

NUCLEAR WASTE MANAGEMENT ORGANIZATION (NWMO)

**BOARD OF DIRECTORS
MEETING**

April 21, 2010

AGENDA

1. Approval of Agenda and Constitution of Meeting
 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 Advisory Council
 8. Initiation of the Siting Process
 9. Aboriginal Policy
 10. Risk/Benefit Analysis on NWMO Taking on the Role as a Constructor
 11. Update on NWMO 2010 Performance Objectives and Measures
 12. Update on Cost Estimates
 13. Requirement to Review the Members Agreement and By-Laws
 14. Agenda for Annual Members Meeting
 15. Management Reports
 16. 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 April 21, 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
Ian Ross	Director

Staff in attendance:

Angelo Castellan	VP Environmental Assessment & Corporate Support
Steve Cavan	Chief Financial Officer
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 7)
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1. Approval of Agenda and Constitution of Meeting

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 April 21, 2010 meeting was approved.

2. Minutes of Previous Meeting

The minutes of the meeting of the Board of Directors held on February 18, 2010 copies having been sent to each member of the Board, were approved.

3. Business Arising from the Previous Minutes

Mr. Moran reviewed the outstanding actions arising from the February 18, 2010 meeting, reporting that the two follow-up items were on the agenda for discussion today.

4. In Camera Session

The Board convened an *in camera* session.

Dr. Kugler introduced Mr. Darren Murphy who replaces Sharon MacFarlane as NB Power's appointee on the NWMO Board of Directors and the Siting Committee.

IT IS HEREBY RESOLVED THAT:

Effective April 21, 2010, Darren Murphy is appointed to the Siting Committee of the Board of Directors, until such time as his successor is elected or appointed.

The motion was made, seconded and unanimously passed.

IT IS HEREBY RESOLVED THAT:

The Board expresses its appreciation to Sharon MacFarlane for the contribution she made to the NWMO during her time as a director from June 2007 to April 2010.

The motion was made, seconded and unanimously passed.

Management and staff withdrew from the meeting for the Directors to continue the *in camera* session. The President reviewed some succession planning matters with the Board.

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 that NWMO's Annual Report for 2010 was filed with the Minister of Natural Resources and tabled in parliament. He also reported on work underway to update the cost estimates; meetings related to work on OPG's DGR for low and intermediate level waste; an update on NWMO staffing; and, the launch of NWMO's intranet. A report was also provided on progress from other international waste management organizations.

6. Report from Siting Committee

Mr. Jamieson provided a report to the Board on the April 20, 2010 Siting Committee meeting which was an expanded meeting with all members of the Board of Directors present.

The focus of the meeting was the NWMO's preparations for the launch of the site selection process. The Committee reviewed and discussed the risks to the APM site selection process as well as NWMO's plans and preparations for managing those risks.

Mr. Jamieson reported on the Committee's review of the status of NWMO's preparations to initiate siting. NWMO's work is being measured against a comprehensive list of readiness criteria. Based on the information provided, Mr. Jamieson reported that the NWMO appears to be on track to initiate the siting process. The Committee recommended that the Board approve the initiation of the site selection process.

The Committee also received an update on the engagement plans for the remainder of 2010 which include plans to build awareness and interest in the siting process slowly and stepwise through activities such as strategic speaking engagements, participation in municipal conferences and briefings of key interest groups.

The Committee reviewed and discussed the Aboriginal Policy suggesting several changes. The Committee was briefed on business planning considerations to support future phases of siting.

7. Report from the Advisory Council Chair

Mr. Crombie provided the Board with an update from the March 8 Advisory Council meeting. The Council focused on some key issues which included:

- being briefed on the continuing interest NWMO has received through the "Learn More Program";
- reviewing readiness considerations and NWMO's plans for the launch of the siting process planned for the Spring of 2010;
- communicating Council's support for the site selection process in their annual letter to the Minister of Natural Resources Canada; and

- Council members offered suggestions of various groups NWMO may wish to brief and engage in support awareness building of siting in the next year or two; and
- Council also reviewed, in detail, the proposed siting process and provided a number of suggestions that management has incorporated. Council had a lengthy discussion on the volumes of used fuel to be managed, particularly as it relates to new build nuclear reactors. At Council's request, NWMO held a follow up meeting on April 9 to review the revised siting process document. Mr. Crombie reported that following that meeting, Council expressed its satisfaction that NWMO is ready to proceed with the siting process.

At the May 8 Council meeting, NWMO also followed up on a number of items at Council's request including:

- reporting on the disposition of the comments and recommendations of the 2009 Independent Technical Review Group Report;
- reviewing Council's mandate with respect to NWMO's work on OPG's Low & Intermediate Level Waste DGR; and
- a discussion of the evolution of the Council's comments on the management of used fuel from new build nuclear.

The Council also held an *in camera* session to discuss preparations for its comments on NWMO's Triennial Report.

Board Chair, Dr. Gary Kugler thanked the Council for their comprehensive letter to the Minister and for their ongoing sound advice. He noted that in reviewing the Siting Process document, he recognized that much of the Council's input had been incorporated in the document.

8. Initiation of the Siting Process

Ms. Shaver proposed the initiation of the site selection process for Adaptive Phased Management for Board approval.

She reported that NWMO began initial work on the site selection process in 2007, following government approval of APM. Since that time:

- NWMO has had two very substantive rounds of public engagement in nuclear provinces and sought to incorporate the direction from these public dialogues;
- NWMO has engaged siting experts and practitioners, and studied in detail international experiences; and
- received valuable input from Niigani, Elders Forum, Municipal Forum, Advisory Council and many others.

The siting process is built on the principles of an informed, willing host community, and a process of site selection that places a priority on safety.

Ms. Shaver reported that the Siting Committee met on April 20th and discussed the preparatory work that has been underway to set the foundation for the site selection process. Management reported to the Committee that NWMO's internal work is on track, with production of the siting document and supporting materials. The Siting

Committee made some final suggestions on the siting documents which will be taken into account as management finalizes the documents.

Ms. Shaver reported that management believes:

- the external landscape has been prepared. Intensive briefings of Governments, Aboriginal organizations and others will continue through May. NWMO is working closely with Natural Resources Canada and the Canadian Nuclear Safety Commission in preparation of their communication materials and fact sheets to support NWMO's siting process;
- that spring 2010 is an appropriate time to initiate the siting process, through the launch approach as previously discussed with the Board; and
- the potential risks are being managed.

The Board Chair, Dr. Kugler extended his appreciation to all of NWMO's staff for the work that has brought NWMO to the point of initiating the siting process. He called for a motion to approve the initiation of the siting process.

IT IS HEREBY RESOLVED THAT:

the NWMO Board of Directors approves initiation of the site selection process for Adaptive Phased Management in May 2010, consistent with the principles, steps and process set out in NWMO's Siting Process document (*Moving Forward Together: Process for Selecting a Site for Canada's Deep Geological Repository for Used Nuclear Fuel*).

The motion was made, seconded and unanimously passed.

9. Aboriginal Policy

Ms. Shaver proposed the NWMO Aboriginal Policy for Board approval. The Policy describes the relationship between the NWMO and Aboriginal peoples and outlines NWMO's commitment to positive and effective relationships. The policy is intended to guide NWMO staff and representatives in their ongoing work.

The Policy was presented for review by the Siting Committee on April 20. The revised policy reflects the suggestions from the Siting Committee.

The Chair asked for a motion to approve the Aboriginal Policy

IT IS HEREBY RESOLVED THAT:

The Board of Directors approves the NWMO Aboriginal Policy, appended as Schedule A.

The motion was made, seconded and unanimously passed.

10. Risk/Benefit Analysis on NWMO Taking on Role as a Constructor

As requested at the February Board meeting, Ian Pritchard presented the incremental risk/benefit analysis for NWMO to take on the role as a constructor for OPG's Low and Intermediate Level Waste DGR project. Mr. Pritchard reviewed the analysis and highlighted the incremental risks and benefits. He reported that management feels that the risks are well understood and can be adequately managed as long as NWMO is properly resourced.

The Board was invited to discuss Mr. Pritchard's report. Directors discussed NWMO becoming a constructor and Directors generally agreed that it was the correct path forward. Also discussed was NWMO's relationship with OPG in the management of the project. A director noted that taking on the management of a large construction project was a significant task and would require much attention to manage properly.

11. NWMO 2010 Performance Objectives and Measures

At the February 18 meeting, the Board approved the NWMO 2010 performance objectives and measures subject to further clarification of whether APM siting would be initiated as planned and a review of the objective related to engagement with the Saugeen Ojibway Nations (SON) on the OPG DGR project.

Mr. Cavan noted that as the Board has approved the initiation of the siting process as originally planned in the objectives no amendments were necessary.

The Board discussed the SON performance objective and accepted management's proposed revision, recognizing that it was subject to decisions to be made by OPG. The Board requested regular updates on this objective at future Board meetings.

12. NWMO 2010 Cost Estimating Work for DGRs

Steve Cavan provided the Board with an update on the cost estimating work on both the OPG L&ILW DGR and the APM DGR.

Mr. Cavan reported that the work on both cost estimates is progressing on target. It was noted that the cost estimate and business planning processes have been linked to ensure consistency.

The Board discussed various aspects of the cost estimate work and a director suggested that NWMO ensure that it is prepared to answer questions as to why the new estimates might change from earlier estimates.

13. NWMO By-Laws and Membership Agreement

Pat Moran discussed with the Board the need to review the NWMO By-Laws and cost sharing provisions in the Membership Agreement. The scope of the review is yet to be determined.

The Membership Agreement was signed in October 2007 and stipulates periodic review of both cost-sharing arrangements among the members and the NWMO By-Laws on a minimum of a five-year cycle. A significant part of the review will require the involvement of the Members as, for the agreement to be binding, it must be executed by all Members and NWMO. The Membership agreement defines how members participate in funding which is currently proportional to the number of used fuel bundles produced. A funding formula review is underway.

Mr. Moran reported that a draft plan for the full review of the Membership Agreement and By-laws will be provided to the Board at its June meeting. Mr. Nash noted that NWMO will not drive the process of changes to the Membership Agreement and that it will be up to Members to propose changes.

The Board discussed the upcoming process and whether it would include any decisions about incorporating new reactors and participants in the funding formula.

14. Draft Agenda for Annual General Meeting (AGM) of Members

Pat Moran shared a draft agenda for the AGM with the Directors. The agenda does not differ greatly from past years. Directors discussed several of the items on the agenda.

15. Management Reports

a) APM Engagement and Social Research

Ms. Shaver provided the Board with a brief update noting that most of her report had been addressed in earlier items.

b) APM Technical Program Status

Mr. Russell provided the Board with an update on the APM Technical Program which included updates on:

- o International cooperation projects such as with Mont Terri in Switzerland;
- o the design and safety case submission;
- o work underway with Sweden regarding packaging and containers;
- o meetings with the CNSC on the pre-license design and review process;
- o work on used fuel transportation; and
- o providing technical support to the engagement program.

c) OPG's Deep Geologic Repository for Low and Intermediate Level Waste (L&ILW)

Mr. King reported on a number of developments in the L&ILW program, highlights included:

- o the completion of the drilling program;
- o completion of the preliminary design;
- o briefings with the CNSC; and
- o work continues on track for the final submission of the Environmental Assessment package by the end of the year.

The Board discussed the drilling activities and how they were determined to be sufficient.

d) Status Report on Performance Objectives Including Financial Report

Mr. Cavan reviewed the status of the performance objectives. He also reviewed the Management Cost report providing a detailed explanation for the areas that were currently under spent.

The Board enquired about the new cash management procedure and its effectiveness. Mr. Cavan reported that so far, the process is working well.

e) Human Resources Report

Mr. O'Dwyer reported on NWMO's recruitment since January. He also reported that management is finalizing a number of HR related policies and procedures.

The Board discussed Provincial government directives that may impact the negotiations of collective agreements.

f) Legal Report

Mr. Moran reviewed the status of the Mushkegowuk Tribal Council judicial review application. He also reviewed the status of the Engineering, Procurement & Construction Management (EPCM) Agreement.

Mr. Moran reported that the five Advisory Council members whose terms were due to expire at the end of 2010 have agreed to remain until the end of 2011.

16. Next meeting of the Board

The next meeting of the Board is:

Wednesday, June 16
9:00 am – 4:00 pm

Board members discussed the possibility of holding an additional Human Resources & Compensation Committee meeting in June and an additional Siting Committee Meeting in September.

17. In camera session

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

18. Conclusion of Meeting

There being no other business, the Chair declared the meeting terminated at 12:00 pm.

(*) Denotes actions to be taken.

Pat Moran
Corporate Secretary

Dr. Gary Kugler
Chair



NUCLEAR WASTE MANAGEMENT ORGANIZATION
SOCIÉTÉ DE GESTION DES DÉCHETS NUCLÉAIRES

SCHEDULE A ABORIGINAL POLICY April 2010

Background

The Nuclear Waste Management Organization (NWMO) was established in 2002 in accordance with federal legislation, the *Nuclear Fuel Waste Act*, to study, recommend and implement an approach for the long-term management of used nuclear fuel in Canada. Used nuclear fuel is presently safely stored on an interim basis at licensed facilities at nuclear reactor sites. In 2005, the NWMO recommended that Canada proceed in a deliberate and collaborative way to contain and isolate the used fuel in a manner that safeguards people and respects the environment, now and in the future. In 2007, the Government of Canada selected the NWMO recommendation, Adaptive Phased Management, as Canada's approach for the long-term management of used nuclear fuel. The NWMO is now implementing this approach.

Adaptive Phased Management has as its technical endpoint the containment and isolation of used nuclear fuel in a deep geological repository constructed in a suitable rock formation with ongoing monitoring and potential for retrievability over an extended period of time.

It is an important component of NWMO's work to understand the nature of any impacts on Aboriginal rights, treaties and land claims resulting from the implementation of Adaptive Phased Management and how Aboriginal peoples should be accommodated as a result of any impacts. NWMO needs to ensure effective consultation with Aboriginal peoples and that all those affected have the opportunity for meaningful involvement.

Aboriginal and western worldviews and knowledge systems are each unique. However, the interweaving of these two worldviews in the implementation of Adaptive Phased Management can bring opportunities to strengthen this work as we learn from one another.

The development of this Policy has benefited from advice from the NWMO Elders Forum, the NWMO Aboriginal Working Group Niigani, and through our relationships with Aboriginal organizations at the national, provincial and regional levels.

Principles

The development of this Policy is guided by the following principles:

- Good decision-making among Aboriginal peoples regarding NWMO's work must be built on a foundation of knowledge to ensure that informed choices can be made by Aboriginal communities.
- The NWMO recognizes and honours that Aboriginal peoples have a special relationship with the natural environment and have unique stewardship responsibilities that are part of this relationship.
- Consideration for the safety and security of future generations is integral to the Aboriginal worldview and fundamental to decision-making processes of Aboriginal peoples.
- Open and honest relationships are built on a foundation of trust and sharing of knowledge and information.
- NWMO acknowledges that Aboriginal peoples are holders of Aboriginal Traditional Knowledge and recognizes the value that Aboriginal Traditional Knowledge can bring to decision-making processes.

Policy

NWMO recognizes and respects that Aboriginal peoples believe that all life is sustained by Mother Earth and that, in carrying out our work, we all have a stewardship responsibility to protect and preserve the earth for this and future generations guided by the seven teachings.

The NWMO acknowledges, respects and honours that Aboriginal peoples - Indian, Inuit and Métis peoples of Canada - have unique status and rights as recognized and affirmed in s.35 of the *Constitution Act (1982)*. The NWMO is committed to respecting the Aboriginal rights and treaties of Aboriginal peoples. NWMO also recognizes that there may be unresolved claims between Aboriginal communities and the Crown to be taken into account in relation to a proposed site.

NWMO will build relationships with Aboriginal communities, groups and peoples on a foundation of respect for languages and customs, cultural protocols, and political, social, economic and cultural institutions. NWMO recognizes and will honour the diversity of spiritual beliefs and practices of people within and among Aboriginal communities.

NWMO will pursue agreements with affected Aboriginal communities which are to the mutual benefit of all parties, including the recognition for potential provision of economic benefits; provide the opportunity for employment, education and capacity building; and ensure that communities are involved in decisions affecting them.

Aboriginal Traditional Knowledge can bring value to the decision-making process and the NWMO will strive to interweave this knowledge with our work as appropriate. NWMO will ensure that intellectual property is protected as agreed with those that are owners of the intellectual property.

NWMO will work with Aboriginal communities in implementing our mandate under the *Nuclear Fuel Waste Act*. NWMO will work with the Crown regarding the Crown's duty to consult and accommodate as guided by decisions of the Supreme Court of Canada. All of our work will be guided by our commitment to collaborative planning and decision-making.

Implementation

- *The NWMO will strive to provide the needed resources and expertise to support capacity building and involvement in the siting process.*
- *NWMO will strive to ensure that members of the community including Elders, youth and women have been provided an effective opportunity to participate.*
- *The NWMO will ensure that agreements set out clear and understandable terms for the roles of all parties.*
- *Timelines will be developed in a reasonable manner to allow affected Aboriginal people to review terms and assess them against their own needs, community vision and aspirations.*
- *NWMO recognizes that Aboriginal peoples have existing governments that work in partnership with other forms of government and will work in a cooperative and respectful manner with these governments.*
- *Elders will continue to be an integral source of advice to the NWMO throughout implementation of Adaptive Phased Management.*
- *The NWMO will conduct ongoing cultural education programs and opportunities for NWMO staff and decision makers in order to facilitate communication across western science and Traditional Knowledge.*