

**COLUMBIA BASIN TRUST
BOARD OF DIRECTORS MEETING NO. 200
November 23/24, 2018
MINUTES – IN CAMERA**

In-camera minutes related to “Project Legacy” are now released for public record as Columbia Basin Trust and Columbia Power Corporation have publicly disclosed entering into an agreement with Fortis Inc. to purchase its 51% interest in Waneta Expansion.

Meeting No. 200 was held in the Osprey Room, Best Western, Nelson, BC.

Directors in Attendance:

R. Jensen, Chair	W. Booth
C. Andrews	L. Binks
J. Carver	C. Evans
M. McConnachie	A. Naqvi
L. Parker	D. Raven
V. Thomas	J. Townsend

Staff and Guests in Attendance:

J. Strilaeff	A. Ambrosone
C. Lloyd	S. Green
B. Haney	D. Fairbairn, Consultant
D. Hall, TD Securities	H. Holloway, TD Securities
T. McGurk, TD Securities	J. Shopsowitz, TD Securities
J. Medlar, Recording Secretary	

The In Camera segment of the meeting was called to order at 1:00 pm (PT).

PROJECT LEGACY

The Board was presented with an update on the Project Legacy transaction by staff and guests that included:

- Background
- Fortis Sale
- Benefits of Acquisition
- Financial Diligence
- Post-Acquisition Operations
- Stakeholder Considerations
- Benefits and Risks
- TD Securities Presentation
- Treasury Board Submission
- Process and Timelines
- Recommendations

Following the presentations, Staff responded to questions from Directors and held a fulsome discussion that included the following key considerations:

- All power projects prior to the Waneta Expansion project (WAX) were based on a 50/50 partnership of the Trust and Columbia Power. The WAX project expanded ownership to include Fortis at 51% to provide diversification of a higher level of

project risk. With WAX project development at final completion the risk profile is materially different, and the Project Legacy transaction would transition WAX to a 50/50 partnership and restore public sector ownership.

- Fortis indicative timeline targets would require the Trust and Columbia Power to respond quickly to the right of first refusal within the WAX partnership agreement once triggered by receipt of Fortis' Transfer Notice, and secure financing.

66/18 Moved, seconded and resolved that:

The Board of Directors approve, in principle, the acquisition of Fortis Inc.'s 51% interest in the Waneta Expansion Limited Partnership subject to:

- Receipt and review of an acceptable Transfer Notice from Fortis Inc.; and
- An acquisition price not to exceed \$1.2 billion; and
- Confirmation all requisite Provincial approvals with respect to the Waneta Expansion Limited Partnership acquisition and Fiscal Agency Loan financing have been satisfied; and
- An affirmative final investment decision to be made by the Boards of Columbia Power Corporation and Columbia Basin Trust.

The In Camera segment of the meeting concluded at 9:10 am.

Certified Correct:

R. Jensen, Chair

J. Medlar, Recording Secretary