

MINUTES OF THE FORTY-FIFTH MEETING OF THE
WASTE AND FACILITIES MANAGEMENT COMMITTEE
HELD ON JANUARY 15, 2013

Pursuant to a notice and agenda dated January 3, 2013, the forty-fifth (45th) meeting of the Waste and Facilities Management Committee of the NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY was convened at 1:30 p.m. on Tuesday, January 15, 2013, in the Authority's Albany Office at 17 Columbia Circle, Albany, New York, and by video conference in the Authority's New York City Office at 485 Seventh Avenue, 10th floor, New York, New York.

The following members of the Committee were present in Albany:

Elizabeth W. Thorndike, Ph. D., Chair

Francis J. Murray, Jr., President and CEO (serving as a Committee member for this meeting)

Also present were Janet Joseph, Vice President for Technology and Strategic Planning; Jeff Pitkin, Treasurer; Tom Barone, Acting Vice President for Operations and Energy Services; Hal Brodie, General Counsel; Allyson Zipp, Assistant Counsel and Secretary to the Committee; and Paul Bembia, West Valley Program Director.

Dr. Thorndike called the meeting to order, noted the presence of a quorum, and stated that a Notice of the meeting was mailed to Committee members and the press on January 3, 2013. A copy of this notice is attached hereto as Exhibit A.

The first item on the agenda concerned approval of the minutes of the forty-fourth (44th) meeting, held on September 10, 2012. A copy of the Minutes was included with the January 3, 2013, mailing. Whereafter, upon motion duly made and seconded, and by unanimous voice vote, the minutes of the forty-fourth meeting were approved.

The Committee next received a status report from Director Paul Bembia on West Valley Site Management Program activities. Mr. Bembia briefed the Committee on four items: the

Fiscal Year 2013 federal funding picture for the West Valley Demonstration Project; the Phase 1 decommissioning activities at the Site; the Phase 1 Studies; and the State-Licensed Disposal Area.

First, regarding Fiscal Year 2013 federal funding, Mr. Bembia reported that the funding picture has not changed since he last briefed the Committee in September. The Federal Government is continuing to operate through the end of March 2013 under a six-month Continuing Resolution with the West Valley Demonstration Project funded at a level of \$50 million. This is 25% below the Federal Fiscal Year 2012 appropriation and 33% below the funding level of \$75 million that was assumed in the West Valley Decommissioning Environmental Impact Statement issued in 2010.

Mr. Bembia reported that the President's Federal Fiscal Year 2014 budget request will be released in February, and that until then it is unknown what level of funding will have been requested for West Valley. If funding remains at \$50 million, there will be an impact to Phase 1 decommissioning. The first phase of decommissioning work will be significantly extended, probably until the year 2030, and there may be layoffs. Also, the Department of Energy will be looking at having to make significant expenditures to repair the Main Plant Process Building to keep it safe until it can be torn down. The local DOE office believes that a minimum of \$60 million per year is needed to continue to make progress on the cleanup.

Mr. Bembia reported that when the President's Federal Fiscal Year 2014 Budget request to Congress is available in February, it will provide a sense of the level of funding for Federal Fiscal Year 2014 and beyond. Also in February, DOE will have all of the contract modification requests from its prime contractor at the site, CHBWV, to address work scope that was left uncompleted when the last contract ended. With this information in hand, DOE will know whether the cost and schedule for the entire project will need to be rebaselined.

Next, Mr. Bembia discussed Phase 1 decommissioning activities at the Site, which are presently focused in three main areas: preparation for the construction of the new interim High Level Waste Storage Facility; building demolition; and waste processing and shipping.

Regarding the new storage facility, DOE and CHBWV are working with the waste storage facility subcontractor on the design for the facility. Currently, the schedule shows that the last waste canister will be transferred out of the Main Plant Process Building to the storage facility in the summer of 2015, but due to funding reductions, that schedule is likely to be pushed out by approximately two years. This will also delay the demolition of the Main Plant Process Building, since the canisters have to be removed from the building before it can be torn down. CHBWV began its first significant building demolition project in December on the 01-14 Building. The work is scheduled to be completed by the end of March. Additionally, industrial waste, hazardous waste, and low-level radioactive waste shipments are also continuing.

Third, Mr. Bembia discussed the “Phase 1 Studies.” These are the studies NYSERDA is conducting jointly with DOE in an effort to resolve the technical concerns NYSERDA staff raised with the 2010 decommissioning Environmental Impact Statement. Currently there are three study groups engaged and working – the Erosion Study Group, the Engineered Barriers Study Group, and the Exhumation Study Group. In addition, the Independent Scientific Panel provided input on the Study Groups’ recommendations. Mr. Bembia reported that NYSERDA staff is working closely with DOE staff and our contractors and advisors on the studies.

The final topic Mr. Bembia addressed was the State-Licensed Disposal Area (“SDA”). Mr. Bembia reported that all of NYSERDA’s monitoring and inspection data show that the SDA is continuing to perform very well. The erosion control installations on which he briefed the Committee in September are functioning as designed and the final major erosion control project that is presently identified should be completed in 2013. After that, staff will conduct regular monitoring and inspections of the streams, slopes and erosion installations.

Mr. Bembia also briefly mentioned a study that is currently on-going. After the March 2011 earthquake that severely damaged the Fukushima Daiichi nuclear power station, NYSERDA staff initiated an evaluation of impacts to the SDA from extreme natural events. The purpose of the study is to more fully evaluate the potential for offsite impacts from severe natural events and to identify emergency response actions that could be taken to mitigate any offsite

impacts. Mr. Bembia hopes to be able to provide the Committee with a full briefing and results from this study in April.

In response to a question from Dr. Thorndike, Mr. Bembia confirmed that there is a known active fault to the east of the Site, the Clarendon-Linden Fault, as well as other faults identified in the area that are not known to be active. Mr. Bembia stated that it was thought to be important to conduct the study to better understand potential impacts and what the mitigating measures could be. There were no further questions.

Dr. Thorndike then asked Treasurer Jeff Pitkin to report on the Authority's Fiscal Year 2013-14 Budget for the West Valley Site Management Program and radioactive waste policy and nuclear coordination activities. Mr. Pitkin stated that the Budget for the West Valley program totals \$12 million, a decrease of \$400,000 from the prior year. This net decrease reflects a decrease of \$800,000 in the State's relevant share of projected West Valley project expenditures, based on anticipated reductions in federal funding, which is partially offset by an increase of \$400,000 from the prior year in costs for SDA maintenance and monitoring activities and other non-Project costs. Funding for the Low-Level Radioactive Waste Management Program remains unchanged at \$150,000.

Based on Mr. Pitkin's report, upon motion duly made and seconded, and by unanimous voice vote, the Committee recommended that the Board adopt the resolution approving the 2013-14 Budget for the West Valley Site Management Program and radioactive waste policy and nuclear coordination activities as presented. A copy of this Resolution is attached hereto as Exhibit B.

The last item on the agenda concerned other business. There being none, upon motion duly made and seconded and upon unanimous voice vote, the meeting was adjourned.

Respectfully submitted,



Allyson Zipp
Secretary to the Committee

NOTICE OF MEETING AND AGENDA

January 3, 2013

TO THE MEMBERS OF THE WASTE AND FACILITIES MANAGEMENT COMMITTEE:

PLEASE TAKE NOTICE that the forty-fifth (45th) meeting of the WASTE AND FACILITIES MANAGEMENT COMMITTEE of the NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY will be held in the Authority's Albany Office at 17 Columbia Circle, Albany, New York, and by video conference in the Authority's New York City Office at 485 Seventh Avenue, 10th floor, New York, New York, on Tuesday, January 15, 2013, commencing at 1:30 p.m., for the following purposes:

1. To consider the Minutes of the forty-fourth (44th) meeting of the Committee held on September 10, 2012;
2. To receive a status report on West Valley Site Management Program activities;
3. To receive a report from the Treasurer regarding the Authority's Fiscal Year 2013-14 Budget and to consider and act upon a resolution recommending approval of that Budget; and
4. To transact such other business as may properly come before the Committee.

Members of the public may attend the meeting at either of the above locations. The Authority will be posting a video of the meeting to the web within two business days of the meeting. The video will be posted at <http://www.nyserda.ny.gov/en/About/Board-Governance/Board-and-Committee-Meetings.aspx>.



Allyson Zipp
Secretary to the Waste and Facilities
Management Committee

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Exhibit B

Resolution No. _____

RESOLVED, that the proposed fiscal year 2013-14 Budget submitted to the Members for consideration at this meeting, with such non-material, editorial changes and supplementary schedules as the President and Chief Executive Officer, in his discretion, may deem necessary or appropriate, be and it hereby is approved for submission to the persons designated in Sections 1867(4) and 2801 of the Public Authorities Law.