

**MINUTES**  
**FROM THE MEETING**  
**OF THE BOARD OF DIRECTORS OF THE**  
**NUCLEAR WASTE MANAGEMENT ORGANIZATION (NWMO) /**  
**SOCIÉTÉ DE GESTION DES DÉCHETS NUCLÉAIRES (SGDN)**

**convened on October 25<sup>th</sup>, 2004**  
**commencing at 1:00 P.M. EST.**

**Present**

Ken Nash	Director, Acting Chairman
Laurie Comeau	Director
Fred Long	Director, Treasurer
Adèle Malo	Director
Michel Rhéaume	Director

and

David Crombie	Advisory Council Chairman
Elizabeth Dowdeswell	President
Kathryn Shaver	Corporate Secretary

**Absent:**

Richard Dicerni	Director
-----------------	----------

1. **Approval of Agenda**

Mr. Nash chaired the October 25<sup>th</sup>, 2004 Board meeting.

Notice of the meeting having been given to all of the Directors of the Company and a quorum of the members being present, Mr. Nash declared the meeting duly constituted for the transaction of business at 1:00 P.M. EST.

The Directors approved the Agenda for the October 25<sup>th</sup>, 2004 meeting.  
The Chairman welcomed Michel Rhéaume to the Board of Directors.

2. **Minutes of Previous Meetings**

The minutes of the meetings of the Board of Directors held on June 25<sup>th</sup>, September 8<sup>th</sup> and October 8<sup>th</sup> 2004, copies having been sent to each member of the Board, were approved.

3. Business Arising from the Minutes

The President reviewed the status of actions arising from the previous Board meetings.

4. Signing Authority

The President introduced a proposal to amend designated authorities for purposes of signing cheques on behalf of NWMO.

Under the present Banking Resolution, the NWMO Treasurer must co-sign each NWMO cheque in excess of \$10,000. The Board was presented with a proposal to extend this signing authority to a second Board member to facilitate the signing of large cheques and financial instruments in situations where the Treasurer may not be available. The proposal put before the Board would authorize Ms. Adèle Malo, to be one of the persons eligible to sign all cheques and other payment instruments on behalf of the NWMO with values in excess of \$10,000.

**IT IS HEREBY RESOLVED** that:

- Ms. Adèle Malo, NWMO Board Member, be authorized to sign any and all cheques and financial instruments in amounts greater than \$10,000; and
- The banking resolution as proposed be adopted.

This motion was made, seconded and unanimously passed.

5. Board Membership

As an information item, the Chairman noted Hydro-Québec's recent notification of its change in NWMO Board and Member representation.

Effective October 18, 2004, and with the resignation of René Pageau, Michel Rhéaume will represent Hydro-Quebec on the NWMO Board of Directors.

Hydro-Quebec's membership in NWMO will be represented by Mario Desilets, also effective October 18, 2004.

Mr. Rhéaume provided some introductory comments, in which he provided a biographical review of his responsibilities at Hydro-Quebec, past and present, in such areas as health physics, nuclear safety, regulatory affairs and public consultations.

The Board members extended their welcome to Mr. Rhéaume.

6. 2004 Budget Updates

The President reviewed actual NWMO expenditures as of September 2004 and provided a revised projected year-end budget forecast for 2004.

Based on current projections, NWMO is seeking Board approval to access the contingency fund made available to the NWMO for 2004, consistent with the terms agreed to at the meeting of the NWMO Board of Directors convened on October 28, 2003. At that time, the Board had recognized the high level of activity planned for the NWMO in 2004 and proposed that the NWMO have access in 2004 to that portion of the NWMO's 2003 budget provision that was unspent at year end. The Board proposed that this reserve be available to the NWMO as an internally restricted fund (reserve fund) to be used for future contingencies, as required, to supplement its 2004 budget allocation. This proposal was subsequently endorsed by NWMO funding Members.

Board discussion ensued around projected 2004 expenditures:

- The Audit, Finance and Risk Committee noted its prior review of an earlier 2004 budget update and projection at its September 29, 2004 meeting. At that time, Committee members had inquired about the ability of NWMO to project with certainty the large expenditures anticipated for the last quarter of 2004. The President reported that projected expenditures reflect specific areas of work already commissioned and well under way.
- Board members inquired as to how the projected expenditures aligned with NWMO's legislated mandate under the *Nuclear Fuel Waste Act*. The President reviewed the individual streams of work that were proceeding in respect of the legislated obligations to consult the general public, aboriginal peoples and to undertake a comprehensive comparative assessment of management approaches.

Recognizing the large amount of work under way in support of NWMO's legislated obligations, the Board indicated its satisfaction with the budget projections. Accordingly, the Board endorsed NWMO's access to the 2004 contingency fund as may be required to complete the 2004 workplan.

**IT IS HEREBY RESOLVED** that:

- The Board approves the NWMO's access to the 2004 reserve fund of \$1,628,383 as made available by Members to supplement the previously approved 2004 annual budget.

This motion was made, seconded and unanimously passed.

## 7. 2005 Business Plan and Budget

The Chairman invited the President to introduce the proposed 2005 Business Plan and Budget, presented to the Board for approval.

The President reviewed milestone activities for 2005, and the associated plans for public engagement and further research and analysis.

- As a starting point for the 2005 workplan, the NWMO will seek to ensure that all research needs are identified and commissioned as required to ensure a comprehensive assessment of the approaches, consistent with the study components detailed in the *Nuclear Fuel Waste Act (NFWA)*.
- The 2005 workplan also will be shaped by the nature of public comment and expert advice received in 2004. Through the consultations around Discussion Document 2, and the input of expert advisors, the NWMO will be inviting input on:
  - components of the assessment, and any gaps or further areas of study required;
  - relative strengths and limitations of the management approaches; and
  - elements of the implementation plans to be drafted in support of each approach.

In this regard, the workplan deliberately provides flexibility to accommodate additional study areas that might be identified to be responsive to additional issues raised as requiring additional study or assessment.

- The proposed Business Plan reflects the NWMO's assumptions at this time as to the breadth and focus of work required in 2005. However, specific activities are not yet scoped out in detail.

In addressing the Business Plan, the President emphasized that some program estimates may prove to be conservative. She provided advance notice to the Board that a potential need for additional resources to complete the public engagement and study of management approaches may become evident in 2005 as work proceeds. While the President is not requesting additional resources above the \$8 million annual provision at this time, NWMO will identify such requirements to the Board for consideration in the event that specific needs are identified to fulfill NWMO's legislated study requirements.

Board members discussed different components of the proposed Business Plan and Budget:

- Noting the large percentage of the 2005 budget allocated to public engagement, the Board recognized this importance of full engagement as an integral part of the NWMO study. Board members emphasized the importance of carefully managing the financial resources and the remaining study time available toward most effective means of engaging Canadians in fulfillment of the *Nuclear Fuel Waste Act*.
- The President concurred, and confirmed that NWMO's public engagement for 2005 would draw on and build on the experiences with different approaches undertaken to

date to ensure the most effective use of time and resources for outreach and extending invitations for public comment.

Further to Board discussion on the proposed Business Plan for 2005, the Board confirmed its support for the major tracks of work proposed, which included a strong emphasis on public engagement. The Board confirmed its support for an \$8 million budget for the NWMO's 2005 financial year.

Board members emphasized the need to meet the requirements of the *Nuclear Fuel Waste Act* and at the same time meet the fiscal envelope of \$8 million. The Board recognized that dedicated planning had not been completed for 2005, and requested an opportunity to review a detailed plan prior to any proposals for expenditures exceeding \$8 million.

**IT IS HEREBY RESOLVED** that:

- The NWMO Board of Directors approve a budget of \$8 million for the NWMO's 2005 financial year ending December 31, 2005.

This motion was made, seconded and unanimously passed.

8. Report from the Advisory Council

The Advisory Council Chairman updated the Board of Directors on the Council's discussion convened during the October 18<sup>th</sup> Council meeting.

Mr. Crombie reported on a full day of meetings, which included updates from NWMO on its engagement with aboriginal peoples and the general public, as well as guest presenters who were invited at the Council's request to discuss ethical considerations associated with the NWMO study. At the request of the Advisory Council, guest speakers were invited to the October 18<sup>th</sup> meeting to engage in informal discussion around ethical issues relating to the management of used nuclear fuel. The purpose of this session was to invite some additional perspectives on ethical issues and principles from some invited guests who have been addressing the NWMO's issues.

With respect to NWMO's engagement with aboriginal peoples, the Advisory Council is following closely the NWMO activities. The Council's Sub-Committee on Aboriginal Engagement continues to discuss the progress of NWMO's activities. In addition to engaging the national aboriginal organizations, members encourage NWMO to also engage aboriginal peoples at the local and regional levels.

The Chairman noted that the Advisory Council has been convening in camera sessions for purpose of discussing preparations for their independent comments on the NWMO study.

9. Business Risk

The Board of Directors reviewed and discussed potential areas of business risk for the NWMO, and potential mitigative measures.

The President indicated her objective of providing opportunities for Canadians across the country to learn about and contribute comments on the NWMO study. In this regard, Community Information and Discussion Sessions have been scheduled in all provinces and territories.

NWMO also seeks to provide opportunities for citizens in nuclear site communities to contribute comments to the study, based on their experiences of living and working in nuclear communities. Board members strongly supported NWMO seeking opportunities to invite dialogue with citizens in each nuclear site community so that the study might benefit from those insights. Noting that an NWMO Community Information Session had not yet been scheduled in Kincardine, Board members expressed concern and urged NWMO to explore an appropriate opportunity for the citizens in that area to contribute comments to the study. (\*)

10. Report on Engagement

The President reviewed the various public engagement activities in progress to invite comments on Discussion Document 2. The Community Information and Discussion sessions are being delivered across the country. Summary reports on the sessions will be posted on the NWMO website.

The President noted additional meetings and dialogues under way, including a series of moderated e-dialogues commencing on October 26, 2004 with a discussion of "Risk and Uncertainty".

11. Research and Analysis

The President updated the Board on research and analysis in progress. This includes continuing work on the comparative assessment of management options; refinement of management approaches; and development of implementation plans including institutions and governance – all of which will be inputs to the NWMO's 2005 Draft Study Report. NWMO will present its draft recommendation in that report, targeted for early 2005.

12. Report from the Audit, Finance and Risk Committee

The purpose of this item is for the Committee Chairman to debrief the Board on the September 29, 2004 Committee meeting.

- Mr. Long reported on the Committee's review of a draft 2005 Business Plan and updated 2004 expenditure projections.
- Mr. Long also reported on a review of Sarbanes–Oxley and the Canadian regulatory framework at the request of NWMO members, to explore implications

for NWMO's governance practices. This review conducted for NWMO by Deloitte & Touche, did not recommend changes to NWMO's processes at this time. Recognizing NWMO's desire to adopt best practices appropriate for the size and mandate of the organization, it was recommended that NWMO review governance practices prior to the next NWMO phase of work, to consider if new or amended practices might be appropriate as NWMO prepares to move into a further stage of its legislated mandate. (\*) The Board Chairman thanked the Committee for overseeing this review on behalf of the NWMO.

- Mr. Long reported that the Audit, Finance and Risk Committee considered the matter of appropriate remuneration for the external auditors appointed to undertake the review of NWMO's 2004 financial statements. Further to this discussion, the Audit, Finance and Risk Committee advises the Board of Directors that remuneration for the external auditors be confirmed at a maximum value of \$16,500 for the external audit of the NWMO's 2004 financial year.

13. Membership of Audit, Finance and Risk Committee

The Chairman brought forward to the Board's attention the requirement to appoint an additional member to the Audit, Finance and Risk Committee.

**IT IS HEREBY RESOLVED** that:

- The NWMO Board of Directors appoint Michel Rhéaume to the NWMO Audit, Finance and Risk Committee.

This motion was made, seconded and unanimously passed.

The Chairman thanked Mr. Rhéaume for agreeing to accept this appointment.

Termination of Board Meeting

There being no other items for discussion, the Directors concluded their session at 4:30 P.M. EST.

---

Corporate Secretary  
Dated this 10<sup>th</sup> day of December, 2004