

**River Corridor/K-Basins Closure
Tri-Party Agreement Milestone Review
Meeting Minutes
December 18, 2008**

Approval: Jane A. Hedges by [Signature] Date: 1/29/09
J. Hedges (H0-57)
Ecology IAMIT Representative

Approval: [Signature] Date: 1/30/09
M.S. McCormick (A5-11)
DOE IAMIT Representative

Approval: Larry Gadbois 1-28-09 Date: 1-28-09
L.E. Gadbois (B1-46)
EPA IAMIT Representative, Chairperson

Minutes Prepared by: [Signature] Date: 2/2/09
T.W. Noland (H8-12)
Fluor Federal Services, Inc.

Arnold, L.D. FH
 Bignell, D.T. WCH
 Blackburn J.E.* WCH
 Bond, R.* Ecology
 Bohnee, G. NPT
 Buelow, L.C.* EPA
 Call, P.K.* RL
 Cameron, C.E.* EPA
 Cimon, S.* ODE
 Dagan, E.B. RL
 Donnelly, J.W.* WCH
 Einan, D.R. EPA
 Engelmann, R.H. CHPRC
 Faulk, D.A. EPA
 Franco, J.R. RL
 French, M.S.* RL
 Gadbois, L.E.* EPA
 Guercia, R.F. RL
 Harris, S. CTUIR
 Hedges, J.* Ecology
 Henry, D. OOE
 Horst, L. OOE
 Jim, R. Yakama
 Johnson, W.F.* WCH

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Knox, K.E.* KCR
 LaRue, D.N. WCH
 Lobos, R.A.* EPA
 McCormick, M.S.* RL
 Morrison, R.D.* YAH
 Niles, K. OOE
 Noland, T.W.* FFS
 Piippo, R.E.* CHPRC
 Post, T.C. RL
 Previty, W.H. FH
 Price, J.B.* Ecology
 Rasmussen, J.E.* YAH
 Russell, R.W. ORP
 Sands, J.P. RL
 Skinnarland, E.R.* Ecology
 Smith, D.C. RL
 Spencer, C.G. WCH
 Teynor, T.K.* RL
 Watson, D.J.* CHPRC
 Weil, S.R.* RL
 Whalen, C.* Ecology
 Wilkinson, R.E. CHPRC
 Wintczak, T.M.* WCH
 Administrative Record
 *Attendees

**River Corridor/FFTF
Tri-Party Agreement Milestone Review
Meeting Minutes
December 18, 2008**

River Corridor Closure Project Milestones M-16/M-93/M-94/M-89

DOE distributed a handout on the quarterly summary September through November 2008, the milestone status, accomplishments, planned actions, performance summary and issues.

Quarterly Summary (September - November 2008)

There was a brief discussion regarding the seven milestones specific to the K Basins (inside the fence) that were transitioned from WCH to the new Plateau Remediation Contact on October 1, 2008. EPA reported that its regional administrator expressed interest in progressing with the groundwater commitments that were negotiated as part of the big negotiations. The EPA regional administrator has proposed to withhold her approval of the K Area Tentative Agreement and TPA Milestone Packages unless DOE agrees to groundwater milestones. DOE and Ecology expressed their concern, noting that both agencies had reached agreement and signed off on the K Area Tentative Agreement. The parties agreed that further discussions were needed to determine a path forward.

DOE stated that milestone M-16-53, complete interim response actions for 100-K Area, is still on track to meet the 12/31/12 due date for the outside the fence work.

TPA Milestone Status

M-16-49, Complete Interim Remedial Actions for 100-F Area

DOE reported that this milestone has been completed and the final closeout document was signed by EPA. EPA responded that a change package with a milestone attached is needed for final closeout, since some of the activity was split out. DOE stated that it is currently reviewing draft change package.

M-16-61, Complete Interim Remedial Actions for Remaining High Environmental Priority 300-FF-2 Waste Sites (618-2, 618-3, 618-5 and 618-7)

DOE reported that the physical work is done in 618-7, and the remaining issue is some of the waste to be treated at Permafix has not been shipped due to license limitations at Permafix. DOE noted that a path forward agreement with EPA was reached that the milestone is completed. WCH stated that there may be one shipment left by the end of the year.

M-89-00, Complete Closure of Non-Permitted Mixed Waste Units in 324 Building REC B-Cell, REC D-Cell and High Level Vault

Ecology expressed concerns about discussions DOE has had regarding the option of leaving B Cell in place. DOE acknowledged the option has been discussed as a cost and schedule savings, but there has been no change in planning. Ecology stated that it has asked DOE to look at an alternative exposure scenario for the 300 Area to consider a high density residential use with some land use restrictions. DOE responded that currently there is no intent to change the land use of industrial.

Performance Summary

DOE reported that the project is maintaining positive cost and schedule variances. The current budget planning is \$242 million for the River Corridor, and \$7.5 million of that is assigned to K Basins D&D work.

K Basins Remediation - M-34 Milestone Review

A summary of the TPA milestone status, accomplishments and status, upcoming activities, project risk status, and project baseline and performance was provided.

Significant Accomplishments and Status - Sludge Treatment

DOE stated that the Waste Isolation Pilot Plant (WIPP) has decided the knockout pot (KOP) waste stream is not suitable for disposal (at WIPP) during its compliance recertification application process. DOE was made aware of this in August 2008. DOE has resolved the issue of sending the KOP stream to WIPP by washing the sludge one more time to remove the fines fraction (size <600 microns) to the settler tubes. This will leave debris that will go to ERDF and the coarse fraction (size >600 microns) that is intended to be processed in the manner of spent nuclear fuel scrap.

It was noted that the transportation cask for transporting sludge samples was borrowed from WCH versus leased as indicated in the presentation package.

Upcoming Activities- Sludge Treatment

DOE stated the contractor's sludge disposition formal report on the alternatives analysis down select is currently expected February 3, 2009.

KBC Risk Status – K East Basin

There was new risk identified for this report period. There is a potential that removal of the basin floor may require a new safety analysis due to the high dose of this material. In a worst case there may be a requirement to do an operational readiness review.



December 18, 2008

River Corridor/K-Basins Closure Milestone Review

Place: EPA Conference Room, 309 Bradley Boulevard, Suite 115, Richland, WA
Time: 10:00 am - 11:00 am
Chairperson: Larry Gadbois

Agenda

10:00 am M-16-00 Complete Remedial Actions
M-93-00 Disposition of Surplus Reactors
M-94-00 300 Area Surplus Facilities
M-89-00 324 Bldg. Closure of MW Units

10:45 am M-34-00 K-Basins Closure Project

11:00 am Adjourn River Corridor Milestone Review

Tri-Party Agreement Major Milestone Management Review
 December 18, 2008

<u>Name</u>	<u>Organization</u>	<u>Mail Stop</u>	<u>Phone</u>
Terry Noland	Fluor		
Kathy Knox	Knox Court Reporting		946-5535
Ron Morrison	VAHSGS	A5-15	376-2994
Mark French	DOE-RL		373-9843
Paula Call	DOE RL	A7-76	376-2048
Craig Cameron	EPA		376-8665
Laura Buehler	EPA	PH-46	376-5466
Shawny Simon	ODOE		(541) 903-0853
Cheryl (W) Simon	Ecology		372-7972
Ron Skinnerland	Ecology		372-7724
Jane Healy	Ecology		372-7905
Harry Shollis	EPA		376-9884
John Price	ECY		372-7921
Jim Rasmussen	VAHSGS		376-6304
Jack Donnelly	WCH	H4-22	372-2043
Leb Blackburn	WCH		372-9958
Tom TEYNOR	DOE-RL		376-6363
ROB PETERS	CHERC		373-3285
Rick Bond	Ecology		372-7885
STEVE WEIL	DOE-RL		372-0879
Kayne Johnson	WCH		372-9044
Kod Lobos	EPA		376-3749
MATT McCOMICK	DOE/RL		373-9971

RIVER CORRIDOR CLOSURE PROJECT

TPA Quarterly Review

For Period: September - November 2008



Tri-Party Agreement

River Corridor Milestones:

M-16

M-93

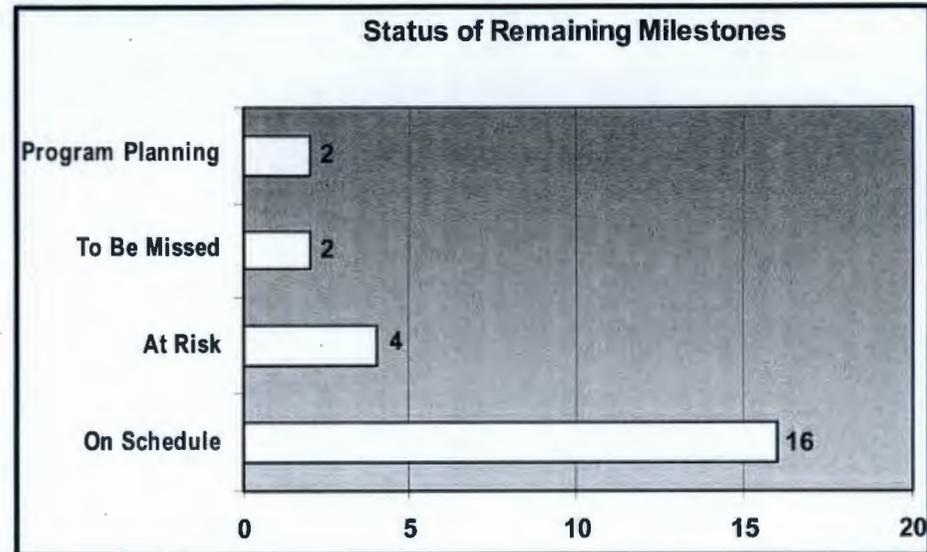
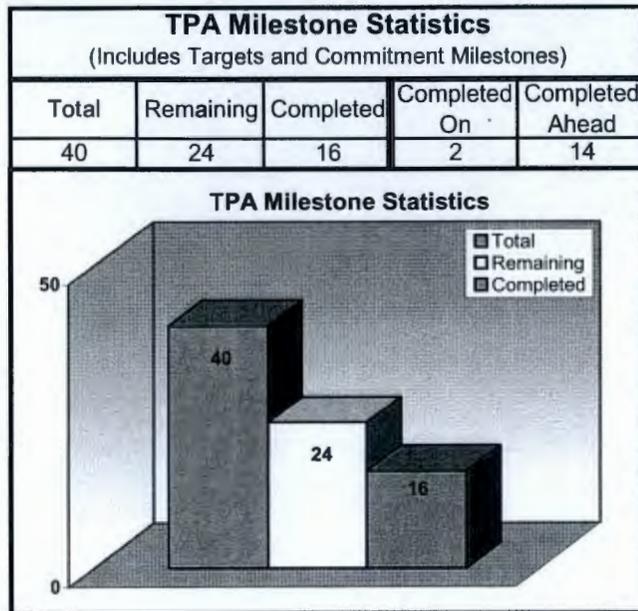
M-89

M-94

U.S. Department of Energy
U.S. Environmental Protection Agency
Washington State Department of Ecology

December 18, 2008

Protecting the Columbia River



Quarterly Summary (September - November 2008)

- Completed one TPA milestone:
 - M-16-73, Initiate Substantial and Continuous Soil Remediation at 618-1 Burial Ground (due 9/30/08) - 9/17/08.
- TPA change requests:
 - M-16-08-06 (M-16-56 extension request [100-IU]) disapproved by EPA; dispute at IAMIT level until 1/15/09.

Quarterly Summary (September - November 2008) (cont'd)

- Following TPA milestones were transitioned from WCH to new Plateau Remediation Contract effective October 1, 2008:
 - M-16-58 – Initiate Soil Remediation at K-West Basin (due 4/30/09)
 - M-16-52 – Initiate Response Actions for Remaining Waste Sites for 100-K Area Including Closure of the 1706-KE Waste Treatment System (due 7/31/09)
 - M-16-57 – Initiate K-East Basin Soil Remediation (due 10/31/09)
 - M-93-22 – Complete 105-KE and 105-KW Reactor Interim Safe Storage (due 9/30/11)
 - M-16-53 – Complete Interim Response Actions for 100-K Area (due 12/31/12)
 - M-16-00A – Complete All Interim Response Actions for the 100 Areas (due 12/31/12)
 - M-93-00 – Complete Final Disposition of All 100 Area Surplus Production Reactor Buildings (due TBD)

TPA Milestone Status Report

Status as of: November 30, 2008

TPA MS No.	Compliance Date	Milestone Title	Status	Comments	
M-16 Milestones - Remedial Action (milestones through 12/31/09)					
1	M-16-49	12/31/2008	Complete Interim Remedial Actions for 100-F Area	On Schedule	RL submitted the last remaining closeout documents; awaiting approval of 128-F-2. Remediation of 100-F-59 is not within this milestone. Revegetation will occur by 12/31/08 to meet this milestone.
2	M-16-56	12/31/2008	Complete Interim Remedial Actions for 100-IU-2 and 100-IU-6	To Be Missed/ Dispute Resolution	RL submitted change request M-16-08-06 to EPA on 9/12/08 (08-AMRC-0209) requesting an extension. EPA disapproved on 9/18/08; RL sent letter to initiate dispute (08-AMRC-0247) on 9/25/08. RL elevated dispute to IAMIT level until 1/15/09.
3	M-16-61	12/31/2008	Complete Interim Remedial Actions for Remaining High Environmental Priority 300-FF-2 Waste Sites (618-2, 618-3, 618-5, and 618-7)	On Schedule	Sites 618-2, 618-3, 618-5 were completed under M-16-60 (12/28/06). Remediation of 618-7 began in December 2007. Milestone may be at risk due to shipment of drums in 618-7 Burial Ground requiring complex handling and treatment off-site. RL is working with EPA to achieve this milestone.
4	M-16-94	12/31/2009	Complete Interim Remedial Actions at 100-B/C Area (not covered by M-16-45)	To Be Missed	100-C-7 has chromium contamination to groundwater. RL and EPA have been evaluating alternatives to consider, and additional technology evaluations for soil treatment and path forward are being discussed. A workshop was held with EPA in November. A draft milestone change package is under development to propose scope changes to the milestone and an extension.
5	M-16-51-T01	12/31/2009	Complete Excavation of 1 of 5 100-H Burial Grounds (118-H-1, 118-H-2, 118-H-3, 118-H-4, or 118-H-5)	On Schedule	

TPA Milestone Status Report

Status as of: November 30, 2008

TPA MS No.	Compliance Date	Milestone Title	Status	Comments	
M-89 Milestone - 324 Bldg Non-Permitted MW Units Closure					
1	M-89-00	09/30/2010	Complete Closure of Non-Permitted Mixed Waste Units in 324 Building REC B-Cell, REC D-Cell, and High Level Vault	On Schedule	
M-93 Milestone - Reactors Final Disposition					
1	M-93-20	09/30/2012	Complete 105-N Reactor Interim Safe Storage	On Schedule	ISS subcontract site mobilization is complete; work is in progress in the 109N Heat Exchange System.
M-94 Milestones - 300 Area Surplus Facilities Disposition (milestones through 9/30/10)					
1	M-94-07	12/30/2009	Complete the Selected Removal and/or Remedial Actions that are Selected for 6 of the Following 19 High Priority Facilities: 305B, 306E, 306W, 307 Retention Basins, 308, 309, 321, 323, 324, 324B, 325, 326, 327, 329, 333, 340, 3706, 307 Trench, and 3720; to include the 306E, 306W, 3720, and 305B Facilities	On Schedule	Bldgs 305B, 306E, 333 completed under M-94-06 (March 2008). In addition, Bldg 3706 above-grade (AG) demolition completed 6/3/07; AG loadout completed 7/19/07. Bldg 306W AG demolition completed 9/28/07; AG loadout completed 12/15/07. Bldg 3720 AG demolition completed 7/17/07; below-grade demolition completed 8/19/08; loadout completed 10/21/08. Final closure documentation being prepared.
2	M-94-03	09/30/2010	Complete Disposition of Following Surplus Facilities: 303M, 332, 333, 334, 334A, 3221, 3222, 3223, 3224, 3225, 324, 324B, 327 (see TPA CH M-94-01-01, Table 1)	On Schedule	3221,3222,3223,3224 demolished May 2002 by Fluor Hanford. WCH completion: 334 and 3225 (November 2005), 334A (December 2005), 303M (June 2006), 333 (February 2008). 303M below-grade demolition and loadout is in progress.

Significant Accomplishments – For Last 3 Months:

M-16 – Remedial Action / Risk Assessment:

- Started remediation at 618-1 Burial Ground on 9/17/08 (M-16-73).
- Began 100-F Area revegetation on 11/17/08.
- Completed backfill of 600-149 and 600-111 (100-IU).
- Issued Rev. 0 of Remedial Investigation Work Plan for Hanford Site Releases to the Columbia River.
- Received Notice to Proceed on 11/12/08 for preparatory work for 618-10 nonintrusive characterization.
- Implemented use of CRATER for detection of spent nuclear fuel at dig sites.
- Completed LARADS surveys and verification sampling at 618-7.
- Selected in-situ chemical/biological reduction via infiltration as preferred 100-C-7 treatment technology to test.
- Approved five waste site closure documents during reporting period.
- Completed draft 100-B/C Area remedial action report.

M-89 – 324 Bldg Non-Permitted MW Units Closure:

- Continued hazardous material removal in 324; continued demolition planning.

M-93 – Reactors Final Disposition:

- Continued 105N hazardous material removal.

M-94 – 300 Area Surplus Facilities Disposition:

- Continued deactivation and decommissioning of 308/308A Fuels Development Laboratory/Annex, including glovebox loadout.
- Initiated D&D of 309 Plutonium Recycle Test Reactor.
- Initiated characterization of 315, 336, and 338 buildings.
- Completed above-grade loadout of 384 Power House.
- Completed demolition/loadout of 7 buildings during reporting period.
- Completed work planning for demolition of 324 ancillary structures (324C, High-Bay Maintenance Shop, and office annex).
- Completed work planning for 327 basement duct removal.



Using CRATER™ Instrumentation at 100-D Burial Ground Remediation

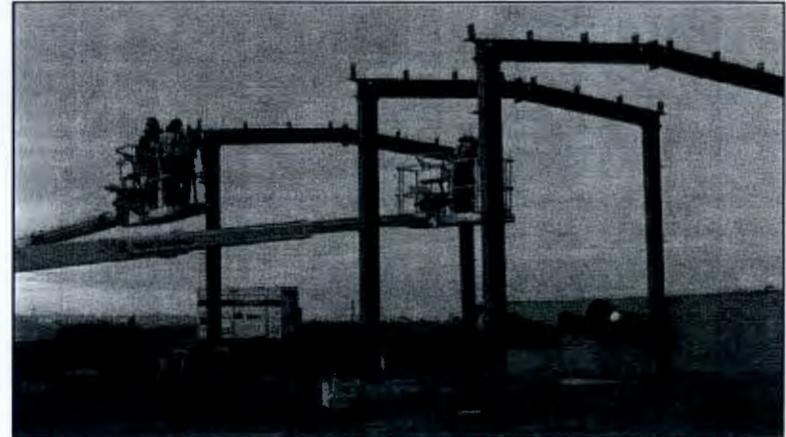


Shipping 308 Gloveboxes to Perma-Fix

Significant Accomplishments – For Last 3 Months (cont'd):

Other:

- Set ERDF record in September for containers dumped in one day - 404.
- Completed treatment of 32,000 tons of lead-contaminated soil from 618-7 Burial Ground (1,603 containers).
- Began preparation for mercury- and chromium-contaminated soil treatment activities.
- Continued ERDF Cells 7/8 construction.
- For period of September through November 2008, disposed more than 22,000 tons of other Hanford contractor waste in ERDF.
- For period of September through November 2008, disposed 225,912 tons of waste in ERDF.



Installing ERDF Cell 8 Crest Pad Building Roof Beams

Significant Actions Planned – For Next 3 Months:

M-16 – Remedial Action / Risk Assessment:

- Complete 100-F Area revegetation and send milestone completion letter.
- Process and receive 100-K Area Trenches A, B, M, and sorting cells 1 and 2 closeout sample results; develop CVP.
- Complete 600-149 Small Arms Range sampling, RSVP, and backfill.
- Complete 618-7 anomaly processing, and zircaloy drum shipments for treatment.
- Issue 618-10 nonintrusive characterization RFP for bid.
- Support remedial investigation for Hanford Site releases to the Columbia River by - 1) conducting deep and shallow sediment sampling, 2) conducting groundwater upwelling characterization activities; and 3) award subcontract and conduct fish collection and processing activities.
- Issue orphan sites evaluation reports for 100-D; 100-IU-2/6, and 100-H Areas.

M-89 – 324 Bldg Non-Permitted Mixed Waste Units Closure:

- Continue hazardous material removal and planning activities.

M-93 – Reactors Final Disposition:

- Complete 105N hazardous material removal and asbestos abatement.
- Continue waste removal and demolition of 109N.

M-94 – 300 Area Surplus Facilities Disposition:

- Continue D&D of 308/308A and 309.
- Initiate D&D of 315, 336, and 338.
- Complete loadout of 321 complex.
- Complete demolition of 324 ancillary structures (as noted in accomplishments).
- Remove 327 Radioactive Liquid Waste System.
- Remove 327 basement ductwork.

Other:

- Complete ERDF Cells 7/8 operations layer activities.

PERFORMANCE SUMMARY
Contract Inception (8/25/05) through November 2008
 (\$K)

	IPB		CUMULATIVE			Previous Quarter Comparison			
	BCWS	EAC	BCWS	BCWP	ACWP	SCHEDULE VAR (\$)		COST VAR (\$)	
						Aug	Nov	Aug	Nov
D4	630,967	630,967	194,760	234,377	145,813	30,036	39,617	73,734	88,564
Reactor ISS	115,988	115,988	38,662	27,308	23,347	-12,447	-11,354	5,942	3,961
Field Remediation	438,498	438,498	168,602	179,040	165,435	10,508	10,438	19,675	13,605
Waste Operations	261,830	261,830	85,863	102,289	117,932	14,391	16,426	-18,375	-15,643
ESFC	62,484	62,484	21,582	33,444	19,012	13,494	11,862	14,486	14,432
Mission/General Support	329,747	329,747	127,459	127,459	133,052	0	0	-13,058	-5,593
Transition	3,979	3,979	3,979	3,979	3,747	0	0	227	232
Undistributed Budget	7,128	7,128							
Contingency	206,484	206,484							
TARGET COST TOTAL	2,057,105	2,057,105	640,908	707,895	608,338	55,981	66,987	82,630	99,557

Schedule Variance (PMB): \$66,987K

- Acceleration of 300 Area and 100-N Area building demolitions.
- Delayed approval/award of 105N demolition/safe storage enclosure subcontract.
- Stop-work at KE/KW Reactor ISS (RL direction).
- 100-F, 100-D, 100-B/C waste site accelerations/completions.
- 100 Area remediation delays due to discovery of chromium, anomalous waste, nuclear safety issues, quantity growth; delay at 618-7 Burial Ground due to high risk nature of the scope.
- Design of ERDF Cells 7-10; procurement and construction of Cells 7/8.
- Acceleration of Inter-Area flight surveys in support of orphan site evaluations.

Cost Variance (PMB): \$99,557K

- Significant underruns experienced in 300 Area building characterization, deactivation, and demolition activities.
- Favorable cost experienced to-date in remediation of burial grounds at 100-F, 100-D, and 100-B/C Area, and in confirmatory sampling. Partially offset by increased costs associated with 118-K-1 readiness, slow production due to hard-to-detect radionuclides and anomalies and interim shutdown costs; 618-10/11 design solution submittal; and significant project support costs at all active dig sites.
- ERDF cost overruns in transport, treatment, and disposal of waste due to operational issues; overrun in purchase and leasing of additional equipment; and transportation and disposal subcontractor mobilization.
- Efficiencies realized during Inter-Areas sampling and flight surveys and orphan sites evaluations.

RCC Issues

- **M-16-56 - Complete Interim Remedial Actions for 100-IU-2 and 100-IU-6 (due 12/31/08).** Milestone will be missed.
Status: M-16-56 remains in dispute at IAMIT level until 1/15/09. A draft change package is planned to be shared with EPA on 12/8/08. Discussions are ongoing.
- **M-16-94 - Complete Interim Remedial Actions at 100-B/C Area (not covered by M-16-45) (due 12/31/09).** Chromium contamination.
Status: M-16-94 is in discussions with EPA. A draft change package is planned to be shared with EPA on 12/8/08. Discussions are ongoing.

- **116-N-1 CVP – Not Approved.**

Current Status: Based on an exchange of proposed revisions to the CVP language during October and November 2008, RL plans to resubmit a formal CVP to Ecology in December 2008 that addresses Ecology concerns with the earlier (8/19/08) CVP.

Background:

- 116-N-1 CVP was finalized incorporating resolved comments as agreed to by RL and WCH in an August 2007 meeting.
- The 116-N-1 Waste Site Reclassification Form (WSRF), Rev. 0 CVP, and the comment response package for remaining unresolved comments were formally transmitted to RL on 9/28/07 for submittal to Ecology for approval. Ecology received the WSRF, signed by RL, at a meeting with RL on 10/24/07.
- Ecology agreed that source unit work was complete and backfill appropriate; however, Ecology formally rejected the WSRF for interim closure on 12/20/07.
- RL submitted a Statement of Dispute to Ecology on 1/18/08. Dispute was discussed at March and April 2008 IAMIT. Based on the April IAMIT, specific additional information was added or clarified in the 116-N-1 CVP and then resubmitted for site reclassification approval.
- The revised CVP was submitted to Ecology on 8/19/08. Ecology's position is that the additional information added by DOE to the CVP were changes that Ecology specifically told DOE would not be helpful. Ecology's position is that DOE added groundwater monitoring information to the CVP, after Ecology reminded DOE that the groundwater monitoring network was deficient. Additionally, Ecology's position is that Ecology requested another change that DOE has not responded to. Therefore, Ecology's position is that DOE has not submitted information demonstrating that the 116-N-1 met closure performance standards.

Hanford K Basins Remediation

Tri-Party Agreement M-34 Milestone Review

***U.S. Department of Energy
Richland Operations Office (RL)
River Corridor Project***

December 18, 2008



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TPA Milestone Status

Remaining Milestones Due Fiscal Year 2009-2010

Number	Milestone Title	Due Date	Status/Comments
M-34-30	<p>Initiate Sludge Treatment</p> <p>This interim milestone will be complete following treatment and packaging of the first unit of sludge into a form that is certifiable for disposal offsite.</p>	12/31/2008	Anticipated to be missed. A change package, M-34-08-03, has been prepared with proposed adjustments to the M-34-XX milestone series.
M-34-32	<p>Complete Removal of the K East Basin Structure</p> <p>This interim milestone will be complete when spent nuclear fuel, sludge, debris and water are removed from the K East Basin and the upper building and concrete basin are removed.</p>	09/30/2009	On Schedule.
M-34-31	<p>Complete Sludge Treatment</p> <p>This interim milestone will be complete following treatment and package of all sludge for disposal offsite.</p>	11/30/2009	Anticipated to be missed. A change package, M-34-08-03, has been prepared with proposed adjustments to the M-34-XX milestone series.
M-34-00A	<p>Complete removal of the K Basins and their contents.</p> <p>Unless otherwise noted, the term "K Basins" is used to denote both K East and K West Basins.</p> <p>Note: This milestone will be complete when both K East and K West Basins, spent nuclear fuel, sludge, debris, and water are removed.</p>	03/31/2009	Anticipated to be missed. A change package, M-34-08-03, has been prepared with proposed adjustments to the M-34-XX milestone series.



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Significant Accomplishments and Status

Overall Project

- Contract transition from the Project Hanford Remediation Contractor (Fluor Hanford) to the Central Plateau Remediation Contractor (CH2M Hill Remediation Company) was completed.
- Management of the cleanup of 100K is now under one contractor with the exception of a few waste sites.

K East Basin

- Super structure demolition has been completed. See photo on next page.
- Began planning for sub structure removal.

K West Basin / Cold Vacuum Drying Facility

- The remedial design for transferring sludge in the settler tubes to Container 230 was approved.
- Facility modifications to K West Basin are in progress to support container sludge sampling.
- A readiness management self-assessment plan has been prepared to demonstrate personnel, procedures, and equipment are ready to initiate sampling.
- Packaged and shipped waste to the Environmental Restoration Disposal Facility (ERDF) for disposal.



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Significant Accomplishments and Status - continued

Sludge Treatment

- An analysis of alternative scenarios of removal, treatment, and interim storage of sludge was completed including a one-week workshop with RL, EPA, DNFSB, WIPP, and industry experts to formulate a recommendation to RL for decision making purposes. The recommendation consists of removal of sludge from K West Basin, and transport to the 200 Area for interim storage, treatment, and packaging for off site disposal.
- Initiated inspection of the knock-out pot (KOP) sludge to ascertain its condition and physical properties in support of its removal and disposition similar to spent nuclear fuel.
- Prepared a Data Quality Objective (DQO) and Sampling Analysis Plan (SAP) for the characterization of container sludge.
- Leased a transportation cask for use in transporting sludge samples to the 325 lab for analysis.



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Upcoming Activities (Next Three Months)

K East Basin

- Continue demolition of substructure.
- Remove and dispose of sand filter and Ion Exchange Column monolith.

K West Basin / Cold Vacuum Drying Facility

- Package and transfer waste to ERDF for disposal.
- Retrieve sludge samples from the containers and transport to the 325 lab for analysis.
- Wash KOP strainer canisters in the Primary Clean Machine (PCM)

Sludge Treatment

- Plan, schedule, and perform conceptual design activities associated with the retrieval and transport of sludge to T Plant or a new 200 Area facility for interim storage.
- Continue in-basin inspection and testing of KOP sludge (Phases 3 and 4 of four-phase project).
- Review contractor's sludge disposition recommendation and formulate a decision.



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KBC Project Risk Status

Risks are those factors associated with the Project, both existing and emerging, that can result in cost and schedule impacts.

Sub-project	Major Remaining Risks with "Possible" or "Likely" Likelihood of Occurrence and Risk Mitigation	Emerging Risks and Risk Mitigation
K East Basin	1. Potential that lower section of substructure removal will require development and implementation of a new DSA and the potential for requiring a full ORR prior to startup.	1. Work with customer to define lower tiered readiness activities for Phase 4 work.
K West Basin	1. Future fuel and sludge handling will have potential to deposit additional sludge on K West Basin floor. Risk Mitigation: Design sludge handling systems with provisions to minimize depositing additional sludge on basin floor.	
Cold Vacuum Drying Facility (CVDF) Fuel Processing	1. Equipment failure extends processing duration or preparation efforts. Risk Mitigation: Maintain preventative maintenance program.	
Sludge Treatment	1. Results from the Testing program yield different outcome than expected forcing redesign and/or different technology selection. Risk Mitigation: Conduct testing necessary to support Critical Decision-1 in a timely manner.	



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PBS RL-0012 – Project Performance

WBS and Title	Fiscal Year to Date					BAC
	BCWS	BCWP	ACWP	SV	CV	
012.01 - Program Management	1,156	1,156	769	0	387	6,935
012.02 - Basins Operations & Maintenance	2,704	2,704	3,303	0	(599)	5,790
012.03 - Facility Operations	624	586	398	(38)	188	3,743
012.09 - Sludge and Fuel Disposition Management	129	129	178	0	(49)	771
012.11 - 100K Facilities Deactivation	183	19	81	(164)	(61)	1,209
012.13 - KE Basin Demolition	517	451	1,610	(66)	(1,159)	10,971
012.16 - Sludge Treatment Project	6,652	5,480	2,729	(1,172)	2,751	27,879
012.90.01 - Assessments - PBS RL-12	134	134	733	0	(598)	806
012.98 - Transition	21,768	21,768	21,768	0	0	21,768
012.99 - PBS RL-12 UBS, G&A, and Direct Distrib	1,393	1,393	1,338	0	55	8,358
Total - RL-0012 - SNF Stabilization & Disp	35,259	33,820	32,907	(1,439)	913	88,232



EM Environmental Management

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PBS RL-0012 – Project Performance - Continued

Schedule Performance - (-\$1.4M/-4.1%)

The 100K Project negative schedule variance (-\$0.2M) is primarily due to delays in starting the deactivation of 100K facilities. Expect recovery of schedule by the end of the first quarter.

The STP negative schedule variance (-\$1.2M/-18%) is primarily due to; 1) KOP design delays resulting from in-basin inspection not completing when planned and the inclusion of KOP material washing that was not planned; 2) continuing delay in the installation of K West sampling equipment modifications / installation while resolving the sludge container PISA; 3) delays in M-1 Loop testing that was placed on hold while awaiting selection of a preferred alternative. These variances are expected to continue; results of alternative analysis are being incorporated to the development of the FY09 Interim Work Plan / PMB which will reflect changes to activity schedules. The restrictions related to the sludge container PISA are expected to be lifted by December 19th as a revised process standard has been developed and is in review at RL.

Cost Performance (+\$.9M/+2.7%)

The 100K Project unfavorable cost variance (-\$1.9M) is primarily due to higher than initially planned user based services and not taking performance for level of effort work scope that is being replanned or consolidated in the Baseline update.

Within the STP, positive cost variance (\$2.8M/50%) contributors included performance of the K West / CVDF standby activities with less resources than planned; lagging subcontract costs pertaining to sludge sampling and analysis - the construction service costs from FFS that are associated with container sampling equipment installation have not been received; and building occupancy budget planned in the management account are being earned as level of effort, but being costed in the G&A account. The construction service costs will be recognized in December as they will be invoiced or accrued and have been identified to FFS as lagging; efficiencies in K West will be included in the revised planning that is in progress for FY 2009, as will be the change in planning for occupancy cost.



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