

FINAL MEETING SUMMARY

**HANFORD ADVISORY BOARD
BUDGET AND CONTRACTS COMMITTEE
October 10, 2007
Richland, WA**

Topics in this Meeting Summary

Welcome and Introductions 1
Tri-Party Agreement (TPA) Negotiations 1
Fiscal Year 2009 (FY08) and 2009 (FY09) Budgets Update 5
Action Items / Committee Business..... 6
Handouts 6
Attendees..... 6

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 committee members and reviewed the agenda items. The committee approved the August meeting summary.

Tri-Party Agreement (TPA) Negotiations

Gerry asked the committee members who attended the TPA Negotiations Workshop to provide their input and impressions on the workshop.

Al Boldt expressed disappointment in the revised TPA milestone content and schedule, and said he would like to see Department of Energy (DOE) commission a study to see if the cleanup timeline could be accelerated. He believes pre 1970s transuranic (TRU) waste and the interim reactors should have been addressed.

Keith Smith suggested that unless DOE identifies additional storage for tank waste, retrieving and treating tank waste will rely on the Waste Treatment Plant (WTP). Keith said he supports an accelerated cleanup schedule but is concerned that having additional workers on site increases the risk of accidents. Keith felt that Hanford Advisory Board (Board) member feedback at the TPA Negotiations Workshop identified issues the TPA agencies had not considered, on which the committee should follow up with advice. Keith felt it was worth putting the Board’s comments on record so DOE has something to reference.

Ken Gasper suggested the committee draft advice encouraging DOE to proceed with waste retrieval in single shell tanks (SST) as fast as technically possible. Ken believes DOE has adopted a budget constrained retrieval schedule for the 19 SSTs that could be transferred to double shell tanks (DST) with available space. Ken said he would like to see a proposed schedule for moving forward with those tanks as fast as safely possible.

Harold Heacock expressed concern about basing the TPA Negotiations on a certain funding level. He noted that schedule delays may receive a negative reaction from the administration and Congress; at some point Congress will want the work done and will stop providing funding if no progress is made. Harold said there is still a lot of cleanup work that is not included in the TPA or site budgeting. Harold provided examples such as canyons, PUREX tunnels, final disposition of reactors, closure of tanks, and pre-1970 TRU waste.

Regulator Perspectives

- Ron Skinnarland, Washington State Department of Ecology (Ecology), said the tank waste retrieval schedule calls for completing six tanks per year. One thing to consider in retrieving more tanks is how to avoid laying off the workforce. If the workers complete tank waste retrieval early they would have to be laid off until WTP is ready and there is more tank waste to move.

Committee Discussion

- Ken commented that the Rocky Flats closure was able to shorten the timeframe and funding necessary to complete closure. He emphasized the longer cleanup takes, the more it costs. Ken said the committee should consider the lessons learned from that site.
- Keith said he does not think Hanford cleanup should be conducted in the same way as Rocky Flats. Hanford will likely have an area on the Central Plateau that will be restricted, but it is unacceptable to restrict the whole site the way Rocky Flats was. Harold pointed out that DOE has achieved closure at Rocky Flats and Savannah River, but the cost of Hanford cleanup continues to increase, threatening the credibility of DOE programs in Congress.
- Gerry suggested the TPA agencies postpone negotiations until DOE issues the 2008 Hanford Lifecycle Scope, Schedule and Cost Report that provides the unconstrained cleanup schedule. Gerry said he was originally skeptical of the report, but now thinks further negotiations should wait until the report is available. He noted that changing TPA milestone dates retroactively based on the report would be challenging. Ken said the draft Tank Closure and Waste Management Environmental Impact Statement (TC&WM EIS) will be out in the same timeframe which would also be useful information for the negotiations, and could put the negotiations and Record of Decision (ROD) in sync with each other.
- Gerry said the original 2018 milestone to retrieve tank waste feels like a long way off and there is still time to get things done now. The report should ask if DOE can meet

2018 for certain items, instead of delaying all actions until 2040. Ron said Ecology is sensitive that changing the milestone from 2018 to 2040 is significant. Ron posed some questions for the committee to consider:

- What is a reasonable assumption about DOE's budget and what they can ask Congress for over and above the appropriation?
- Does putting an emphasis on retrieving tank waste take focus away from waste treatment?
- If the agencies cannot say leaving waste in the tanks is safe, is it acceptable to do so?

Ron said this committee will be able to help the agencies develop overall cleanup priorities. Stakeholders often say they want the agencies to ask for more money, but DOE needs to know what they are going to do with that money.

- Gerry said the negotiations are using a budget that is less than has been established as the funding required to achieve cleanup. He believes DOE needs to commit to meeting existing requirements, and then discuss how to meet delayed milestones. Al said he supports continuing negotiations on work that can get done with an increase in budget.
- Jim Trombold said he wanted to see the TPA agencies base negotiations on what the appropriate cleanup standard. If it takes building DSTs and WTP then that should be the focus, but if the context for negotiations continues to be the budget problem, there will not be any progress. Ron said Ecology started with the recognition that completing cleanup faster costs more. For the WTP, they did not start with what can be built for the funding available, but rather what is the right timeline for completing the WTP. Jim commented that there has to be a better answer for addressing tank waste before the WTP is done than extending the milestone until 2040.
- *What is the lifespan of the tanks, 2030, 2050 or some other date?* The lifespan of the tanks is necessary to know how long the tanks are good for safe storage. Ron said Ecology does not currently know the lifespan of the tanks, but work is being done to determine this. It is important to understand the public's priorities for tank waste and how they line-up with how the agencies feel about the tanks.
- Gerry said the SST integrity report would be useful, but fundamentally the agencies need to stick with 2018 for SST retrieval until proven it is technically unfeasible. Hanford Lifecycle Scope, Schedule and Cost Report would answer the question of whether the 2018 milestone could be met through initiating early low activity waste (LAW) treatment, adding a third melter to the WTP, or building new tanks. It is important to know which SSTs should be emptied first in terms of risk. But there has to be a reason why it is not technically feasible to meet the milestone schedule.
- Susan Leckband said this issue seems appropriate for Board advice. The negotiations will be going on for a long time, but she encouraged the committee not to pack everything about cleanup into the advice; advice should be specific to the negotiations.

- Ken suggested there be no change in the date from 2018 until the SST integrity report milestone is received and evaluated. The report becomes the technical basis for making a change in the TPA tank retrieval milestone. Gerry wondered if the advice could recommend DOE consider the SST integrity report as the basis for negotiating the tank retrieval milestone, in conjunction with the life cycle report. There was general agreement on this point.
- Jim said he sees no reason to deviate from the 2018 milestone unless there is new information. Gerry suggested the advice could say that until the regulators and public have the information necessary to know how fast the work could be done, then new deadlines cannot be negotiated. Otherwise, Gerry felt the Board would be accepting unwarranted delays. Susan said there is a history of the Board saying dollars should not be the basis for changing dates. She agreed it is important for the advice to recommend negotiations not being based on funding. The committee generally agreed cleanup decisions should be made based on technical and risk reasons, not budget.
- Susan suggested the advice could address new milestones, but should allow work activities under negotiation that could result in milestones moving forward to continue. The Board does not want to obstruct those items that are not delayed. The committee generally agreed that no negotiations should occur until the 2008 Hanford Lifecycle Scope, Schedule and Cost Report is issued, but that DOE should address new items (such as groundwater) while waiting for the 2008 report.
- Gerry suggested it would also be important to have public meetings to discuss milestones that will be delayed. Harold asked what the format for the public meetings would be, since the information DOE presented at the TPA workshop was more of an update, which the public would not likely be interested in. He said the alternatives and impacts should be identified before going to the public. Gerry said he thought the information about the delay in schedule would be important information for the public. The public needs to help support the request for funding so the cleanup can meet milestones. Susan said there will be public meetings on the risk assessment, the TC&WM EIS, and Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) as a result of the TPA. The committee should think about the competition for the public's interest. Karen Lutz, Department of Energy – Richland Operations Office (DOE-RL), said the State of the Site meetings are coming up in November and December and the TPA Negotiations will be included as a topic during these regional meetings.
- Gerry summarized the committee's main advice point: Delays need to be based on evidence that: 1) cleanup milestones cannot be met technically, and 2) the delay does not harm the environment. The justification for not being able to meet milestones for technical reasons should be based on the Hanford Lifecycle Scope, Schedule and Cost Report.
- Gerry said he will work on drafting advice and getting a draft out for the committee to review.

Fiscal Year 2009 (FY08) and 2009 (FY09) Budgets Update

Kathy Andrew Smith, DOE-RL, presented a budget update for DOE-RL. She said DOE is still under a continuing resolution. The House of Representatives passed the budget but the Senate has not. The Senate has five weeks left this year to pass the budget. The continuing resolution provides DOE with 13 percent of their budget. Both the House and Senate approved \$75 million of additional scope on which DOE is restricted from spending money on. Kathy said DOE does not have any cash flow impacts during the continuing resolution over the next six weeks, although they have been advised to be prudent with allocated funding.

The Fiscal Year 2009 (FY09) budget is with the Office of Management and Budget (OMB). Kathy added that the President has threatened to veto any bills that include a budget above the President's budget.

Ron said the House budget would restore most of DOE's compliance shortfalls. The budget shortfall in Fiscal Year 2008 (FY08) has impacted some TPA work, but major impacts to cleanup work will emerge in 2009, which require a substantial increase in funding to address. In 2009, DOE would need an additional \$100 million to complete scheduled work. Ron said they would need to know if delays are acceptable elsewhere in order to address groundwater work activities. Kathy explained that the reason there appears to be no current impact to groundwater work is because DOE had budget carry over from last year.

Steve Wiegman, Department of Energy – Office of River Protection (DOE-ORP), reported on the DOE-ORP budget. He said the biggest difference for DOE-ORP is that they only received 12% of the President's budget. The House approved \$100 million less in funding for WTP than called for in the President's budget, which would not affect DOE-ORP in 2008 but does in 2009. The Senate supports a budget \$53 million above the President's budget proposal, but have not acted on it yet. The Senate also approves of moving the Board budget move from DOE-ORP to DOE-RL. Steve said they are working on carry over funds to allow DOE-ORP to proceed with planned 2008 cleanup work. On the tank farm side, they are restricted to minimum safe essential services activities. Steve said some retrieval activities and work on the WTP will continue.

Committee Discussion

- *What areas are expected to see a funding increase?* Kathy said \$75 million is a healthy increase and some of the additional funding was for the Hazardous Materials Management and Emergency Response (HAMMER) Training and Education Center, groundwater, solid waste, and PBS 40. Kathy said all the budget information is available on the Hanford website.
- Gerry requested the committee be briefed on the funding impacts from the S-102 tank leak and recovery. Steve said one impact from the spill will be the delay in starting additional tank waste retrieval. Steve said he could update the committee on the activities being done to get back on schedule with tank waste retrieval in November.

Steve said these types of events have substantial impacts on all other systems that could have similar problems.

- *Has the 12% continuing resolution impacted recovery from the tank leak event?* Steve said at this point the continuing resolution has not impacted recovery, but the issue could become more serious if the continuing resolution is extended significantly.

Action Items / Committee Business

- Karen said DOE’s response to the Board’s advice on Hanford contract request for proposals (RFPs) is awaiting signatures, and should be available soon. Gerry thought it would be timely for the committee to discuss the advice response at the November committee meeting.
- Gerry suggested the committee plan to schedule a half day discussion on the two contracts once they are awarded. He also emphasized the need to have more people read the contracts when they are awarded. Karen said DOE may be able to support committee discussion on this topic in January or February.
- Gerry said TPA Negotiations will continue to need to be discussed in November. Harold suggested the committee might want to discuss doing a joint meeting with the Tank Waste Committee (TWC) or River and Plateau Committee (RAP).
- Gerry said the committee should review and discuss the baseline for the draft Hanford Scope, Schedule and Cost reports with the TPA agencies.
- Gerry said they will look at the FY08 budget allocation and FY09 budget request in February.
- *What is the State of the Site meeting schedule?* Karen said they are considering holding meetings during the last week in November and the second week in December. Ken proposed to have a joint TWC/BCC meeting the first week of December. Ken and Gerry will make the request on the Executive Issues Committee (EIC) call.

Handouts

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

- Office of River Protection – FY 2008 Update, DOE-EM.
- Budgets and Contracts Committee, FY 2008 Work Planning Table, 10/2/07.

Attendees

HAB Members and Alternates

Al Boldt	Gene Van Liew	
Earl Fordham	Jim Trombold	
Ken Gasper	Susan Leckband	

Harold Heacock		
Gerry Pollet		
Keith Smith		

Others

Kathy Andrew Smith, DOE-RL	Sharon Braswell, Ecology	Jason Mulvihill-Kuntz, EnviroIssues
Karen Lutz, DOE-RL	Ben Hampton, Ecology	Emily Neff, EnviroIssues
Barbara Carpenter, DOE- ORP	Ron Skinnarland, Ecology	Barb Wise, FH
Lori Gamache, DOE-ORP	Dennis Faulk, EPA	
Steve Wiegman, DOE-ORP		