

**FINAL MEETING SUMMARY**

**HANFORD ADVISORY BOARD**

BUDGETS AND CONTRACTS COMMITTEE MEETING

*September 10, 2009*

*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, Budgets and Contracts Committee (BCC) Chair, welcomed the committee, introductions were made, and the committee adopted the August meeting summary.

**Committee Discussion on Multi-Tier Pension and Benefits Program**

Keith Smith introduced the issue of pension and benefit equity, a topic the BCC first looked at in 2007. He reviewed the history of pensions at Hanford, which began in 1962 with a minimalist pension system that was designed to be a supplement to social security. Employees could not contribute to their pension until they had completed social security payments. General Electric (GE) was the primary contractor for many years and managed the pension plan for Hanford. When GE left the site in 1966, it bought an annuity for the employees who had invested in the plan for the amount that would have been their pensions. Keith said this created a problem at the time, and some employees retired with a monthly pension of less than \$100.

Keith said in 1980 the existing plans were improved. At that time, there were a number of companies on the site and each company had a plan with a social security payment. In 1986 the Department of Energy (DOE) announced it was going to consolidate the Maintenance and Operations Contract, so all of the contractors except Battelle divided into bidding companies, which included Boeing, Westinghouse, United Nuclear Corporation and Rockwell, among others. These companies divided the bid and

Westinghouse won the contract. Keith said the unions lobbied Congress since they lost 100-N and employees bargained for the current plan plus a 401K with an employer contribution. Keith said this was also compensation for losing the pension, since employees did not receive pension-credited service after GE left the site in 1966. He said Hanford employees had repeatedly tried to have DOE pay into their respective union plans, which would have been more of a benefit than the existing Hanford plan.

Keith said after the Project Hanford Management Contract came in and DOE decided to have enterprise companies, these companies were allowed to be outside the fence even though they did Hanford-related work. He said this effort was not successful, and only a few of these enterprise companies, including Lockheed Martin, still exist. The employees who were still at Hanford but were doing enterprise work were ineligible for Hanford plans, including the pension plan. Keith said employees were hired through Fluor Federal Services in order to avoid paying managers' benefits. To maintain benefits for the bargaining unit, employees who worked for enterprise companies were also leased through Fluor Hanford.

Keith reviewed Hanford Advisory Board (HAB or Board) Advice #194. The Board issued this advice when DOE wanted to insert clauses into contracts, and the HAB advised against this. He said the Board also issued advice when DOE decided to do multi-tier benefits, which would have provided new plans to new employees but not for existing employees. Keith said the Board recognizes the value experienced workers bring to the Hanford Site, and disagreed with workers being compensated differently.

Next, Hanford workers John Bongers and Dick Cartmell provided their perspective on the multi-tier pension and benefits program. John said he has worked at the Hanford Site for 27 years and currently manages customer technical support. He said in October of 1996 he transitioned from being a Boeing employee to being an employee of Lockheed Martin, an enterprise company, but still had the same job duties. John said since the enterprise effort was unsuccessful, 1,700 employees have transitioned back to being site employees, but he has not. Before the transition in 1996, John was part of the pension plan and received inside-the-fence benefits. Since being transitioned to an enterprise company, he said he receives instead a market-based, 3-percent 401K plan, which is significantly less than the inside-the-fence benefits.

John said when the Mission Support Alliance (MSA) was announced, the lawyers for the pension plan said there is no longer an enterprise concept at Hanford and recommended the enterprise concept be removed. John said this would have removed him and his workers from the pension plan, so they petitioned DOE and Lockheed Martin to continue to be vested in the plan. He said he still receives his top-five years and the early retirement benefit, but of his 27 years on the site the only years of vested service that count are the 12-13 years he spent as an inside-the-fence worker. He said his plan would have doubled if all 27 of his years of service counted toward his benefits. Additionally, John said he has 52 employees with three different benefit plans, including those with inside-the-fence benefits, those with a portion of the benefit plan but a different vacation plan, and new employees with less vacation but more benefits. He said with the MSA

there would be a total of six different plans, which is not a cost-effective system. John said when the enterprise employees were taken out of the pension plan they also lost their retiree medical benefits. He said a number of the 185 employees he works with are more than 60 years old but cannot retire because they will not have medical coverage when they retire. He said this includes people with pre-existing conditions.

Dick said factors that contribute to Hanford pension are the high-five years of service and the number of years of service times 1.6 percent. The years of service for employees of enterprise companies were frozen in 1996, and Dick said he has lost \$20,000 for the 13 years he has been an outside-the-fence Hanford employee, and he will lose 18 years of service if he wants to retire at age 60. Dick said he also pays \$7,000 to \$8,000 a year for medical benefits, while inside-the-fence workers pay \$2,000 to \$5,000. When the MSA contract came on, DOE proposed to take away the high-five option and early retirement, which means employees must wait until age 65 to receive 100 percent of their pension. Dick said after the employees petitioned DOE, they agreed to let employees of enterprise companies or a successor company keep the high-five years of service and the early out option.

### *Committee Discussion*

- Keith said in the past DOE was amenable to merging plans due to the increased cost of managing numerous plans, so it modified existing plans in order to save money in administration.
- Gerry asked how many people who were employed by enterprise companies are left. Dick said there are 335 employees left, including 185 at Lockheed Martin.
- Gerry asked John and Dick what they hoped the HAB could do on this issue. Dick said he was able to keep the high-five years and early retirement options because employees sent a number of letters to politicians, DOE and the new MSA president. He said there should not be multi-tier benefits across the site. John said he contacted Keith because the response to HAB Advice #194 was inadequate. He said the issue is still valid but has not been addressed.
- Gerry suggested the BCC look at the administrative cost of having multiple pension plans. He said a concern was identified about who is paying, and asked which contractor is responsible for this. Keith said the mission support contractor (MSC) is responsible. Gerry said the committee could combine these questions.
- Susan Leckband reminded the committee that because she and Jeff Luke are current employees they were recused from the discussion.
- Harold Heacock said there are many inequities and inconsistencies in the current system. He said with the current policy of changing contractors every five to 10 years, there is a new set of benefits with every contractor and there is often disparity between them. Dick said many employees of enterprise companies that disbanded were brought back and started accruing years of service again. He said Lockheed Martin is still doing Hanford IT work and is part of the MSA, so its employees should be able to accrue years of service.

- Gerry said this discussion also ties into the issue of taxes. For state tax cuts, these employees are inside the fence, and employees of what is essentially a successor company should be brought back in. Gerry said potential advice would be to discuss the principle that employees of successor companies should be treated as on-site employees for the purposes of pension and benefits. He said he would like to know DOE's response to treating them as a successor company and how that relates to DOE's position on how the MSA is treated for tax purposes.
- Harold said many companies that were at Hanford in the past no longer exist. He suggested that a piece of advice might be that there should be a single site-wide plan for all employees under government funding, and if a company wants to move some employees to private enterprise then they would still pay in and the employees would receive the same benefits. He said it is important to distinguish between government and private workers.
- Gerry said a key question is the cost of having multiple plans and whether there would be a cost savings to having a single system. He asked Paula Call, Department of Energy - Richland Operations Office (DOE-RL), whether that is a clear question for her to bring back to DOE. She said it is.
- Harold commented that the building trades also have their own plan. Keith said the building trades pay into their union pension plans, and those have been well managed. John said they were never given an option to pay into their own plan, and many employees would have taken that option, if possible.
- Gerry said the BCC will continue the discussion at its next meeting, and thanked John and Dick for sharing their perspectives. The committee agreed to continue framing the issue for committee discussion.

### **American Reinvestment and Recovery Act (ARRA) Contractor Work Scope for DOE-ORP**

Gerry said DOE Headquarters (DOE-HQ) has been briefing stakeholder groups on the ARRA work scope, and the goals of transparency and input into the funding appropriated to Hanford is largely reliant on BCC activities. He said there is a great deal of attention directed at ARRA funding and the need for transparency and an open public forum. Pam Larsen added that DOE has provided excellent presentations to the Hanford Communities and these are being televised throughout the region.

Tom Fletcher, Department of Energy - Office of River Protection (DOE-ORP), provided a scope summary sheet for the work DOE-ORP plans to do under ARRA. Contract negotiations will not be completed until September 30, 2009 and DOE-ORP is still working to balance base funding, but Tom said he would provide an overview of the current work scope. Tom said the scope is broken into sub-projects, which are tank farm infrastructure upgrades, facilities upgrades, other infrastructure upgrades and waste feed infrastructure upgrades. He said the transfer line upgrades to SL-177/SN-227, SL-180/SN-280, SN-278/SN-279 and SN-855/SN-286 have been moved from the work scope and will be capital assets and will become part of Recovery Act (RA)-5. Each

project in the current work scope includes rough order magnitude (ROM) costs. Tom said once DOE gets through negotiations and finalizes the proposal it can provide additional detail on cost and schedule. The figures included are the total cost of each sub-element during the ARRA fiscal years (FYs) of 2009-2011. Tom said the key objective of the ARRA work scope is to sustain the delivery of waste feed to the Waste Treatment Plant (WTP).

Tom reviewed the high-level project description for RA-1 tank farm infrastructure upgrades. Major elements for tank farm infrastructure are ventilation upgrades for AP and SY. Tom said SY will be installed with ARRA funding and AP will be installed later using base funding. Tom said the valve funnel replacements planned under RA-1.3 will replace positioning placements that do not work and allow DOE to reduce maintenance costs and field time. Replacements on the AP Valve Pit jumpers are planned, since the current jumpers are 20 years old.

Tom said the AP Valve Pit is the main hub for all double-shell tank (DST) transfers and final transfer to WTP. The work scope under RA-1 includes level-rise modifications on the remaining six DSTs, which Tom said will provide an additional 700,000 gallons of DST space. The control system for the AZ Farm ventilation system is currently out of date and will be replaced. Additional elements under RA-1 include ENRAFs, a ventilation study and removal of outdated DST equipment. Life extension upgrades for DSTs and single-shell tanks (SSTs) are also included in RA-1. DST upgrades include corrosion probes and additional transfer pumps. SST upgrades are replacing the current hepa-filters with disposable radio-filters and completing electrical system modifications.

Tom reviewed work planned in RA-2, which covers other infrastructure upgrades. Tom said ARRA funds will be used for the Wiped Film Evaporator proof of concept. If the proof of concept work is adequate, DOE-ORP will design and create the evaporator under base funding, using a pilot and potentially full-scale testing. He said this work will be done off-site with stimulants at CEES, an engineering firm in Pasco. A new, mobile core sampling system is also included under RA-2. Tom said DOE-ORP is building off of information from the Savannah River National Laboratory (SRNL).

RA-3 includes facility upgrades such as the 242-A Evaporator, the 222-S Laboratory and the Effluent Treatment Facility (ETF). Tom said the upgrades to ETF will depend on timing, since the design is not far enough along to proceed with long-lead procurement for upgrades under ARRA funding. For ETF, DOE-ORP is testing glass formulations for technetium-99 and grout formulations to meet the proposed waste acceptance criteria (WAC) of the integrated disposal facility (IDF). Tom said there are many planned upgrades to the 242-A Evaporator, including restoring the spare parts inventory, buying a mixer and slurry and feed pumps, installing a new compressor, and replacing pressure-control valves. Tom said the 242-A Evaporator was built in the 1970s with a 10-year design life, and underwent major re-hauls in the 1980s and early 1990s. RA-3 also covers upgrades to 222-S, including approximately 15 instrument upgrades and bringing in new analytical instruments where applicable. Life-extension projects for 222-S in the work scope are roof replacement of the lab, updating support facilities, replacing the

steam HVAC unit with an electrical system, and renovating three rooms to allow for a standards laboratory. ETF upgrades are conducting technetium-99 and waste-form testing to meet IDF WAC.

Tom reviewed RA-4, which covers waste feed infrastructure upgrades. He said the DST control system upgrades will create automatic shutdown if leaks are detected. Transfer-line upgrades within RA-4 are also included. Tom said these are currently non-compliant because the double encasement does not enter the pit, so they will be replaced with new lines that have double encasements penetrating the valve pit for drainage. He said this will exceed the \$10 million general project threshold, so they will be done under capital funding. Additional activities under RA-4 are an AZ-1 condensate line upgrade, removal of three clean-out boxes and bench-and pilot-scale demonstrations of tank waste mixing and sampling systems.

### **Regulator Perspectives**

- Melinda Brown, Washington State Department of Ecology (Ecology), said Ecology is included in a bi-weekly meeting to discuss the work scope, and has said it will not be a force that will stop this work. She said Ecology still has some questions about the final definition, but in the few places where Ecology might disagree with a priority, Ecology has received a lot of information and is very anxious to see the bottom line. Melinda said Ecology does not want to inhibit the work, and knows this work will help keep WTP moving forward. Tom said the ARRA work scope is a benefit to DOE-ORP because it levels the 2016-2018 timeframe and helps prepare the next generation of workers. Tom said DOE is hiring 200 workers, who will then transfer to WTP operations in 2012-2014. He said the jobs being created are career jobs.

### **Committee Discussion**

- Keith asked where the AP Valve Pit jumpers will be fabricated, since there is not an on-site fabrication facility. Charles McVay, Washington River Protection Solutions, said most will be off-site procurement.
- Gerry said the ENRAF system has been criticized for being outdated, and asked whether DOE-ORP plans to replace it with a more modern system. Tom said replacing ENRAF is not part of ARRA, and DOE-ORP is using ARRA funding to ensure the system is operational and reliable. ENRAF measures levels of materials in the tank and internal leaks.
- Pam asked if the new core-sampling system will use the direct-push approach. Tom said it will.
- Keith commented that DOE-ORP should be careful with core-sampling trucks that are fabricated off-site, and recommended that these be carefully inspected before use in the field. Tom said this is part of DOE's quality assurance (QA) program, and DOE-ORP will ensure these meet criteria and specifications for use in the field.

- Regarding testing grout formulations for technetium-99 to meet IDF WAC, Keith commented that the last grout effort worked well. Tom said these tests will look at the best alternative for this waste form, which will depend on which streams have been feeding it. He said there is more than one waste contained in these, but the key contaminant is technetium-99, which is so mobile that even a small amount in grout can have leaching problems.
- Keith suggested that engineering look at serviceability when they do installations for the 242-A Evaporator.
- Gerry asked whether the 242-A Evaporator upgrades will have a National Environmental Policy Act (NEPA) Environmental Assessment (EA) to support them. Tom said these will be included in the interim EA. Gerry asked whether there has to be an air permit modification and process as well. Tom said he is not sure, but this is a possibility. He said he does have this information, as does Ecology, and can follow up with the committee.
- Susan asked whether DOE-ORP is having trouble getting nuclear-grade materials, and whether they will have nuclear or commercial grade dedications. Charles said it will be a combination of both. He said it has been a challenge obtaining components that are considered to be Nuclear Quality Assurance 1, but DOE-ORP is making progress. Susan asked whether this has caused delays. Charles said it has not caused delays on these projects, but it has on others. Tom said DOE-ORP has tried to schedule these appropriately, which is why the end dates for projects that require dedicated equipment are later.
- Gerry suggested that work on testing the glass and grout formulations to meet IDF WAC not be called ETF upgrades. Tom said DOE-ORP is working on this, and it is called this because it had long-lead procurements. Gerry said this is important because a number of organizations have said there is no legal basis for proceeding with ETF upgrades since these tests have not been done. He said DOE-HQ should be sensitive to this issue. Tom said DOE-HQ is aware of this, and called this work ETF upgrades because it had a decision point in mid-2010 to see whether DOE-ORP would be ready to procure and install this equipment. He said the work is not progressing as fast as intended, so this is now being changed to not say these are procurements for ETF.
- Gerry asked what the contract provisions will look like for cost and schedule performance. He said in the past the BCC has recommended that there is a fee impact if something is over cost or schedule. Tom said that clause is always associated with performance but does not specify a fee percentage. He said the fee-bearing clause will not change, but there is a possibility for including an award fee based on performance.
- Susan asked whether it has been confirmed from DOE-HQ that all of the activities in the work scope meet ARRA criteria. Tom said this is correct, and DOE-ORP has been working with DOE-HQ to ensure the work meets ARRA criteria. He said DOE-ORP has also helped SRNL using lessons learned during the process. The work scope is still subject to change as it goes through negotiations, but there is flexibility from an operations perspective on making these changes.

- Pam said she has heard that DOE-HQ has been pleased with the work DOE-ORP has completed on this. Tom said this is true, and DOE-ORP was looked at as the model. He said WRPS performed the final review and did not find any issues.
- Keith said much of the equipment that has deteriorated would be in better shape if previous contractors had not neglected maintenance. He suggested that DOE should make sure maintenance is not neglected. Tom said he would take that as a recommendation.

### **ARRA Contractor Work Scope for DOE-RL**

Matt McCormick, DOE-Richland Operations (RL), provided an overview of the external review of the DOE-RL baseline. An effort to improve project management of DOE - Office of Environmental Management (DOE-EM) projects is underway, and since DOE-RL is under the purview of DOE 413.3, the project order for capital assets, it is required to have an independent external review of its baseline. Matt said since ARRA funding accelerated work from the out-year planning baseline and moved it to the near-term baseline an additional independent review was needed. The Office of Engineering and Construction Management hired an independent consultant to review the scope of work being accelerated through ARRA funds, including the Plutonium Finishing Plant (PFP), U-Canyon and Outer Area projects. Matt said DOE-RL will receive a report on the external review and will provide a copy to the River and Plateau Committee (RAP).

Matt said there are some major findings DOE-RL will need to correct before the work scope is certified. One of these findings is on the project execution plan, which has not yet been updated to reflect the new funding source. Matt said these changes were expected because of the acceleration of putting together the cost and schedule, and this will not delay work or undermine the funding. He said the costs may not change and, since DOE-HQ is interested in risk and contingency, these factors may change. DOE-RL conducts a formal risk-management process to look at risk and judge the probability and consequence of risks.

Matt next reviewed DOE-RL projects, including ARRA and base funding components. The first project baseline summary (PBS) is RL-0011 and covers PFP nuclear material stabilization and disposition. Matt said the ARRA costs are identified by year, and this figure is undergoing DOE review and may change. The \$330 million total ARRA projected costs for PFP includes removing 200 glove boxes, asbestos abatement, and draining oils and liquids in equipment in order to get the main process facility of 234-5Z and its lab areas ready for demolition. Matt said DOE-RL also plans to use ARRA funds to ready the ancillary facilities for demolition, including unused office buildings and storage sheds, which will mostly entail asbestos abatement. Matt said DOE-RL hopes to demolish PFP by 2013, and the contractor has an effective approach for removing items like glove boxes and pipes. He said the appropriations of base funding could change, but DOE-RL plans to use base funding to get the plutonium reclamation facility ready for decontamination and decommissioning (D&D), which is a critical path for D&D of the entire facility by 2013.

Matt reviewed planned work under RL-0013, which is for solid-waste stabilization and disposition. This PBS deals with legacy transuranic (TRU) waste set aside since 1970. Matt said this includes 15,000 cubic meters of mostly contact-handle (CH) waste and treatment of legacy low-level waste (LLW) or mixed low-level waste (MLLW). The total projected ARRA cost for the TRU waste program is \$211 million, and the cost for MLLW treatment is \$40 million. Matt said the work scope includes retrieving waste that is in storage, packaging the waste to be ready to ship to the Waste Isolation Pilot Plant (WIPP), and treatment of LLW for disposal on site. Matt reviewed the volumes expected by 2011, which include retrieving 2,500 cubic meters of CH TRU, retrieving 50 cubic meters of remote-handled (RH) TRU, repackaging 850 cubic meters of TRU, and treating 1,800 cubic meters of LLW and MLLW. Matt said the base funding for RL-0013 includes funding profiles for 2009, 2010 and 2011. He said this will maintain safe and compliant facilities while the work is being completed, including surveillance and maintenance of ETF, the waste receiving and processing facility (WRAP), and other facilities that will support this work. Matt said packaging and retrieval switched to ARRA funding in April and will be completed in 2009.

Matt provided an overview of RL-0030, soil and water remediation for the groundwater and vadose zone. The total ARRA projected costs are approximately \$219 million, which Matt said is more than DOE-RL anticipated in March because it added more scope to the groundwater under ARRA. DOE-RL is focused on two pump-and-treat systems located in the West Area and the D Area, which will be completed by September 2011. Matt said the 265 wells needed to execute this work will be installed using ARRA funding. RL-0030 also includes activities such as expanding the apatite barrier and decommissioning wells that are no longer needed, mostly in the outer area of the Central Plateau (CP). The base funding for groundwater includes operating and maintaining the existing pump-and-treat systems, monitoring and sampling analysis for site groundwater monitoring, publishing the groundwater report, integration activities, and working on decision documents for the river corridor. Matt said most of the groundwater fieldwork is being done under ARRA, such as installing two large pump-and-treat systems and drilling boreholes.

Matt next reviewed the work included under RL-0040, which relates to nuclear facility D&D for the remainder of Hanford. There are two ARRA projects under the PBS scope of work, including preparing U Canyon for demolition by September 2011 and completing D&D of 18 facilities, remediating 24 waste sites, and disposing of 15 rail cars and locomotives. Matt said the work on U Plant will include clearing the deck, putting equipment below the deck, grouting the voids, and stabilizing or removing anything that needs to be removed in the above-grade portion of U Canyon before it is demolished. Matt said base funding for RL-0040 is focused on surveillance and maintenance of the CP waste sites and facilities. This work will include infrastructure upgrades such as a new distribution center and water lines. He said all of the cleanup work for RL-0040 is being done under ARRA.

Joe Franco, DOE-RL, reviewed work in RL-0041, which is nuclear facility D&D for the River Corridor Closure Project. Joe said this work is in two sections with two contractors. The first is the 100-K Area, where work will be completed to look at key performance parameters for facilities and waste sites. He said there were minor changes to this work, but DOE-RL will still meet all the milestones. For the river corridor, DOE-RL plans to do ERDF cell development, which includes adding a cell for increased waste since D&D and waste remediation activities will require more space. Joe said characterization for some orphan waste sites is also included in this PBS. With additional waste being generated, infrastructure support was needed, and work includes a new ramp so there is more access to ERDF. Joe said some of the roads will be re-routed to support the flow path and make sure workers are away from the paths of vehicles, which cannot stop quickly when coming from WIPP or other facilities. Joe said the second piece of work is at 618-10. The characterization phase at 618-10 has begun, and detectors are being used to obtain information to determine whether the waste will meet ERDF WAC and whether there is TRU waste contained. Joe said DOE-RL will do characterization of the 618-10 trenches then start 618-11 characterization. The caissons are located at 618-11. Joe said the river corridor was mainly base funded, so DOE-RL will continue to work toward the 2015 Vision. He said the contract is established for that, and DOE-RL is ahead of schedule on this work.

Matt said all of the costs included in the presentation are projected costs and will be sent to DOE-HQ for approval. He said as DOE-RL goes through this process with DOE-HQ, the numbers may change for individual PBSs. Matt said DOE-RL has enough ARRA funding to achieve the work scope with the same overall cost.

### **Regulator Perspectives**

- Melinda Brown, Ecology, asked whether, like tank farms, DOE-RL anticipates a reduction in the need for steam. Matt said this is expected and the new MSC is incentivized to shrink the utilities as cleanup is completed. He said he hopes the MSC will be the driver to say when steam can be shut off, in order to shrink infrastructure as cleanup is completed.
- Melinda said Ecology has had meetings with DOE-RL and is anxious to see how it works out. She said Ecology is pleased to see that work in the out-years is geared up to be completed, since the more work that is completed earlier the less the overall lifecycle cost will be.

### **Committee Discussion**

- Susan asked whether all of the materials resulting from D&D under RL-0011 will be disposed of on site. Matt said this material will be disposed of on site, as most of it is LLW that will be disposed of at ERDF. He said some of the material in the glove boxes might be TRU waste, and if so it would go to WIPP.

- Gerry said most of the waste in 234-5Z is MLLW, and asked whether all of the treatment costs are included. Matt said all of the project costs are included, including disposal costs.
- Pam said the PFP project is exciting and the RAP is interested in an update on what is going on. Matt said he could provide the committee with more details.
- Keith asked whether DOE will take steps to keep people out of the buildings until they are demolished. Matt confirmed DOE will do this to avoid re-introducing hazards. He said PFP is the highest priority D&D project on the CP.
- Pam asked whether DOE is considering using temporary shelters while digging up TRU waste. She expressed concern that there have been measures of radiation for workers. Matt said DOE is looking at a way to retrieve the larger containers. Most of the 55-gallon drums have been retrieved, and he said they are now dealing with large, degraded boxes. The contractor is looking at a way to retrieve the waste in the box without having to move it, which involves putting it into a new container so it is ready for immediate disposal. Pam said the Energy Community Alliance went on site to look at the boxes and noted that there was a plastic container. Matt said this is an interim measure, and DOE is looking at more robust solutions. Keith said DOE is also looking at putting something around existing tank farms, which are brought in piece-by-piece and assembled in the pit.
- Gerry said in 1998 the Board began to urge retrieval of TRU waste, noting that records showed that the boxes were failing. Matt said corrosion of the container is being driven by what is inside, and this happened within the first three to five years of them being buried, and they are not getting worse over time. He said it is important that this is retrieved safely and efficiently and the boxes are more difficult because of the size and weight.
- Keith said he has heard that the workers are not involved. He said there are still problems with the river corridor contractor, and worker participation is minimal. Joe said he would take this under advisement.
- Susan said RH TRU retrieval is referenced, but she does not see M-91 facility treatment. Matt said this is all covered under M-91, and DOE is looking at how to deal with the waste coming out, rather than building a facility to deal with all the waste. He said this would result in all the waste going to either WIPP or ERDF. Susan asked whether this waste would be retrieved in a manner so it is ready to go to WIPP. Matt said this is correct, although there may be repackaging required for T Plant if there is a prohibitive element. Matt said DOE is focused on retrieval, but may have to modify T Plant to deal with some of the waste. Susan said this is good news.
- Gerry said there would be certification and state designation issues if DOE is doing work inside trenches. Matt said DOE is getting the waste ready for WIPP certification. Gerry said if the waste is being sorted and repackaged in the trenches it would also have to be certified for WIPP in the trenches. Matt said DOE makes the waste certifiable so when it goes to real-time radiology it is ready to go to WIPP. Gerry asked whether it is possible that while waste is being sorted other materials could be found. Matt said less than one percent is found in real-time radiology. DOE

is looking at an enclosure to sort the waste, but if it requires going inside a drum that is inside a box it would most likely have to go to T Plant. Pam expressed concern that radiation levels were being encountered during this work.

- Pam asked where the rail cars being D&D under RL-0040 will be disposed of. Matt said the rail cars will go to ERDF. He said they will be size-reduced as needed and DOE will have to drain any liquids like hydraulic brakes.
- Gerry commented that some of the ARRA and baseline numbers have changed since July. Matt said this is correct. PFP was \$317 million in July, and it is now \$330. He said the cost increased because DOE-RL did a rough estimate in March then went through detailed planning with the contractor and a DOE-HQ review, so those numbers have changed. Gerry asked whether this means that there are winners and losers depending on this shift. Matt said the same work is still planned, but some work needs less money than anticipated while other work needs more. He said it is balanced so no planned work was eliminated. Shannon Ortiz, DOE-RL, said the only scope shift was moving the RI/FS from RL-0040 to RL-0030. Madeleine asked whether groundwater under RL-0030 previously had exploration planning but implementation was done in RL-0040. Shannon confirmed that this is correct. The RI/FS is in RL-0030 and implementation will be done under RL-0040.
- Pam asked whether DOE-RL has figured out how to characterize the vertical pipe units (VPUs), which consist of five 55-gallon drums welded together. Joe said DOE-RL has found a way to drive material alongside the VPUs utilizing an approach to testing with instrumentation that was developed by North Wind. Joe said the technology for detectors has improved.
- Keith said he is surprised there are not better records of what is contained in the VPUs. Joe said there was secrecy surrounding what is contained in them. He said DOE-RL has information on radiation doses. DOE-RL intends to use lessons learned from 618-10 to 618-11.
- Pam asked whether any ARRA funding is being used to deal with sludge or knock-off pots (KOPs). Joe said all of the work on sludge is included in base funding.
- Gerry suggested that DOE add a note to its presentations on the ARRA work scope the costs have been updated, especially for reporters. Matt said DOE-RL will do this, and will also come back to BCC with the final costs once they are approved by DOE-HQ in October or November.
- Pam asked whether the contractors can make a profit based on ARRA work. Matt said they cannot yet, and this has to be approved by DOE-HQ. He said the contract modification to put the money on the contracts by the end of September, and approval is needed to negotiate that fee from DOE-HQ.
- Gerry asked whether there is a principle guiding the basis for contractors being able to profit based on ARRA work. Matt said the fee structure that is already specified in the contracts will be used. Matt said the impact to the fee and the process is already in the contract. Gerry asked whether there are any penalties for cost and performance. Matt said it is the same structure, which is a conditional payment and fee cost that

talks about missing the schedule or going over cost. Joe said DOE-HQ directives are also included, which follow the same contractual rules.

- Gerry said BCC has identified concerns about the funding level for retrieval and treatment in budget advice. He asked whether Ecology reviewed this advice and discussed it with the agencies. Gerry said he was told that Ecology was expecting to have more work done and this funding level was based on DOE's proposals for reducing the annual requirement compared to what Ecology was hoping. Melinda said there is more work being done. She said by the end of the year the agencies will be negotiating new milestones and those levels will be a topic of discussion. Matt said the M-91 change package that was signed on August 10 discussed the issue that funding availability in FY 2009 would stop TRU retrieval, packaging TRU and MLLW treatment. Based on the funding impact and priorities, DOE-RL did not have the money in 2009 to complete that work. He said the agencies agreed that they did not want to make decisions on milestones until ARRA funding and budget outlook in terms of the new administration had been determined. He said the 2009 funding, President's Budget, 2011 request and ARRA funding were factored in to complete TRU retrieval and repackaging. Gerry said DOE based the FY 2011 request on Board priorities, but he would like to hear more from Ecology. Matt said it is important to look at dollars from both ARRA and base funding.
- Gerry asked the rate of retrieval Ecology would like to see, including the funding for out-years. He said the committee was told that there is a gap between the baseline DOE has and what Ecology would like to see. He said if negotiations are based on the work scope and what the agencies would like to see accomplished then it would be necessary to go for higher FY 2011 base funding, and 2012 will become an issue.

### **Committee Business**

- Gerry said BCC needs to do a joint discussion with the Tank Waste Committee (TWC) on whether there is further discussion needed regarding the \$50 million allocated for DOE-ORP technology development. Jeff asked why BCC is looking at this, since the funding has already been allocated. Gerry said the topic would be whether the HAB could issue advice about what this funding is used for. He said TWC would be the lead, but they may need a prompt from BCC to revisit the issue.
- The committee will track whether there are budget issues that emerge from the Tank Closure and Waste Management Environmental Impact Statement (TC&WM EIS), such as changes to baselines or budget-implementation issues. There will be a HAB Committee of the Whole (COTW) meeting on this document, and BCC will identify any issues it needs to explore.
- Gerry said there will be ARRA contractor work plans from each office in October, and suggested the BCC review these in November. He said the format of having base and ARRA funding divided for FYs 2009, 2010 and 2011 was helpful. He said the BCC can review the structure of the contracts and the fee provisions.
- Susan suggested considering a joint meeting with TWC and RAP in November regarding ARRA work scope.

- Jeff asked the committee to consider drafting advice on the amount of funding going toward tank farm maintenance and upgrades. He suggested the committee find out the percentage of total ARRA funding going toward maintenance and upgrades and draft advice urging DOE to maintain its facilities. Lori Gamache, DOE-ORP, said this work was already in existing tank-operations contract, but ARRA funding has provided the opportunity to bring it forward. She said these upgrades ensure the feed to the WTP, which was planned to be done in out-years. Keith said a great deal of the equipment being upgraded was allowed to deteriorate, and infrastructure often is allowed to run to the point of failure. Jeff said the cross-site transfer line would not be upgraded if there was not a need to feed the WTP, and the ventilation upgrades needed to be done for worker safety. He said there is validity to the idea that some upgrades were scheduled and would have been completed in out-years, but there is also a problem with this happening on site. Gerry commented that there is a lesson to be learned from the cost being put into replacement, and including safety is important to the discussion, especially regarding electric system upgrades and ventilation. He said electric system upgrades were promised to be done in the 2000-2001 timeframe and the double-encasement upgrade is a Resource Conservation and Recovery Act compliance issue and was something the Hanford Joint Council recommended to Ecology in 2002. Gerry said he was told this had already been done, and an administrative safety rule was put into place when it was identified that the encasement was the most likely failure point. Gerry said he thinks BCC needs to discuss with DOE-ORP that this work is the backlog of safety-oriented maintenance, and said this could potentially be a joint topic with TWC and the Health, Safety and Environmental Protection Committee.
- Lori said DOE-ORP could give a presentation on maintenance and upgrades.
- Jeff commented that the DOE-RL ARRA funding is going toward shovel-ready work, rather than maintenance. Paula confirmed that all of the DOE-RL maintenance work is included under base funding. Jeff asked whether the BCC could see the dollar amount for DOE-RL maintenance items. Paula said maintenance is a shared fee spread among the PBSs. She said she would ask whether it is possible to find out the total amount spent on maintenance. Gerry said it is also important to identify the backlog of safety upgrade issues. He said DOE-RL is transferring ETF operations to DOE-ORP, and the facilities that will need safety maintenance will be managed by DOE-ORP. Paula said she can ask if there is a backlog of safety upgrade issues, but she does not think there is. Gerry said for DOE-ORP there were immediate safety issues like electrical upgrades, ventilation and the double encasement, and he would like Ecology to look at this issue. Jeff was assigned as the IM.
- Keith said taking savings from workers before reviewing all other methods for saving money is reprehensible, and that DOE deleted enhanced work planning from its system before Integrated Safety Management (ISM) was completely approved is an example of that failure. Keith reviewed a document from 1997 that showed the savings from using pilot enhanced-work-planning projects at Hanford. Hanford tank farms had a 40 percent decrease in recordable injuries, 50 percent reduction in the lost workday case rate, 50 percent reduction in skin radiation contamination, and \$1.8 million in savings from eliminating supplicate requirements. The Plutonium Uranium

Extraction Plant saved \$800,000 by eliminating duplicate requirements and a six-fold reduction in work suspensions caused by documentation errors. Fernald saved \$2 million by identifying unnecessary work, had a 27-fold return on costs to implement Enhanced Work Planning for a total site-wide savings of \$9.27 million, and in 1995 had two million hours worked without an accident. Oak Ridge National Laboratory had a 50 percent reduction in work planning time, a 20 percent savings by reducing delays, and at K-25 had 49,000 work hours without a single recordable safety accident and a six-month early project completion. Idaho had worker accident rates well below the national and DOE averages, reduced its lost or restricted workday average from 44.5 to 31.9 days, and has projects that are 35 percent ahead of schedule and 6 percent under budget. Keith said this is important for BCC because it is a money-saving issue.

- Keith said BCC should review the cost of administering multiple pension and benefits plans versus a single plan. He said it is important to distinguish between government and private work, as well as workers that have been moved. Gerry said BCC also needs to find out the cost for management of the off-site pension program and who is paying for that.
- Gerry said BCC should continue its discussion on pensions and benefits at its next meeting, but is not yet ready to look at the ARRA contractor work plans or the TC&WM EIS. He said the response to the FY 2010 budget advice does not deal with any specifics of the HAB's advice, with the exception of the wiped film evaporator issue.
- Lori said DOE-ORP wants to brief the BCC on its draft baseline in October.

### **Action Items / Commitments**

- Paula will bring the question of the cost of having multiple plans and whether there would be a cost savings to having a single system back to DOE. The committee will continue framing this issue for discussion.
- Tom will follow up with the committee regarding whether there needs to be an air permit modification for 242-A Evaporator upgrades.
- DOE-RL will add a note to its presentations on the ARRA work scope indicating that the costs have been updated and will also come back to BCC with the final costs once they are approved by DOE-HQ in October or November.

### **Handouts**

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

- HAB Consensus Advice #194, Hanford Advisory Board, September 8, 2006.
- Response to HAB Advice #213 and #220, U.S. Department of Energy, August 28, 2009.

- TOC Recovery Act Scope Summary Sheets, Tom Fletcher, August 6, 2009.
- FY 2009-2011 Proposed Work Scope, Environmental Management Richland Operations Office, September 10, 2009.

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**Attendees**

**HAB Members and Alternates**

Harold Heacock	Jeff Luke	Keith Smith
Pam Larsen	Gerry Pollet	Art Tackett
Susan Leckband		

**Others**

Paula Call, DOE-RL	Melinda Brown, Ecology	Molly Jensen, EnviroIssues
Joe Franco, DOE-RL	John Price, Ecology	Cathy McCague, EnviroIssues
Matt McCormick, DOE-RL		John Bongers, Lockheed Martin
Shannon Ortiz , DOE-RL		Dick Cartmell, Lockheed Martin
Tom Fletcher, DOE-ORP		Sharon Braswell, MSA
Lori Gamache, DOE-ORP		Barb Wise, MSA
		Charles McVay, WRPS