

July 11, 2002
Meeting 2002-01

**CANADIAN NUCLEAR FUEL WASTE PLANNING ORGANIZATION
(the "WMO")**

MINUTES

OF THE FIRST MEETING OF THE BOARD OF DIRECTORS

**of the Canadian Nuclear Fuel Waste Planning Organization /Société Canadienne de gestion
des déchets de combustibles nucléaires
(the "WMO")**

held in Conference Room 1, 19th Floor of 700 University Avenue, Toronto, Ontario, on July 11,
2002, commencing at 9 a.m.

Present:

Richard Dicerni	Chair
Stuart Groom	Director
Fred Long	Director
Adèle Malo	Director
Ken Nash	Vice Chair
René Pageau	Director

being a quorum of 6 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 and

Kathryn Shaver Corporate Secretary.

Notes:

Also in attendance were:

- (i) Mr. Rod White, VP Nuclear, New Brunswick Power Corporation
- (ii) Ms. Donna Pawlowski, Manager, Nuclear Waste Management
Division, Ontario Power Generation (Agenda Items #8-#11 only)

1. Constitution of 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. Dicerni declared the meeting duly constituted for the transaction of business at 9:00 am.

2. Approval of Agenda

The Board of Directors approved the Agenda of July 11, 2002.

3. WMO Appointments

Ms. Malo tabled four recommendations for approval by the Board. There was discussion of the need for these proposed positions in completing the corporate governance framework and complying with the WMO By-Law.

It was clarified that the purpose of the Vice Chair would be to act as Chair in presiding over meetings in the event that the Chair is unable to attend all or part of a meeting due to absence or illness. In presiding as Chair, the Vice Chair would facilitate the business of the meeting, while ensuring business is properly conducted in accordance with rules. The Board has the discretion to name another Vice Chair in future to fulfil this duty as required.

IT IS HEREBY RESOLVED THAT:

- the following persons be appointed to hold the offices referred to opposite their respective names until their respective successors are elected or appointed.

Chair of the Board of Directors:	Richard Dicerni
Vice Chair of the Board of Directors:	Ken Nash
Treasurer:	Fred Long
Corporate Secretary:	Kathryn Shaver

This motion was made, seconded and unanimously passed.

4. Opening Remarks

The Chair invited roundtable discussion of the anticipated timing of bringing into force the federal Nuclear Fuel Waste Act (NFWA). Based on best available information, the planning assumption adopted by the Board is that the Act will enter into force in early to mid October.

It was noted that there is a significant outstanding issue to be resolved respecting the federal government's approach to tax treatment of the trust fund and GST. Board members

from all three provinces would like to see their concerns regarding the taxation issue satisfactorily resolved in advance of the NFWA coming into force. Mr. Nash undertook to distribute to the Board an update from OPG's VP of Taxation concerning federal/provincial discussions on this matter. The Chair proposed that consideration be given to having three provincial Deputy Ministers of Finance write a joint letter to federal Finance (K. Lynch) to formally express the urgency of having this matter resolved. (*)

There was discussion of the status of establishing trust funds in each jurisdiction, as is required under the NFWA. Mr. Groom suggested that that it would be useful to exchange information between companies, with a view to aligning characteristics and approaches to fund managers. Mr. Long undertook to advise Giselle Branget (Treasurer, OPG) that New Brunswick Power will be contacting her in this regard. (*)

5. WMO Milestones

Mr. Nash presented an overview of some planned early milestones for the WMO. The milestones as presented speak to three key phases in near-term WMO work:

- a first milestone associated with completing the By-Law and holding the first (July 11th) Board meeting to organize the corporation and set a critical path toward appointing a President and Advisory Council;
- a second milestone in Fall 2002, at which time the WMO will be fully functional, a President appointed and a core complement of Advisory Council members in place; and
- a third milestone by year-end 2002, characterized by the establishment of formal WMO processes, business procedures and a new office location.

This workplan assumes that the NFWA is in force in October 2002. Recognizing the risk of a legislative delay, it was agreed that there was merit in moving forward with the proposed workplan which constitutes important preparatory work that will be needed to support the WMO. At the next meeting, the Board will review the status of the legislation, and consider whether adjustments to the workplan are required.

As a means of promoting information exchange, the Chair directed the Secretary to develop and issue brief monthly updates to the Board to keep all abreast of key WMO-related activities in the three jurisdictions. Mr. Pageau and Mr. Groom will provide K. Shaver with information on developments from Quebec and New Brunswick respectively for the monthly Board updates. (*)

Mr. Nash advised that another information-sharing vehicle will be the continued issuance of quarterly reports to the joint waste owners' group, until such time as the WMO is up and running with its own processes. Distribution of these quarterly reports will be expanded to all Board members. (*)

6. Formation of Advisory Council

The Chair tabled for approval a draft Terms of Reference for the Advisory Council and proposed delegated authorities for executing Advisory Council appointments. He also brought forward a proposed candidate for Advisory Council Chair.

With respect to the Terms of Reference, there was discussion and agreement on the importance of accurately communicating to potential Advisory Council members their roles and statutory responsibilities of advising the WMO, the scope of their advice which is being sought, and interaction with and reporting relationships to the WMO. The Chair noted the importance of reaching concurrence on the Terms of Reference, as a document that will eventually be made public and form the basis for Advisory Council appointments.

There was discussion around the process of identifying and appointing Advisory Council members such that all legislative requirements are met and a diversity of expertise is represented on the Council. There was agreement that appointments to the Advisory Council will be enriched by taking into consideration suggestions brought forward by a number of sources, including the Advisory Council Chair, an independent search firm, and Ms. Lois Wilson and Mr. Blair Seaborn. It was agreed that Advisory Council appointments will be made by authorities delegated by the Board, by taking into consideration the advice coming forward from these different sources.

IT IS HEREBY RESOLVED THAT:

1. Terms of Reference.

The accepted Terms of Reference for the Advisory Council will be as appended as Item 6 (b).

2. Chair.

David Crombie will be appointed to hold the office of Chair of the Advisory Council for a period of four years.

3. Authorities to Appoint Advisory Council Members.

Authority to appoint Advisory Council Members is delegated as follows:

- Richard Dicerni, Director, WMO, to appoint four Members
- René Pageau, Director, WMO, to appoint one Member
- Stuart Groom, Director, WMO, to appoint one Member.

This motion was made, seconded and unanimously passed.

7. Appointment of President

The Chair introduced the item, opening the floor to a general discussion of the scope of responsibilities of the President, and the type and size of organization a future President would be overseeing.

Mr. Groom advised that he had provided detailed comments to Mr. Nash previously on the draft profile for the President / CEO. Mr. Groom will forward these proposed changes to the Chair. (*)

Mr. Nash will prepare a brief written summary for Board members which outlines how financial transactions between waste owners, consultants and the WMO will take place. (*)

IT IS HEREBY RESOLVED THAT:

1. Profile for President.
The President, who shall act as Chief Executive Officer, will be appointed in accordance with the CEO profile, attached as Item 7 (b), edited by the Chair as required to incorporate Mr. Groom's suggested changes.
2. Search.
The firm of Heidrick & Struggles will be retained as the search consultant responsible for identifying candidates for this position.
3. Authority to Appoint.
The authority to appoint the President is delegated to Richard Dicerni, Director, WMO, following review of his recommendation with Stuart Groom, Director, WMO and with René Pageau, Director, WMO.

This motion was made, seconded and unanimously passed.

8. 2002 Work Program and Budget

Mr. Nash presented an overview of the 2002 work program and budget in support of the WMO.

The work to develop technical concepts and associated costs is well under way by consultants. Approximately 90% of the work will be completed in 2002, with full completion on track for Q1 2003. This year's expenditures are well below the \$5.8 million initially agreed to between joint waste owners.

In the interim, until such time as the WMO has instituted its own financial procedures, funding for preliminary work on the options will continue to be arranged under the processes previously established between joint waste owners, with OPG administering on behalf of all waste owners.

It was agreed that the next Board meeting would include a presentation on the status of consultants' work and preliminary findings on the technical options. (*)

A copy of the Membership Agreement, signed by all three parties, was provided to Ms. Malo, to arrange for copies and distribution. (*)

9. Advisory Council Briefing Material

Ms. Pawlowski tabled for discussion a proposed outline for the briefing package to be presented to Advisory Council members.

The briefing package is targeted for completion no later than the end of September 2002. Components of the package will be distributed to the Board for review and comment as soon as it is available. The Secretary is to include a status update of this work in the monthly updates to the Board. (*)

The Advisory Council materials are to be translated into French. M. Pageau will advise Hydro-Québec's translator that these materials will be forthcoming. (*)

10. Stakeholder Consultations

Mr. Nash invited discussion on some preliminary thoughts on the structure and principles for the WMO's public and stakeholder consultations. This is a work in progress that will be shaped and fully developed by the President, in consultation with the Advisory Council.

11. WMO Name

Mr. Nash introduced, for discussion, the issue of name change for the WMO. He shared some preliminary work on the options with the Board, and suggested directions based on the WMO's legislative mandate, communication challenges and recent public attitude research.

Following discussion, there was agreement to consider a new name for the organization. Options for names will be developed that denote the focus (eg. used nuclear fuel), and which point to the transitional nature of the WMO's immediate task. Board members are to submit suggested names to Mr. Nash. Based on suggestions that come forward, Mr. Nash and Ms. Pawlowski will arrange for a short list of 3-4 names to be circulated to the Board for comment. (*)

Other Business

The Chair tabled a list of additional matters of general housekeeping relating to completing the governance and organizational structure for the WMO. The items will be revisited at the next Board meeting or before, as appropriate, and include: (*)

- Arrange Board approval of By-Law
- Appoint an auditor
- Establish signing authorities
- Schedule the Annual General Members' Meeting

The Chair directed the Secretary to set a date for the next Board meeting, targeted for October 2002. (*)

Termination of Meeting

There being no other business, the Chair declared the meeting terminated at 11:30 am.

Corporate Secretary

Asterisk (*) denotes action to be taken