



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 8

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2015 MAR 24 AM 10:28

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EPA REGION VIII  
HEARING CLERK

MAR 24 2015

Ref: 8ENF-W

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Brent Berg, Acting President  
Cameco Resources  
2020 Carey Avenue, Suite 600  
Cheyenne, Wyoming 82001

Re: Administrative Order Addendum #2 issued to Cameco Resources, owner of Power Resources/Smith Ranch Public Water System, PWS ID# WY5601500, Docket No. SDWA-08-2014-0009

Dear Mr. Berg,

This second Addendum to the Administrative Order (AO) issued March 20, 2014, to Cameco Resources (Company), as owner of the Power Resources/Smith Ranch Public Water System (System), incorporates the schedule for installation of an enhanced activated alumina filter system and pilot study to evaluate the selected treatment to ensure it will bring the System into and maintain compliance with the MCL for selenium. This schedule was outlined in a September 30, 2014, letter from Mr. Kenneth Garoutte on behalf of the Company and an October 16, 2014, email from Mr. Kenneth Garoutte following discussion with Mr. Seth Tourney, District Engineer, Wyoming Department of Environmental Quality. This second Addendum letter constitutes the written approval by the EPA of the Company's schedule, as indicated in the chart below.

EPA issued the first Addendum to the AO on May 7, 2014. This first Addendum incorporated the schedule for testing and evaluating multiple treatment technologies, selecting a treatment technology, and submitting a second plan and schedule for the installation of the selected treatment technology to bring the System into compliance with the maximum contaminant level (MCL) for selenium. The Company completed all of the action items in the first Addendum by the deadlines specified. The EPA received a letter on July 18, 2014, in which the Company reported progress on evaluating the enhanced activated alumina treatment technology. On August 29, 2014, EPA received a letter from the Company with a decision to employ an enhanced activated alumina filter system to meet the selenium MCL. On September 30, 2014, the Company submitted a second plan and schedule for the installation of an enhanced activated alumina filter system and four quarters of monitoring to come into and maintain compliance with the selenium MCL.



<u>Action</u>	<u>Deadline</u>
Prepare and submit design plans for permit modification to Wyoming DEQ (WY DEQ).	November 3, 2014 (completed)
Notify EPA, in writing, that WY DEQ has reviewed design plans and given approval to proceed with filter pilot study.	Within 10 days of WY DEQ review and approval to proceed.
Complete installation of enhanced activated alumina filter system and begin filter pilot study.	Within 90 days of WY DEQ review and approval to proceed.
Notify EPA, in writing, of installation of filter and initiation of pilot study.	Within 10 days of installation of filter and initiation of pilot study.
Complete filter pilot study and submit results to WY DEQ.	October 31, 2015
Notify EPA, in writing, that WY DEQ has reviewed pilot study.	Within 10 days of WY DEQ review.
If WY DEQ determines that design changes are needed and additional modification of the permit is required, submit to EPA a new proposed plan and schedule to bring the System into compliance with the MCL for selenium.	Within 30 days of WY DEQ determination that additional modification of the permit is required.
If WY DEQ determines that no added design is needed and pilot study results are acceptable, complete 4 quarters of sampling achieving compliance with the selenium MCL of 0.05 mg/L in one year.	One year (4 quarters) following WY DEQ determination that no added design is needed.

Consistent with paragraph 11 of the AO, the milestone deadlines above are now enforceable requirements of the AO. Pursuant to paragraph 22 of the AO, the EPA is authorized to seek penalties if these deadlines are not met. If the Company has a reasonable basis to believe it may be unable to meet any deadline in the schedule, it shall notify the EPA well in advance of the scheduled deadline to request an extension. The EPA may, in its discretion, consider granting an extension.

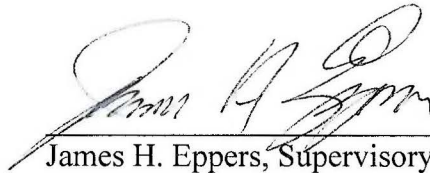
Please be advised that the Company is required to comply with all provisions of the AO. This includes continuing to sample quarterly for selenium and provide quarterly public notice of the selenium MCL violations if the running annual average exceeds 0.05 milligrams per liter (mg/L). Penalties for failing to comply are set forth in the Order.



Please contact Jill Minter at (800) 227-8917, extension 6084, or (303) 312-6084, or via email at [minter.jill@epa.gov](mailto:minter.jill@epa.gov) if you have any questions concerning this Addendum. If the Company is represented by an attorney and has legal questions, please ask your attorney to contact Mia Bearley at the above 800 number, extension 6554, or at (303) 312-6554 or via email at [bearley.mia@epa.gov](mailto:bearley.mia@epa.gov).

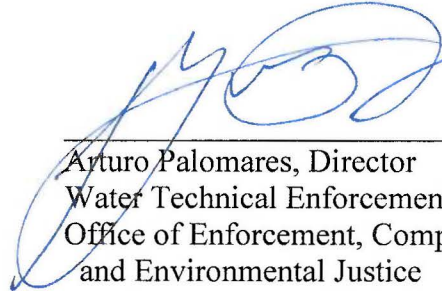
We urge your prompt attention to this matter.

Sincerely,



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James H. Eppers, Supervisory Attorney  
Legal Enforcement Program  
Office of Enforcement, Compliance  
and Environmental Justice



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Arturo Palomares, Director  
Water Technical Enforcement Program  
Office of Enforcement, Compliance  
and Environmental Justice

cc: Mr. Kenneth Garoutte, Operator, Power Resources/Smith Ranch Public Water System  
Wyoming DEQ/DOH (via email)  
Ms. Tina Artemis, Regional Hearing Clerk, U.S. Environmental Protection Agency

