

MINUTES OF A JOINT MEETING OF THE BOARD OF DIRECTORS OF Collingwood Utility Services Corp, Collus Power Corp, and Collus Solutions (the "Corporations") held at 43 Stewart Road, Collingwood, Ontario on Friday, March 23, 2012 at 10:10 a.m.

Present: Directors: Joan Pajunen
 Mayor Sandra Cooper
 Doug Garbutt
 Mike Edwards
 David McFadden

Staff: Ed Houghton, President & CEO
 Pamela Hogg, Board Secretary

CONSTITUTION OF MEETING

With the unanimous consent of the meeting, Joan Pajunen, Acting Chair, called the meeting to order.

Notice of the meeting having been duly given to all Directors, and a quorum being present, upon motion duly made, seconded and unanimously carried, the Chair declared the meeting to be duly constituted for the transaction of business.

A moment of reflection was held for Dean Muncaster. Mr. Houghton informed the Board that he had spent some time with Joan Muncaster following the passing of Dean, and Joan wanted everyone to know how much Dean loved Collus and the Staff. Mr. Houghton read Dean's obituary. Board members spoke very highly of Dean, had some wonderful words to share, and all were truly saddened by his passing.

APPROVAL OF PROPOSED AGENDA

The proposed agenda for the meeting was accepted.

DECLARATION OF CONFLICTS OF INTEREST

There were no conflicts of interest declared.

MINUTES OF PREVIOUS MEETINGS

The minutes of the meeting of the Collus Power Board of Directors held on December 9, 2011, a copy of which had previously been provided to the directors, were taken as read and approved.

The minutes of the meeting of the Collus Solutions Board of Directors held on December 9, 2011, a copy of which had previously been provided to the directors, were taken as read and approved.

The minutes of the meeting of the Collingwood Utility Services Board of Directors held on January 20, 2012, a copy of which had previously been provided to the directors, were taken as read and approved.

The minutes of the meeting of the Collingwood Utility Services Board of Directors held on February 24, 2012, a copy of which had previously been provided to the directors, were taken as read and approved.

BOARD CONTINUITY

For Board Continuity purposes following the passing of Chair Muncaster, Mr. Houghton recommended that no new Board Members will populate any of the Boards, and further that the Vice Chairs of each of the Corporations become Acting Chairs until the Collus PowerStream Board is formed.

Upon motion duly made, seconded and carried, it was agreed that Vice Chair, Pajunen will become Acting Chair of Collingwood Utility Services Corp., until the Collus PowerStream Board is formed.

Upon motion duly made, seconded and carried, it was agreed that Director, McFadden will become Acting Chair of Collus Power Corp., until the Collus PowerStream Board is formed.

Mr. Houghton recommended that all Board Members will service as the Audit Committee, until the Collus PowerStream Board is formed.

Upon motion duly made, seconded and carried, it was agreed that all Board Members will serve as the Audit Committee, until the Collus PowerStream Board is formed.

Mayor Cooper requested that we inform Council of the decision not to recruit any new Board Members at this time, and all Vice Chairs will become Acting Chairs.

<p>Action Item 01 – E Houghton: Inform Council of Board decision regarding Board Members</p>

STRATEGIC PARTNERSHIP UPDATE

Mr. Houghton informed the Board that Mr. Scott Stoll, of Aird & Berlis is taking the lead on the MADD application and will be joining the meeting by conference call to provide the latest information on our application.

Mr. Houghton informed the Board that Mr. Ron Clark, of Aird & Berlis will be joining the meeting by conference call to discuss the new Board Structure.

Mr. Houghton stated that a discussion needs to be held regarding future Board compensation. Mr. Houghton reviewed our current compensation as well as PowerStream Board compensation. It was stated that our Board compensation has not changed since 2000. It was suggested that a third party review the compensation as well as looking at other surveys such as MEARIE.

Mr. Houghton reviewed the recapitalization dividend and how the calculation was done. Our debt to equity ratio is still around 60/40, and Collus Power is still performing well. Mr. Houghton also stated that prior to closing the partnership transaction a discussion will need to be held with Council regarding the promissory note of 1.7 million and whether to monetize it or not.

Mr. Houghton reported that discussions have been taking place with the CIBC, TD Canada Trust as well as Infrastructure Ontario. Mr. Houghton is hoping to schedule a meeting with Infrastructure Ontario for next week. Mr. Houghton stated that we will be outing out an RFP for banking services as well.

Mr. Houghton reported that a meeting with PowerStream has been scheduled for March 29th at PowerStream to discuss the Cost of Service Application. We have until May 13, 2012 to provide the Application to the Ontario Energy Board.

Mr. Stoll provided the Board with the latest update on the status of the Partnership Application. Mr. Stoll explained that the Board has yet to rule on the requirement of the MADD Application. Mr. Stoll further stated that a panel has been assigned to the matter, and the Case Officer stated that a notice of motion should be out in the next week or so. As there are no precedents set the Board is taking their time in making a decision on how to proceed.

The conference call ended with Mr. Stoll at this time.

Mr. Clark passed on his condolences to the Collus Family on the passing of Mr. Muncaster. Mr. Clark reviewed our current Board structure. PowerStream will be purchasing 50% of the holding company, and currently the Town of Collingwood is the sole shareholder. Once the partnership deal closes, there will be two shareholders, PowerStream and the Town of Collingwood. Mr. Clark stated that the Town needs to incorporate its wholly owned shared entity in order to have its own Board of Directors and CEO. This establishes it as an Ontario Business Corporation and is not a public entity open to public meetings.

Mr. Houghton gave a brief history of how the companies were formed back when deregulation occurred. We currently have two sets of agreements for Collus Solutions; one with the Town of Collingwood and one with Collus Power. The Affiliate Relationship Code is taking issue with some of this type of modeling. A way to remove this risk is to move the employees into the LDC. It was reported that PowerStream has all assets and employees in the LDC. Either structure works as long as you adhere to the Affiliate Relationship Code. Mr. Houghton noted that PowerStream is comfortable with whatever structure we decide on. Mr. Houghton further stated that the Drummond Report suggests

synergies between hydro and water should be strengthened. Mr. Houghton suggested that we leave our current model in place and react when further changes take place. Mr. Houghton has been asked to sit on a Committee to review further synergies.

The conference call ended with Mr. Clark at this time.

Mr. Houghton informed the Board that he had an opportunity to attend the Premiers dinner and sit with Premier McGuinty's Chief of Staff David Dean. Mr. Houghton had an opportunity to discuss the strategic partnership. Mr. Dean would like to speak to his colleagues and the Minister and meet again in about three weeks. Mr. Houghton stated that he would meet with PowerStream prior to this meeting so that we can be prepared accordingly.

Mr. Houghton reported that he provided some words on strategic partnership creative ideas to the Chief of Staff for Minister Bentley and is hoping that the Minister includes them in his speech that will be delivered at the EDA's Gala 100th Anniversary Dinner.

Mr. Houghton reported that he and Brian Bentz will be meeting with Minister Jim Wilson next week. Briefing notes have already been prepared by PowerStream.

Mr. Houghton discussed the regionalization of LDC's that is in the Drummond Report. We want to make sure that Collingwood is in the centre of any regionalization plan boundaries. Mr. Houghton stated that we want to try and position ourselves to be the core of the region. Mr. Houghton further stated that he and Brian Bentz will be meeting with several utilities next week.

Mr. Houghton presented the Board with some draft Collus/PowerStream logos. Mr. Houghton will be providing further information with respect to rebranding at the next meeting.

Mr. Houghton praised Ms. Shuttleworth for how hard she has been working and getting necessary information put together as well as handling the Audit.

STRATEGIC PLANNING DISCUSSION

Following a brief discussion the date for the next Board Meeting will be Thursday, April 26th at 12:00 noon. The date for the Annual General Meeting has been set for Wednesday, June 20th at 8:00 a.m.

Mr. Houghton stated that we would like to have a strategic planning session with the existing board as well as PowerStream Executives. This session will be scheduled for some time in May. Ms. Hogg will poll the Board with dates.

Action Item 02 – P Hogg: to poll the Board with dates for strategic planning session

Mr. Houghton stated that we need to appoint a new Privacy Officer due to the retirement of Mr. Zahorchak. Upon motion duly made, seconded and carried, Ms. Shuttleworth will be listed as Collingwood Utility Services, Privacy Officer.

Upon motion duly made, seconded and carried the meeting moved in-camera to discuss a matter pertaining to personnel and/or property.

The Board rose from the in-camera session, and reconvened the regular meeting.

TERMINATION

There being no further business, upon motion duly made, it was resolved that the meeting terminate. The meeting terminated at 8:38 a.m.

Chair of the meeting

President & CEO