

**RIDEAU TRANSIT GROUP GENERAL PARTNERSHIP
("RTG" or the "Partnership")
REGULAR MEETING NO. 24 (#24) OF THE BOARD**

Meeting took place at 1545 Carling Avenue, Ottawa and also via conference call on September 27, 2017 from 01:00 pm to 03:00 pm.

Attendees

Attendee	Company¹	Capacity	
Ramon Villaamil (RV-ACS)	ACS	Alternate Board Representative acting in capacity of Board Representative	2
Nuria Haltiwanger (NH-ACS)	ACS	Board Representative	3
Jim King (JK-ED)	EllisDon	Board Representative	3
Joey Comeau (JC-ED)	EllisDon	Legal Counsel for ED	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. 2018 Budget Presentation
4. Design and Construction Status
5. Vehicle and Systems
6. Variation Enquiry Summary
7. Financial Matters
8. 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.

¹ "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

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) achieved in July with payment received by RTG on July 17th.

Milestone 11 (Western Station Bundle) also likely to be delayed. Forecasting achievement remains December 2017 but could possibly be later.

West section and tunnel lining delayed by one month to mid-October.

AE-RTG – Vehicles 3,8,10 on temporary bogies in the MSF shed. Vehicle takt time of 2 days not achieved by Alstom. Delays caused due to testing and retrofit since makes better use of resources to resolve current production issues before adding new vehicles to the line.

RV-ACS asked if RTG has obtained recovery schedule from Alstom. AE-RTG informed board that Alstom does not directly supply this schedule to RTG, but instead it is delivered to OLRT-C.

AE-RTG – 5 interim insurance claims totaling approximately \$ have been submitted. Of this amount, approximately \$ approved by the adjusters with payments of approximately \$22M being advanced by insurers to RTG.

3. Budget Presentation

AE-RTG – Budget based on construction completion in May 2018. External consultants SENER used by RTG for testing and commissioning in 2017 and also budgeted for additional work in 2018.

SNC-NP – asked if any transition costs in 2018. AE-RTG indicated that transition related costs have been included in salaries.

AE-RTG – Stage 2 will be funded by retention payments from RTM and OLRT-C, however, there will be a timing difference between collection of retention amounts and when actual expenses will be incurred.

AE-RTG – Communications budget not used during construction since drop down to OLRT-C in the Construction Contract. However, during maintenance, no drop down to RTM, so budget maintained for 2018.

AE-RTG – RTG must submit a communication protocol for maintenance phase. JC-ED asked how these fees will be funded. AE-RTG: RTG has included in external consultants budget for 2018.

2018/2019 RTG budget was approved by all partners and subsequently by e-mail.

4. Design and Construction Status

4.1 Health & Safety:

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

4.2 Quality:

4.2.1 641 NCRs opened to date of which 103 are opened and await contractor response and OLRTC closure. None are contentious.

4.3 Environmental:

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

4.3.2 There are no open NCRs at this time.

4.3.3 AE-RTG – soil erosion from heavy rains can contaminate the track ballast. Some landscaping design changes may be required to prevent further future erosion.

4.4 Design:

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

4.5 Recovery Schedule:

4.5.1 PL-RTG – Objective to hand over Blair to east portal test zone achieved on September 15th. A vehicle was operated in manual mode to Ottawa U.

4.5.2 PL-RTG – OC-Transpo “Stick-time” training to occur in October.

4.5.3 AE-RTG – November 24th notice date (180 day notice) is critical. Per the PA, City requires 6 months’ notice prior to Revenue Service Availability (RSA). If notice provided and RTG fails to deliver, then City could claim \$1M of liquidated damages.

4.5.4 AE-RTG – Western stations are the biggest risk in achieving RSA.

4.5.5 PL-RTG – CBTC in the test zone complete with the exception of UOttawa station, which is 50% complete.

4.5.6 PL-RTG – 3 areas identified as major deviation from schedule, Tunnel 102 (Parliament to Rideau), Tunnel – Rideau Station to East Portal ready for trackwork and Rideau Station Concrete Works, all scheduled for end of October 2017. OLRT-C running 24/7 in Rideau and 24/5 in Western Stations. OLRT-C challenged to find employees willing to work on weekends.

4.5.7 RV-ACS – asked if these areas are on the construction critical path. PL-RTG replied that these areas are on critical path. PL-RTG cited mitigation measure

to potentially truck vehicles to the western sections so that testing can be done there minus the tunnel.

- 4.5.8 PL-RTG – Repair at MSF Conect
- 4.6 Payment Milestone Status:
- 4.6.1 PL-RTG – Milestone 11 will not be met until December. Attempt will be made to negotiate with the City for milestone payment subject to deferred items list.
- 4.7 Active Works on Site:
- 4.7.1 PL-RTG – Repair at MSF Connector being implemented.
- 4.7.2 AE-RTG – pre-cast caisson expansion joints were leaking.
- 4.7.3 PL-RTG – Rideau west entrance to be completed October in order to accommodate new tenant at the Rideau Center
- 4.7.4 RTG-PL – Systems room at Parliament Station being advanced.
- 4.7.5 RTG-PL – East Stations Architectural finishing’s still remaining but making good progress
- 4.7.6 PL-RTG – OLRT-C is now self-performing diamond cross-over in tunnel and near east portal and is achieving better results in schedule
- 4.7.7 Wood ceilings to be completed at eastern stations by year-end. RTG has now met an agreement to substitute the ash wood as defined in the PA.
- 4.8 Three Month Look-Ahead: General outline of the construction forecast for the next 3 months.
- 4.9 Sinkhole Insurance Claim:
- 4.9.1

Insurance

- 4.10 Photos: See Presentation

5. Vehicle and Systems

- 5.1 Assembly & Testing:
- 5.1.1 PL-RTG – Currently assembling vehicle #21.
- 5.1.2 PL-RTG – Alstom will be targeting 2-day takt time in the coming week (early October). Additional staff hired and work hours being increased to mitigate vehicle assembly delays. Production resources temporarily moved to testing to reduce testing backlog
- 5.1.3 PL-RTG – Thales dynamic testing underway.
- 5.2 Schedule:
- 5.2.1 PL-RTG – Vehicle 20 trigger event met in August, one month ahead of schedule.
- 5.2.2 AE-RTG – Possibility of missing another trigger event and thereby requiring a remedial plan trigger event.
- 5.2.3 PL-RTG – Multi-vehicle testing to occur on test track

- 5.3 Photos: See Presentation
- 5.4 Systems Integration – SENER’s Review:
- 5.4.1 PL-RTG – SENER performing Readiness Review, not an audit. SENER found inconsistencies and out-of-date components in Alstom schedule. SENER reports CBCT installation going well, however may need to “re-do” integration testing once on-line.
- 5.4.2 AE-RTG – SENER report sent to OLRT-C. RTG has not yet received feedback on the report.
- 5.4.3 RV-ACS – Cited lack of tools to monitor the progress and interface definition as areas of concern.
- 5.4.4 PL-RTG – T&C meetings with OLRT-C have resulting in OLRT-C agreeing with SENER report in principle and they intend to adopt SENER recommendations.

6. Variation Enquiry Summary

- 6.1 So far Variation Confirmations issued total \$420M, \$57M for Stage 1 and \$363M relating to Stage 2.
- 6.1.1 The Lending Technical Advisor has asserted that RTG requires lender approval in order to promote a variation

7. Financial matters

- 7.1 The key financial figures are (as of August 31st 2017):
- 7.1.1 Internal Rate of Return at []%, above the []% expected at financial close (IRR would be []% without the insurance related costs during Operation issue).
- 7.1.2 Year to date net income of \$[]
- 7.1.3 Expected cash savings by the end of construction of \$[]
- 7.2 Construction invoicing is falling behind the financial model by \$[Financial Information - Project]
- 7.3 Pure SPV Costs are 15% below budget year-to-date.
- 7.7 Non-refundable Milestone Delay Damages of approximately \$1.6M for November ’16 to June ’17. DM-RTG – additional Non-Refundable Milestone Delay Damages expected for Milestone 10 (2017 Readiness).
- 7.8 Administrative Matters:
- 7.8.1 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.

8. Other matters

8.1 Next Meeting: December 6th 2017.

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a horizontal line that extends to the right and ends in a small arrowhead.