

FINAL MEETING SUMMARY

**HANFORD ADVISORY BOARD
BUDGETS AND CONTRACTS COMMITTEE MEETING
*April 13, 2005
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

Harold Heacock, Budgets and Contracts Committee Vice-Chair, welcomed the committee and introductions were made. Harold explained the purpose of meeting was to discuss budget advice relating to the Fiscal Year 2006 (FY06) budget submission and Fiscal Year 2007 (FY07) budget guidance.

Update on Fiscal Year (FY) 2006 & 2007 Budgets

Rich Holten, Department of Energy-Richland Operations Office (DOE-RL), updated the committee on the status of the FY06 and FY07 DOE-RL budgets. He said that a few adjustments were made to the FY07 request submittal following the public meeting on March 30. The most significant change was moving money from the Plutonium Finishing Plant (PFP) to Central Plateau remediation. Rich said DOE is on track for meeting Tri-Party Agreement (TPA) Record of Decision (ROD) requirements.

Rich explained money was also added for U Area and BC Cribs remediation. It was a difficult decision to transfer money from PFP for additional cleanup activities because of the high mortgage costs for PFP. (The mortgage is \$50 million per year for PFP.) Due to the transfer of funds from PFP, DOE-RL will have to request additional over-target funding for PFP, which puts the project at risk since there is no guarantee additional money will be appropriated for the project. However, DOE-RL feels it is necessary to bolster funding for Central Plateau cleanup activities.

Delmar Noyes, Department of Energy-Office of River Protection (DOE-ORP), updated the committee on the FY06 and FY07 budgets for DOE-ORP. Topics for over-target

funding requests are currently being put together, and include tank farms and the Waste Treatment Plant. DOE-ORP is working from the same prioritization list of over-target topics previously presented to the committee in March.

Committee Discussion

- *What does DOE Headquarters (DOE-HQ) think about the changes to the budget request?* Rich said DOE-HQ has not seen the revised submittal yet, but they will see it by Friday, and can make changes then. The total over-target funding request is \$150 million.
- *What is the spread between the total budget within target and over-target?* Greg Jones, DOE-RL, will get the spread for distribution to the committee.
- *What does the term “over-target” mean?* Joe Voice, DOE-RL, said over-target relates to the budget formulation process. DOE-HQ provides a target dollar value to shoot for in the budget formulation process. If it looks like work will take more money than the original target, DOE-RL submits a budget request to HQ to do “over-target” work. Harold commented that target budgets are below approved baselines, and are therefore in danger of not complying with the TPA. Joe said the baselines are established to achieve an accelerated level of cleanup above and beyond TPA requirements. The fact that target budgets may not match approved baselines does not necessarily mean they are not TPA compliant.

Advice on Fiscal Year (FY) 2006 & 2007 Budgets

The committee reviewed and discussed the bulleted list of potential points for inclusion in advice.

- Committee members agreed it is not a good idea to identify funding sources in advice, since it is important to advise DOE to fund activities, not tell them how funding should be allocated among different programs and projects. Advice should indicate the Board’s support for moving money to fund Central Plateau cleanup, but should also request funding for PFP activities.
- There was general committee agreement to support requesting adequate funds for over-target activities.
- Some committee members expressed concern about funding needs for new technologies. The Board has addressed this concern before, but nothing has happened to remedy the situation. There seems to be a lack of involvement from Environmental Management (EM) and DOE on looking into new technologies.
 - *Does new technology get evaluated for use at Hanford? If so, where does technology get analyzed?* The office that used to be in charge of technology development no longer exists. EM should indicate they need

financial support for technology development, and it is unclear whether they are expressing this need.

- Several committee members suggested the Board could reiterate the lack of money being appropriated for new technology evaluation and consideration. The committee agreed language about allocating funding for new technology should be included in the advice.
- Joe Voice suggested if the Board is relying purely on what happens with DOE budgets in February, March, and April of each year, this is not adequate information. Very little information is available between February and March; the Board should be looking at the budget all the time. He indicated some information (e.g., a progress report) could be provided monthly. Committee members said this issue appears in previous Board advice, but another piece of advice could ask for budget updates from DOE to provide progress reports on long-term baselines.
- Al Boldt commented that the draft pieces of advice are not policy-level advice as they stand. He suggested the advice include recommending TPA baselines be funded, and funding should be identified for new work scope. There are a lot of concerns described in the drafts, but those concerns are not advice and need to be summarized at the policy level.
- There was general committee agreement for shorter advice. Rick Jansons said the three topics for this piece of advice should be: 1) fund baselines, 2) fund additional scope (such as security, PFP, etc.), and 3) activities that go beyond cleanup should be funded from another source. The committee agreed the format for advice should be a short policy statement with advice, followed by concerns that prompted advice, and then a few examples.
- Rick Jansons and Jerry Peltier will coordinate developing another draft of budget advice. They will send their draft to Harold for review, after which the draft will be circulated to the committee for consensus. The draft will be made available April 20th and comments should be made by April 22nd.

Planning for Budget Presentation at the April Hanford Advisory Board Meeting

The committee decided to request a DOE presentation to the Board before budget advice is presented. The presentation should provide a similar level of detail as was given at the budget workshop.

Committee Discussion

- Joe said DOE-RL will have budget formulation transmitted to HQ by April 28th, so they will be in a good position to support a presentation on the FY07 budget request. They may not be able to give more than the information provided at the budgets

workshop for the FY06 budget request. DOE-ORP needs to identify someone to give their portion of the presentation.

- Rick requested a summary be made at the beginning or end of the presentation to identify what the impacts of the budget shortfall are to the work force, current cleanup commitments, the accelerated cleanup schedule, and other new work.
- The presentation will be followed by regulator perspective, a question and answer session for Board members, and discussion of the advice. It will likely all take around two hours.

Committee Business

- The committee discussed the need for a conference call. Harold suggested a call might be necessary after the next round of draft advice is sent to the committee, depending on peoples’ reaction to the advice.
- The committee decided to request a joint meeting in May with the Tank Waste Committee to focus on the new Estimate at Completion for the Waste Treatment Plant.

Handouts

- Draft Advice Regarding the Proposed DOE Budget Guidance for FY 2007: For Consideration by the Budgets and Contract Committee, Harold Heacock, 4/13/2005.
- Draft Budget Advice, Rick Jansons, 4/13/2005.
- Draft Advice for the Hanford Advisory Board: FY 2007 and Long-Term Clean-Up Baselines, Budgets and Priorities, Gerry Pollet, 4/13/2005.
- List of potential points for inclusion in advice, 3/2005.
- U.S. Department of Energy Richland Operations Office: RL Budget Comparisons for FY 2005/ FY 2006/ FY 2007 (updated with target and over-target figures), Greg Jones, 4/13/2005.

Attendees

HAB Members and Alternates

Allyn Boldt	Rick Jansons	Jerry Peltier
Harold Heacock	Vince Panesko	Keith Smith
Lynda Horst (by phone)	Maynard Plahuta	Art Tackett

Others

Steve Chalk, DOE-RL	Melinda Brown, Ecology (by phone)	John Britton, BNI
Rich Holten, DOE-RL		Suzanne Heaston, BNI
Greg Jones, DOE-RL		Lynn Lefkoff, EnviroIssues

Joe Voice, DOE-RL		Jason Mulvihill-Kuntz, EnviroIssues
		Sharon Braswell, Nuvotec/ORP
John Eschenberg, DOE-ORP		