ENVIRONMENTAL OVERSIGHT AND MONITORING AGREEMENT

(Agreement in Principle)

Between the United States Department of Energy

And The State of Idaho

1. The goals of this Agreement are to maintain an independent, impartial, and qualified State of Idaho INEEL Oversight Program to assess the potential impacts of present and future Department of Energy (DOE) activities in Idaho; to assure the citizens of Idaho that all present and future DOE activities in Idaho are protective of the health and safety of Idahoans and the environment; and to communicate the findings to the citizens of Idaho in a manner which provides them the opportunity to evaluate potential impacts of present and future DOE activities in Idaho.

2. This Agreement reflects the commitment between the State and DOE, referred to as the Parties, for oversight and monitoring functions through core activities designed to produce comprehensive, current information for the Parties and the public. DOE agrees to provide the State technical and financial support for State activities as described in this Agreement. The State agrees that the use of funds authorized by this Agreement shall be used only for services, personnel, and equipment, that are directly related to Agreement in Principle (AIP) activities. To the extent that personnel or services are used for both AIP and non-AIP activities, the State shall allocate its costs and charge to the AIP grant only that portion of the cost of the personnel or services that is used to support AIP program activities. This Agreement replaces the Environmental Oversight and Monitoring Agreement between the United States Department of Energy and the State of Idaho executed on September 6, 1995; provided, however, that payments contemplated by #DE-FG07-95ID13373 will continue as provided for until its expiration.

3. The understandings between the Parties are further described below and in the Attachments to this Agreement. The Attachments are incorporated by reference and made a part of this Agreement. The Attachments are as follows:

Attachment A: Idaho Actions

Attachment B: DOE Actions

4. To achieve the goals of this Agreement, the Parties agree as follows:

a) Each has a responsibility to provide accurate information. In carrying out this Agreement, the Parties will fully cooperate and coordinate with each other and with other federal agencies and local and tribal governments affected by this Agreement. The Parties will keep each other informed of Memoranda of Understanding or Memoranda of Agreement that affect the AIP and the expenditure of AIP funds.

b) Hazard and risk assessments form the basis for all emergency management planning activities. Consolidated planning, preparedness and training will enhance each party's ability to participate in a coordinated emergency response among federal, state, local and tribal authorities for DOE fixed facilities in Idaho. To coordinate the planning process only, divisions currently in place to distinguish among on-site, off-site and transportation emergencies are removed. Emergency response and preparedness will be designed to achieve a fully coordinated local, state, federal and tribal emergency management and response capability for all DOE activities at the INEEL and non-DOE activities conducted in Idaho.

c) To assure DOE's activities are protective of the health and safety of Idahoans and the environment, the Parties agree to continue communication and coordination

efforts to address monitoring and related protocols that need to be attained or improved.

d) The State will perform actions described in Attachment A. The intent of these State actions is to achieve the goals described in paragraph 1 of this Agreement. The State will discuss the progress of those actions with DOE in quarterly meetings.

e) DOE will perform the actions described in Attachment B. The intent of these DOE actions is to achieve the goals described in paragraph 1 of this Agreement including furthering DOE's commitment to open review of INEEL-related activities and continue DOE's commitment to responsible environmental management. DOE will discuss the progress of these actions with the State in quarterly meetings.

f) DOE and the State will each designate a coordinator(s) whose function shall be to assure implementation and coordination of the provisions of the Agreement. Unless otherwise provided, all correspondence, reports, documents or notifications required by this Agreement will be submitted to the designated coordinators.

g) DOE will ensure that the State has access to all relevant information relating to the INEEL generated by or available to DOE. In carrying out the provisions of this Agreement, the Parties will comply with applicable security, classification, "need-to-know," and unclassified sensitive information laws and regulations; Privacy Act and Freedom of Information Act requirements; trade secret, patent and related confidentiality requirements; or any other applicable laws, regulations, and executive orders. Information designated by DOE as "classified" or which is

otherwise entitled to confidentiality under applicable laws, regulations or executive orders shall not be released by the State unless authorized by DOE. DOE will ensure that the State has access to all monitoring data relating to the INEEL generated by or available to DOE. DOE agrees to allow the State access to the facility hazard assessment process. This section is not intended to affect or impair DOE's ability to review, on a case-by-case basis, whether information protected from disclosure should be re-evaluated for release to the State.

h) This Agreement will in no way diminish or expand the Parties' authority to fully carry out their rights and responsibilities under applicable laws and regulations or other agreements, nor will it affect the Parties' ability or right to raise any defenses available under law in the event of any administrative or judicial action. Subject to applicable security, classification, and other confidentiality laws and regulations, nothing in this Agreement shall prohibit the Parties from using information developed under this Agreement to further their statutory duties, rights and obligations.

The parties to this Agreement further understand that the oversight activities authorized by this Agreement are intended to supplement activities conducted under applicable environmental laws and regulations, but not to support specific State regulatory, permitting, and legally required environmental oversight activities, such as issuance of regulatory permits, the review of DOE regulatory submissions when such review serves primarily as the basis for State action under regulatory programs, required regulatory inspections, required monitoring, issuance of

regulatory notices of violation and other citations, nor to provide financial support to the Site Specific Advisory Board(s).

i) DOE will provide the State resources for State actions as outlined in Attachment A through grant mechanisms consistent with DOE financial assistance rules, 10 CFR Part 600, Subpart H. All funds provided to the State under this Agreement are federal funds to be administered exclusively by the State. DOE and the State will take all necessary steps and use their best efforts to obtain timely funding to meet their commitments under this Agreement. The Parties' obligation to conduct activities under this Agreement is subject to the availability of funds and technical resources. DOE and the State will jointly review the level of funding on a year-to-year basis and will meet annually to mutually develop schedules for State activities under the grant in the upcoming year at the INEEL. The annual funding level assessment will be based on DOE budget for that year, the State's timely submittal of an annual proposed scope of work, and consideration of actual expenditures from the previous program year. However, DOE funding obligations under this Agreement may be suspended or terminated by DOE, in whole or in part, in accordance with applicable federal assistance administration laws and regulations if the State is not in compliance with the terms and conditions of a grant. DOE must provide the State ninety (90) days' prior written notice specifying any suspension of the terms or termination of a grant. Unless DOE and the State agree otherwise or unless the suspension is for cause, no period of suspension shall last longer than ninety (90) days. Should the grant be suspended for cause, corrective action must

be taken by the State before DOE will end the suspension. Should new programs be developed at the INEEL which require additional state resources, the Parties can negotiate for additional funds. No provision of this Agreement shall be interpreted to require obligation or payment of funds in violation of the Anti-Deficiency Act, 31 U.S.C. § 341.

The parties recognize that the responsibilities, costs and obligations provided in the "Federal Facilities Agreement/Consent Order" are separate from this Agreement and will not be covered by this Agreement.

j) To assist their efforts, the State and DOE may develop procedures describing the steps to be taken for routine actions including, but not limited to, those described below:

- interface with DOE contractors
- requests for documents
- management of documents
- other procedures as specified by either party.

Both Parties shall follow procedures as mutually approved by the designated coordinators. The designated coordinators may mutually agree to modify, amend or terminate these procedures.

5. Facilities and operations under the cognizance of the Naval Nuclear Propulsion Program (DOE-NR) are co-located at INEEL with facilities and operations under the cognizance of DOE Idaho Operations Office (DOE-ID). This Agreement provides for a non-regulatory interface

between the state of Idaho and the Naval Nuclear Propulsion Program. The liaisons for each party will be the Manager, Naval Reactors Idaho Branch Office-NNPP, and the Coordinator-Manager, State of Idaho Oversight Program.

Emergency Planning and Preparedness for Naval Nuclear Propulsion Program activities, including those at the Naval Reactors Facility, are incorporated into the overall INEEL preparedness program so that coverage of this area is provided by the applicable provisions in this Agreement as implemented in coordination with DOE-ID.

Environmental Surveillance for the Naval Reactors Facility will be carried out consistent with current practices including any non-regulatory practices previously agreed as a matter of comity. Any changes in non-regulatory surveillance will be by mutual consent of the liaisons.

For the Naval Reactors Facility, Impact Analyses and hazards and risk assessments will be conducted where mutually agreed by the liaisons.

6. This Agreement is in effect through September 30, 2005, and may be extended as mutually agreed. This Agreement shall only be amended, modified or terminated by the written mutual agreement of both Parties. DOE and the State will promptly commence discussions to modify this Agreement as appropriate to address any new federal, state or local issues that arise relating to conditions or activities at the INEEL that could affect public health, safety or the environment.

7. This Agreement is voluntarily entered into by the United States Department of Energy, under the authority of 42 U.S.C. §7101 et seq., and the State of Idaho under the authority of Article IV, Section 5 of the Idaho Constitution and Idaho Code §67-806. DOE's designated lead for purposes of this Agreement is DOE's Idaho Operations Office (DOE-ID) and DOE's Naval

Reactors Idaho Branch Office for Naval Nuclear Propulsion Program matters. The State's designated lead for purposes of this Agreement is the INEEL Oversight Program, Department of Environmental Quality.

The grant replacing Grant # DE-FG07-96ID13373 is expected to provide approximately two million dollars per year for a 5-year period to support the commitments in this Agreement. This Agreement can serve as a conduit for more than one grant instrument from any number of DOE programs. However, the scope of work described in additional grants must fall within the goals of this Agreement. Each separate grant mechanism will provide funds to the State consistent with DOE financial assistance rules identified in Paragraph 4(i) of this Agreement.

NOW, THEREFORE, the Parties sign this Agreement in consideration of the provisions set forth above and in the Attachments and pledge their cooperation and good faith in achieving the purposes and goals of this Agreement.

DIRK KEMPTHORNE
Governor
State of Idaho
Date: 9-28-00

BEVERLY COOK
Manager for Idaho Operations Office
U.S. Department of Energy
Date: 9-29-00

THERON M. BRADLEY
Manager
Naval Reactors Idaho Branch Office
Naval Nuclear Propulsion Program
Date: September 27, 2000

ATTACHMENT A - STATE ACTIONS

I. RADIOLOGICAL EMERGENCY PLANNING AND PREPAREDNESS

A. Coordination

The State will:

1. coordinate with federal and local officials as appropriate regarding emergency planning and preparedness for INEEL incidents;

2. convene meetings, in which the INEEL Oversight Program will participate, with federal and local officials as appropriate to address issues regarding emergency planning, preparedness and response for radiological incidents at the INEEL;

3. designate technical representatives as needed to address issues regarding emergency planning, preparedness and response for radiological incidents at the INEEL;

4. update as appropriate responsibilities, capabilities and assets, as previously identified by the Interagency Planning Group process, of state agencies in implementing emergency planning and preparedness;

5. coordinate, develop, implement and review as appropriate radiological response plans and procedures with the assistance of the INEEL Oversight Program; and

6. present fundamental radiological knowledge to local authorities.

B. Planning

The State will:

1. conduct periodic reviews of fixed facility hazards assessments and transportation risk assessments to understand and verify the criteria used in assessing the hazard, hazard consequences, initiating events and scenarios related to DOE incidents at the INEEL. Based on these reviews, the State will evaluate DOE specifications of relevant emergency planning zones and revise state response actions as appropriate.

2. develop and revise as appropriate planning baselines for potential hazard impacts;

3. perform jurisdiction-specific capability analysis relative to identified hazards; and

4. redefine accident impact areas periodically as information is received and verified.

C. Preparedness

The State will:

1. participate in appropriate drills with federal and local authorities;

2. conduct training, jointly with DOE, for local authorities that could be affected by DOE activities at the INEEL;

3. develop and revise as appropriate emergency response procedures with local authorities;

4. assess the need for resources and capabilities and develop appropriate budget requests necessary for local authorities in communities surrounding the INEEL to respond to the incremental risk associated with DOE activities at the INEEL;

5. in addition to roles and responsibilities identified under State radiological response plans, serve, at the State's discretion, as an observer at the Emergency Operations Center (EOC), upon activation of the EOC by DOE, as a source of reliable and independent information for State agencies during an on-site event; and

6. in cooperation with DOE, design, conduct and evaluate emergency exercises, including DOE Annual Full Participation Emergency Exercise, with state and local authorities.

II. ENVIRONMENTAL SURVEILLANCE

A. The State will maintain an independent Environmental Surveillance Program (ESP) designed to complement, supplement and independently verify data generated by existing DOE programs, for the purpose of conducting routine and special environmental sampling to monitor the environmental presence of contaminants originating from INEEL facilities or programs.

The ESP will:

1. support the overall objectives of independent environmental surveillance activities. Sampling results will be used for independent reporting, program impact assessment and verification of DOE/contractor results;

2. identify and evaluate trends from DOE and State collective data for contaminant levels in air, water, biota and soil, both on-site and off-site;

3. provide environmental surveillance results to the public, Legislature, State agencies, local authorities, and DOE programs involved in surveillance;

4. review current DOE surveillance activities and, where appropriate, make recommendations for changes to DOE; and

5. use equipment and instrumentation in support of Emergency Response.

B. The State will participate in the Monitoring and Surveillance Committee (MSC) and will assist in identifying other agencies that should be involved in the MSC. The MSC will provide a means for exchanging and sharing technical information, expertise and data.

C. The State will evaluate the need for additional or modified sampling systems or activities in the event of new activities, changes to current practices or items identified in a program impact analysis.

D. The State will present independent sampling results to the public and interested agencies through written quarterly and annual reports, responses to information requests, and public meetings.

E. The State will participate in the operation of community monitoring stations to provide additional opportunities for public outreach regarding meteorological and environmental surveillance data related to the INEEL.

III. IMPACT ANALYSES

A. The State will evaluate the actual or potential impacts of present and future DOE activities by conducting independent studies or reviewing DOE impact analyses. The State will not use any AIP funds to duplicate any risk assessments being performed by, or on behalf of, other State or Federal agencies or departments other than DOE. The assessments will be completed using information developed from independent analysis, site visits, document reviews, and discussions with DOE and designated contractor technical staff.

B. Each impact analysis will include one or more of the following components:

1. verification of material and waste inventories, including type, quantity, form, and location of radioactive and other hazardous material;

2. identification of actual and potential release events and quantities from both routine and non-routine operations based on understanding of process(es);

3. review of emission and effluent controls, including both physical control systems and administrative controls, for adequacy and efficiency;

4. review of emission and effluent monitoring for suitability of location and methodology and verification of monitoring results;

5. identification of pathways and receptors;

6. calculation of estimated dose using validated computer model(s);

7. communication of risk to the public, Legislature, local authorities and DOE.

C. The State will prepare a project description outlining the scope of each proposed impact analysis, project objectives and anticipated products. Each project description will be presented to DOE staff for informational purposes. DOE comments will be appropriately considered.

D. The State will submit findings and recommendations to DOE at the conclusion of each project.

E. The State will select facilities or activities for impact analysis based upon one or more of the following factors:

1. preliminary information on quantity or characteristic of material stored, quantity or characteristic of material released, and condition of facilities;

2. level of public or State interest;

3. DOE's proposal of a new or modified facility or operation in an environmental assessment or environmental impact statement that requires technical input for State comment.

F. The State may assess the need for a health study of its citizens from the past and present operations at the INEEL; if the State believes that a health study is required, DOE and the State will negotiate in good faith to reach a mutual agreement as to the scope, methodology, financing, and period of study.

IV. STATE REPORTING

The State will submit quarterly progress reports in sufficient detail to address objectives, accomplishments, and significant changes to DOE for on-going State activities. These reports, which are generated at DOE's request, will be prepared for the Agreement core program areas of Emergency Planning and Preparedness, Environmental Surveillance, and Impact Analysis. Reports will include information-only financial expenditure estimates for each category and Management and Administrative Support for the previous quarter. Financial data to comply with federal regulations will be submitted in accordance with DOE financial assurance regulations, 10 CFR Part 600.

ATTACHMENT B
DEPARTMENT OF ENERGY (DOE) ACTIONS

I. RADIOLOGICAL EMERGENCY PLANNING AND PREPAREDNESS

A. Coordination

DOE will:

1. coordinate with state, local and other federal officials as appropriate regarding emergency planning and preparedness for INEEL incidents;

2. participate in meetings with state, federal and local officials as appropriate and designate technical representatives as needed to address issues regarding emergency planning, preparedness and response for radiological incidents at the INEEL;

3. update as appropriate responsibilities, capabilities and assets, as previously identified by the Interagency Planning Group Process, at its disposal for emergency planning, preparedness and emergency response activities;

4. integrate its planning process with State of Idaho radiological response plans and procedures;

5. implement its emergency management activities in cooperation with the State of Idaho; and

6. assist the State of Idaho in educating the general public and local authorities about DOE hazards and potential emergency responses with special emphasis on radiological events.

B. Planning

DOE will:

1. provide the State with transportation risk assessments and results of annual reviews of hazard risk assessments for fixed facilities. DOE will cooperate with the State in a manner which allows the Parties to coordinate on relevant emergency planning actions; and

2. cooperate in the development and revision of planning baselines for potential hazard inputs, the analysis of jurisdictional specific capabilities, and periodic evaluation and refinement of accident impact areas as necessary.

C. Preparedness

DOE will:

1. involve the State and local authorities in appropriate DOE drills;

2. cooperatively conduct training for local authorities that may be affected by DOE activities at the INEEL;

3. review the State needs assessment for resources and capabilities and pursue appropriate budget requests necessary for local authorities in communities surrounding the INEEL to respond to the incremental risk associated with DOE activities at the INEEL;

4. invite the State, as an observer, to the Emergency Operations Center (EOC) upon activation; and

5. in cooperation with State and local authorities, design, conduct and evaluate emergency exercises.

II. ENVIRONMENTAL SURVEILLANCE

DOE will:

A. provide the opportunity for the State to conduct environmental monitoring activities both on- and off-site, including the opportunity to participate in split or duplicate sampling activities with contractors;

B. coordinate with the State in Establishing a Monitoring and Surveillance Committee (MSC) composed of state, DOE, DOE contractor and other established programs conducting environmental surveillance at the INEEL;

C. ensure that environmental data is made available between organizations including contractor, DOE, State Oversight Program and other related programs as identified in the INEEL Environmental Monitoring Plan: DOE/ID-10395(94), 1994;

D. cooperate in support areas that are not readily available to the State, such as personnel training, instrument repair, equipment calibration, use of excess equipment and computer hardware or software that is not deemed standard within the State system; and

E. cooperate in the operation of community monitoring stations to provide additional opportunities for public outreach regarding meteorological and environmental surveillance data related to the INEEL.

III. IMPACT ANALYSIS

DOE will:

A. support an independent impact analysis process by providing access to the site, information, and INEEL technical staff;

B. coordinate meetings with the appropriate DOE-ID and contractor staff to discuss EOMA project descriptions with the State; and

C. review State recommendations and meet with the State to explore mutually acceptable solutions to State recommendations for improving operations and reducing unacceptable levels of risk.