



Department of Energy
Richland Operations Office
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MAY 12 2016

BUD:PJZ/16-BUD-0016

MEMORANDUM FOR MONICA REGALBUTO
ASSISTANT SECRETARY FOR ENVIRONMENTAL
MANAGEMENT
EM-1, HQ

FROM: STACY CHARBONEAU
MANAGER

A handwritten signature in black ink, appearing to read "Stacy Charboneau".

SUBJECT: FISCAL YEAR (FY) 2018 ENVIRONMENTAL MANAGEMENT
(EM) COMPLIANCE BUDGET SUBMITTAL FOR THE RICHLAND
OPERATIONS OFFICE (RL)

Consistent with EM's FY 2018 budget formulation guidance and the Hanford Federal Facility Agreement and Consent Order (Tri-Party Agreement or TPA), paragraphs 148 and 149, RL is requesting \$1.03B for FY 2018. This request is responsive to Executive Order 12088 and recognizes the TPA objectives of DOE, the U.S. Environmental Protection Agency (EPA), and the Washington State Department of Ecology (Ecology).

RL has again successfully worked with EPA and Ecology to renegotiate key TPA Commitments to enable technically achievable deliverables and due dates that continue cleanup progress at Hanford. Though not yet finalized, the outcome of these discussions has been factored into RL's Compliance Case. These negotiations have significantly reduced the RL compliance funding requirements from \$1.9B to just over \$1.0B in FY 2018, while enabling the continuation of key cleanup activities and visible progress at Hanford.

RL's FY 2018 budget request represents planned efforts for continued achievement of important cleanup progress. In summary, the RL FY 2018 budget request is designed to:

- Maintain safe, secure, and compliant activities, facilities, and operations, including groundwater pump and treat operations;
- support sludge removal from K-West Basin near the Columbia River, and transfer to interim storage in the Central Plateau;
- support Hanford Site Infrastructure projects to minimize further degradation and support upgrades required for Direct Feed Low-Activity Waste;
- support repackaging of transuranic waste currently in storage;
- expand groundwater well network and remedy implementation;

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- continue Cesium and Strontium Capsule Disposition;
- continue River Corridor cleanup (618-10 vertical pipe unit remediation, 300-296 waste site remediation, 324 Facility demolition); and
- continue Central Plateau waste site and facility remediation.

As part of DOE's desire to seek, collect, and consider input in the development of Hanford's budget, we provided budget briefings and information to the Hanford Advisory Board, Ecology, EPA, the Oregon Department of Energy, the Yakama Indian Nation, the Confederated Tribes of the Umatilla Indian Reservation, and the Nez Perce Tribes during RL's budget development process. In addition, RL and the Office of River Protection jointly held a public meeting to discuss the proposed FY 2018 budget request and cleanup priorities. We are providing, as attachments to this memorandum, the Hanford Advisory Board Letter, "Fiscal Year (FY) 2017 and FY 2018 Input Request," dated April 14, 2016, and written comments we received from the public.

RL and its Contractors will continue to evaluate and advance cleanup strategies and initiatives that optimize tax payers' dollars, while working collaboratively with state and Federal regulators. If you have any questions, please contact me, or your staff may contact Gregory A. Jones, Assistant Manager for Business and Financial Operations/Chief Financial Officer, on (509) 372-8977.

Attachments

cc w/attachs:

Barton V. Barnhart, EM-60

Dennis A. Faulk, EPA

Connie M. Flohr, EM-61

Mark A. Gilbertson, EM-10

Alexandra K. Smith, Ecology

Robert W. Seifert, EM-11

Celinda H. Crawford, EM-11



HANFORD ADVISORY BOARD

A Site Specific Advisory Board, Chartered under the Federal Advisory Committee Act

April 14, 2016

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Washington State Dept
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Re: Fiscal Year (FY) 2017 Budget and FY 2018 Input Request

Dear Ms. Regalbuto, Ms. Charboneau and Mr. Smith,

Background

The Hanford Advisory Board (Board) would like to once again thank the Tri-Party Agreement (TPA) agencies for their formal presentation of the Fiscal Year (FY) 2017 budget and the FY 2018 budget request. Budget information is critical to the Board for the purpose of work planning and scheduling.

Each year the Board formulates and provides meaningful advice to the TPA agencies. Recent trends and events have made this task more difficult. The currently proposed revisions to the TPA milestones and the Consent Decree are particularly disappointing. Delays associated with these revisions extend too many project schedules out for decades. As a result, the Board has had to change its approach to providing annual budget advice.

The Board is challenged to create advice about the FY 2017 budget and FY 2018 budget request, which are marked by uncertainty and fragmented information. In the

past, the Board tried to use the budget funding proposals and schedules published each February in the Hanford Lifecycle Scope, Schedule and Report (Lifecycle Report) as a guideline for the budget requests. These budget proposals and schedules are no longer a consistent method to measure funding for scheduled work and actual work being performed.

The Board will not be able to evaluate and comment on budgets associated with the TPA milestone change package and the judicial ruling on the Consent Decree until they are issued in final form. Too, major changes and delays to current and future work schedules have been forced by legal issues, unplanned events and funding reductions from Congress. The TPA milestone change package currently under review reflects these changes. Once issued, it is assumed that the applicable schedules will be revised and incorporated into the 2017 published edition of the Lifecycle Report.

The overall big picture for cleanup remains undeveloped. Even the Waste Treatment and Immobilization Plant (WTP) rebaselining proposed four years ago has yet to be submitted. Technical issues at the WTP also remain and few resolutions have been presented to the Board. The tanks continue to age well past their projected lifespans, and tank storage capacity remains an unresolved issue. The FY 2017 budget and FY 2018 budget requests are inadequate in addressing these concerns.

In recent years, budget expenditures have not been sufficient to meet the milestones in the TPA or the Consent Decree. With increased uncertainty and delays associated with the milestones, the gap between appropriations and the funding needed for cleanup threatens to grow ever larger. Because the proposed budget shapes Congressional appropriations for Hanford cleanup, the Board finds it essential to evaluate the budget proposal based on Board priorities rather than compromised milestones.

The TPA agencies are aware that the Board has been reluctant in the past to provide work priorities. This year, however, it is in the best interest of all parties that the Board provide firm priorities for current and future work.

On December 21, 2015, the State of Oregon submitted comments on the *Proposed Changes to the Hanford Central Plateau Cleanup Work Schedule*. In that letter, the State of Oregon provided near-term, mid-term and longer-term priorities. In addition, on March 3, 2016 the Governor of the State of Washington sent a letter to Congressional representatives outlining his funding priorities at Hanford. The Board

has adopted a similar approach and has expanded the budget priorities from the State of Oregon and last year's budget advice (HAB Advice #284) to include budget funding priorities for the entire site.

Long-Term and Near-Term Board Budget Priorities

The Board asks the U.S. Department of Energy (DOE) to consider the following long-term priorities in funding the overall cleanup mission:

- **Fund safe storage of Hanford's tank waste and robust plans for its treatment and removal, including planning and funding for new tank waste storage capacity.** Since the Board's inception, Hanford's tank waste has been a primary concern as reflected in numerous advice points issued over the years related to the tank farms, the WTP, tank capacity, tank leaks, and additional tank storage. It will be decades before significant amounts of liquid waste reduction is achieved. The DOE-Office of River Protection (ORP), being the conduit for work on tank waste, has been tied up with legal issues, budget shortfalls, and technical issues, which have affected the long-term mission for tank waste treatment, storage, and disposal. Hanford's tanks are long past their design life. A third of Hanford's tanks have leaked. New storage capacity may be needed over the next 20 years to protect the environment until the WTP is fully operational by 2036. Also, if a catastrophic event were to occur, it would take at least ten years to construct new capacity, and the additional cleanup would cost billions while posing a major threat to the Columbia River and surrounding area.
- **Resume retrieval/treatment of retrievably-stored waste from the solid waste burial grounds and continue shipments of transuranic waste to the Waste Isolation Pilot Plant.**
- **Support dialogue about the final end state of cleanup.** Progress has been made towards the final cleanup of many sites. DOE-Richland Operations (RL) is preparing, reviewing, and finalizing record of decisions (RODs) for these sites, which the Board agrees is a major achievement. As many cleanup goals are met, questions about the final end state for cleanup emerge. The public and tribes have yet to agree with DOE on an end state for many sites, but the agencies are at a point of writing final RODs. It is time to address this issue with high quality and broadly sourced dialogue (including consideration of

site-wide cumulative risk assessment) about acceptance levels of contamination that could remain at the end of the cleanup mission at Hanford. How can we agree on a final ROD if we do not have a firm agreement on a comprehensive end state?

- **Continue funding the groundwater treatment program.** This program is critical to the potential impact of Hanford's radioactive and chemical contamination on the Columbia River now and in the future. Groundwater has always been at the top of Board priorities. Funding has been both up and down for this program.
- **Fund the remediation and characterization of the deep vadose zone (DVZ).** Remediation and characterization of DVZ sites need to be addressed and a final path forward established.

The Board asks DOE to consider the following near-term priorities in the current proposed budgets:

- Increase to full-funding the groundwater program each year and expand pump and treat operations to treat additional wastewater streams.
- Continue funding for the Plutonium Finishing Plant (PFP) demolition until it is in a slab-on-grade condition. Establish a monitoring plan for future safe controls.
- Provide adequate funding for the characterization of contaminants remaining at the PFP site after PFP is demolished to slab-on-grade.
- Increase funding for the complete demolition and below ground cleanup of the 324 Building in the 300 Area. Plans for this cleanup were completed in 2015 and a path forward should be funded to complete the mission.
- Expand funding to complete remediation of the 618-10 Burial Ground.
- Increase funding to accelerate removal of cesium and strontium capsules at the Waste Encapsulation Storage Facility (WESF) into long-term dry storage by FY 2019.
- Ensure completion of the sludge removal and treatment from K Basins (Milestone M-016-175).

- Restore funds for continued installation and activation of the strontium barrier along the Columbia River and other groundwater protective activities.
- Establish adequate funding for the planning and final disposition of the PUREX tunnels. Review the status of the PUREX tunnels structurally and the final disposition of the tunnel solid waste contents.
- Annually expend necessary funds to perform maintenance, repair and replacement of aging infrastructure to support cleanup across the site and to ensure the health and safety of the workforce and our adjacent communities.
- Appropriate necessary funds for the initial startup of the LAW Facility and the completion of the WTP. Though LAW is a small portion of the tank waste cleanup, the Board feels it is an important start to this long-term program.

FY 2017 and FY 2018 Budget Advice

Again, as noted above, this year's Public Budget Briefing was well-planned and gave more detail than in the recent past. Both DOE-RL and DOE-ORP provided the Board and the public with a detailed work plan based on analytical building blocks. For FY 2017 and FY 2018 an increase for DOE-RL work to above \$1 billion is required, as opposed to the reduction of DOE-RL funding by \$190 million. The proposed budgets for FY 2017 and 2018 jeopardize the environment, health and safety, and fail to meet commitments for cleanup work in FY 2017 and 2018. For example, the recently negotiated Central Plateau milestones are predicated on the \$1 billion yearly funding levels. Given the above, the Board offers the following advice on the FY 2017 and FY 2018 funding.

The Board advises **DOE-RL** to:

- Fully fund the groundwater program to meet TPA milestones.
- Continue to fund the demolition of the PFP until it is in a slab-on-grade condition.
- Fund characterization of contaminants remaining at the PFP Site and the soils below after PFP is demolished to slab-on-grade.
- Fund for the remediation of the 324 Building and the soils below. The current funding plan only addresses surveillance maintenance through FY 2018.

- Complete remediation of 618-10 Burial Ground.
- Fund removal of cesium and strontium capsules at WESF into long-term dry storage.
- Fully fund the completion of River Corridor projects.
- Ensure adequate funding for the sludge removal at K-Basins.
- Restore funds for continued installation and activation of the strontium barrier along the Columbia River and other groundwater protective activities.
- Provide an increase in funding in the DOE RL-100 account to adequately support the Board's activities including an expansion and improvement of communications and understanding of Hanford issues with the public beyond the regulatory requirements. For example, the elimination of Washington's Model Toxicity Control Act public participation funded grants has the potential to reduce the participation of some non-profit stakeholder organizations. The FY 2017 and FY 2018 budget should be sufficient to provide for at least one Board meeting annually outside the Tri-City region. By doing so, DOE ensures increased transparency and opportunities for broader public participation.
- Fund the remediation and characterization of the DVZ (200-DV-1), which includes continued activity to remove contaminated perched water zones and to fund investigation methods.

The Board advises **DOE-ORP** to:

- Continue to support funding on completion and startup of Low Activity Waste Facility. Funds appropriated for FY 2017 are adequate, but the Board has no information to ascertain whether this is the case for FY 2018. DOE-ORP did not provide information on the FY 2018 budget request.
- Continue to fund resolution of the technical issues associated with the High-level Waste (HLW) facility.
- Provide funding to design new tank storage capacity, which may be needed to protect the environment while the slow process to tank waste treatment is realized.

- Continue funding the HLW Direct Vitrification studies as a possible alternative for acceleration of HLW disposition (not included in the current DOE-ORP budget projections).

Sincerely,



Steve Hudson, Chair
Hanford Advisory Board

This advice represents Board consensus for this specific topic. It should not be taken out of context to extrapolate Board agreement on other subject matters.

cc: Kyle Rankin, Co-Deputy Designated Federal Official, U.S. Department of Energy Richland Operations Office
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The Oregon and Washington Delegations