

FINAL MEETING SUMMARY

**HANFORD ADVISORY BOARD
BUDGETS AND CONTRACTS COMMITTEE MEETING
March 11, 2008
Richland, WA**

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This is only a summary of issues and actions in this meeting. It may not represent the fullness of ideas discussed or opinions given, and should not be used as a substitute for actual public involvement or public comment on any particular topic unless specifically identified as such.

Welcome and Introductions

Gerry Pollet, Budget and Contracts Committee (BCC) chair, welcomed everyone and introductions were made. The committee approved the February meeting summary.

Department of Energy (DOE) Baselines Workshop Planning

Karen Lutz, Department of Energy – Richland Operations Office (DOE-RL), said DOE-RL received Environmental Management (EM) guidance and transmitted that to the regulators; DOE-RL’s final fiscal year (FY) 2010 budget request is due April 10th to DOE headquarters (HQ). DOE has scheduled a budget workshop on March 26th to allow time for the Hanford Advisory Board (HAB or Board) to provide input prior the final submission on April 10th. Karen said there will be further opportunities for the HAB to provide input after April 10th if the Board decides they do not wish to issue advice at this time.

Susan Leckband, Hanford Advisory Board (HAB or the Board) chair, asked if the Board will get to see DOE’s budget guidance. Karen said HQ issues guidance to the field offices which they use to create the budget. The field offices have previously shared the guidance information during previous budget workshops. Gerry clarified the concept in the guidance is shared during the workshop but not the document itself.

Gerry explained the committee’s original idea was to plan a baselines workshop that would lead to the FY10 budget workshop and then to a discussion regarding the lifecycle cost and schedule report. Gerry summarized the topics for the baseline workshop identified during the previous committee meetings; the topics were chosen because they

are representative of issues on site and tracked by the Board's technical committees. DOE-RL topics include ZP1 groundwater unit, PW 1/3/6 operable unit waste sites around PFP, pre-1970's transuranic (TRU) waste sites, SW 1&2 operable unit waste sites, deep vadose zone, and the M91 milestone for TRU retrieval and treatment facility. DOE – Office of River Protection (DOE-ORP) topics include interim pretreatment and supplemental treatment, single shell tank (SST) retrieval, and infrastructure upgrades to maintain the tanks. Steve Wiegman, DOE-ORP, suggested the infrastructure topic should also focus on infrastructure upgrades needed to feed the vitrification plant. Gerry said this suggestion should be sent this to the Tank Waste Committee (TWC) to determine if it is appropriate.

Gerry said the budget guidance Karen discussed affects the committee's previous plans for the baseline workshop. Gerry said since the March 26th meeting will cover the FY 2010 budget there will not be enough time to address all of the topics he just reviewed. Gerry said the first part of the budget workshop should address how the 2010 budget submission relates to the baseline. Gerry asked if committee members prefer to cover the site specific topics during the 2010 budget submission discussion or as a separate topic. Committee members generally felt the topics should be addressed separately. Gerry suggested selecting one topic from the ORP and one from the RL lists to address during the March 26th workshop and leave the others for the baselines workshop. Gerry asked the TWC and the River and Plateau Committee (RAP) to choose one topic to focus on during the 2010 budget discussion.

Gerry said the March 26th workshop will help focus the committee in preparation to write FY 2010 budget advice in time for the April Board meeting. BCC will then schedule a baseline workshop in April or May, and return to the Board in June with baseline and any additional budget advice. However, Gerry said the committee could decide to wait until September to submit the baselines advice because it is not time sensitive.

Fiscal Year 2010 (FY10) Budget Development

Jon Peschong, DOE-RL, said in order to create a baseline, DOE must develop a technical solution for the remediation of a certain waste site. Jon said this solution does not change with the yearly funding levels. DOE plans the work to achieve the remediation and then applies logic which helps them figure out how much it will cost. The activities can then be stretched out based on the funding profiles. Jon said if committee members want to know the technical solution chosen for a particular site they can look at the baseline or the compliance case.

Jon said DOE has not had the chance discuss the baselines with the regulators, so DOE had to make assumptions on what it would take to complete each individual waste site. Jon said he has a good idea where the assumptions DOE used may differ from how the regulators look at the appropriate remedies. In the places where the remedy might differ, DOE estimates the cost and schedule of being wrong. Jon provided an example to illustrate his point. If DOE assumed a cap for a particular waste site they also estimate

what it would take to dig it up. Jon said the schedule is estimated based on a fifty percent confidence level. He also noted because DOE understands the regulatory commitments for the cleanup they estimated the areas where they know they might be wrong at an eighty percent confidence level. Jon said these are the best judgments of the engineers and scientists working on these projects, and they are good estimates. The eighty percent confidence level evaluates what it would take to get the cleanup work done at cost and schedule considering that retrieval takes longer.

Committee Discussion

- *Why is the eighty percent confidence level the most costly?* Jon explained the fifty percent engineering means there is a fifty percent probability DOE will meet the schedule and budget; the same is true for the eighty percent level. If it costs more, DOE will have to increase the budget to meet the schedule. Jeff Luke said it seems like there should be fifty and eighty percent levels for either capping or clean closure. Gerry clarified what DOE is saying, on a rough order of magnitude, if they have to go past the fifty percent level they think they can capture the work with an eighty percent confidence level.
- Maynard Plahuta said he was not sure he understood how the assumed remedy factored in the fifty and eighty percent confidence levels. Jon said DOE calculates the regulatory uncertainty in addition to a characterization uncertainty. Jon said DOE models all three uncertainties then estimates what the confidence level is at fifty percent. DOE can then go back and evaluate where they think they might differ on the regulatory assumptions for cleanup and determine whether the baseline could suffer all three of the uncertainties instead of just one. Jon said the assumed remedy would be estimated at fifty percent and if DOE is wrong, the difference would be in the eighty percent remedy.
- Maynard asked if the fifty and eighty percent confidence levels use different assumed remedies. He said it seems like there would be more uncertainties in the eighty percent remedy because of the uncertainties about what is in the soil. Greg Jones, DOE-RL, said the baseline is not based on a remedy but on the activity. Greg provided an example: if waste site X was capped using the shortest schedule and cost, DOE would not see any activities come close to the fifty percent level because all of the risk elements are included. DOE estimates the size of the waste site, but includes the risk of the size being different. Some of the areas have thousands of waste sites; DOE does not necessarily need a case for both because both will probably be done throughout a site.
- Harold Heacock provided an example to clarify how DOE develops an estimate. If you had ten jobs, the eighty percent level would evaluate all the risks and would estimate that you could accomplish seven of the jobs and maybe even nine if you get some breaks. The fifty percent level says you know you cannot do the job for that price and there are variations on what you can assume. For deep excavation, you might be able to do twenty feet but you cannot do sixty feet. Jon clarified that the projects are funded at the fifty percent level and there is no funding between fifty and

eighty percent. Jon said he would be happy to review DOE's regulatory uncertainties with the committee.

- *Does DOE determine the baseline action based on the least amount of money required to achieve the regulatory requirements?* Jon said in order to do his job he has to assume a remedy to come up with a baseline. DOE can use a baseline change request to make changes to the baselines. Jon emphasized that the baselines are supposed to change. Susan suggested connecting the baselines with the budget and the integrated priority listing (IPL) during the workshop.
- Maynard said the biggest interest is in the assumed remedies and what assumptions DOE is using. Maynard suggested concentrating on this instead of the mathematical methods used. Jon explained in the case where a remedy has not been selected, DOE has developed an assumed remedy and applied a risk analysis to those in case they are wrong. Gerry emphasized the importance of getting regulator input for assumed remedies as well. Gerry suggested including some elements of the baseline workshop during the March 26th budget meeting.
- Cathy McCague reviewed the additional topics identified for the baseline workshop during today's meeting: assumed remedies, project cost and funding (fifty and eighty percent confidence levels), technology compliance, overview of baselines and IPLs and project activity examples from ORP and RL.
- Gerry said in the past the HAB has looked at what work would get done at a particular site in the next year and then what work would get done at that site over five years in the baseline. Gerry felt that in order to understand and merge the goals, the committee should also look at the assumed remedy, get input from regulators, and have the chance to look at whether the particular site is under funded because the assumed remedy does not match with the regulators' preferences. Lisa Copeland, DOE-RL, said DOE has the five year plan targets they shared with the HAB last year, but they do not have new EM targets this year.

Fiscal Year 2009 (FY09) Budget Request – joint meeting topic with TWC

Gerry distributed the draft advice, he said the draft is very detailed and a suggestion has been made to include the detailed budget priorities in an appendix to the advice. Gerry said the advice is aimed at regulators and other people who have input on how the 2009 budget request is received, reviewed and acted upon. Gerry felt there is a strong need for a common view on what increases should occur for the current fiscal year. Agencies, regulators, contractors, and stakeholders all have different opinions on where additional funds should go. DOE-ORP has said their priority for any increase in funding would be to make up the \$54 million shortfall for bulk vitrification. Gerry said historically the total amount of any increase beyond the president's budget has been around \$50 million, but there is hope to get more this year. The money could disappear if there is not a consensus on where the additional funding should go.

Pam Larsen summarized what she learned about the congressional budget during her recent visit to Washington, D.C. Pam said the process for requesting more money is different than it has been in the past; it is more detailed and has to be documented and signed by a member of Congress. The Tri-City Industrial Development Council (TRIDEC) issued a budget request and the City of Richland participated. In the request, TRIDEC asked for a \$100 million increase for DOE-RL, it did not specifically identify projects but mentioned the River Corridor, waste stabilization and HAMMER. Pam said \$35 million was requested for the Waste Treatment Plant (WTP), \$25 million was requested for tank waste retrieval, and \$10 million was requested for cold testing of the demonstration bulk vitrification system (DBVS). DOE-HQ was clear they did not want more money for retrieval because of staffing and capacity issues. Pam said the local community feels that DOE could retrieve more than one tank per year. The Senate has asked for \$500 million for more appropriations to EM; Hanford is forty percent of the total EM budget and could expect forty percent of the Chairman's mark of \$500 million if it is issued.

Harold added a few points regarding TRIDEC's budget request. He said the request discussed the continuing cost to EM for safeguards and security. Harold said TRIDEC did not ask for additional money for HAMMER and WTP but for the authority to change control points from five to three which is acceptable to the House of Representatives. TRIDEC asked for flexibility in transferring funds in DOE-RL from \$5 million to \$10 million. Harold said the \$35 million for tank waste remediation included an independent review of single shell tanks (SST). TRIDEC also asked for \$200,000 for a road to be put in at the B Reactor.

Regulator Perspective

- Mike Davis, Washington State Department of Ecology (Ecology), said Ecology has not asked for anything in particular yet, but has told congressional staff that Ecology will come up with a funding priority list. Mike said he has been working with the Budget Committee staff to develop a letter for the Senate committee to support the \$500 million mark up. Mike said he attended the Senate hearing and said the committee expressed disappointment in the vitrification plant and skepticism about the WTP. Mike said there is work that needs to be done to build confidence in the vitrification plant.
- Ron Skinnerland, Ecology, said Ecology feels that more than one tank per year could be retrieved while recognizing the workload requirements. Ecology thinks early low activity waste (LAW) offers promise even though questions remain unanswered. Ron said Ecology is also struggling with bulk vitrification because of the time commitment involved analyzing two alternatives for supplemental treatment and regret later that one should have just been chosen. Ron also noted Ecology is working on prioritizing RL project activities. He said the additional money will not restore the work in the River Corridor and Ecology feels RL may need to be concentrate in a particular area to finish certain activities.
- Dru Butler, Ecology, said Ecology is looking at base operations and the amount of budget that is being proposed in each category. Ecology wants to work with DOE and

their contractor to drive those costs down. Ron added Ecology wants to ensure the funding is contributing to an efficient cleanup and not going towards paperwork and meetings.

Committee Discussion

- Jeff asked if the Energy and Water Appropriations Committee is skeptical WTP will start up on time and on budget. Mike said yes, he felt the appropriations committee is predisposed to be skeptical of the vitrification plant and its progress and it will take time to overcome that.
- Gerry asked if HAB advice would be timely input to Ecology for their prioritization efforts. Ron said the timeframe is tight to get a budget letter that includes HAB advice but agreed that it would be beneficial to have Hanford stakeholders come to consensus on priorities. Ron noted Ecology can be more effective with a focused effort on specific cleanup priorities for 2009 and 2010.
- Harold said there are a number of recommendations in the draft advice regarding specific items that this Board has not taken action on yet. The Board has not formally discussed the topics of early LAW instead of bulk vitrification or early startup of LAW. Harold felt these are fundamental policy decisions the whole Board needs to be involved in if they are included in the budget advice. Ken Niles agreed there are points in the advice the Board has not come to agreement on, such as stopping work on bulk vitrification and adding more double shell tanks (DST). Ken said he thought it would be hard for the Board to reach agreement on these specifics but said he liked the attempt to be specific. Ken said the President's budget request did not include \$2 million dollars to begin to make progress on Natural Resources Damage Assessment (NRDA) and the State of Oregon and trustees would like to see that funding restored. However, Ken asked that the reference to the State of Oregon be removed.
- Jeff said the issues of building new DSTs and increasing retrieval are two fundamental issues in the advice that need to be vetted through the TWC. If DOE retrieves four additional tanks beginning in 2009, it would fill up existing DST space by 2012. Building new DSTs will take 8-10 years, if DOE does not start building them until 2010, then they will not be complete until 2018. Jeff asked what building new DSTs will have bought if WTP does not come online until 2019, other than possibly the threat of decreased funding to WTP? Gerry felt there is a range of opinion on retrieval, there are people that feel technically DOE could retrieve more than four tanks per year. The recommendation for more retrieval is linked with early LAW. If early LAW starts in 2013, and if the tanks fill up by 2012, then DOE could be retrieving five tanks per year with early LAW.
- Jeff asked if TWC members are confident with the prospect of early LAW coming online in 2013. Ken Gasper said committee members have advocated for that date in discussions with Ecology, DOE-ORP, and CH2M Hill. Ken said he is not comfortable with the date but said the committee has advocated for it and feel that Ecology and DOE-ORP are taking the alternative seriously. Jeff asked if ORP has said they can technically get it working by 2013. Al Boldt said there are people who

have expressed concerns about getting it running because it is not in the contract. Ken added that DOE is considering early LAW in their new System Plan. The committee is working with DOE-ORP to identify what is technically feasible without budget constraints.

- Jeff asked about the second part of his question regarding building the DSTs. Gerry said the draft advice says to initiate design for DSTs; it does not necessarily make the commitment to build them. Jeff noted page three of the advice says the Tri-Party Agencies should consider construction of four new DSTs. Gerry emphasized that it just says consider, the \$10 million associated with this request is an estimate for what it would take to complete an engineering study and the design for DSTs. Al suggested the advice could be more generic to say there are three ways to accelerate SST retrieval. Gerry agreed the advice could be clarified to say these are three potential paths and the Board is asking for consideration of the alternatives. Jeff said if the TWC is comfortable asking for DSTs, he would go along with that consensus, but if the committee wants DSTs they should ask DOE to build them now because of the construction schedule. Gerry said if there was money for evaluation in 2009 the decision could be made to build in 2010. Maynard suggested changing the order on the last page to move initiate conceptual design before initiate retrieval.
- Pam said DOE-ORP is examining the possibility of having the DBVS refined to look at one or two bulk vitrification lines in tank farms. Pam thought a minimal investment to refine the December melt seems reasonable to include in the advice, but anything more did not seem worth the investment.
- Harold said it appears DOE-ORP is trying to keep options open by not committing to a path for supplemental treatment. Harold said initially he thought bulk vitrification would be a good answer, but now feels that money would be better spent in early LAW due to the technical uncertainties of bulk vitrification. If LAW does get started up it will require a commitment to provide feed which will require additional funding for SST retrieval. Harold also said the committee has not addressed the integrity of the SST. Pam said the SST assessment process is starting in 2008 and is supposed to be completed in 2009.
- Al said he would like DOE to consider an alternate plan for WTP. Al thought the pretreatment plant may have problems that prevent it from running adequately. DOE should consider getting the LAW facility running to provide feed so if the pretreatment and vitrification facilities are delayed they will still be able to retrieve tank waste and consolidate SST waste into DSTs.
- Maynard asked if the \$35 million on the RL side for nuclear stabilization is funding coming from another project's budget. Gerry said he highlighted the point because he felt it needed to be said along with safeguards and security. Gerry said it is possible Congressional staff will not allocate the money but will recognize the point made about who funds this and could make that change.
- Gerry asked committee members how they felt about including a point asking Ecology to be more proactive in communicating their budget priorities. Gerry said the Board has expressed this concern two or three years in a row and Ecology still does not seem to have a system. Committee members supported including this point.

- Ken Gasper suggested rewording RL 40 to include “beginning to address the pre-1970s TRU.” Ken said this is a point the Board currently and consistently has made.
- Jeff felt the advice was difficult to follow and suggested using the same format the Board has used for budget advice in previous years where the advice is broken up into background and the advice portion is called out specifically.
- Gerry said his intent was for the footnotes to be removed in the final version but he left them in this draft to provide context for the committee. Maynard and Shelley felt the footnotes should be left in. Jeff suggested making them endnotes instead of footnotes to make them less distracting but to keep the context. Harold said the audience will only read the advice for two pages and recommended getting the main points up front and keeping the supporting material in the back.
- Gerry said the issues identified in this advice should be presented and focused on in the budget workshop. Gerry also wanted to make sure the regulators have time to address each project, not just five minutes at the end of the ORP or RL sections. Gerry asked for volunteers to help make sure the workshop will reflect what is needed from the TWC and RAP; Harold and Pam were volunteered to be issue managers from the TWC and RAP committees respectively.

Action Items / Commitments

Karen reminded committee members to save the date of March 26th on their calendars for the FY10 budget workshop. Karen said she would send out more information regarding time and location soon, but expected the workshop to go from 8:30 a.m. – 3:00 p.m. with a break for lunch.

- March 26, FY10 budget workshop
- Schedule baseline workshop in April or May

Handouts

NOTE: Copies of meeting handouts can be obtained through the Hanford Advisory Board Administrator at (509) 942-1906, or tholm@enviroissues.com

- Draft Advice – Priorities for Restoring Hanford Clean-up Funding, BCC Committee, March 2008.
- Memorandum – Participation of the EM SSAB in Environmental Management Budget Requests, DOE, February 22, 2008.

Attendees

HAB Members and Alternates

Al Boldt	Jeff Luke	
Shelley Cimon	Ken Niles (phone)	
Ken Gasper	Maynard Plahuta	
Harold Heacock	Gerry Pollet	

Pam Larsen		
Susan Leckband		

Others

Kim Ballinger, DOE-RL	Dru Butler, Ecology	Barb Wise, FH
Mark Coronado, DOE-RL	Annette Carlson, Ecology	Cathy McCague, EnviroIssues
Gregory Jones, DOE-RL	Ron Skinnarland, Ecology	Emily Neff, EnviroIssues
Karen Lutz, DOE-RL	Mike Wilson, Ecology	Peter Bengtson, WCH
Jon Peschong, DOE-RL	Rod Lobos, EPA	Jim Rasmussen, YAHS GS
Lisa Copeland, DOE-ORP		
Lori Gamache, DOE-ORP		
Carrie Meyer, DOE-ORP		
Steve Wiegman, DOE-ORP		