



Minutes: Board of Directors Meeting #7 December 10-11, 2014

LOCATION:

Prism Room, 2nd floor, Matrix Hotel, 10640 100 Ave NW, Edmonton, AB

MEMBERS PRESENT:

Dr. Lorne Taylor, Chair; Dr. Gregory Taylor (via Skype); Mike Beaver; Sheila Leggett; Patricia McCunn-Miller (day 2);
Dr. Robert Page, Arlin Hackman, Jay Nagendran, CEO

RECORDING SECRETARY: Kelly Ness

STAFF:

George Murphy, Lead, Governance and HR; Val Mellesmoen, Communications; Avy Wolf, Human Resources; Prasad Valupadas, Evaluation and Reporting; Morna Hussey, Field Monitoring; Bonnie Nelson, Science Advisory Panel

Day 1 – Special meeting on oil sands monitoring 2015/16 work plan

1. Welcome and Call to Order

1.1 Chair's opening remarks – Lorne Taylor

Lorne Taylor called the meeting to order at 8:30am and Kelly Ness recorded the minutes. A quorum of directors was present.

3. Board Business

The board heard a summary of the principles and criteria used to include projects in the proposed work plans for oil sands monitoring for 2015/16. The board also heard an overview of the proposed work plan and budget for each Component Advisory Committee and for the cross-cutting elements. The total budget as presented to the board is \$53 million including GST.

While the *Joint Canada-Alberta Implementation Plan for Oil Sands Monitoring (JOSM)* agreement expires on March 31, 2015, Environment Canada has continued to co-lead the development of the proposed work plans for 15/16 as they assert that their co-chair role to the end of March 2015 includes development of the work plans. However, Environment Canada recognizes the AEMERA board's role in making the final decision on the 2015/16 oil sands monitoring work plan as the budget money will be under AEMERA's control.

The board is keenly interested in ensuring that the monitoring is designed to answer priority questions of interest, including questions relevant to First Nations and Metis, and that there is timely analysis of the data and reporting on results. The board directed that the total budget for oil sands monitoring, including GST, must not exceed \$50 million and referred the item to the Finance and Audit Committee to review at its meeting the afternoon of December 10th.

Actions:

- *Finance and Audit Committee to review the revised 2015-16 oil sands monitoring work plans and budget and make recommendations to the board regarding its approval.*
- *CEO to meet with Mike Beaver to explore AEMERA's approach with regard to aboriginal participation and incorporating traditional knowledge into AEMERA's monitoring, as well as to discuss potential for a pilot project.*

Day 2 –Board Meeting

1. Welcome and Call to Order

1.1 Chair's opening remarks – Lorne Taylor

Lorne Taylor called the meeting to order at 8:30am and Kelly Ness recorded the minutes. A quorum of directors was present.

1.3 Approval of agenda and minutes

Resolution 33/14: Bob Page moved that the agenda be accepted as presented. Sheila Leggett seconded. Motion CARRIED.

Resolution 34/14: Arlin Hackman moved that the minutes be accepted presented. Sheila Leggett seconded. Motion CARRIED.

2. Reports and Information

2.2 Report from CEO – Jay Nagendran

The Board heard an update on discussions between the CEO and Environment Canada on a relationship after the current JOSM agreement expires on March 31, 2015. AEMERA values the participation of Environment Canada scientists, however, does not see a joint governance approach as appropriate given AEMERA's mandate to operate at arm's length from government. A meeting is being arranged between AEMERA's CEO, the Deputy Minister of Environment and Sustainable Resource Development and the Deputy Minister of Environment Canada for the end of January to discuss a future relationship.

The board also heard an update with regard to a review of Agencies, Boards and Commissions currently underway. AEMERA has been chosen to be reviewed as part of the second stage, along with the Natural Resources Conservation Board, Alberta Utilities Commission, Climate Change and Emissions Management Corporation and the Alberta Energy Regulator. Staff have prepared a package of background documents, which were discussed by the Governance and Human Resources Committee. The Review Committee has indicated that they will meet with the Chair and CEO, likely in January.

The Board provided direction that the Chief Scientist and the Chief Monitoring Officer should provide the Board with a proposal regarding AEMERA's relationships with monitoring organizations to guide discussions with individual organizations regarding ongoing relationships.

2.3 Report from Finance and Audit Committee – Bob Page

The Board heard a report from the committee meeting, held the afternoon of December 10th.

The Finance and Audit Committee reviewed the OSM proposed \$53.6 M budget and work plan for 2015-16, and as a result of this review the Finance and Audit Committee is recommending that the Board not approve the budget as presented.

The Committee is further recommending that the 2015-16 oil sands monitoring budget should not exceed \$50 million including GST. The budget and its allocation should be determined through a priority setting process that, in addition to the core evaluation criteria, the key questions from the JOSM implementation plan, and the requirements and commitments in regional plans, assesses whether potential projects:

- support the Board's strategic goals, particularly cumulative effects
- incorporate input received regarding geographic expansion to the entire oil sands area
- have provided timely reports from the previous years' monitoring
- support continued integration and alignment across media

Actions:

- *CEO to work with the leads of the Component Advisory Committees and will prepare revised work plans and budget.*
- *CEO to arrange conference calls for the Finance and Audit Committee and the Board for the week of December 15th to consider the revised work plans and budget.*

Resolution 35/14: Bob Page moved that the Board not approve the \$53.6 M 2015-16 oil sands budget as presented. Sheila Leggett seconded. Motion CARRIED

Resolution 36/14: Bob Page moved that the oil sands monitoring budget for 2015-16 should not exceed \$50 million including GST. The budget and its allocation should be determined through a priority setting process that, in addition to the core evaluation

criteria, the key questions from the JOSM implementation plan and the requirements and commitments in regional plans, assesses whether potential projects:

- support the Board's strategic goals, particularly cumulative effects
- incorporate input received regarding geographic expansion to the entire oil sands area
- have provided timely reports from the previous years' monitoring
- support continued integration and alignment across media

Arlin Hackman seconded. Motion CARRIED.

At its meeting on December 10th, the Finance and Audit Committee also reviewed a proposed Enterprise Risk Management policy for AEMERA and is recommending adoption of the policy as amended.

Resolution 37/14: Bob Page moved that the Board approve the interim Enterprise Risk Management policy as amended. This interim policy will be reviewed with the other governance documents at the governance workshop in the New Year. Arlin Hackman seconded. Motion CARRIED.

2.4 Report from Governance and Human Resources Committee – Gregory Taylor

Jay Nagendran recused himself. The Board heard an update on CEO recruitment. The CEO Search Committee is working with Conroy Ross, to continue to explore requirements for AEMERA's CEO. It has been recommended that AEMERA focus on a person carrying a Canadian Passport to avoid a lengthy immigration process.

Jay Nagendran rejoined the meeting and staff, aside from Kelly Ness and George Murphy, left the room. The Board heard an update on the recruitments for the Vice Presidents. The Science recruitment is almost complete. A number of candidates have been screened for the Monitoring V-P. For the remaining two V-P positions, a Request for Proposals has been issued, proposals have been received and five have been shortlisted. Staff rejoined the meeting.

At its meeting on December 10th, the committee discussed approval of a number of governance documents. In recognition that the Board will be reviewing its governance at a workshop in the New Year, the committee is recommending that the Board approve the remaining governance documents as "interim".

Resolution 38/14: Gregory Taylor moved that the Board approve the following documents as interim guidance pending completion of a governance review: Bylaws, Code of Conduct, Governance and HR Committee Terms of Reference, Finance and Audit Committee Terms of Reference, and Disclosure of Wrongdoing (Whistleblower) Policy.

Actions:

- *CEO to work with Patti McCunn-Miller to confirm Framework Partners' availability to facilitate a governance workshop.*

5. Strategic Planning

5.1 Review of Strategic Plan and Business Plan– Jay Nagendran

The board discussed the draft strategic plan and draft business plan. Performance measures will be included in the next draft

3. Board Business

3.5 Science Advisory Panel

The Board heard the final list of names for the Science Advisory Panel that had been recommended and agreed to by the CEO. While the Chief Scientist will determine the exact timing and agenda for the first meeting, the Board would like input on the issues/questions put before the panel. The Board will be invited to observe the SAP discussions and a dinner will be organized for board and panel members to have informal discussion.

Actions:

- *CEO to share the communications plan, including questions and answers, with the board before the announcement of the panel.*

3.6 Report from meeting with WBEA – Lorne Taylor

No specific follow up items identified.

3.7 Confirm proposed meeting schedule 2015 – Kelly Ness

The board provided the following direction on 2015 meeting dates:

- Conference call third week of January 2015
- February 23, 2015 –Governance workshop and concurrent committee meetings – half day each. Edmonton
- February 24, 2015 – Board meeting, Edmonton.
- February 24-25 –Oil Sands Science Forum. Edmonton.
- March 31-April 1, 2015 in Edmonton with a dinner with the AER board on evening of March 30, 2015
- May 21-22, 2015, Calgary – perhaps a stakeholder event in the evening
- June meeting in Medicine Hat – dates to be confirmed
- No meetings July and August
- September in Wabasca – dates to be confirmed
- November 17-18, 2015, location TBD
- No meeting December 2015 or January 2016

4. Communications

4.1 Communications Update Val - Mellesmoen

The Board heard an update on internal and external communications activities. The board discussed the draft JOSM annual report and recommended changes to ensure that AEMERA's communications are neutral and directed that in future the board have a longer opportunity to review the report before its release.

In Camera Session

2:30 PM MEETING ADJOURNED