



Collus PowerStream Corp.
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Thursday, September 1, 2016

Mayor Sandra Cooper,
Deputy Mayor Brian Saunderson,
Councillors: Tim Fryer, Mike Edwards, Cam Ecclestone, Kathy Jeffery, Deb Doherty, Bob Madigan, Kevin Lloyd
Town of Collingwood
P.O. Box 157, 97 Hurontario Street,
Collingwood, Ontario L9Y 3Z5

Dear Mayor Cooper & Members of Council:

Re: Collus PowerStream Solutions Corp.

I would like to provide you with an explanation with respect to the comments made by the Town's CAO, Mr. Brown to Council on Monday evening regarding the transfer of employees from Collus PowerStream Solutions (Collus Solutions) to Collus PowerStream Corp. (Collus PowerStream.)

First, I would like to provide you with a brief history of Collus Solutions. Collus Solutions is a Corporation that was set up to house employees that performed services for the Collus PowerStream, Collingwood Public Utilities and the Town of Collingwood. It was simply a billing mechanism in order to bill the services of any shared services employees.

The set up of a corporation like Collus Solutions under the holding Corporation (Collingwood PowerStream Utility Services Corp.) was a requirement of the Ontario Energy Board's (OEB) Affiliate Relationship Code for any LDC that performed any work for third parties outside of the LDC (this requirement has since been lifted through Bill 112.) Collus Solutions has no financial assets, it strictly houses employees that perform shared services. Employees are transferred out of Collus Solutions to Collus PowerStream if and when they no longer perform any services for water or Town operations. These transfers do not require the approval of either shareholder as it is strictly an administrative matter and seamless to the Corporations.

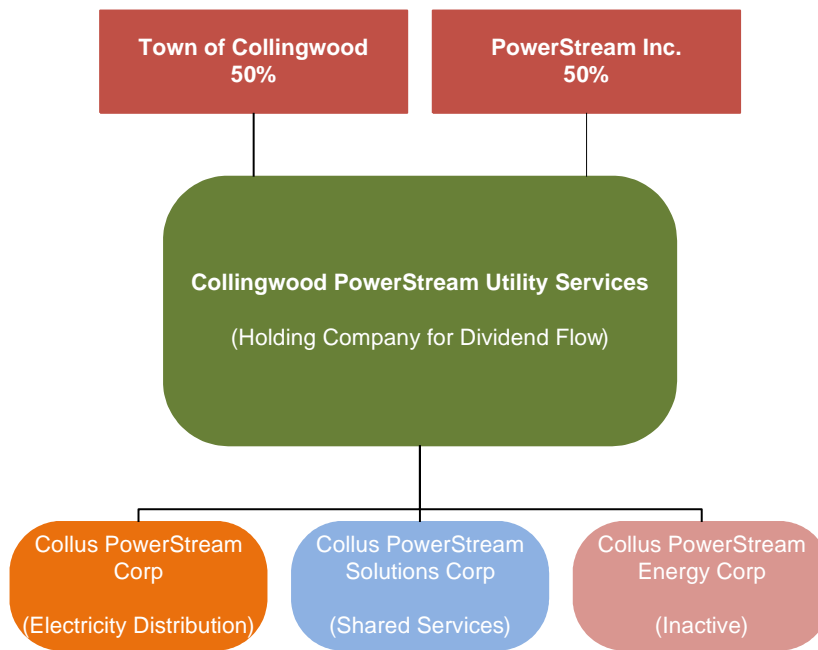
As a result of conversations with CAO Brown, Collus PowerStream was advised that the Town was "transitioning" its IT services to the Town. As a result, two IT employees and a GIS employee would no longer be required in Collus Solutions. At our Board Meeting on May 31, 2016 our VP of Operations presented a staff report about our IT operations. One of the report's recommendations, approved unanimously by the Board, was to move existing IT and GIS staff to Collus PowerStream from Collus Solutions. This does not preclude Collus PowerStream from continuing to provide IT and GIS services to the Town pursuant to the Shared Services agreement to be signed by the Town and PowerStream. In fact, since January 1, 2016 the three employees have continued to perform the shared services for the Town under the premise that the agreement will be executed.

There are currently five employees still housed in Collus Solutions. These employees are the Customer Service Representatives that work in the Finance Department and prepare the monthly hydro, water and wastewater billings as well as customer inquiries, etc. It is anticipated that these five employees will also be transferred to Collus PowerStream once the Shared Services Agreement is signed because PowerStream will be subcontracting the shared services to Collus PowerStream.

Staff and the Board on numerous occasions have discussed dissolving Collus Solutions as there is no longer an OEB requirement to have a separate company for shared employees. Again, there are no financial assets in Collus Solutions, it is only a company to house shared service employees for billing purposes.

For your information shown below is an overall organization chart.

Collingwood PowerStream Utility Services Corp.



Trusting this will offer some clarification for the concerns raised by CAO Brown and Deputy Mayor Saunderson. Should you have any further questions, please do not hesitate to contact me.

Respectfully,

Mrs. Pamela Hogg, CHRL
Board Secretary

Copies To: Dan Horchik, Brian Bentz, Dennis Nolan, John Brown, Sara Almas, Marjory Leonard