

FINAL MEETING SUMMARY

**HANFORD ADVISORY BOARD
BUDGETS AND CONTRACTS COMMITTEE**

*May 21, 2002
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.

Harold Heacock, committee chair, introduced the primary purpose of the meeting: to identify budget and contract issues in the Performance Management Plan for the Accelerated Cleanup of the Hanford Site (Plan) to be brought from the committee to the Committee of the Whole meeting. The Committee of the Whole is gathering perspectives from all committees in order to develop advice on the Plan for the June Hanford Advisory Board (HAB) meeting.

Performance Management Plan

Using a framework written by Todd Martin as starting point, the committee brainstormed the following list of questions and concerns:

- Funding for technologies –
 - Research & Development?
 - Applied research
 - Testing
 - Technology development?
- Vittrification Plant assumptions
 - Does the technology work and how much will it cost to make it work?
 - Cost schedule issues
- Money for tank farms to make them work
- Where’s the money? no real dollars attached to this plan
- How can the Department of Energy (DOE) guarantee there will be money when it’s needed?

- Follow public process
- Funding for groundwater remediation?
- Are DOE and contractors in position to effectively use the extra money?
 - Staffing
 - Technology
- Funding lift – do all sites get this lift, or is this the money that’s supposed to materialize from other sites closing sooner and freeing up more cleanup dollars?
- Are the other sites ready to accept wastes?
- Stable funding throughout the DOE complex?
- HAB existing priorities:
 - Vit plant (retrieval and vitrification of waste as called for in TPA)
 - K Basins and Plutonium Finishing Plant (PFP)
 - Groundwater
 - River Corridor
- Proposal to eliminate Budget Control Points – restate as simplify budget control points to facilitate funding what’s needed
- The cost of proposals of shipping waste and storing it here. (Trans-uranic waste, etc.)
 - Path in, no path out
- Plan offers waste in, but no dollars in

Committee Discussion

Gerry Pollet expressed concerns regarding the HAB priority of getting the vitrification plant built. It may not be enough to just say that anymore. The real priority is retrieving and vitrifying tank wastes and funding the vitrification plant per the phased implementation plan and the Tri Party Agreement (TPA) milestones.

Gerry also expressed concerns about the Plan’s proposal to reduce budget control points to only one. He sees this as essentially eliminating the Office of River Protection (DOE-ORP). The only control point left is the vitrification plant. That could leave the Richland Office (DOE-RL) with the authority, despite all the public and regulator input earlier in the year, to unilaterally decide to move dollars from one project to another without public input. This, in turn, opens the possibility that tank waste money could end up being viewed as a lower priority than other things, particularly in areas of safety and maintenance. This could undermine the whole principal of public involvement and oversight, and there is concern it could undermine the TPA. Currently, DOE-RL cannot move money over from DOE-ORP.

Rich Holten, DOE-RL, explained that, from DOE’s perspective, this is a proposal to give more flexibility and efficiency to DOE-RL. Multiple control points can mean delay. Rich acknowledged that perhaps the Plan should say “simplify” control points instead of “reduce.”

Gerry expressed another concern with the Plan: trans-uranic waste (TRU) coming to Hanford from other sites. Not only is there a path in without a path out, but there’s also waste in without dollars in to pay for them.

Regulator perspective

Melinda Brown, Department of Ecology (Ecology), asked how many times in the past has the \$5 million once a year limitation (per budget control point) delayed work? Rich Holten replied it has happened just about every year; they are not allowed to proceed with work until money is in the appropriate account. There have been instances where DOE-RL has had to stop jobs due to not having the money in the right place.

Dennis Faulk, US Environmental Protection Agency (EPA) expressed his hope that the TPA has established enough milestones to drive the work, so the number of control points shouldn't matter. Ecology continues to have the authority to regulate if the money isn't there. Gerry Pollet said he does not believe the Plan commits to working within the TPA.

Cleanup Funding - FY 2003 budget allocations and FY 2004 targets

Rich Holten described the agenda for the public budget meetings coming up in the next week. DOE will be presenting the Plan, although a decision on the split between DOE-RL and DOE-ORP of the \$433 million requested from the acceleration fund has not yet been made. Rich feels they will be in good shape relative to the TPA with the \$433 million. Without that bump-up, however, they would be only in maintenance mode. Since Headquarters (HQ) has not given any formal guidance on what to do with the budget, DOE-RL will be pricing the FY 2004 budget based on the Plan.

Committee Discussion

Dennis Faulk, EPA, commented that for the second year in a row, DOE's budget process has been a mess, and if DOE cannot yet give EPA the decision on the split, EPA expects at least to be given the compliance gap. EPA believes commitments in the TPA regarding budget are not being lived up to, although if DOE gets extra money they'll be able to beat the TPA. Dennis noted that milestones in the River Corridor work are not predicated on a big plus up; rather, they are tied to the original commitments. But EPA would like to see more funds committed to groundwater (at least 15%) and other tangible funding needs.

Melinda Brown, Ecology, explained that in a normal budget cycle, Ecology could see by this point which milestones are funded and which ones are not according to contract baselines. Because DOE has not provided that information, Ecology can say that they are reviewing the Plan and formulating comments, but they cannot say much more than that. Melinda did emphasize that Ecology has not abandoned the TPA, and has no intention of abrogating any responsibilities under the Dangerous Waste Regulations. There is some ability to look at alternatives, but Ecology remains committed to closure.

Rich Holten explained that \$760 – 770 is roughly the baseline. The President's base request was \$556, leaving obvious shortfalls. DOE-RL is confident they're going to get the \$433 million, however, and believe they can do with less than the baseline and still meet TPA commitments. Rich added that DOE-RL is not proposing a huge amount in terms of acceleration in the first year. A lot of the acceleration requests for funding are going to come in the out years. Some of the other commitments (strontium cesium capsules, for instance) don't even have proposals on the books yet, so next year will be a planning year.

Jennifer Sands, DOE-ORP, explained that they are still trying to figure out the 2004 and out-year budgets. Key items that will use acceleration dollars are tank closure activities, new alternative treatment technologies, acceleration of feed delivery, and storage and disposal facilities, but she cautioned the committee to remember that the Plan was based on preliminary analysis only.

Gerry Pollet asked why the compliance stack-up is not available. He expressed the concern that, looking at current requirements, RL is short already. Currently, the delta (the shortfall between base and needed) for RL is \$213 million, for ORP it is \$167 million. This leaves only about \$50 million left of the \$433 million plus up for acceleration work and that could easily get eaten up for one project. The added cost of meeting a meaningful closure is going to compete with the money for the number one priority.

Todd Martin asked if things are being kept under wraps because the scenario that supports the acceleration drives the dollars way up, and DOE does not want to jeopardize 2003 budget with these huge numbers, since they could kill cleanup funding.

Jennifer Sands replied that HQ understands that the numbers will come in high for all sites. She acknowledged that there is no real information, just lots of speculation.

Harold Heacock summarized DOE's budget status this way: we don't have information on the budget, and we don't know when we will get it. Maynard Plahuta emphasized that the biggest point is to push HQ to hurry up and decide about the budget. If other sites haven't done as good job of looking at what their long term funding needs are, there may not be the downward trend that is predicted as a source of additional funding in out years.

The committee decided that they did not have sufficient information to warrant bringing advice to the June HAB meeting. The budget submission date is now June 17th, so the committee will aim for a June meeting to prepare advice for the July HAB meeting.

Solid Waste Disposal

George Sanders, DOE-RL, discussed the recently-released Solid Waste Environmental Impact Statement (SW-EIS). From Hanford's point of view, the document represents a forecast of what the volumes of a particular waste stream will be over time from both on- and off-site generators. The EIS captures the potential impacts of different scenarios on that waste stream coming to Hanford. Where is waste going, and how much of that waste Hanford will see, is what drives costs. According to George, the EIS doesn't drive decisions, it just sets upper and lower bounds on the costs of decisions already being made.

Rudy Gueria, DOE-RL, added that the off-site generator pays a pro-rata portion of the disposal. Through fee structuring, pools, etc., off-site generators are asked to pay for the cost of disposing the waste. Different types of waste require different types of people and different systems to handle it. DOE-RL has set up different pieces of the rate structure to attempt to capture the differences in the costs of the different types of waste. If DOE decides to go to a more robust

disposal facility (trenches, etc), then those expenses would be carried over multiple years and may not be included in the annual rate fee.

George and Rudy explained briefly why the Parks Township waste was an exception to the general rule: DOE-RL asked for specifics of what they were going to send, and bid the job out based on that. Rather than a rate per cubic feet, they set a cost for the whole job.

Committee Discussion

Gerry Pollet asked if the HQ study of comparative costs of disposal at different sites is available. Since it has not been transmitted to Congress yet, it is not available, but may come out of the Office of Management and Budget (OMB) by the end of June. Gerry emphasized that if that study is not released in a timely fashion for the purposes of commenting on this EIS, there is a big problem.

Gerry next asked some specific questions about the SW-EIS: 1) If you charge the full life-cycle cost (DOE is not currently charging full life-cycle costs), will there be less volume disposed of? 2) Does the SW-EIS address the issue of increasing treatment in order to decrease volume and lessen impacts? 3) Does the SW-EIS look at costs and environmental impacts of accepting commercial waste? 4) Does the SW-EIS address having a closure fund for waste coming on site? (Congress refuses to allow DOE to pool costs for the future; therefore, it is difficult to accumulate a closure account to take into the future to take care of a site. Funds carried over can be taken away, so it would take a special act from Congress to agree to a sinking fund to save up these disposal costs.)

George Sanders agreed that DOE needs to have a mechanism to deal with future costs. Mike Collins, DOE-RL, explained that the SW-EIS does not look at fully or partially charging generators for disposal - it simply looks at a lower and upper bound of volume coming to the site.

Harold Heacock asked if there are going to be capital facilities required to handle off site waste, and, if so, where's the money?

George replied that if DOE ends up with a large lined trench (mega-trench) for mixed low level and low level waste, there may be a capitol expense. They don't know yet. DOE-RL is looking for feedback from stakeholders on things like the mega-trench.

Jeff Luke asked if the SW- EIS looks at the impact to the environment of treating the waste at one site and disposing of it at another site, and coupling those, to see if the sum total of impacts are greater or less. Mike Collins answered that this EIS is not scoped that way and assumes the treatment has already occurred.

Todd Martin commented that if you consider life cycle cost, it provides incentive to reduce volume since, in some cases, treatment can increase waste. Todd asked if the SW-EIS looks at factors such as cost comparison with other sites, the impacts of surcharges on EnviroCare, politics in other states regarding permits, etc. George Sanders acknowledged that competition

would be helpful, but right now, with the regulations and the political climate the way it is, it is incredibly difficult to get any facilities operational.

Finally, Gerry noted that the costs for import of TRU is in the Performance Plan, but not in the SW-EIS.

Gerry will be the issue manager for the SW-EIS and liaison with the work being done in the River and Plateau committee (RAP). Pam Brown announced that RAP will have an EIS conference call on May 31, at 1:30 and all committee members are invited to participate.

River Corridor Contract Update

The committee discussed an article in the morning paper reporting that DOE-RL is refusing to announce how many bids were received and from whom. Since DOE is within their rights not to disclose this information, there was no further committee discussion.

Committee Leadership Selection

The committee reached consensus to keep the leadership as it is for the coming year: Harold Heacock will remain as chair, Gerry Pollet will remain as vice-chair.

Committee Work Planning

The committee ran through the most recent work planning table (November 19, 2001) and discussed needed updates. Issue managers will look at their issues and provide an updated to-do list to EnviroIssues to complete a new draft of the planning table.

Miscellaneous

Harold asked EnviroIssues to compile a list of all upcoming meetings involving HAB members, including C3T.

Next Meeting

A meeting was tentatively scheduled for Tuesday, June 25 in the morning in order to discuss the '04 budget. The purpose of the meeting will be to work on advice on the '04 budget for the July HAB meeting.

The next committee call is June 18 at 10:30 a.m.

Attendees

HAB Members and Alternates

Jim Hagar	Gerry Pollet	
Harold Heacock	Keith Smith	
Jeff Luke	Dave Watrous	
Todd Martin		
Maynard Plahuta		

Others

Peter Bengtson, DOE-ORP	Melinda Brown, Ecology	Penny Mabie, EnviroIssues
Jennifer Sands, DOE-ORP	Joy Turner, Ecology	Lynn Lefkoff, EnviroIssues
Michael Collins, DOE-RL	Dave Einan, EPA	Chris Chamberlain, Nuvotec
Rudy F. Gueria, DOE-RL	Dennis Faulk, EPA	
Rich Holten, DOE-RL		
George Sanders, DOE-RL		
Yvonne Sherman, DOE-RL		

Dates to Remember

- June 9: Reservation deadline for July HAB meeting
- June 10-11: Exposure Scenarios Task Force
- June 12: River and Plateau Committee meeting (all day)
- June 17: Tank Waste Committee call placeholder, 3 pm
- June 18: River and Plateau Committee call placeholder, 9 am
Budgets and Contracts Committee call placeholder, 10:30 am
- June 19: Health Safety and Environmental Protection Committee call placeholder, 2 pm
- June 20: Executive Issues call to build July HAB agenda, 3 pm
- June 25: BCC meeting placeholder(morning)
- July 10-11: HAB meeting, Tri-Cities