

November 12, 2002
2002-03

MINUTES

**OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
USED NUCLEAR FUEL ORGANIZATION: OPTIONS REVIEW
(the "UNFO")**

held by conference call on November 12, 2002, commencing at 2:30 PM.

Present:

Stuart Groom	Director
Fred Long	Director and Treasurer
Adèle Malo	Director
Ken Nash	Director and Vice Chair -- Acting Chair
René Pageau	Director

And

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

being a quorum of 5 directors of the WMO, appointed by at least two of the Members in Good Standing in accordance with article 8.8 of the By-Law .

1. **Constitution of Meeting**

Upon the request of Mr. Dicerni, Board Chairman, Mr. Nash was asked to chair the November 12th Board meeting on his behalf.

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 2:30 p.m.

2. **Approval of Agenda**

The Board of Directors approved the Agenda for the November 12, 2002 meeting, with the addition of two items as requested by Mssrs. Groom and Pageau to be addressed under "Agenda Item #4" and "Other Business", respectively.

3. Debrief from October 23-24th Advisory Council Orientation

Mr. Crombie, Advisory Council Chairman, provided the Board with an update on the Advisory Council.

Mr. Crombie referenced the recent appointment to the Advisory Council made by New Brunswick Power, Dr. Derek Lister of the University of New Brunswick.

He reported on a very successful inaugural meeting of the Advisory Council on October 23-24th, 2002, noting the enthusiasm and interest of the Advisory Council in working closely with the Board and the organization. In the spirit of working closely, the President will be invited to attend Advisory Council meetings. Recognizing that the Advisory Council also has an important independent role to play, provision will be made for in camera discussion at the meetings as the Council may deem appropriate. The President will issue monthly updates to the Advisory Council, with a view to keeping the Council updated on key Board decisions and the organization's work program generally.

Mr. Crombie outlined the various presentations delivered as part of this initial orientation, and the Council's preliminary views on the overall approach to future meetings. The Advisory Council will look forward to contributing to the President's consultation plans. Among the priorities tabled by the Council, were early benchmarking information on public opinion, a website to facilitate interaction with the organization and adoption of a single corporate name to eliminate confusion in the public domain.

The Advisory Council will likely meet quarterly. A further orientation session has been scheduled for January 10/11th, 2003 to follow up on the topics of interest registered by the Council. There was interest expressed by Board members in attending some of the educational presentations and information briefings that may form future orientation sessions for the Advisory Council. (*) Mr. Crombie supported this sharing of information that will enable the Council and Board to work closely together.

4. Budget Envelope

The President tabled for Board approval, a proposed budget envelope for 2003 in the amount of \$7.4 million. The item was brought forward at this time for approval in order to support the issuance of invoices to member companies no later than 15 business days before the end of the fiscal year, as required in the Membership Agreement.

Following approval of the overall envelope amount, the President outlined her intention to return to the Board at the next meeting, planned for early 2003, with a detailed work plan and budget allocation for approval. (*)

In discussing the proposal, Board members noted that there would be a further \$600,000 amount to be cost-shared for 2003 by member companies for the 2003 fiscal year relating to the completion of the work program initiated by joint waste owners. There was Board agreement that the member company allocations set out in the Membership Agreement (specifying maximum annual cost shares for Hydro-Québec and New Brunswick Power in the amounts of \$350,000 each) should be applied against the total budget allocation for fiscal year 2003 -- the \$8 million covering both the joint waste owners' budget and the UNFO budget.

In terms of process, member company cost shares will be calculated, statements issued, and member company installments paid according to the process and schedule outlined in sections 4 and 5 of the Membership Agreement. A note will be forwarded to member companies outlining the schedule for payment of 2003 installments, consistent with the terms of the Membership Agreement. (*)

IT IS HEREBY RESOLVED that:

- A \$7.4 million budget envelope for the UNFO be approved for fiscal year 2003, commencing January 1, 2003, on the understanding that the President will bring forward a detailed UNFO work program and budget allocation for Board approval at the next Board meeting;
- A further \$600,000 will be allocated to the fiscal 2003 work program of the joint waste owners; and
- Total cost shares calculated for fiscal year 2003 for New Brunswick Power and Hydro-Québec will be based on the total 2003 budget of \$8 million, and will be up to a maximum of \$350,000 for each company, consistent with the terms of the Membership Agreement.

This motion was made, seconded and unanimously passed.

5. Remuneration of Auditor

The Treasurer, Mr. Long, introduced the proposed remuneration schedule for the auditor that he and the President were bringing for Board approval.

Mr. Long noted that the Members, at the Annual General Meeting, confirmed Deloitte & Touche LLP as the appointed auditors of the corporation who will audit the accounts and records of the organization for fiscal year 2002. Members resolved that a three-year contract be entered into with Deloitte & Touche that would be subject to confirmation by the Members on an annual basis, and subject to Board of Directors' approval of remuneration. Mr. Long outlined the tendering and review process that was undertaken to assess competitive bids.

IT IS HEREBY RESOLVED that:

The remuneration for the auditor for the UNFO be fixed at a maximum value for fees of:

- \$10,500 for 2002
- \$16,500 for 2003
- \$16,500 for 2004.

This motion was made, seconded and unanimously passed.

6. By-Law No. 1

Mr. Nash introduced this decision item, noting that the founding By-Law for the corporation was being brought forward for formal confirmation and adoption by the Board.

IT IS HEREBY RESOLVED that:

By-Law No. 1, tabled at the Board meeting November 12, 2002, herein titled By-Law No. 1, is hereby confirmed and adopted and is the By-Law which was filed with Industry Canada and which formed the basis for the issuance of the corporation's original letters patent of May 27, 2002, forwarded by Industry Canada on June 11, 2002.

This motion was made, seconded and unanimously passed.

7. Lease Agreement for Office Accommodations

The President outlined the search process for accommodation for the corporation in the Toronto area, and the property that has been secured. As a result of this search process, it is the intent of the President to enter into a three-year sub-lease agreement, the total value of which would be approximately \$352,000.

As this amount is above the limit \$300,000 signing authority previously extended by the Board to the President, the President is seeking Board approval to enter into this agreement.

IT IS HEREBY RESOLVED that:

Pursuant to Sections 8.10.3, 8.10.6 and 12.2 of By-Law No. 1 of the Used Nuclear Fuel Organization: Options Review,

- The President and CEO is hereby authorized for and on behalf of the Corporation to enter into, or cause to be entered into, by or on behalf of the organization a lease, sub-lease or contract for the rental of office accommodations for the organization for a period of approximately 3 years with total value not to exceed \$450,000.

This motion was made, seconded and unanimously passed.

8. President's Report

The President, Ms. Dowdeswell provided the Board with a verbal update on the activities undertaken over the last month in establishing the organization. The President reviewed administrative arrangements made with respect to office accommodation, and future staffing plans, and outlined the news releases and early contact with some key stakeholders associated with the early launch of the organization in October. With respect to expenditures for 2002, the President reported that the organization's spending is well within the allocated budget.

The President provided a forward-looking overview of the workplan through Q1 2003, including plans for some public opinion research that will provide some baseline information. This results of the research will be shared with the Board.

Board members flagged that their companies respectively have, or will be, launching public processes related to operations of their nuclear facilities. Mr. Groom noted that public consultations are under way as part of New Brunswick Power's Environmental Impact Assessment for Point Lepreau GS, and offered that he would share with UNFO the results of this public opinion polling. The Board endorsed Mr. Groom's suggestion that it would be beneficial for the UNFO and member companies to share on an ongoing basis the messaging and information gleaned from the various processes of public engagement under way. Mr. Pageau noted that there would be public communications planned around the Gently-2 GS over the next year, and also supported coordination of such efforts. He suggested that staff from Hydro-Québec, New Brunswick Power and OPG meet to update one another on evolving public processes. Mr. Nash advised of public consultation associated with OPG's environmental assessments related to nuclear waste management facilities, and supported a systematic approach for exchanging information and keeping the UNFO updated on EA processes planned across companies.

9. Corporate Identity

The President briefed the Board on the intent to adopt, as the public identity for the corporation, the name of "Nuclear Waste Management Organization".

During Board discussion, the advantages and drawbacks of the proposed public name were discussed in the context of clarity and designing an appropriate communication with the public. In the context of this discussion, Board members discussed the option of proceeding with supplementary letters patent that would formally change the registered name with Industry Canada. The Board did not make a decision on changing the registered name at the meeting. Taking under advisement the Board comments on this matter, the President undertook to table with the Board a note outlining the option of formally changing the registered name to NWMO, as may be determined appropriate in light of public response and compliance with expectations under the Business Names Act, as referenced by Ms. Malo. (*)

10. Minutes of Previous Meetings

For information purposes, Board members were provided with copies of previous minutes that had been reviewed by the Board and subsequently certified.

Other Business

- Mr. Pageau updated the Board on the Securad proposal to site a facility in Quebec for the long-term management of used nuclear fuel. This coalition, having already presented their proposal to governments and industry representatives, is looking forward to an opportunity to discuss the proposal with the UNFO. Mr. Pageau undertook to forward some background information on Securad to the President, in advance of providing UNFO contact information to Securad to facilitate a first meeting. (*)
- The date of the next Board meeting is tentatively planned for late January (*). The Board will be advised shortly of the confirmed date.

Termination of Meeting

There being no other business, the meeting terminated at 4:10 p.m.

Asterisk (*) denotes action to be taken

Corporate Secretary