

NUCLEAR WASTE MANAGEMENT ORGANIZATION (NWMO)

**BOARD OF DIRECTORS
MEETING**

June 16, 2010

AGENDA

1. Constitution of Meeting and Approval of Agenda
2. Minutes of Previous Meeting
3. Business Arising from the Previous Minutes
4. *In Camera* Session
5. President's Report
6. Report from the Siting Committee
7. Report from the Audit, Finance & Risk Committee
8. Report from the Advisory Council
9. Update on the APM Siting Process
10. Update on 2011-2105 Business Planning
11. Draft 2009 Report of Directors to NWMO Members
12. Plan to Review By-Laws and Members' Agreement
13. Saugeen Ojibway Nations (SON) Progress Report
14. Status of EPCM Contract with OPG and the Formation of a DGR Project Committee
15. Management Reports
16. 2011 Draft Board & Committee Schedule / Next Meeting
17. *In Camera* Session

Conclusion of Meeting

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

convened in Toronto, ON
on June 16, 2010
commencing at 9:00 a.m.

Present

Gary Kugler	Director, Chair
Pierre Charlebois	Director
Donn Hanbidge	Director
Ron Jamieson	Director
Darren Murphy	Director
Ken Nash	Director, President & CEO
Josée Pilon	Director
Deborah Poff	Director (via conference call)
Ian Ross	Director

Staff in attendance:

Angelo Castellan	VP Environmental Assessment & Corporate Support
Steve Cavan	Chief Financial Officer
Frank King	VP & Chief Engineer
Pat Moran	General Counsel and Corporate Secretary
Gillian Morris	Assistant Board Secretary
Sean O'Dwyer	VP, Human Resources
Ian Pritchard	VP, Design and Construction
Jamie Robinson	Director, Communications
Sean Russell	Director, Repository Engineering
Kathryn Shaver	VP, APM Engagement and Site Selection

Guests:

David Crombie	Advisory Council Chair (via teleconference, item 8)
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1. Constitution of Meeting and Approval of Agenda

Notice of the meeting having been given to all of the Directors of the Company in accordance with the by-laws and a quorum being present, the Chair declared the meeting duly constituted for the transaction of business and called the meeting to order at 9:00 a.m.

The agenda for the June 16, 2010 meeting was approved.

On behalf of the Board of Directors, Dr. Kugler congratulated Ken Nash on receiving the Ian McRae Award from the Canadian Nuclear Society.

2. Minutes of Previous Meeting

The minutes of the meeting of the Board of Directors held on April 21, 2010, copies having been sent to each member of the Board, were approved.

3. Business Arising from the Previous Minutes

Mr. Moran reported that there were no outstanding actions from the April 21st 2010 meeting.

4. In Camera Session

The Board convened an *in camera* session to discuss general governance matters.

5. President's Report

The President updated the Board on NWMO activities since the last Board meeting and reported on developments in Canada and internationally relating to nuclear waste management.

Mr. Nash reported to the Board on the initiation of the site selection process in late May. He also reviewed the status of the work on the design and safety case update for the Adaptive Phased Management Deep Geological Repository (APM DGR). It was noted that the technical work on OPG's Low and Intermediate Level Deep Geological Repository (L&ILW DGR) is on track as NWMO prepares the documentation for the regulatory review process.

Mr. Nash noted that NWMO recently achieved ISO 9001 certification and efforts will be underway to attain the ISO 14001 environmental certification and 18001 certification related to health and safety.

Mr. Nash also outlined developments in the nuclear industry in both Canada and internationally.

6. Report from the Siting Committee

Mr. Jamieson provided a report to the Board on the June 15, 2010 Siting Committee meeting.

Mr. Jamieson reported that the management team provided the Committee with an overview of the siting launch activities and public reaction to date. Management described the ongoing work with provincial and federal governments and regulators to lay the groundwork for site selection. The Committee was also briefed on recent municipal conferences and NWMO's relationship building activities with Aboriginal organizations.

Mr. Jamieson reported that with the siting process underway, the Committee's attention turned to implementation issues. Discussion of possible approaches to community benefits packages formed a key part of the Committee meeting. Management described international approaches to this issue. Committee members initiated discussion on principles that might be used to guide the development of a package, as well as messaging to communities. Management reported that a working group with representatives from Member companies is being formed to discuss reasonable community benefits.

7. Report from the Audit, Finance & Risk Committee

Mr. Ross provided a report from the Audit, Finance and Risk Committee meeting held on June 15. He reported that the Committee discussed the following:

- the Auditor's management letter - management reported that all three audit observations had been satisfied; the reference plan updates required under the *Nuclear Fuel Waste Act* and the Ontario Nuclear Funds Agreement, as well as the update of financial risk assessments;
- an update on the pension plan;
- the new cash funding model which requires an amendment to the Membership Agreement;
- a preliminary draft of the 2011-2015 Business plan;
- management reports including a new Compliance Report to be presented quarterly to both the Board and the AFR Committee;
- NWMO's 2009 Report of Directors to the Members of NWMO; and
- the appointment of the auditors for 2010.

The Committee is recommending the appointment Deloitte and Touche LLP as the company's external auditor for 2010.

8. Report from the Advisory Council

Mr. Crombie reported on the May 27th meeting of the Advisory Council. He reported that the May Council meeting focussed on three key areas and outlined details of Council's discussions on:

- the initiation of the siting process;
- a presentation and discussion on the socio-economic benefits of APM requested by Council members; and
- an *in camera* discussion on the Council's workplan to prepare its comments for its triennial report to the Minister of Natural Resources Canada.

Mr. Crombie also shared with the Board highlights of the letter he received from the Minister of Natural Resources Canada acknowledging Council's annual letter on NWMO's progress.

The Board discussed Mr. Crombie's report. In the Council's discussion related to the initiation of the siting process, Mr. Crombie reported that the Council was supportive of NWMO building its understanding of the regional landscapes and eventually having a local presence in places of active siting interest. A Board member emphasized NWMO would need to consider carefully the timing of any local presence, and do this in a way that was understood, and consistently applied, as communities in a particular region/province publicly show an interest.

9. Update on the APM Siting Process

Ms. Shaver updated the Board on the May 2010 initiation of the APM site selection process which included broad distribution of the siting documents. She reported that the next step is to respond to community requests for information. Ms. Shaver noted that site visits to existing interim storage facilities are effective opportunities for communities to advance their understanding of the management of used nuclear fuel. She also outlined ongoing work with Niigani and the Municipal Forum to produce tool kits for communities. Ms. Shaver also spoke about the work underway to develop principles related to community benefits and noted this topic will be discussed further with the Siting Committee and the Board in September.

Dr. Kugler expressed the Board's appreciation to NWMO staff for a very orderly and sensitive initiation of the APM site selection process.

10. Update on 2011-2015 Business Planning

Mr. Nash introduced the preliminary review of the draft 2011-2015 business plan. He noted that the current forecast cost envelope for the APM business plan is consistent with the approved plan. There are a number of further refinements in the planning assumptions that may result in changes when the draft detailed plan is presented in September. The OPG L&ILW DGR forecast for the regulatory review phase remains very similar to the approved 2010-2014 plan.

Ms. Shaver provided a more in-depth presentation on the proposed APM Engagement portion of the business plan. Directors discussed the plan for APM engagement. Directors reviewed the Board's role in decision points when choosing potential sites to proceed to detailed underground site characterization.

Ian Pritchard provided a more detailed review of the business plan for NWMO's work on OPG's L&ILW DGR. Directors discussed Mr. Pritchard's presentation. Directors discussed staffing for the design and construction phase of work for the L&ILW DGR.

Steve Cavan reviewed the lifecycle liability management component of the draft business plan. He noted that there is a slight increase in the budget for next year due to a specific request from OPG.

11. Draft 2009 Report of Directors to NWMO Members

The Directors concurred with the Annual Report executive summary as written for presentation to the Members at their meeting on June 17.

12. Plan To Review By-Laws and Members' Agreement

Mr. Moran reported that the NWMO Membership Agreement stipulates periodic review of both the cost sharing arrangements among Members and the NWMO By-laws at least every five years. Mr. Moran reviewed the plan to proceed with the review and the draft letter to Members providing background to the Membership Agreement, By-laws and cost sharing and identified areas for potential review.

Directors discussed the review and concurred with the process as detailed in the draft letter to the Members' representatives.

13. Saugeen Ojibway Nations (SON) Progress Report

Pat Moran provided an update on the status of work being done with OPG in relation to the development of a long term relationship between OPG and SON, as contemplated by the protocol agreement between OPG and SON. NWMO submitted a draft business case to OPG in April together with a recommendation to initiate formal discussions on a hosting agreement as soon as possible. Progress on negotiations with SON in 2010 is at risk and is dependent upon OPG approval of the business plan and the timing of that approval.

Angelo Castellan reported progress related to engagement with the Saugeen Ojibway Nations (SON) regarding the environmental assessment process. He advised the Board that agreement had been reached between OPG and SON on a workplan / budget for SON's technical and regulatory review of the DGR project.

14. Status of EPCM Contract with OPG and the Formation of a DGR Project Committee

Ian Pritchard provided an update to the Board on the development of a detailed agreement for the engineering, procurement and construction management (EPCM) for the work on OPG's L&ILW DGR. He reviewed the general principles and the structure of the EPCM agreement and reiterated there would be no financial risk to NB Power or Hydro-Québec. Mr. Pritchard reviewed the timelines for finalizing the agreement.

The Board discussed the handling of intellectual property in the contract, as well as processes related to health and safety, and who assumes the related risk. Board members requested to see the revised contract before final signatures (*). Directors also discussed the two phases of the contract: engineering, followed by procurement and construction. Directors discussed the decision points between the two phases. Directors asked to see an overall project organization chart (*).

The Board discussed its oversight role for the project and how a Board project oversight committee might be structured. As previously planned, management will be bringing a proposal to the September Board meeting.

15. Management Reports

The following management reports were tabled and time was provided for questions only:

- APM Engagement;
- APM Technical program;
- L&ILW DGR project;
- Performance and Financial Objectives;
- Human resources;
- Legal; and
- Office Accommodation

The Board discussed some of the engagement initiatives, technical presentations, staffing and the requirement for additional office space.

16. 2011 Draft Schedule of Board & Committee Meetings / Next Meeting

Dr. Kugler discussed the draft 2011 Board and Committee meeting schedule with the Board. He noted that management has proposed a schedule with only four board meetings in 2011 instead of the five held in previous years. It was also proposed that one meeting a year be held offsite rather than two. All board members concurred with these proposed changes to the calendar.

The next Board meeting will be held as follows:

Thursday, September 23, 2010
9:00 am – 4:00 pm EDT

17. In camera session

It was determined that an additional *in camera* session was not required.

Conclusion of Meeting

There being no other business, the Chair declared the meeting adjourned at 12:45 pm.

(*) Denotes actions to be taken.

Pat Moran
Corporate Secretary

Dr. Gary Kugler
Chair