

**NUCLEAR WASTE MANAGEMENT ORGANIZATION (NWMO)**

**BOARD OF DIRECTORS**

**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 June 4<sup>th</sup>, 2004  
commencing at 8:30 A.M. EST.**

**Present**

Ken Nash	Director, Chairman (Acting)
Laurie Comeau	Director
Fred Long	Director, Treasurer
Adèle Malo	Director
René Pageau	Director

and

David Crombie	Advisory Council Chairman (Agenda Items 1-5)
Elizabeth Dowdeswell	President
Kathryn Shaver	Corporate Secretary

**NWMO:**

John Neate	(Agenda Item 6)
Jo-Ann Facella	(Agenda Items 6 and 7)
Donna Pawlowski	(Agenda Item 7)

**Assessment Team: (Agenda Item 6)**

Dr. Michael Ben-Eli  
Mr. Thomas Isaacs  
Dr. Fred Roots

**Canadian Policy Research Networks: (Agenda Item 7)**

Judith Maxwell  
Judy Watling (*via conference call*)

**Absent:**

Richard Dicerni	Director, Board Chairman
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1. Approval of Agenda

Mr. Nash chaired the June 4<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 8:30 A.M. EST.

The Directors approved the Agenda for the June 4<sup>th</sup>, 2004 meeting.

2. Minutes of Previous Meetings

The minutes of the meeting of the Board of Directors held on April 8<sup>th</sup>, 2004, a copy having been sent to each member of the Board, were approved as recorded.

3. Business Arising from the Minutes

The President outlined the status of actions arising from the previous Board meeting.

The Board inquired about the status of public opinion research, referenced in the April minutes. The President reported that this work is planned to be fielded by the end of June.

4. Report from the Advisory Council

The Advisory Council Chairman debriefed the Board of Directors on the Council's May 20, 2004 meeting. He reported that the Council received an excellent presentation from some members of the Assessment Team on what was a very comprehensive analysis of the different management approaches. As part of the May 20<sup>th</sup> agenda, Council also received a presentation by Judith Maxwell on the findings of the National Citizens' Dialogues.

The Chairman reported that the Advisory Council had scheduled a special session on Saturday, June 5<sup>th</sup> to discuss preparations for its independent comment on the NWMO study and management approaches, consistent with the requirements of the *Nuclear Fuel Waste Act*.

Also on June 5<sup>th</sup>, the Council will continue discussions with NWMO on the next phase of public engagement and initiatives planned to ensure NWMO fully meets the requirements of the *Act* with respect to consultations with aboriginal peoples and the general public. Discussion ensued with the Board, as the Advisory Council Chairman and the President outlined some of the challenges and key questions associated with planning the next phase of public consultation.

The Chairman undertook to debrief the Board on the Council's June 5<sup>th</sup> special session at a future Board meeting. (\*)

5. 2003 Report of the Directors

The Board Chairman introduced the 2003 Report of the Directors, for Board review and approval. He noted that the Board's by-laws require preparation of such a document annually for purposes of reporting to NWMO Members on key aspects of NWMO's operations and activities for preceding year.

Mr. Long, Mr. Pageau and Ms. Malo noted that as members of the Audit, Finance and Risk, Committee they had previously reviewed and approved the document as presented.

The Chairman, noting the Board's satisfaction with the report, brought the document forward for approval.

**IT IS HEREBY RESOLVED** that:

The Board of Directors, having reviewed the 2003 Report of Directors as presented at its June 4, 2004 meeting, approves the Report for tabling with NWMO Members.

This motion was made, seconded and unanimously passed.

6. Report from the Assessment Team

The President introduced some members of the NWMO Assessment Team, invited to brief the Board of Directors on the results of its assessment of the management approaches. Guest attendees included: Dr. Michael Ben-Eli (Team Leader), Dr. Fred Roots and Mr. Tom Isaacs. Also attending for this agenda item, were two NWMO participants in the Assessment Team, Jo-Ann Facella and John Neate.

Dr. Ben-Eli provided an introductory presentation on the Team's work. He reported that, consistent with NWMO's direction, the Team adopted a methodology that would allow for the systematic integration of ethical and social considerations into the assessment framework. A further important underpinning of the assessment was the requirement that it build from the foundation of the ten key questions presented in Discussion Document 1, which had been developed and validated by Canadians through earlier NWMO engagement activities. The Team converted these questions into an operational set of objectives and influencing factors to guide the assessment of alternative management approaches.

He noted that the Team addressed the three methods in the *Nuclear Fuel Waste Act*, and would also be reporting on whether additional methods were determined to be appropriate for further study by NWMO.

In highlighting its conclusions, the Team underscored its key belief that a decision establishing a formal commitment to a specific management approach, but which also preserves flexibility, is of critical importance. While supportive of decisions being taken and defining a direction for action, they concluded that it is both desirable and advantageous to consider the development of any selected management approach in a staged, flexible manner. The Team believes that a practical and fair approach to managing used nuclear

fuel can be established by taking advantage of the best technology and experience available and providing flexibility to reflect future advances in capabilities or changes in societal values.

The Team noted that regardless of the option ultimately adopted, the process of implementation will stretch out over an extended period of time. There will necessarily be a staged approach implicit in the implementation, providing opportunity for new learning and new experience to be brought to bear on the issue of choosing a management approach.

The Team outlined the findings of this preliminary comparative assessment of management approaches against the objectives established for the analysis:

- In the Assessment Team's collective opinion, the deep geological repository option is expected to perform as well or better than either centralized storage or extended reactor-site storage against nearly every objective, especially for the long-term.
- The Team believes the deep geological repository to be more robust in the face of long-term uncertainties than the storage alternatives.
- There was diversity in the scores assigned by individual members for all three of the options studied, reflecting differing views amongst Team members concerning future conditions in Canada, as well as questions regarding how well the approaches might actually perform under varying conditions.

Discussion with the Board ensued.

- The Board inquired about relative performance of the three options against the objective of "economic viability", expressing some surprise that the geological repository option rated the most favourable of the three options. The Team explained that their assessment of "economic viability" considered many aspects that affect the overall long-term viability— in addition to up-front costs, the Team considered the level of ongoing financial requirements, risks, financial surety and long-term financial viability. The high score for the geological repository reflects the Team's assessment that the concept would require fewer ongoing costs once the facility was closed, reducing reliance on significant financial resources into the long-term and providing more long-term financial surety.
- The Board inquired as to how the assessment approached the long-term nature of the issue. The Assessment Team described its decision to approach the analysis from the perspective of two timeframes. It considered the assessment for a period of time spanning the present to 175 years (a period roughly corresponding to the seven generations focus used by Canadian Aboriginal peoples in considering consequences for the future). The Team also looked at a period of time from 175 years and beyond, acknowledging that beyond seven generations, aboriginal wisdom and NWMO's scenarios work suggests that it is not possible to predict with confidence the social, institutional or environmental conditions and situations.
- Board members inquired about the Team's views on the suitability of the NWMO's ten key questions that formed the basis for the assessment. Team members confirmed that the assessment was strengthened by having as its basis the questions that were derived and then validated by Canadians through engagement

activities. The Team found the ten key questions to provide a comprehensive coverage of issues. They expressed satisfaction with the ten key questions which, when converted into operational assessment objectives, provided an appropriate framework with which to assess the different management approaches and do so in a manner that is responsive to issues most important to citizens.

- Board members inquired about the robustness of the results against different outlooks for the future. The Team outlined the range of sensitivity analyses performed.
- The Board inquired as to the Team's consideration of the other technical methods beyond the three requiring study under the legislation. The Team outlined its rationale for screening out other methods which led the Team to determine that other methods, for various reasons, do not present viable near-term options for consideration at this time. The Team noted, however, that Canada may wish to maintain interest in some options, by undertaking research and/or tracking related international developments.

The President noted that the NWMO's next Discussion Document will report out transparently on this work, including the residual areas of uncertainty and areas requiring further work. It is NWMO's objective to capture the richness of this analysis in Discussion Document 2 in way that will be readily understood by the public.

The President noted that while this analysis constitutes a significant input into the NWMO's study, NWMO will be continuing its review of each management approach before any conclusions or recommendations can be considered. NWMO will not be putting forward a recommended approach until it has had the benefit of additional public consultation and further consideration of the alternative management approaches against a broader set of social and institutional considerations.

The Chairman thanked the Team members for its presentation, and complimented the Team on designing and applying a very progressive methodology that, in systematically weighing the qualitative and quantitative considerations, offers new insights to the consideration of the long-term management of used nuclear fuel.

## 7. National Citizens' Dialogues

The President introduced Judith Maxwell, President, Canadian Policy Research Networks, and her project manager, Judy Watling.

Ms. Maxwell presented the Board of Directors with a summary of findings from the National Citizens' Dialogues convened in twelve locations across the country on behalf of NWMO. She reviewed the objectives of the exercise which was initiated to assist NWMO's exploration of the social and ethical considerations of managing used nuclear fuel.

The Board was briefed on the process and design of the full-day dialogues which together, engaged some 460 unaffiliated Canadians. She highlighted key values that emerged from the exercise in areas of governance and responsibility, and trust and confidence in decision-making.

Ms. Maxwell noted that this identification of a values framework will help NWMO in shaping its future work and recommendations, and will complement the findings from other consultations and the technical expertise applied to assessing the management approaches. The National Citizens' Dialogues yield important results in that they focus on the views and values of unaffiliated Canadian citizens.

Board discussion ensued, as members inquired about the nature of the discussion with citizens and expectations underlying the values that were revealed in the dialogues with Canadians.

In response to the Board's inquiry, the President confirmed that the findings of the National Citizens' Dialogues, and other engagement activities, had been shared with the Assessment Team as they became available, enabling integration of the values into the assessment framework. In addition, some Assessment Team members attended the National Citizen Dialogues in person, to hear first hand the nature of citizen concerns and expectations, so that this information might be considered in the analysis of management approaches.

The report on the dialogues will be finalized following a peer review. A public launch of the report is planned for July by NWMO and CPRN.

The Chairman thanked Ms. Maxwell and Ms. Watling for briefing the Board on the findings.

#### 8. Discussion Document 2

The President introduced the Draft Annotated Outline for Discussion Document 2, presented to the Board for discussion and comment.

She reviewed the key objectives of the Document:

- Reporting to the public on work undertaken since the last discussion document
- Indicating how that input was integrated into the assessment framework
- Reporting on the findings of the preliminary assessment of management approaches
- Outlining the areas in which further work will be undertaken
- Communicating how the public may be involved in commenting in the next phase of public engagement.

The President reviewed the proposed structure of the document and production timelines, including scheduled dates for Advisory Council review of working drafts.

Board members were invited to comment on the proposed Outline for the document. Discussion ensued around the Document and the planned timetable, and members noted a number of other external industry activities occurring on a similar timeline.

#### 9. Engagement with Aboriginal Peoples

The President provided the Board with an update on NWMO's work with aboriginal peoples.

She noted the proposals that had already been confirmed, and provided updates on NWMO's interest in confirming collaborative arrangements with national aboriginal organizations, to support their respective dialogue and consultation mechanisms.

In this regard, the President noted that the NWMO was pleased to receive a proposal from the Assembly of First Nations. NWMO has agreed in principle to the immediate phase of work proposed by AFN, and has undertaken to work with AFN to confirm the scope of a future phase of work by December 2004.

The President advised the Board that the current phase of work confirmed by NWMO is under \$300,000, and thus NWMO is not seeking Board approval on this expenditure. In the interest of transparency, and noting the Board's role in approving contracts over \$300,000, the President apprised the Board of NWMO's intent to follow up with a subsequent phase of work, which on a cumulative basis will bring the total value over \$300,000 over the course of the multi-year work.

Once the further phase of work is developed with AFN, the President will bring forward that proposal to the Board for approval. (\*)

The Board supported this approach, and recognized that this important work with aboriginal peoples was built into the 2004 NWMO Business Plan.

#### 10. Financial Update

The President tabled, for Board information, the summary of expenditures for Q1 2004 and the in-year budget projections for 2004:

- Q1 2004 actual expenditures were 2.74% over the amount originally budgeted.
- Projections for 2004 are on track and within the overall budget envelope previously approved by the Board of Directors. Current projections anticipate a requirement from the contingency fund provision, in the amount of \$711,000.
- In-year projections reflect further definition on the scope and nature of NWMO's analysis and engagement activities required for the last six months of 2004.

The President noted that some areas will be subject to further definition, pending Advisory Council decisions on the scope of its further work and advice for 2004, and pending further identification of research needs emerging from the assessment team analysis. NWMO will keep the Board updated on specific activities planned for Q3 and Q4 2004. (\*)

Mr. Long, Chairman of the Audit, Finance and Risk Committee, noted the Board's desire that NWMO be fully resourced to support the study. Should the NWMO identify a larger budget requirement for 2005 than in the past years, he urged NWMO to identify this need to Member companies at the earliest possible time, so that they might plan for this provision accordingly. (\*)

11. Report from the Audit, Finance and Risk Committee

The Committee Chairman provided a number of information items by way of update on the activities of the Audit, Finance and Risk Committee.

- Mr. Long noted that, at the Committee's request, Deloitte & Touche had reviewed NWMO's financial policies and the Committee terms of reference and charter. The Board was presented with the suggestions made by Deloitte & Touche, and NWMO's response with respect to actions taken.
- The Committee Chairman also tabled the Committee's memorandum in which it presented its comments on the effectiveness of the 2003 external audit, for the Board and Members' information. He communicated the Committee's satisfaction with the audit.
- During its May 3, 2004 meeting, the Committee addressed business risk. The Chairman commented on NWMO's thorough tracking of business risk which will be updated and summarized for future meetings. (\*)
- The Committee had been reviewing indemnification obligations of NWMO and considering the adequacy of existing insurance provisions. No further action is recommended by the Committee at this time. The matter will be brought forward in 2005 for consideration as NWMO begins planning for the next phase of its mandate. (\*)

Termination of Board Meeting

There being no other items for discussion, the Directors concluded their session at 12:30 P.M. EST.

Asterisk (\*) denotes action to be taken

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Corporate Secretary  
Dated this 25<sup>th</sup> day of June, 2004