

FINAL MEETING SUMMARY

HANFORD ADVISORY BOARD
BUDGETS AND CONTRACTS – JOINT COMMITTEE MEETING
May 7, 2013
Richland, WA

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This is only a summary of issues and actions in this meeting. It may not fully represent the ideas discussed or opinions given. Examination of this document cannot equal or replace attendance and public participation.

Opening

Jerry Peltier, Budgets and Contracts Committee (BCC) chair, welcomed the committee and introductions were made. Approval of the April BCC/Joint meeting summary was delayed because of the short turn-around time between the April and May meetings. For the past three months, summaries have been going through initial review by agency representatives and committee leadership to review any technical information before being sent to the entire committee. In the future, summaries will be sent directly to committee.

Lifecycle Scope, Schedule, and Cost Report Draft Advice*

Issue Manager introduction

Jerry, Issue Manger (IM) for the Lifecycle Scope, Schedule, and Cost (LSSC) Report, provided a handout of the draft advice (Attachment 2). He noted that committee members received this draft advice through email and the highlighting indicates changes made since the April BCC/Joint meeting. Jerry said that

* Please see Attachment 1 – Transcribed Flip Chart Notes for key points/follow up actions recorded during the committee discussion.

since this advice is based on a specific document with the goal to help the U.S. Department of Energy (DOE) improve the next iteration, advice points are more specific than the Hanford Advisory Board's (HAB or Board), usual policy-level advice. Comments submitted to DOE by the State of Oregon were added to the draft advice with some minor wording revisions. The committee should consider whether they would like to include these points. Jerry noted that the draft advice reflects changes received during a BCC call on April 16 as well as additional changes he made after the call.

Agency perspectives

Melinda Brown, Washington State Department of Ecology (Ecology), said Ecology has reviewed the draft advice carefully and has some specific comments. The second advice point regarding consideration of reduced funding levels is inconsistent with the wording of the milestone. The LSSC Report is required to present information for a fully compliant budget without consideration of alternate funding scenarios. Ecology is also concerned about the ninth advice point that recommends the inclusion of Records of Decision (RODs) designating the Hanford Site for disposal of off-site waste. Ecology is opposed to the Hanford Site accepting any off-site waste and this advice point appears to read that Hanford would consider taking off-site waste. Ecology will not reconsider the language in the Consent Decree (CD) at this time; Ecology is satisfied with the language requiring DOE to provide information on full compliance, illustrating all the work that needs to be finished to clean up the Hanford Site.

Kim Ballinger, DOE – Richland Operations Office (RL), said DOE-RL agrees with the points made by Ecology on the language regarding the milestones in the second advice point and has nothing else to add at this time.

Committee discussion

Note: This section reflects individual questions, comments, and agency responses, as well as a synthesis where there were similar questions or comments. Questions, comments, and responses were provided by HAB members unless noted otherwise.

The committee reviewed the draft advice on-screen. There were a number of changes made to the wording in order to clarify points and refine ideas. Several points were also deleted that the committee did not feel added to the advice or were too technical for Board advice. Advice points were also combined to reduce redundancy.

C. The State of Oregon (Oregon) would appreciate having another forum to voice their comments if the Board agrees to include these advice points. Oregon has already submitted their comments to DOE so they will be considered.

C. Ecology's reaction to the ninth advice point about including RODs related to off-site waste is surprising. Oregon is equally opposed to bringing off-site waste to the Hanford Site. This comment recommends including all of the RODs in Appendix C of the LSSC Report as a matter of completeness; these two national RODs regarding off-site waste are at least a major part of the dialogue at the Hanford

Site and should be included in the LSSC Report as documents that could impact cleanup of the Hanford Site. The comment does not reflect a desire for off-site waste.

C. The committee appreciates Ecology's comments about their opposition to any off-site waste coming to the Hanford Site and shares this concern. The advice could include a statement that Appendix C should include a reference to the RODs while noting that these RODs are superseded by the Tank Closure & Waste Management (TC&WM) Environmental Impact Statement (EIS), which states that serious harm would result from disposal of off-site waste at the Hanford Site.

C. This advice point is meant to recommend that DOE consider all documents that influence the financial profile of the Hanford Site. The point could be deleted since it has already been brought forward to DOE in Oregon's letter. Inclusion of these documents would not have an impact on the 2014 LSSC Report unless the Board is advising DOE to include the costs of bringing off-site waste to the Hanford Site in the analysis [the committee decided to remove the advice point].

C. Another ROD was issued this year stating that tank waste should be sent to the Waste Isolation Pilot Plant (WIPP). There is no ROD for the TC&WM EIS and the EIS supersedes all previous RODs. At a policy level, when a new EIS is issued there should be new RODs. Documents should reflect updates and either be reissued or reaffirmed when new information is available. The LSSC Report does not reflect the current status of the RODs. Whenever a new ROD is issued there should be a consideration of how that ROD impacts the current funding profile.

C. The LSSC Report is not as effective as it could be because it doesn't include the added costs of delay. The Board has issued past advice about this concern and Oregon has made comments as well but there has never been a very satisfactory answer from DOE or the regulators. It would also be useful to examine potential long term cost savings from acceleration of cleanup. The LSSC Report does not make a compelling case for what would happen if the Hanford Site cleanup is not fully funded. Budget cuts and delays have collective impacts on the cleanup.

C. There used to be an integrated baseline in the LSSC Report. That information should continue to be included because it is one of the best arguments for funding. It illustrates the savings when work is completed earlier than expected.

C. The Board included some language about adding the additional cleanup costs when work is delayed to the LSSC Report in the 2011 LSSC Report advice. DOE's response was that they would include that information in future reports, which the Board did not feel was a very satisfactory response. The Board should reiterate the concern in this advice by stating that the LSSC Report should include the added costs of delay and cost savings from acceleration. The LSSC Report should not only reflect the baseline compliance scenario.

C. The LSSC Report states that DOE should be receiving \$3 billion for Hanford Site cleanup to remain on schedule and meet compliance agreements. The Hanford cleanup budget has been approximately \$2 billion every year, which cumulates into billions of dollars worth of reduced scope. The Board

understands the LSSC Report reflects the cost to complete milestones but the LSSC Report is not reflective of funding realities.

C. [Ecology] The LSSC Report reflects all work that should be completed under Tri-Party Agency (TPA) agreements and will reflect any changes. This document describes the cost for DOE to meet all of its obligations under the current milestones. The cut-off date for inclusion in the LSSC Report is August 31 of every year; any changes made after this date would be considered in the following year's LSSC Report.

C. The At-a-Glance charts in the report are useful and could be used to illustrate different funding scenarios. The charts could show the length of time that would be required to clean up the Hanford Site if funding is \$2 billion every year. This type of analysis could provide a compelling argument for funding even though it might not fall within the purview of the LSSC Report.

C. The 2014 LSSC Report is valuable in presenting the complaint budget cleanup scenario, although it would be more valuable if it presented a truly integrated schedule with a clear end state. The end state is never clearly defined. The Rocky Flats Site made strong arguments that accelerating cleanup would lead to costs savings, and it performed well. The Hanford Site should make the same kind of argument but also needs to show strong performance that would back up the benefit of increased funding.

C. The LSSC Report is largely incomplete until the rebaselining of the Waste Treatment and Immobilization Plant (WTP) is complete. The entire LSSC Report will need to be revised once this rebaselining is complete.

R. The advice can still go forward as written. Everyone knows the rebaselining is in process and that it could have a tremendous impact.

C. Adding advice points from Oregon's comment letter makes the advice too technical and goes beyond the Board's usual policy level. Many Board members are uncomfortable with too much detail and these points would likely not reach consensus at the full Board. It might be more beneficial to include a reference to Oregon's comments than to restate the actual points as Board advice.

C. The committee questioned Oregon's basis for stating the DOE's timeline for pump and treat is too short and unrealistic. Oregon does not feel that DOE fully explained the reasoning behind their timeline and cleanup at the Hanford Site is often far more complicated than anticipated. DOE has stated that the timeline is based on "previous experience and modeling," which Oregon believes is not enough information from which to make timeline estimates. The committee would like to better understand DOE's reasoning before stating definitively whether they believe the pump and treat timeline is realistic or not and will request that information in the advice.

R. [Ecology] The section of the LSSC Report on groundwater discusses the interim work scope and remaining schedule. Information about modeling is included and there is a note that DOE has not made final decisions. Ecology is confused as to what the Board is advising with the point on pump and treat timelines.

C. The Board has advised in the past that they do not believe the TPA schedule is realistic. The schedule included in the LSSC Report is driven by TPA dates and not an assessment of realistic schedules which limits the value of the document. No one is questioning if the TPA agreement is wrong.

The committee added the advice point from the 2011 LSSC Report advice about inclusion of different funding scenarios that reflect the costs of delayed cleanup with a preface that “the Board again advises.” The committee consented to the advice as edited, and agreed that it was ready to go out in the Board packet without additional review and comment. The committee noted there should be a larger conversation about the TC&WM EIS superseding the current RODs.

Budget Priorities Draft Advice*

Issue Manager introduction

Jerry Peltier, IM for the budget priorities advice, provided copies of the draft advice (Attachment 3). The advice was developed over the past several months during BCC/Joint meetings and further refined during the BCC/Joint Committee April call.

Agency perspectives

Melinda Brown, Ecology, said that Ecology will not participate in any system for prioritizing cleanup projects because the agency feels strongly that DOE has moral and legal obligations under the TPA and CD that must be met. The TPA agreement does not include priorities since the entire Hanford Site cleanup needs to be completed.

Committee discussion

Note: This section reflects individual questions, comments, and agency responses, as well as a synthesis where there were similar questions or comments. Questions, comments, and responses were provided by HAB members unless noted otherwise.

C. The Board shares Ecology’s concerns about prioritization. The advice does state that DOE should submit a compliant budget request for everything included in the TPA. However, some rational system of prioritization is necessary because DOE is not receiving a compliant budget. Since the TPA does not include a way to prioritize projects it is important to offer advice on how priorities can be determined when faced with a budget that will not allow all work to be funded.

C. The sentences referring to the delayed budget information should be deleted since the local DOE offices do not have control over these delays; the delays are a result of the administration. DOE has reacted fairly quickly once they are able.

* Please see Attachment 1 – Transcribed Flip Chart Notes for key points/follow up actions recorded during the committee discussion.

C. The committee should have a priority list or some other information from DOE-ORP and DOE-RL. Other sites have received information more quickly from their local offices than Hanford Site stakeholders. BCC is usually provided with a priority list along with what work is expected to be completed during the upcoming Fiscal Year (FY) and the following FYs. This information has been the basis of Board advice in the past.

R. [DOE-RL] DOE reviewed their work plan priorities during the Board Leadership Retreat and hopes to have a draft document in time for the June Board meeting. This year has been highly unusual with delayed budget information and sequestration impacts. DOE has been meeting with the regulators and the tribes to provide them with the budget information as required before sharing budget information with the public.

R. [DOE – Office of River Protection (ORP)] DOE-ORP met with Ecology and is giving them time for feedback before sharing budget information with the public. DOE-ORP has also briefed Oregon and the tribal nations. DOE is requesting priorities from the Board moving into the FY 2015 budget formulation. There are regulations that determine how and when budget information is released to the regulators and the public.

Q. Has DOE evaluated whether there are other projects that should be given a higher priority than what is included in the 2015 Vision?

R: [DOE] DOE has completed approximately 80% of the 2015 Vision. It would be disingenuous to turn away from that vision by analyzing it every year to see if the projects included are still important. The milestones are challenging and DOE is continuing work on all the priorities that have been under discussion since 2008.

C. The Board would like to understand how DOE determines clean up priorities. The prioritization process should be documented if it is not already. The Board's advice could be for DOE to share their prioritization process instead of offering an additional prioritization system.

C. The focus on priorities in this advice stems from the response to last year's budget advice. The Board advised that funding to resolve emergent issues should be identified before more serious leaks occurred. Since that time more serious leaks have been identified. The Board would like to understand if DOE-ORP is altering their priorities to respond to the urgent issues that have developed over the past year like the leaking tanks. The Board would also like to know what projects will not be receiving funding this year.

R. [DOE] DOE will be presenting information about the budget during the workshop tomorrow. DOE submits compliant budget requests, as required. The workshop will focus on the budget submitted by DOE and all the work that can be completed with that funding. DOE has a priority list for which projects would receive funding.

C. The Board has not received the typical budget information this year. BCC decided to move forward with advice on budget priorities and criteria that could be used to identify priorities. Any information received during the budget presentation tomorrow can be added to the advice.

C. Priority lists could be broken into many different levels of detail. There used to be an integrated priority list that included a great deal of detail about each project. That list has not been available in years and is now accomplished using the Analytical Building Blocks (ABBs).

R. [DOE] DOE has worked to provide enough detail that would show the scope of work as well as the impact of reduced funding.

C. This advice was written without any budget numbers; it stems from a concern about sequestration and the congressional funding process. The budget numbers reflected in the LSSC Report are likely never going to be met by Congress. The Board should advise DOE that work needs to be prioritized instead of telling DOE how to prioritize work. The methodology should be consistent with the LSSC report which is founded on the milestones in the TPA and CD.

C. The Board was satisfied with last year's DOE-RL ABBs and was able to understand the funding requirements with a general description of the work. DOE-ORP did not provide the same level of detail when illustrating costs of retrieval in C Farm or the costs of preparing retrieval in the next tank farm.

R. [DOE-ORP] DOE-ORP follows the same criteria as DOE-RL that is developed by DOE Headquarters. The granularity appears to be greater at DOE-RL because DOE-ORP shows minimum base requirements for operations, and upgrades for tank farms and other areas. The Integrated Priority List (IPL) from DOE-ORP is in accordance with the requirements. The desire for more detailed analysis can be debated.

C. The Board should reference HAB Advice #254 - Fiscal Year 2013/2014 Budget Requests. This advice remains valid and should be considered during revision of the priority list and identification of work scope for 2015. The Board should ask DOE whether they have changed priorities in accordance with the advice.

C. At the highest level, this advice seems to advocate avoiding risk to be compliant with cost and schedule. There is risk to the environment, the worker and the public. Risk can be immediate, short term or long term. The question is who is at risk and over what timeframe. The next factor for determining priorities could consider whether the action leads to compliance. There seems to be an inherent assumption on a compliance level that the TPA is perfect and accounts for every eventuality. Many components of the TPA do not capture new risks as they materialize so risk should be the most important factor. Another prioritization criterion could be whether the action is part of the critical path. The critical path is the most cost effective and efficient way to complete the cleanup. The entire cleanup schedule can be delayed if some aspect of the critical path is not followed. Since the TPA is not perfect and is based on risk it does not completely reflect the critical path.

C. The term "critical path" will confuse some Board members. The wording should be changed.

C. There is only a certain amount of discretionary funding for the Hanford Site cleanup. The advice should focus on discretionary spending. The min-safe part of the budget is relatively fixed and has already been reduced as much as possible.

C. The advice could include a point that DOE should be held accountable for meeting the milestones. In the past, the regulators would change milestones for projects without consequences for DOE when some aspect of the schedule was delayed. A project schedule can be altered without changing the milestone, showing that DOE missed the milestone. This is different than simply adjusting the schedule.

R. [DOE] There are several reasons for not meeting the milestones. There could be an error on the part of DOE that causes a delay, the funding might not be adequate to meet the milestone, or the milestone might just not be realistic because of emergent conditions or new information. All three parties sign the milestones in good faith that the work can be funded and accomplished.

R. [Ecology] Ecology is reluctant to ask a judge to change milestones since the milestones are the result of a cooperative effort. Funding is not generally considered a reason to miss a milestone.

C. The Board should not be advising the regulators to hold DOE accountable; that is not the Board's role. The Board can advise DOE to meet the milestones in good faith.

C. The Board can advise the regulators to hold DOE accountable and has offered similar advice in the past. Congressional funding could be affected if the schedule is not being met, which could be a motivating factor for cleanup.

C. DOE seems to have a prioritization system that the BCC should understand before attempting to develop their own criteria for DOE to consider. With this information, the Board could develop advice on whether they agree or disagree with the approach DOE is using to prioritize projects.

C. The advice could be helpful for DOE to rethink how cleanup projects are prioritized even when funding is not an issue. BCC would like to understand the criteria used to fund some projects while others are delayed. The advice, as written, lays out filtering criteria that all projects should meet before discriminating criteria is evaluated.

R. [DOE] DOE would like to see the criteria developed by BCC and receive Board advice on how the Board would prioritize projects at the Hanford Site using this criteria.

C. The Board prepared a white paper last year that reaffirms Board values and could be used to help DOE understand the Board's priorities. The budget advice could include a statement that the Board would like to hear how DOE prioritizes projects and reference the HAB values paper instead of laying out a new prioritization system.

C. This criteria is the result of committee focused work and is driven by what the Board feels is important work to be completed at the Hanford Site. A lot of work has been put into developing this advice and there is still a lot of work required. The advice could be revised to recommend that DOE use a criteria-based prioritization system with the Board's criteria included as an example approach. The advice could include values-based criteria that would encourage DOE to rethink prioritization. DOE could take the Board's policy levels ideas and build them into a robust structure.

C. Many of the criteria in the advice are broad enough that any project could be said to meet it. Discriminating criteria should be more specific.

C. The prioritization criteria could be presented as a concept at the June Board meeting to hear what the Board is concerned about and identify the fundamental questions. This BCC presentation could be partnered with a DOE presentation that outlines DOE's prioritization system.

R. [DOE] The public comment period on the 2015 budget ends on June 7. Advice specific to the budget would need to be received by that date.

C. The criteria in themselves are not necessarily disagreeable. However, some Board members may have questions on what exactly the criteria mean. Examples could help refine the points but there are some Board members who would prefer to not have examples.

The committee decided that the critical part of advice on the current budget should be brought to the Board in June to meet the June 7 deadline. The prioritization concept will then be further refined over the coming months and be brought back to the Board at the September meeting once BCC hears more from DOE about their prioritization strategy. There will not be enough time for a DOE presentation during the June Board meeting so BCC would like to request a DOE presentation during the August committee meeting.

The background section of the advice will need to be rewritten, since the entire framework of the advice was based on building criteria. There are still two advice points with questions that will need to be resolved during the committee call. BCC may also want to add additional advice points after DOE's budget workshop. Instead of the usual meeting after the budget workshop, BCC will hold a 90 minute committee call on Thursday, May 16 at 10:30 a.m. Susan H. will be attending the budget workshop and will bring copies of the draft advice for Board members.

Attachments

Attachment 1: Transcribed Flip Chart Notes

Attachment 2: Draft HAB Advice for the 2013-2014 Lifecycle Scope, Schedule and Cost Report

Attachment 3: Draft HAB Advice for Establishing 2014-2015 Cleanup Priorities

Attendees

HAB Members and Alternates

Richard Bloom	Mike Korenko	Gerry Pollet
Allyn Boldt	Pam Larsen	Mark Reavis (phone)
Gary Garnant	Liz Mattson	Richard Smith

Laura Hanses (phone)	Ken Niles	
Steve Hudson	Jerry Peltier	

Others

Janet Diediker, DOE-ORP	Melinda Brown, Ecology	Alex Nazarali, CTUIR
Kim Ballinger, DOE-RL		Nicole Addington, EnviroIssues
John Wagoner, DOE-RL		Susan Hayman, EnviroIssues
Jon Peschong, DOE-RL		Sharon Braswell, MSA
		Ken Moser, MSA
		Michael Turner, MSA
		Amoret Bunn, PNNL