

**RIDEAU TRANSIT GROUP GENERAL PARTNERSHIP**  
**(“RTG” or the “Partnership”)**  
**REGULAR MEETING NO. 23 (#23) OF THE BOARD**

Meeting took place at 1545 Carling Avenue, Ottawa and also via conference call on June 27, 2017 from 02:00 pm to 04:00 pm.

**Attendees**

<b>Attendee</b>	<b>Company<sup>1</sup></b>	<b>Capacity</b>	
Ramon Villaamil (RV-ACS)	ACS	Alternate Board Representative acting in capacity of Board Representative	2
Nuria Haltiwanger (NH-ACS)	ACS	Board Representative	2
Jim King (JK-ED)	EllisDon	Board Representative	2
Nicolas Poplemon (NP-SNC)	SNC	Board Representative	2
Riccardo Cosentino (RC-SNC)	SNC	Board Representative	2
Antonio Estrada (AE-RTG)	RTG	CEO	1
Dwayne Mercer (DM-RTG)	RTG	CFO	1
Peter Lauch (PL-RTG)	RTG	Technical Director	1
1 – Present, 2 – Present by Phone, 3 – Apologies, * – participated for portion of the meeting			

The Regular Meeting is held under the following Agenda:

1. Review and Approval of Minutes from previous meeting
2. Executive Summary
3. Design and Construction Status
4. Vehicle and Systems
5. Variation Enquiry Summary
6. Financial Matters
7. Other Matters

The Board designated Mr. Mercer to act as Secretary of the meeting and to prepare the corresponding minutes to be placed in the Partnership’s minute book.

<sup>1</sup> “ACS” means ACS RTG Partner Inc.

“EllisDon” means EllisDon RTG Partner Inc.

“SNC” means SNC RTG Partner Inc.

## 1. Review and Approval of Minutes from previous meeting/Appointment of Chairperson of the Board of Directors

The Board unanimously approved the Minutes of the previous meeting.

## 2. Executive Summary

A PowerPoint presentation was circulated to the Board Representatives before the meeting. AE-RTG highlighted the key developments since the previous board meeting.

Milestone 10 (2017 Readiness) scheduled for April 12<sup>th</sup>, 2017 has also been delayed by the sinkhole event. This milestone is unlikely to be achieved before September 2017. RTG is engaging the City to achieve Milestone acceptance on July 1<sup>st</sup>, 2017 with deferred items to be negotiated with the City. Increased debt interest costs will be charged to the DBJV. These costs will be insurable to DBJV under sinkhole claim.

Milestone 11 (Western Station Bundle) also likely to be delayed. Forecasting achievement by December 2017.

OLRT-C has produced a new recovery schedule in order to mitigate the risk of Testing and Commissioning since waiting for completion of the entire guideway before beginning testing would not leave sufficient time to meet RSA. Testing on a partial system (between uOttawa and Blair) will allow much of the testing to be completed prior to the entire system availability. Targeting mid-October to commence Testing and Commissioning.

AE-RTG – Discussed delays in vehicle production relating to testing. Primarily a result of having to hire and train local people.

AE-RTG – Thales systems are now communicating and able to control Alstom vehicles.

AE-RTG – 3 interim insurance claims totaling approximately \$[Insurance] have been submitted. Of this amount, approximately \$[Insurance] approved by the adjusters with payments of approximately \$[Insurance] being advanced by insurers to RTG.

## 3. Design and Construction Status

### 3.1 Health & Safety:

3.1.1 The project to date LTI rate is 0.19% compared to 1.18% for the industry.

3.1.2 AE-RTG – Highlighted two incidents that occurred since last board meeting, specifically a crane which tipped at the east portal and a gas main break on Queen Street. No injuries resulted from either incident.

3.1.3 AE-RTG – Stated that Ministry of Labour (MOL) has increased the amount of visits in the light of media attention and anonymous complaints. MOL has issued orders to remove debris and obstructions. Orders have primarily dealt with housekeeping issues. However, a summons from MOL to OLRT-C was

issued in early June relating to fire protection measures. OLRT-C intends to plead not guilty and defend the charges.

3.2 Quality:

3.2.1 609 NCRs opened to date of which 92 are opened and await contractor response and OLRTC closure. None are contentious.

3.3 Environmental:

3.3.1 AE-RTG – water usage within allowable limits, rate has greatly reduced since tunnel excavation nearing completion.

3.3.2 There are no open NCRs at this time.

3.3.3 AE-RTG – an OLRT-C subcontracted an unlicensed company resulting in charges. All 3 RTG partners were named in the charges and all pleaded guilty, receiving fines.

3.4 Design:

3.4.1 AE-RTG mentioned that the design is essentially complete. Primarily only field services remaining.

3.5 Recovery Schedule:

3.5.1 AE-RTG – In order to align to original schedule, require the addition of the western stations by January 2018.

3.5.2 AE-RTG – Major issues in performing systems integration could reduce the likelihood of May 24<sup>th</sup>, 2018 RSA date being achieved.

3.5.3 NH-ACS – Questioned RTG's efforts to track/mitigate contractors revised schedule against original schedule

3.5.4 AE-RTG – Receiving weekly updates from DBJV

3.5.5 AE-RTG – RTG intends to use services of a systems integration consultant to assist in assessment of the OLRT-C plans. Costs can be applied to unused, budgeted contingency and consulting costs. RTG's responsibility for systems integration is an oversight role not unlike that performed in civil works. RTG will try to add necessary expertise to complement existing staff in order to ensure overall project oversight is achieved.

3.6 Payment Milestone Status:

3.6.1 Milestone #10 (2017 Readiness). Revised terms to be negotiated with the City. Targeting July 1<sup>st</sup>, 2017 for milestone acceptance.

3.6.2 Milestone #11 (Western Station Bundle) is likely to be delayed from PA date of October 17<sup>th</sup>, 2017 since systems and communications testing activities will require higher priority over building finishes in order to achieve RSA date. Estimate 2 month delay.

3.7 Active Works on Site:

3.7.1 RTG-PL – MSF Connector repairs expected to be completed by end of summer.

3.7.2 RTG-PL – Segment 2 concrete works complete by end of September.

- 3.7.3 RTG-PL – Segment 1: CPR Bridge complete. Good progress at West portal  
 3.7.4 RTG-PL – Segment 3-5: Eastern stations advancing very well.

3.8 Three Month Look-Ahead: General outline of the construction forecast for the next 3 months.

3.9 Sinkhole Insurance Claim:

3.9.1

## Insurance

3.10 Photos: See Presentation

#### 4. Vehicle and Systems

4.1 Assembly & Testing:

4.1.1 PL-RTG – Serial testing behind schedule but expected to catch up in October.

4.2 Schedule:

4.2.1 Alstom progress continues to track to recovery schedule in all work stations. Currently ahead of all additional trigger events.

4.3 Photos: See Presentation

#### 5. Variation Enquiry Summary

5.1 So far Variation Confirmations issued total \$63.8M.

#### 6. Financial matters

6.1 The key financial figures are (as of May 31st 2017):

6.1.1 Internal Rate of Return at [ ]%, above the [ ]% expected at financial close (IRR would be [ ]% without the insurance related costs during Operation issue).

6.1.2 Year to date net income of \$[ ]

6.1.3 Expected cash savings by the end of construction of \$[ ]

6.2 Construction invoicing is falling behind the financial model by \$[Financial Information - Project]

6.3 Pure SPV Costs are 13% below budget year-to-date.

6.7 Non-refundable Milestone Delay Damages of approximately \$1.4M for November '16 to June '17. DM-RTG – additional Non-Refundable Milestone Delay Damages expected for Milestone 10 (2017 Readiness).

6.8 Administrative Matters:

6.8.1 Net Highway Payment Adjustment currently stands at \$0.7M. AE-RTG pointed out that the MTO has still to issue its certificate and that some discussions between the DBJV and the MTO are taking place regarding some deficient lab results.

7. Other matters

7.1 Next Meeting: September 27<sup>th</sup> 2017.

A handwritten signature in black ink, consisting of a large, stylized initial 'M' followed by a horizontal line extending to the right.