

Nuclear Waste Steering Committee

MINUTES

Friday, April 2, 2004
3:30 a.m. – M.A.C.

PRESENT:

Mayor Glenn Sutton	(P)
Deputy Mayor Sandy Donald	(A)
Councillor Howard Ribey	(P)
Councillor Barry Schmidt	(P)
CAO John deRosenroll	(P)

1.0 Call to Order

2.0 Disclosure of Pecuniary Interest and the General Nature Thereof

<u>Name</u>	<u>Item of Business</u>	<u>Nature of Interest</u>
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3.0 Minutes

3.1 Motion #04-06

Moved by: Barry Schmidt

Seconded by: Glenn Sutton

That the Low Level Waste/M.O.U. Meeting of March 12, 2004 be adopted as printed.

Carried

4.0 Closed Session

4.1 Motion #04-07

Moved by: Barry Schmidt

Seconded by: Howard Ribey

That the NWSC move into closed session to discuss matters pertaining to protection of property.

Carried

4.2 Motion #04-08

Moved by: Barry Schmidt

Seconded by: Howard Ribey

That we now agree to move out of closed session and return to the regular meeting.

Carried

Motion #04-09

Moved by: Howard Ribey

Seconded by: Barry Schmidt

That the NWSC recommends that we utilize the legal firm of Power Budd LLP for legal services, with regard to the low and intermediate level waste project.

Carried

5.0 Other Business

5.1 CNA Winter Seminar and Business Meetings (Information Session for Council)

Wednesday

7:00 a.m. Business meeting with MP (J.dR.)

9:00 a.m. – 12:00 noon Kincardine/OPG – MOU (S.D.)

3:00 p.m. – 5:00 p.m. CANHC Annual Meeting (G.S.)

7:00 p.m. NRCAN Minister Efford

Thursday

7:00 a.m. – 8:00 a.m. AECL Meeting (J.dR.)

8:30 a.m. – 12:00 noon Morning Session (B.S.)

1:00 p.m. – 4:00 p.m. Afternoon Session (H.R.)

6.0 Next Meeting

6.1 Motion #04-10

Moved by:

Seconded by:

That the Nuclear Waste Steering Committee adjourns to meet at the OPG/Kincardine meeting to be held Monday, April 6, 2004 at 10:00 a.m. in Hockley Valley.



Fax: (519) 396-8288

April 30, 2004

Mayor Glenn R. Sutton
Municipality of Kincardine
Municipal Administration Centre
1475 Concession 5, R.R. 5
Kincardine, Ontario
N2Z 2X6



File 1-8-4

Re: Municipality of Kincardine's Correspondence of April 7, 2004

Dear Mayor Sutton:

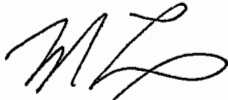
Thank you for your letter dated April 7, 2004 addressed to Ms. Linda Keen, President and CEO of the Canadian Nuclear Safety Commission (CNSC), informing the CNSC about the ongoing Low Level Waste Memorandum of Understanding between Ontario Power Generation (OPG) and the Municipality of Kincardine. The President has asked me to respond to your letter on her behalf.

The proposal by OPG to build additional low level waste storage buildings at the Western Waste Management Facility is a matter being handled by a CNSC staff Designated Officer. This matter is not scheduled to come before the Commission.

Therefore, I have forwarded your correspondence to Mr. Barclay Howden, Director General, Directorate of Nuclear Cycle and Facilities Regulation who is the Designated Officer responsible for this matter. I have also sent a copy of your correspondence to Mr. Guy Riverin, CNSC's Environmental Assessment Specialist, so that he may include your comments in the Environmental Assessment currently being conducted on this project.

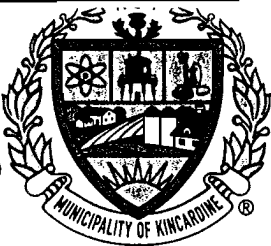
..2/

Thank you for your interest in this matter. If you require further information, please do not hesitate to communicate with me at (613)995-6506.



Marc Leblanc
Commission Secretary

c.c.: Barclay Howden
Guy Riverin



Municipality of Kincardine
Municipal Administration Centre
1475 Concession 5, R.R.#5
KINCARDINE, Ontario N2Z 2X6
Phone: 519 396-3468
Fax: 519 396-8288

File #:A01

Webpage: www.kincardine.net

May 25, 2004

via Courier
Confidential

Power LLP
1 First Canadian Place
100 King Street West
Suite 7210
Toronto, ON
M5X 1C7

Attention: Mr. Rob Powers
Chief Executive

Dear Mr. Powers:

As per Mr. deRosenroll's request, I am forwarding the following documents for your review before the meeting scheduled Friday, June 4, 2004, 1:00 p.m. to 4:00 p.m.:

1. Kincardine/OPG M.O.U., April 16/02
2. Ivey Client Field Project Report, dated March 10/04
3. OPG/Kincardine "Offset payment around L/ILW Management Facilities" (Phil Richardson report, dated Feb./04)
4. Independent Assessment of Long-Term Management Options for Low and Intermediate Level Wastes at OPG's Western Waste Management Facility (dated Feb/04)
5. Compensation Siting Proposals: Is it time to pay attention? (Fordham University School of Law, Spring 1994)
6. Deep River Community Agreement-In-Principle. (July 14, 1995)
7. Port Hope Agreement
8. Draft Low Level & Intermediate Level Waste Position. (May 3, 2004)
9. Letter to Mr. Ken Nash dated May 18, 2004 from Mayor Sutton

If you have any questions, please do not hesitate to contact Mr. deRosenroll.

Thank you.

Sincerely,

Corinne Cleary
Corinne Cleary
Executive Secretary

encl

MUNICIPALITY OF KINCARDINE



MEMORANDUM

TO: Councillor R. Hewitt
FROM: John deRosenroll, CAO
DATE: May 13, 2004
RE: LLW & ILW Management Questions
FILE NUMBER: A01

Ron,

Pursuant to your request I have looked at the LLW & ILW documentation file and forward the following information for your review:

1. The Western Waste Management Facility (W.W.M.F.) gross taxation in 2003 is +/- \$150,000.
2. The proposed new facility (Deep Rock Vault) is similar to a mined facility and thus OPG has agreed to discuss new taxation policy for a facility of this type.

They have stated that they would support a PIL status (75% Kincardine & 25% County).

Overall, for estimation purposes it would be safe to assume that the new facility would not be taxed less than the current W.W.M.F. (+/- \$150,000.)

3. With respect to anticipated volumes of LLW & ILW the following chart outlines the numbers:

Timeframe	L.L.W.	I.L.W.
Dec. 2002 (Historic Waste)	48,000 m ³	9,300 m ³
Dec. 2015	62,000 m ³	12,000 m ³
Dec. 2034	77,000 m ³	15,000 m ³

4. Next, I checked the Offset & Benefits Study by Phil Richardson and looked at various compensation practices and found:

A) On Page #12 the report outlines the various payments that the specific world class facilities have received:

- Port Hope, Canada: \$30,000,000. in trust for three communities
- Centre-del' Aube, France: \$1,300,000.
- Zwilage-Switzerland: \$1,500,000. for local communities annually (58% goes to the host community)
- W.I.P.P. – USA: 26 million for each of 15 years paid to the state of New Mexico (with portions of these funds being distributed to lower tier municipalities)
(transuranic, ie military waste)
- Barnwell – U.S.A. 2 million per year to local municipalities, combined with a 12 million dollar lump sum payment.
 - \$440,000. license fee
 - no local taxation on facility

5. Lastly, the only reference I found with respect to a direct m^3 payment was in the Deep River Proposed Agreement. On page #14 Section 4.3 Deep River would receive a payment of \$12.00 per m^3 for material in excess of a pre-determined volume.

6. If you wanted to estimate how much the proposed agreement would pay Kincardine and area on a per m^3 base the numbers would be:

A. Total LLW = 77,000 m^3
(2034)

Total ILW = 15,000 m^3
(2034)

Combined 92,000 m^3

B. Estimated full life cycle of revenue paid to the Municipalities = +/- \$52,000,000.

C. Therefore, Kincardine and area will receive +/- \$565.00 per m^3 of waste managed at the new facility.

I trust that this information will be helpful in your deliberations.

All the Best,


John deRosenroll, CAO

File Copy

facsimile transmittal

To: Glenn Sutton

Fax: 519-396-8288

From: GLENN DONCASTER

Date: 4/30/04

Re: CAP

Pages:

CC:

☐ Urgent☐ For Review☐ Please Comment☐ Please Reply☐ Please Recycle

John, Glenn

Larry is on vacation today
So I faxed the entire agreement

A handwritten signature in black ink, appearing to read "Deputy Mayor".

Deputy Mayor
Deep River


DEEP RIVER COMMUNITY AGREEMENT-IN-PRINCIPLE

- ① The Project
- ② Wastes for Disposal
- ③ Economic Benefits
- ④ Equity Compensation
- ⑤ Mitigation
- ⑥ Remediation
- ⑦ Other Matters

July 14, 1995

DEEP RIVER CAP

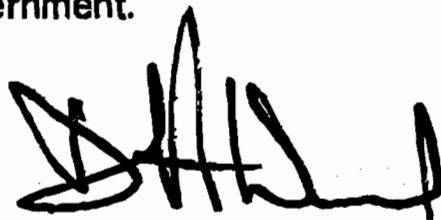
The foregoing constitutes the Community Agreement-in-Principle and is agreed to on July 14, 1995 by the following negotiators:


Mayor John P. Murphy
Dennis H. Wood
Reeve Christopher Carroll
Dr. C. Denis Hall
Councillor Jim Dickens
Dr. Vera Lafferty
Councillor Denise Walker

ON BEHALF OF THE COUNCIL
OF THE TOWN OF DEEP RIVER

ON BEHALF OF THE
SITING TASK FORCE

The Siting Task Force will recommend this Community Agreement-in-Principle to the federal Minister of Natural Resources as the community-based terms of acceptance and conditions under which a disposal facility would be built in Deep River, if it is approved in a referendum to be conducted on September 21, 1995 and subsequently by the federal government.



Dennis H. Wood
Chair, Siting Task Force

Table of Contents

Preamble	1
Need for the Project	3
① The Project	4
1.1 The Site 4	
1.2 Transportation 4	
1.3 The Disposal Technology, Facility and Surface Structures 5	
1.4 Federal Operating Agency 5	
1.5 Licensing 6	
1.6 Federal Office Responsible 6	
② Wastes for Disposal	7
2.1 Historic Wastes 7	
2.2 Co-Disposal of Local Wastes 8	
2.3 Restrictions on Future Wastes 8	
③ Economic Benefits	9
3.1 Employment 9	
3.2 Local Purchasing 9	
3.3 Municipal Grant-in-Lieu 10	
④ Equity Compensation	11
4.1 Employment Levels Maintenance 11	
4.2 Economic Diversification 12	
4.3 Compensation - Additional Historic Wastes 14	

⑤ Mitigation 15

- 5.1 Water Supply 15**
- 5.2 Noise 16**
- 5.3 Dust 16**
- 5.4 Vehicle Emissions 17**
- 5.5 Excavated Rock 17**
- 5.6 Monitoring the Project (Construction) 17**
- 5.7 Complaints 20**
- 5.8 Accident/Spill Response 20**
- 5.9 Monitoring of the Facility (Performance) 21**
- 5.10 Closure of the Facility 22**

⑥ Remediation 23

- 6.1 Claims Resolution Committee 23**
- 6.2 Complaints and Small Claims 23**
- 6.3 Property Value Protection 25**
- 6.4 Roads 31**
- 6.5 Infrastructure Relocation 31**

⑦ Other Matters 32

- 7.1 Management Committee 32**
- 7.2 Community Information Program 33**
- 7.3 Dispute Resolution 34**
- 7.4 Municipal Indemnification 36**

5.7 Complaints

Procedures for seeking changes in construction and operations to mitigate negative effects are included in "Complaints and Small Claims" in the Remediation section of this CAP.

5.8 Accident/Spill Response

A detailed plan for responding to spills and accidents will be prepared and reviewed annually.

5.8.1 Accident/Spill Response Group

An Accident/Spill Response Group will be formed by the Town and the FOA, and will include other parties as mutually agreed.

5.8.2 Accident/Spill Response Plan

The FOA will prepare a detailed response plan to cover project-related accidents or spills that might occur within the area. Preparation of the plan is to begin immediately following a federal government decision to proceed and will be included in the first facility licence application to the AECB.

The plan will accommodate potential medical emergencies that could arise during the transportation, construction, waste placement and closure phases of the project, and provide for access to and evacuation of the cavern facility site, transportation sites/routes and, to the extent considered prudent, adjoining properties.

In preparing the plan, the FOA will consult with the Deep River and District Hospital. The FOA is responsible for providing adequate training and equipment to allow the hospital, the fire department

and other emergency personnel to handle emergencies arising from the project. No specialized emergency equipment requirements are foreseen.

The Group will review the plan annually and may require the FOA to update it appropriately.

5.8.3 Emergency Transportation Routes

While normal project transportation will be routed on roads through the CRL lands, emergency access to the Deep River and District Hospital from the facility site would be via the Balmer Bay Road. In the event of flooding of that road, residents of the Balmer Bay area would continue to have access to Deep River via the Mattawa Road, which the FOA will re-route around the N-1 facility site.

5.9 Monitoring of the Facility (Performance)

Monitoring of construction ends when the last cell of the cavern facility is filled and sealed. The access tunnel and above-ground works will remain available for service while the facility's performance is being monitored.

Unlike the construction and waste placement phases, which involve large-scale transportation and development activities, the post-construction/pre-closure phase is largely passive. During this period, the disposal facility will be monitored by the FOA and regulators to ensure it is performing as predicted. Given sufficient monitoring evidence of the facility's ability to isolate the wastes, the facility could then be closed permanently and the above-ground structures removed. While the duration of this performance monitoring is unknown, it is estimated to last a decade or more.

5.9.1 Performance Monitoring

The FOA must report the results of its performance monitoring program to Council annually, unless Council requests less frequent reporting. Copies of the FOA's regulatory submissions to and replies from the AECB, regarding monitoring information and containment performance, must also be tabled promptly with Council.

5.9.2 Performance Monitoring Audits

Council has the right to retain an accredited engineering consultant to audit performance monitoring data and results. The cost of such consultants will be borne by the federal government to a maximum of \$25,000 annually, indexed to the relevant Consumer Price Index published by Statistics Canada. The FOA will, on 60 days' notice from the Town, make all of its performance monitoring data and reports available for such an audit.

5.10 Closure of the Facility

At the time any licence application seeking AECB permission to permanently close the facility is made, the FOA will submit to the municipality a copy of such application. Performance monitoring of the facility as set out above will continue following closure until such time it is mutually agreed by the federal government and the Town that it is no longer required. The parties may agree to reduce the frequency of monitoring activities.

6 Remediation

Remediation measures are taken to compensate individuals or organizations for negative effects that cannot be avoided or satisfactorily reduced through mitigation. Financial remediation is based on the costs incurred or revenues lost as a result of the proposed project, while non-financial remediation may be appropriate when it is difficult to quantify the cost or where a barter-like offset seems more appropriate.

Council has identified a number of situations that may require remediation, and the need for an organization to adjudicate claims and disputes.

6.1 Claims Resolution Committee

A Claims Resolution Committee (CRC) will be established to:

- a. adjudicate small claims;
- b. arbitrate claims under the Property Value Protection Program; and,
- c. resolve disputes arising under the successor contract to this CAP by a variety of means, including arbitration if necessary.

The CRC will consist of one person appointed by the municipality for the term of the appointing Council, and one federal appointee, who will jointly select a third member. The Committee will draft an annual budget in consultation with the Town and the federal government, and the federal government will fund the approved budget.

6.2 Complaints and Small Claims

Construction of the disposal facility and emplacement of the historic LLRW involves a prolonged period of industrial and

transportation activity. While most of this activity will be confined to the CRL lands, thereby reducing community disruptions, the effects of this activity may cause concern among residents from time to time. Therefore, procedures are needed for residents to register specific complaints, to request the FOA to modify operations and to claim remediation (financial or otherwise) that offsets a demonstrable negative effect.

6.2.1 Complaints

The FOA will dedicate one telephone line and one fax line for receiving complaints 24 hours a day, seven days a week. Complaints will be recorded on paper/computer and reviewed daily, responded to verbally within three days and replied to in writing with a proposed resolution as soon as possible but not later than 30 days thereafter, unless circumstances require a longer period. The FOA will keep a log of complaints and responses, summarizing them and reporting any unresolved complaints within 15 days following each calendar quarter to the Project Monitoring Committee (PMC). The FOA will respond to emergency complaints such as contaminated water supply within 24 hours. (See Section 5.1)

6.2.2 Small Claims

Any person residing in or carrying on a registered business in Deep River or on property bordering the southeastern corner of the CRL lands but north of Highway 17 may file a small claim (up to \$5,000 or the current Ontario Small Claims Court limit) to compensate for any damages, loss or injury that can be reasonably attributed to construction of the facility and transportation or placement of the wastes.

The settlement of small claims will provide residents with prompt relief from a demonstrable negative effect. However, such a process should not, and is not intended to, preclude a resident's access to normal legal procedures.

6.2.3 Small Claims Adjudication

Small claims will be adjudicated by the Claims Resolution Committee appointed as set out above. Criteria for the settlement of claims will be developed by the CRC in consultation with the federal government and the Town.

Claims and supporting evidence/documentation will be submitted to the FOA and one copy of the submission filed by the claimant with the CRC. Unresolved claims will be investigated by the CRC (with independent consultants, if necessary). A decision must be made within 90 days of the filing of the small claim.

Where a small claim is upheld, the CRC may also award the claimant his or her reasonable fees and out-of-pocket costs incurred in asserting the claim, to a maximum of \$1,000. The CRC will develop operating procedures, which will address (among other things) how to preclude frivolous or vexatious claims.

6.3 Property Value Protection

The aim of the property value protection program is to ensure that residents maintain and/or realize the equity in their property to the same extent as if the facility did not exist.

6.3.1 The FOA will establish a Real Property Value Protection Program (PVPP).

**AN AGREEMENT FOR THE CLEANUP
AND THE LONG-TERM SAFE MANAGEMENT OF
LOW-LEVEL RADIOACTIVE WASTE
SITUATE IN THE TOWN OF PORT HOPE , THE TOWNSHIP OF HOPE
and THE MUNICIPALITY OF CLARINGTON**

AMONG

THE CORPORATION OF THE TOWN OF PORT HOPE,
A Municipal corporation pursuant to the Ontario Municipal Act
(hereinafter referred to as "the Town of Port Hope")

OF THE FIRST PART

THE CORPORATION OF THE TOWNSHIP OF HOPE,
A Municipal corporation pursuant to the Ontario Municipal Act
(hereinafter referred to as "the Township of Hope")

OF THE SECOND PART

THE CORPORATION OF THE MUNICIPALITY OF CLARINGTON,
A Municipal corporation pursuant to the Ontario Municipal Act
(hereinafter referred to as "Clarington")

OF THE THIRD PART

AND

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
as represented by the Minister of Natural Resources
(hereinafter referred to as "Canada")

OF THE FOURTH PART

ARTICLE 8
PROPERTY VALUE PROTECTION PROGRAM

8.1 The efforts to manage the Wastes as provided for in this Agreement creates a risk of bringing about some financial disadvantage, on an interim basis, to property owners in the communities, especially those property owners in close proximity to the proposed Facilities.

8.2 The Parties are desirous of trying to mitigate certain interim economic effects for the period from the signing of the Agreement through to the time at which the new waste management Facilities are in a state of long-term surveillance, and consider such costs to be part of the cost of the Project.

8.3 They are desirous of putting an equitable scheme in place, referred to by the Parties as a "Property Value Protection Program" (PVP Program), which would provide compensation or "Property Value Protection" (PVP) to property owners especially in regard to any diminution of property values and the effect that such diminution may have on mortgage renewals or the sale of the property.

8.4 Consequently, Canada will consult with the Municipalities and will develop an optional PVP Program to protect property owners which will reflect the following principles:

1. the PVP Program will be established as soon as possible and not later than six months after the signature of this Agreement.
2. the PVP Program will compensate property owners in each of the three Municipalities for financial losses sustained by those property owners as a result of this Project and relating to: a) any diminution of property value realized on the sale of property; b) loss of rental income; and, c) mortgage renewal difficulty.
3. PVP Program will continue in each Municipality until two years after the date that the relevant Facility in that Municipality reaches a long-term state of surveillance and monitoring.
4. the geographic area covered by the PVP Program is defined in Schedule 4 to this Agreement.
5. property owners must prove a diminution of their property values from the day before the relevant day in 11 below.

6. in the case of a sale of the property, Canada may refuse to pay compensation and offer to purchase the property at its undiminished fair market value.
7. Canada in consultation with each Municipality shall appoint one or more independent qualified persons who regularly reside or conduct their business or profession in one of the three Municipalities as Compensation Officers whose services will be paid for by Canada.
8. claims for compensation must be made in writing to Canada and address the factor or factors which are relevant to the claim and include the relevant day for establishing fair market value.
9. claims must be filed at the office of the FOA in one of the three Municipalities and a copy of the claim provided forthwith to the Compensation Officer.
10. all claims for compensation must be accompanied by a letter or written report of a qualified local realtor or appraiser.
11. in establishing diminution of property value, the property owner must first prove the fair market value of the property on a relevant day such as any of the following days:
 - (a) October 5, 2000
 - (b) the day before the date of Canada's signature of this Agreement;
 - (c) the day before the earliest relevant environmental determination or regulatory approval for the Facility;
 - (d) the day before the announcement of the making of an application to the CNSC for a construction licence for the relevant Facility;
 - (e) the day before the commencement of construction of a particular Facility; or
 - (f) the day before the commencement of implementation of a particular Element of the Project.
12. all claims will be processed as quickly as possible.
13. claims relating to the sale of residential units or mortgage renewals will be dealt with on an expedited basis such that within 15 business days of the

filing of the claim, Canada shall endeavour to file a notice with the Compensation Officer either accepting the Claim or objecting to it.

14. if the expedited claim is accepted, Canada shall either pay the amount claimed to the property owner within 30 calendar days following the giving of the claim in exchange for a release executed by the property owner or shall deliver to the property owner an executed offer to purchase the property for its undiminished fair market value.
15. where a claim for property value protection is made in respect of a property for which compensation has been paid previously there will be no double recovery and any subsequent compensation will take into account any amount previously paid.
16. if the claim is objected to, a Compensation Officer shall arrange a meeting of the claimant and Canada to mediate, if possible, a resolution of all issues in a written agreement.
17. in the case of an expedited claim, the mediation meeting shall be held within 30 calendar days following the giving of the claim to Canada.
18. if mediation results in agreement, Canada shall pay the amount of compensation set out in the agreement to the claimant within 15 business days following the date of the agreement.
19. if mediation does not result in an agreement, a Compensation Officer shall act as a single arbitrator and determine all issues in accordance with appropriate standards and rules.
20. if the arbitrator awards compensation to the claimant, Canada shall pay that amount to the claimant within 15 calendar days following the date of the award.
21. the costs of mediation and arbitration including the reasonable costs of the property owner, shall be paid by Canada unless the mediator or arbitrator decides that the claimant's position was unreasonable.
22. with the consent of the claimant and Canada, a Compensation Officer who acts as mediator may act as an arbitrator of the issues between the parties.
23. if compensation is paid pursuant to a mediated agreement or an arbitration award, the payment by Canada shall be made in exchange for an executed release with respect to the subject claim from the claimant.

24. if Canada elects to purchase the property of a claimant, similar procedures shall apply in respect of the determination of the fair market value of the property in question which shall be the price to be paid by Canada for the property.

ARTICLE 9
PROTECTION FOR DIMINISHED MUNICIPAL TAX REVENUE

9.1 The efforts to manage Wastes as provided for in this Agreement also creates a risk of bringing about some financial disadvantage, on an interim basis, to the three Municipalities, in that if assessed property values are reduced, the Municipalities' tax revenues associated with affected properties could be diminished.

9.2 For the period from the date of Canada's signature of this Agreement until one year following the date upon which a Facility is licenced for long-term surveillance and monitoring, Canada will provide compensation to the Municipalities to mitigate against diminished property tax revenues as a result of the reduction of the assessed value of properties caused by the Project, or any Element thereof.

9.3 A Municipality may claim compensation and in so doing shall clearly demonstrate to Canada:

- (a) property within the Municipality has been reassessed for tax purposes and the reassessment has resulted in a reduction in the property taxes paid to the Municipality by the owners; and
- (b) the reduction in the assessment results from the Project, or any Element thereof.

9.4 The Parties agree that the maximum amount of compensation that Canada may be required to pay to a Municipality pursuant to this Article for any one year is limited as follows:

Town of Port Hope	\$50,000.00
Township of Hope	\$15,000.00
Clarington	\$5,000.00

9.5 For greater certainty, claims shall be restricted to the year to which the assessment reduction relates.

SCHEDULE 5

**MAP OF THE AREA OF APPLICATION
OF THE PROPERTY VALUE PROTECTION PROGRAM**

NOTE... THE AGREED MAP OF THE AREA OF APPLICATION OF THE
PROPERTY VALUE PROTECTION PLAN WITH THE ABOVE HEADING AND
SCHEDULE NUMBER IS TO BE INSERTED IN PLACE OF THIS PAGE.

SCHEDULE 6

PART A

TERMS OF MEDIATION

Notice: If a dispute relating to this Agreement arises and the Parties do not resolve some or all of that dispute through negotiation, then either party to the dispute may promptly submit to the other Party(ies) a notice of intent to mediate. This notice shall be in writing and shall specify the issues in dispute.

Selection of Mediator: The parties agree to mutually select a mediator. If the Parties cannot agree on the choice of mediator within 60 days from the date of the notice of intent to mediate, then a mediator will be chosen, upon application by the Parties, by the Arbitration and Mediation Institute of Canada.

Location: The mediation shall be held at Port Hope, Ontario

Exchange of information: The Parties agree to an exchange of all information upon which they intend to rely in any oral or written presentation during the mediation. This exchange shall be complete no later than ten (10) days prior to the date set for the mediation.

Costs: The Parties agree that they will each be responsible for the costs of their own legal counsel and personal travel. Fees and expenses of the mediator and all administrative costs of the mediation, such as the cost of the mediation room, if any, shall be borne equally by the Parties.

Schedule: The Parties shall jointly select a date for the mediation that is no later than 90 days from the date of the notice of intent to mediate.

Confidentiality: All information exchanged during this entire procedure shall be regarded as "without prejudice" communications for the purpose of settlement negotiations and shall be treated as confidential by the Parties and their representatives, unless otherwise required by law. However, evidence that is independently admissible or discoverable shall not be rendered inadmissible or non-discoverable by virtue of its use during the mediation.

Caucusing: The mediator is free to caucus with the Parties individually, as he sees fit to improve the chances of a mediated settlement. Any confidential information revealed to the mediator by one party during such caucusing may only be disclosed to the other Party(ies) with the former Party's express permission.

Prohibition against Future Assistance: Unless otherwise agreed by the Parties, it is agreed that the mediator will neither represent nor testify on behalf of any of the Parties in any subsequent legal proceeding between the Parties or where they are opposed in interest. It is further agreed that the personal notes and written opinions of the mediator made in relation to this mediation are confidential and may not be used in any subsequent proceeding between the Parties or where they are opposed in interest.

Termination: Any Party may terminate the mediation at any time.

Mediator's Report: In the event that no agreement is reached, or is reached on some issues only, the mediator shall promptly provide a report to the Parties stating only that no agreement was reached on some or all of the outstanding issues. Provided further that if the mediator determines that a Party's position was unreasonable, the mediator may include in the Report, an award of an amount for the other Party's reasonable costs.

No New Steps: During the course of the mediation, the Parties agree to take no new steps in any legal action between them which concerns the same matter as is the subject of this mediation.

PART B

TERMS OF ARBITRATION

Notice: The Party requesting arbitration shall do so by written notice to the other Party(ies).

Commencement of the Proceedings: The arbitral proceeding commences on the date of receipt of the notice to arbitrate the dispute.

Selection of Arbitrator: The Parties agree to mutually select an arbitrator. If the Parties cannot agree on the choice of arbitrator within 60 days from the date of commencement of the proceedings, then an arbitrator will be chosen, upon application by the Parties, by the Arbitration and Mediation Institute of Canada. The arbitrator will be chosen, upon application by the Parties, by the Arbitration and Mediation Institute of Canada.

Location: The arbitration shall take place at Port Hope, Ontario.

Costs: The Parties agree that they will each be responsible for the costs of their own legal counsel and other costs incurred in preparing each party's case for arbitration. The administrative costs of the arbitration, such as the expenses and fees for the arbitrator, the cost of the hearing room, if any, shall be borne equally by the Parties. Provided that if the arbitrator determines that a Party's position was unreasonable, the arbitrator may include in the Arbitral Award an amount for the other Party's reasonable costs.

Statement of Claim: Within 30 days of the selection of the arbitrator(s), the claimant shall submit a statement of claim to the arbitrator(s) and other party(ies) containing a written statement of facts, issues in dispute and remedies sought.

Statement of Defence: Within 30 days following the receipt of the statement of claim, the respondent(s) shall submit a written statement of defence to the arbitrator(s) and claimant.

Hearing Date: The Parties shall jointly select a date for the hearing that is no later than 60 days from the date following the submission of the respondent's statement of defence.

Exchange of Information: Each party shall deliver to the other party(ies) and to the arbitrator(s) no later than 10 days prior to the date set for a hearing, a copy of all documents and other materials on which the party intends to rely during the arbitral hearing.

Arbitral Award: The arbitrator(s) shall make every reasonable effort consistent with article 18 of the Commercial Arbitration Code to complete the proceedings and render the award within six months of the commencement date. The arbitral award shall be in writing and include reasons for the decisions.

Governing Law Clause: The arbitrator(s) shall resolve this dispute in accordance with the laws of Ontario.

Judgment: Judgment upon any arbitral award rendered may be entered in any court having jurisdiction thereof.

Prohibition against Future Assistance: It is agreed that the arbitrator(s) will neither represent nor testify on behalf of any of the Parties in any subsequent proceeding between the Parties or where they are opposed in interest. It is further agreed that the personal notes and written opinions of the arbitrator(s) made in relation to this arbitration are confidential and may not be used in any subsequent proceeding between the Parties, or where they are opposed in interest.



Webpage: www.kincardine.net

Municipality of Kincardine
Municipal Administration Centre
1475 Concession 5, R.R.#5
KINCARDINE, Ontario N2Z 2X6
Phone: 519 396-3468
Fax: 519 396-8288

File #A01

April 7, 2004

Secretariat
Canadian Nuclear Safety Commission
280 Slater St.
P.O. Box 1046
Ottawa, ON
K1P 5S9

Attention: Mrs. Linda Keen
Chairperson of the CNSC

**Subject: Canadian Nuclear Safety Commission review of a proposal by
Ontario Power Generation to build additional low level storage
buildings at the Western Waste Management Facility**

Dear Mrs. Keen:

Currently Ontario Power Generation is proposing to build three additional interim low level waste storage buildings at the Western Waste Management facility. It is my understanding that these new buildings will be used to store low level waste that originated from both Bruce Power and the Ontario Power Generation Nuclear facilities in Ontario.

These new facilities are consistent with OPG's long term plans for the interim management of low level waste.

It is in the context of "interim management" (i.e. three proposal buildings) that I wish to take this opportunity to update the CNSC with respect to the ongoing L.L.W. Memorandum of Understanding that was entered into between OPG and the Municipality of Kincardine.

Both parties have held true to the intent of the MOU, we have met on a monthly basis, most recently completing an Independent Assessment Study report outlining options for the long term care of the low and intermediate waste products. (copy provided)

.../2

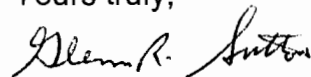
Page #2
Mrs. Linda Keen
April 7, 2004

It is the professional attitude exhibited by OPG, and their commitment to engage the municipality and public in discussions about the potential of a permanently sited facility in Kincardine, that has solidified my views.

Therefore on the basis of the substance of the MOU discussions with OPG, I can clearly state that the Municipality supports their application for more L.L.W. buildings to support the interim management of nuclear waste material.

I thank you for the opportunity to comment on this applicant by Ontario Power Generation.

Yours truly,



Mayor Glenn R. Sutton
Municipality of Kincardine

.attach

Canadian Nuclear Safety
Commission

Secretariat



Commission canadienne de
sûreté nucléaire

Secrétariat

Fax : (519) 396-8288

File 1-8-4

April 30, 2004

Mayor Glenn R. Sutton
Municipality of Kincardine
Municipal Administration Centre
1475 Concession 5, R.R. 5
Kincardine, Ontario
N2Z 2X6

Re: Municipality of Kincardine's Correspondence of April 7, 2004

Dear Mayor Sutton:

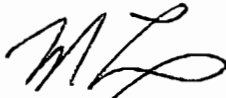
Thank you for your letter dated April 7, 2004 addressed to Ms. Linda Keen, President and CEO of the Canadian Nuclear Safety Commission (CNSC), informing the CNSC about the ongoing Low Level Waste Memorandum of Understanding between Ontario Power Generation (OPG) and the Municipality of Kincardine. The President has asked me to respond to your letter on her behalf.

The proposal by OPG to build additional low level waste storage buildings at the Western Waste Management Facility is a matter being handled by a CNSC staff Designated Officer. This matter is not scheduled to come before the Commission.

Therefore, I have forwarded your correspondence to Mr. Barclay Howden, Director General, Directorate of Nuclear Cycle and Facilities Regulation who is the Designated Officer responsible for this matter. I have also sent a copy of your correspondence to Mr. Guy Riverin, CNSC's Environmental Assessment Specialist, so that he may include your comments in the Environmental Assessment currently being conducted on this project.

..2/

Thank you for your interest in this matter. If you require further information, please do not hesitate to communicate with me at (613)995-6506.



Marc Leblanc
Commission Secretary

c.c.: Barclay Howden
Guy Riverin

Canadian Nuclear Safety
Commission

Secretariat

Commission canadienne de
sûreté nucléaire

Secrétariat

Fax : (519) 396-8288

1-8-4

Mr. Howard Ribey
Chair, South Bruce Impact Advisory Committee
1475 Concession 5, R.R. 5
Kincardine, Ontario
N2Z 2X6

Re: South Bruce Impact Advisory Committee Correspondence of April 21, 2004

Dear Mr. Ribey:

Thank you for your letter received on April 21, 2004 informing the CNSC about your support for the application by Ontario Power Generation (OPG) to construct additional low level waste storage buildings at the Western Waste Management Facility. The proposal by OPG is a matter being handled by the CNSC staff Designated Officer. This matter is not scheduled to come before the Commission.

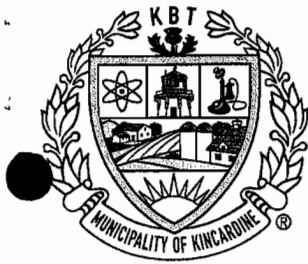
Therefore, I have forwarded your correspondence to Mr. Barclay Howden, Director General, Directorate of Nuclear Cycle and Facilities Regulation, who is the Designated Officer responsible for this matter. I have also sent a copy of your correspondence to Mr. Guy Riverin, CNSC's Environmental Assessment Specialist, in order that your comments may be included in the Environmental Assessment currently under way on this project.

Thank you for your interest in this matter. If you require further information, please do not hesitate to communicate with me at (613)995-6506.

A handwritten signature in black ink, appearing to be "ML", with a stylized flourish at the end.

Marc Leblanc
Commission Secretary

c.c.: B. Howden
G. Riverin



Webpage: www.kincardine.net

Municipality of Kincardine
Municipal Administration Centre
1475 Concession 5, R.R.#5
KINCARDINE, Ontario N2Z 2X6
Phone: 519 396-3468
Fax: 519 396-8288

April 23, 2004

Municipality of Kincardine

NWSC

Final Position

A. Offsets & Benefits Package

1. Lump Sum

\$15 million

- trust fund, interest paid to Municipalities
- L.S. payable to Municipalities at conclusion of EA & CNSC approvals

\$2 million

- up front, payable at successful referendum
- to be used for hospital & other project by the Municipality of Kincardine
- Non refundable

2. Annual Payments (to Municipalities)

\$1.25 million

- Payable from successful referendum

3. Kincardine Expenses (Legal & other administrative costs)

All costs from '02 onwards to be paid and then on a yearly basis.


4. Please note that all financial values are in 2004 dollars and will be indexed into the future.

5. Head office nuclear waste management division jobs to be moved to Kincardine.

6. Municipality wishes to be involved in the assessment/taxation policy discussions with MPAC, Province & OPG. (regarding the Deep Rock Vault facility)

7. In the final agreement (based on the Port Hope agreement) we wish to include the following concepts:
 - new build generation units (waste) are to be negotiated
 - decommissioning waste are to be negotiated
 - terms & definitions etc., to be detailed in the agreement
8. Property Value Protection Program to be included.
9. Support for a "Centre of Excellence" proposal in Kincardine.
10. % Sharing Schedule (for Municipalities)

Kincardine = 58%
Saugeen Shores = 25%
Huron-Kinloss = 8%
Arran-Elderslie = 4.5%
Brockton = 4.5%
11. If OPG wishes inclusion of First Nations, it will be at OPG's own initiative.



Mayor Glenn R. Sutton

April 23, 2004

Municipality of Kincardine

NWSC

Position

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Mayor Glenn R. Sutton

Nuclear Waste Steering Committee

AGENDA

Friday, April 23, 2004
12:00 noon – M.A.C.

PRESENT:

Mayor Glenn Sutton
Deputy Mayor Sandy Donald
Councillor Howard Ribey
Councillor Barry Schmidt
CAO John deRosenroll

1.0 CALL TO ORDER

2.0 DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

<u>Name</u>	<u>Item of Business</u>	<u>Nature of Interest</u>
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3.0 DELEGATIONS

4.0 ADOPTION OF MINUTES OF APRIL 2, 2004 MEETING

2004 - Moved by:

Seconded by:

That the minutes of the meeting of April 2, 2004 be adopted as printed.

5.0 BUSINESS ARISING FROM PREVIOUS MINUTES

6.0 NEW BUSINESS

7.0 CLOSED SESSION, IF REQUIRED

2004 - Moved by:

Seconded by:

That we now move into closed session to discuss matters pertaining to protection of property

Agenda– Nuclear Waste Steering Committee –April 23, 2004

2004 -

Moved by:

Seconded by:

That we now agree to move out of closed session and return to the regular meeting.

8.0 **ADJOURNMENT**

2004 -

Moved by:

Seconded by:

That the Nuclear Waste Steering Committee adjourns to meet at the OPG/Kincardine meeting to be held Monday, April 26, 2004 at 9:00 a.m. in Hockley Valley.