGO: It only applies to the Council

MR. PAUL BONWICK: Did the Town of Collingwood have, during the time 2010 to 2014, a municipal lobbyist registration program?

MR. LEO LONGO: I did not believe they did.

MR. PAUL BONWICK: Don't believe, or you know they did not?

MR. LEO LONGO: They -- they did not

My letter of engagement with PowerStream was reviewed on several occasions during the first phase of these hearings. It was also noted that I signed a non-disclosure agreement with PowerStream.

It is important to note that I did not have the benefit of reading or being informed of the existence of the disclosure agreements signed by each of the LDC's (including PowerStream) and Collus as part of the RFP process

I should also share my perspective on the background and role of a government relations consultant. Government Relation (GR) consultants typically have significant experience in the operations of government. In the private sector they provide strategic advice to companies that may not employ workers with this necessary expertise. GR consultants lobby various level of government for policy changes, they provide their clients advice on effective ways to enhance proposals, they provide research and briefings related to a multitude of issues surrounding any given initiative, they coordinate messaging to key decision makers in government, they provide recommendations on strategies to improve public profile, they communicate with key decision makers as well as people outside the decision making circle to garner information that will help with the development of a proposal or regulatory change and they follow up with appropriate elected and non-elected officials for the purpose of advancing their clients position. In short, they are hired to help facilitate and advance their clients position. All of these efforts are typically conducted under the umbrella of a non-disclosure agreement with the client and the GR consulting firm or individual.

Over the past decade, many elected officials as well as members of the general public have learned about the role GR consultants have within the private sector and as a result in the interest of transparency and accountability have implemented lobbyist registration programs.

These registration programs are meant to ensure greater transparency and accountability for the general public specific to the actions of elected and non-elected officials as well as the GR consultants and their clients.

As part of my role, I had interaction through meetings, emails and calls on occasions with Mr. Ed Houghton, President and CEO, Mr. Dean Muncaster, Board Chair, Mr. Rick Lloyd, Deputy Mayor and Budget Chair and on a limited basis with Mayor Cooper. These various engagements took place several years ago and as a result it is impossible to accurately state precise information shared by any one individual, they were always conducted in a friendly, professional environment with both the elected and non-elected officials, it was always my opinion that these people were attempting to advance a position that would best serve the residents of Collingwood. The Inquiry learned that at no time did any one individual caution me during a conversation that any part of that conversation was to be treated in a confidential manner.

As a result of these various engagements, I had the opportunity to meet or speak on the phone with several PowerStream executives over the period of time surrounding the RFP process.

Through testimony provided by several PowerStream executives, it was clarified that I was never cautioned or were concerns raised about the content of any briefing I provided.

Testimony also demonstrated that I was also not in attendance at any of the Strategic Task Team meetings, thereby personally having no appreciation of what Collus Power or the Municipality deemed to be sensitive or confidential information.

My opinion remained consistent throughout the entire RFP process and subsequently over the following year that PowerStream from the start was viewed in a very positive light based on geography, reputation and direct experience. Based on this reality almost all of the interactions I had with individuals attached to Collus or the municipality were entirely positive as well as free flowing in terms of information and suggestions.

This is consistent with my experience with other unrelated transactions at the provincial and federal levels of government. More often than not some individual companies are favoured over others throughout an RFP process and for good reason. It is typically based on the service or product they provide or the reputation and personal experiences they have developed over an extended period of time.

While I remain respectful of the responsibility entrusted to Justice Marrocco through this Inquiry to view all relevant matters related to this transaction, I do not understand the significant amount of time counsel for the inquiry and some of the participants spent reviewing matters specific to other areas that are not relevant.

More specifically, there was significant discussion focused on my involvement in helping successfully address outstanding issues with other companies that are completely unrelated to this share sale. They included my efforts in support of municipal funding for infrastructure, on my involvement in a gravel pit operation between 2007 and 2009, my work with indigenous peoples, corporate restructuring for a company unrelated to this transaction and the support I provided for the widening of First Street. All of these initiatives provided very significant value, at no cost to the municipality.

It was stated through testimony of Mr. Peter Budd, President of International Solar Solutions Inc. that I was introduced to the solar power attic roof vent. Upon review of this product and in keeping with my understanding of the province push for green energy initiatives, I became convinced this product had the ability to make a very significant and positive impact on energy and costs reduction for home owners across North America. I was also convinced that it represented an enormous business opportunity. As a result, a business model was developed and implemented for the purpose of manufacturing and distributing this product across North America. Part of this business model included a push to attract additional partners to assist with implementation of the business plan and the need for venture capital. This business model included marketing the product to local distribution companies across Canada. Over the course of the next few years, several hundred thousand dollars were invested in this business model. While I was proud of the fact that Collus Power, PowerStream along with several other LDC's took a proactive role through the implementation of a pilot program that serviced ratepayers in their respective jurisdictions, it was clearly recognized that the pilot program did not provide any significant impact of the scoring by the strategic task team and subsequently the decision to partner with PowerStream.

It is with interest that I learned at the start of the Inquiry that once a formal request for a judicial inquiry is put forward by a municipality, the Chief Justice must act on the request. The merits of events leading up to the request are not part of the Inquiry's mandate and as a result cannot be fully explored.

I believe it is imperative to consider the timing of events leading up to the request for a Judicial Review as well as the conduct of some senior staff that provided the background supporting Deputy Mayor Saunderson's resolution requesting the Inquiry.

This matter was brought before Collingwood Council six years after the transaction had been completed and approximately two weeks before the Deputy Mayor announced his intention to challenge the sitting Mayor in the next municipal election.

Evidence and testimony has clearly and unequivocally demonstrated that the former CAO, Mr. John Brown developed an adversarial relationship with staff and board

members of Collus PowerStream as well as the Water Utility during the time he was employed by the Town of Collingwood.

Evidence has also demonstrated that Mr. Brown maintained a dysfunctional and adversarial role with Mayor Cooper during his time with the municipality.

By Mr. Brown's own admission, he maintained a very positive working relationship during this same period of time with Deputy Mayor Saunderson.

Evidence has demonstrated that Mr. Brown selectively engaged numerous consultants during the time he was employed with the Town of Collingwood for the purpose of developing a highly negative narrative related to the operations of Collus PowerStream and Collingwood Public Utilities. Evidence clearly demonstrated that Mr. Brown continually influenced the content of the various reports for the purpose of supporting the negative narrative he purported to Collingwood Council. An educated reader would only need to review the disclaimers in each of these reports to understand that Brown only supplied part of the information necessary allowing the report to discredit Collus PowerStream or Collingwood Public Utilities. This is clearly evidenced in all the reports but I would specifically refer to the evidence of the BLG Report.

The pattern continues in the disclaimer of the Borden Ladner Gervais (BLG) Report which states, "our report is a summary of the information provided to us and not based on any independent assessment of the facts." The report goes on to say, "we supplemented our review with exchanges from various parties having knowledge of the Collus Companies, some of whom spoke to us on the condition that they not be identified."

John Brown writes to Mark Rodger, "all you received from CPS staff was a link to their financials", when in fact the evidence shows that Collus PowerStream provided BLG with several hundred pages of information showing the inaccuracies in the report. I draw your attention to the email exchanges between John Brown, Mark Rodger and Marjory Leonard to understand why much of the information was not incorporated into the report or what led to BLG's report disclaimer. In an email dated March 2, 2016, Marjory Leonard, Treasurer of the Town wrote, "John, I have been through the report twice and I must say that the entire direction and tone of the report has been weakened. I find the continual disclaimers throughout to be distracting and I feel that they are being emphasized, making sure everyone reads and understands that he was wrong when he told them otherwise 2 weeks ago."

The Treasurer apparently has a preconceived outcome for Collus PowerStream and does not want Council or the Public to see that true information is available but not used.

John Brown emails Mark Rodger on March 2, 2016 and gives his opinions on Leonard's comments and states, "Marjorie read your revised report after, and independently of me. You will note that her thoughts and mine strongly align."

Rodger follows up with his comments, "As we have discussed from the outset, for some themes, I incorporated into the report the reality is there is NO evidence to substantiate the point other than what has been communicated to me orally." Rodger goes on to say that in an attempt to keep on the original preconceived themes, "the challenge in this exercise is that on some fundamental issues we have contradictory information about events for which there may be no documentation, or if some documentation does exist, it can be contrary to the original point to be made."

In a further exchange between Brown and Rodger, Rodger writes and writes all in capital letters and in bold, "I DELIVER THE REPORT TO COUNCIL AND THEN TWO COUNCILLORS WHO WERE DIRECTLY INVOLVED ON THE TASK TEAM ARE ADAMANT THIS WAS NOT THE CASE. AND NOW COLLUS EXECUTIVES AND BOARD MEMBERS SAY THIS WAS NOT THE CASE." Brown states in the same email exchange, "now it looks like there were lots of holes in your first report and they are having to correct them for you." Rodger responds again as he writes in capital letters and in bold, "YOU WILL RECALL THAT NEITHER YOU NOR YOUR COLLEAGUES WANTED ME TO GIVE COLLUS A DRAFT REPORT TO LOOK AT BEFORE I GAVE MY PRESENTATION TO COUNCIL." Rodger goes on to say, "IN MY CONFIDENTIAL DISCUSSIONS WITH CERTAIN PERSONS THEY SAID, ON A CONFIDENTIAL BASIS, THAT THEY BELIEVED THE MAIN DRIVER WAS TO GET CASH FOR THE COMMUNITY CENTRE. YOU AND YOUR COLLEAGUES AGREE WITH THIS VIEW HOWEVER NO ONE ON STAFF IS PREPARED TO GO ON RECORD IN MY REPORT TO SUPPORT THIS VIEW."

Mr. Rodger then asks Mr. Brown for information. He asks for the Council resolution that approved the spending of the money for the Community Centre and , "THE LETTER(S) FROM THE TOWN'S CONSULTANTS (YOU DESCRIBED AT LUNCH) WHO PREPARED THE REPORTS ON SOLUTIONS WHERE THE CONSULTANTS SAID THEY REVIEWED COLLUS' CRITISISMS OF THEIR REPORTS AND THE CONSULTANTS REJECTED ALL COLLUS' COMMENTS." It is clear through the review of all of the evidence that this resolution of Council nor the letter from the consultants ever existed as told by Brown to Rodger.

Mr. Brown admittedly went so far as to communicate with the Town's solicitor using his private email address. During one of the communications using his personal email address, Mr. Brown requested the Town's lawyer to re-issue the invoice so as not to draw attention from the Mayor's office. He went on to ask that the email chain be expunged. In my questioning of Mr. Longo, partner to the recipient lawyer the following is record in the transcript: Trans 20190528, Page179, line 25

Mr. Paul Bonwick: "Mr. Longo, I would direct or ask you to expunge all record of this discussion." Would that raise red flags with you, that the CAO --

MR. LEO LONGO: I would think so.

MR. PAUL BONWICK: -- if the municipality would ask you to expunge an email train, especially as it relates to finance?

MR. LEO LONGO: I've never faced that situation in my 40 year career.

179:25 MR. LEO LONGO: Just on the -- on the on the theoretical question, the CAO would be the person you would report that concern of abuse for any other staff person, because the CAO is the head of the chain and is responsible for everyone under -- under her. When it's the CAO themselves who you're alleging is -- is doing something improper and asking their lawyer to do something improper, it would logically go to the Mayor, that I would have to -- the head of Council that I would have to take that matter.

186.4 MR. PAUL BONWICK: So therein lies the bombshell, I'm sitting there looking at an email from a CAO sending out information that is clearly specific to the Municipality, it's clearly asking for changes to be made to invoices that appear to be in order to allow it to go under the radar, so to speak, but more importantly than that, there's information in there that we don't know when it exists because it was a hard copy. But he's effectively asking, as he's going through an exercise that's related to the eventual launching of this judicial inquiry, he's going through an exercise where he's asking to have records expunged.

And so I ask again, if you had to follow this email chain and you received an email from the CAO, did I understand you correctly to say you would have immediately brought this to the Mayor's attention?

MR. LEO LONGO: That would be my practice.

MR. PAUL BONWICK: In your 40-year career, you never remember having been asked by a CAO on a personal email to expunge financial records or records related to a municipality?

MR. LEO LONGO: Or from anyone.

These continued actions resulted in the resignation of several highly respected board members as well as staff. During this same period of time the Chief Operating Officer, Mr. Marcus Firman of the water utility resigned his position. In Mr. Firman's transcript date 20190523, page37, line 18 he stated the following:

MR. MARCUS FIRMAN: Right. So, I believe the efficiency comes from total cooperation and working together. And I saw that prior to 2013. And I started to see

that falling apart and the creation of lines between the two (2), the absorption and the polarization of ideas and control. And it's one (1) of the reasons I look to leave, because --

MR. PAUL BONWICK: So, just – just surmise that last little bit there. It's reasonable for the hearing to take from your words that you felt that, from an arm's length perspective, that the Collus PowerStream deal was a good deal for the first year, that it provided good service, that it was providing a very positive working environment? And then post 2014, that environment, using your words, became caustic or --

MR. MARCUS FIRMAN: Toxic.

MR. PAUL BONWICK: In 2015. And so going back to 2014, new Council, relatively new CAO moved from acting, I guess to CAO or interim, I'm not sure which one it was. Could you provide a more detailed description of how the environment turned if the environment turned and what the effect was in terms of your ability to operate the utility?

MR. MARCUS FIRMAN: Yes, it's my opinion that it became a toxic environment. Mr. Brown, my opinion again, was that he wanted total control of everything. He -- one of the things he always insisted on was I was a Town employee regardless of me providing evidence of my letter of employment and legal opinion, he -- he wanted me to report to him, rather than me report to my board, which is where I should be reporting. I think that's indicative of him wanting control and he was working to actually achieve

The environment described above clearly contradicts the information provided by several professional expert witnesses during the lead up to the transaction as well as the first year after the transaction was completed.

Further to the point of oversight on this transaction, I would submit the following statement from the transcript 20190524, page 257:

MR. PAUL BONWICK: Is it reasonable to state with the various emails that were copied on -- and I'm not going to go through them in the interest of time -- but there seems to be a fairly broad cross-section of people copied on many of these emails. Some of them are legal, some of them are Town staff, Mayor, Deputy Mayor, Mr. McFadden, Board member. It appears to be quite a healthy cross-section of people that are copied on most of this correspondence. Is that a fair statement?

MR. RON CLARK: Yes.

MR. PAUL BONWICK: At any time during any of these communications, in your mind would they have -- would any of the people that are copied on this have any reservation in reaching out to you if they have any questions or wanted to make any suggestions or comments?

MR. RON CLARK: I wouldn't have expected that they would have any reservations, no.

I hope all parties will agree that improvements can be made to any process when reviewed in detail after that process has been completed. I also believe that a major consideration of any review must include the result that took place as a result of the process that was undertaken.

The inquiry heard from many experts as well as staff, board members and elected officials that the following year after the share sale was completed and approved by the Collus Board, the PowerStream Board, Collingwood Council and the Ontario Energy Board. The overwhelming consensus was very positive in regards to the partnership that was formed as well as the value the municipality received as a result of the partnership. I found particularly valuable to hear the testimony of Mr. Marcus Firman, Chief Operating Officer for the Water Utility. Mr. Firman had the unique perspective of not being directly involved with the process leading up to the close of the share sale however he did work closely with the Collus PowerStream team after the transaction had been completed.

Please see the following testimony Mr. Firman provided in response to a question asking for his assessment of the year following the transaction. Transcript – 20190523, Page 36, Line 5.

MR. PAUL BONWICK: And I appreciate, based on your earlier testimony and your affidavit, you did not work directly with the electrical utility, but rather the -- water and waste water, correct?

MR. MARCUS FIRMAN: Correct.

MR. PAUL BONWICK: And so you can share a unique perspective for the year following the OEB approval surrounding the Collus PowerStream partnership. In your experience that year following, how did you find the environment with the new partnership that it had been created with Collus

MR. MARCUS FIRMAN: Right. I think I think the partnership was very good, actually, and - and there was even discussions about water and operations and things that we could take advantage of through their systems, I -- it was a good partnership in the first year.

MR. PAUL BONWICK: So would it be reasonable to state that the new partnership, namely Collus and PowerStream, were open to ideas and dialogue about how you might enhance services, create more efficiencies, in short provide a better, more cost-effective service to the Municipality?

Mr. MARCUS FIRMAN: Absolutely.

More specifically to my involvement Mr. Firman responded with the following during his testimony. Page 41, line 6

MR. PAUL BONWICK: Have you ever felt in any way, shape, or form -- and I'd -- I'd ask you to be completely forthright, not that you wouldn't be with the hearing. Have you ever felt in any manner that I have tried to persuade you to go in a direction that you're not comfortable with, that I've tried to influence you in some reas -- some manner, that I've acted in some way that would not offer a benefit to the municipality?

MR. MARCUS FIRMAN: Right. Yeah, so the simple -- the simple part of it is, no, you - you've never directed or -- or suggested. I think the -- your -- your motivation has always been doing the right thing for the Town of Collingwood and I would -- I would never question that in my opinion

Perhaps the most striking testimony came from Mr. David McFadden, a highly respected international energy lawyer, former Collus Board Member and form Collus PowerStream Board Chair. It is understood that Mr. McFadden is one of the most respected and experienced persons' specific to the energy sector that was actively involved from start to finish on this matter. It is also equally clear that Mr. McFadden contributed his significant expertise and experience through his Board and Chair position for the sole purpose of helping the residents of Collingwood and the surrounding area receive maximum value from their Utility.

I would submit that his testimony dated 20190516 should fully inform the Inquiry and the residents of Collingwood with respect to the final outcome of the share sale that created the Collus PowerStream partnership. Page 25, line 10.

MR. PAUL BONWICK: Is it fair to say that the feedback that you received was positive, that it outlined what people believed to be a creative approach in terms of dealing with consolidation, but yet doing in a creative way where it might allow expansion within this particular arena?

MR. DAVID MCFADDEN: I could say right now I -- did -- I never received anybody saying this is crazy or in the public interest, most people were just interested to hear all about it. I never got any negative comments about it from anyone.

MR. PAUL BONWICK: And -- and so I say it was quite a team amassed in terms of developing this process, moving through the process and getting it over the goal line?

MR. DAVID MCFADDEN: Yes, I think it was a good team. A good mix of talent.

MR. PAUL BONWICK: So based on the team that worked on this, which I would argue is as deep and experienced as anyone could hope for, based on the strategic task force that was put in place or strategic task team that was put in place, based on the public consultation extended through Collus and the municipality and subsequently by the OEB and then followed up, would you say this was a very robust and transparent process?

MR. DAVID MCFADDEN: I thought it was robust and transparent, as -- as far as you can get it in -- in a transaction like this. You can't have total disclosure of everything to the whole public and involve them, do this all on the stage. But yes, I -- I felt that it was a good process, certainly from start to finish, the -- that's why KPMG, for example, was brought on board, to make sure that this was a process that fit in industry standard in terms of -- and -- and that of course was, you know, I know that was Dean's view too,

By my count there were at least six lawyers working on this share sale, all of whom had various areas of expertise related to this matter. It should also be noted that three recognized industry experts including the managing partner for KPMG were engaged on this matter at the earliest opportunity for the purpose of providing advice on all matters.

I will conclude with additional information on the supporting role I provided to PowerStream throughout this process. It has been clearly stated by Mr. Brian Bentz, President and CEO, Mr. Denis Nolan, Senior Legal Counsel, and Mr. John Glicksman, Executive Vice President, that PowerStream conducted a thorough background check on me specific to my career, reputation and potential for conflict.

There was also a series of meetings and phone calls that were conducted prior to offering me the opportunity to work with PowerStream. Clearly these efforts established a level of confidence in the PowerStream executive management team and subsequently the PowerStream Board of Directors whereby offered me a contract position with the company.

Through testimony we witnessed the fact that all of these individuals are all highly respected experienced and intelligent people in their own right. It was in part for this reason I was honoured that a contract extension was offered to me at the conclusion of the Collus transaction. In my opinion, this offer clearly indicated that their team felt my efforts helped contribute to the creation of a highly effective partnership that would provide exciting opportunities for the Town of Collingwood and surrounding area.

Transcript 200603, Page 127

Mr. PAUL BONWICK: would you characterize my input as attempting to create the best possible bid for the shareholders and the Town of Collingwood?

MR. BRIAN BENTZ: Yes, I think you had - you know, you had our interests in mind, but the Town, as well.

Mr. PAUL BONWICK: Would it be your opinion that I was -- in any of my engagements during those meetings with you, did I ever conduct myself in a way that -- that didn't profile Collingwood in a very positive light?

Mr. BRIAN BENTZ: No

MR. PAUL BONWICK: Did you or any other member of the PowerStream team, either verbally, that you're aware of, or in email, direct concerns to me as it related to any of the information that I was sharing?

MR. BRIAN BENTZ: The information that you were sharing with us? No.

Mr. Paul Bonwick: Post-transaction for the year following the OEB approval of the -- of the merger or of the partnership, could you describe the working environment between the Collus team -- excuse me -- Collus PowerStream team at the Town of Collingwood and PowerStream's head office?

MR. BRIAN BENTZ: I think it was very strong. I think it was actually an excellent relationship. There was -- especially with the senior leaders and Cindy and Pam and Larry working with our team, whether it was regulatory or conservation or -- there was a good relationship that developed. I think it was positive and constructive.

MR. PAUL BONWICK: Do you feel the Town of Collingwood got the best possible deal -- the shareholders, the taxpayers, the residents of Collingwood -- got the best possible deal based on how the RFP was constructed, based on the vision the community had in terms of selecting PowerStream

MR. BRIAN BENTZ: Yes.

MR. PAUL BONWICK: -- as its partner?

MR. BRIAN BENTZ: Yes. And it appears the assessment committee did as well.

As I stated earlier in my remarks, through hindsight and thorough review there are always opportunities to improve a process, offer greater transparency and better engage the public. I also firmly believe it is the responsibility of any government or private business to examine major undertakings that have been completed such as this one to build on success and develop better process for future.

It should also be noted that in only one instance has information that I gathered and put into a brief for my client PowerStream come in to question.

I provided this draft brief I am referring to Mr. Ed Houghton prior to sending it to my client. Upon review, Mr. Houghton expressed concern over some sensitive and inaccurate information contained in the brief and specifically asked me not to forward it on to my client. He also stated that he was compelled to share that draft brief with his Chair. After a thorough review of PowerStream's data room it was determined that the brief was not shared.

Upon reflection specific to my role, there were opportunities available to me whereby I could have taken additional steps to lend greater transparency more specifically to the information shared with me during that time.

While I recognize this opportunity several years after the transaction has been completed, I will state with absolute conviction that any of my efforts or involvements in the Town of Collingwood related to public or corporate affairs was always predicated on what I believed to be in the best interests of the community.

This feeling holds especially true for the partnership that was created between Collus and PowerStream.

Respectfully submitted,

Hon. Paul Bonwick P.C.