



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

1595 Wynkoop Street
DENVER, CO 80202-1129
Phone 800-227-8917
<http://www.epa.gov/region08>

MAR 20 2014

Ref: 8ENF-W

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Brent Berg, Acting President
Cameco Resources
2020 Carey Ave., Ste 600
Cheyenne, WY 82001

Re: Administrative Order, Power Resources/Smith Ranch Public Water System,
PWS ID # WY5601500, Docket No. **SDWA-08-2014-0009**

Dear Mr. Berg:

Enclosed is an Administrative Order (Order) issued by the United States Environmental Protection Agency (EPA) under the authority of section 1414(g) of the Safe Drinking Water Act, 42 U.S.C. § 300g-3(g). Among other things, the Order alleges that Cameco Resources (Company), as owner and/or operator of the Power Resources/Smith Ranch Public Water System (System), has violated the National Primary Drinking Water Regulations (Drinking Water Regulations) at 40 C.F.R. part 141.

The Order is effective upon the date received. Please review the Order and within 10 days provide the EPA with any pertinent information you believe the EPA may not have (e.g., any monitoring that may have been done but not submitted, any updates to the number of service connections and/or individuals served, any change to the name of the public water system, etc.)


If the Company complies with the Order, the EPA may close the Order without further action. Failure to comply with the Order may lead to substantial civil penalties and/or a federal court injunction ordering compliance.

The Order requires the Company to notify the public of having violated the Drinking Water Regulations. Enclosed please find a public notice template explaining the public notice requirements in more detail.

To submit information or to request an informal conference with the EPA, please contact Jill Minter at the above address (with the mailcode 8ENF-W) or by phone at (800) 227-8917, extension 6084, or (303) 312-6084. Any questions from the Company's attorney should be directed to Mia Bearley, Enforcement Attorney, who may be reached at the above address (with the mailcode 8ENF-L) or by phone at (800) 227-8917, extension 6554, or (303) 312- 6554.

We urge your prompt attention to this matter.

Sincerely,



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

Enclosures:

Order
Public Notice Template

cc:

WY DEQ/DOH (via email)
Tina Artemis, EPA Regional Hearing Clerk
Ken Garoutte, PWS Operator and Safety, Health and Environmental Quality Manager,
Cameco Resources, Smith Ranch-Highland



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MAR 23 2014

Ref: 8ENF-W

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Converse County Commissioners
c/o Jim Willox, Chairman
107 No. 5th St., Suite 14
Douglas, WY 82633-2448

Re: Notice of Safe Drinking Water Act Enforcement Action against the Power Resources/Smith Ranch Public Water System, PWS ID# WY5601500


Dear Commissioners:

The Safe Drinking Water Act (Act) requires that the U.S. Environmental Protection Agency (EPA) notify locally elected officials of certain enforcement actions taken in their area.

An Administrative Order (Order) is being issued to Cameco Resources which owns the Power Resources/Smith Ranch Public Water System, located in Converse County, WY, directing it to comply with the National Primary Drinking Water Regulations. The violations alleged in the Order include exceeding the maximum contaminant level for selenium, failing to notify the public of violations and to provide the EPA with a copy of each public notice and certification, and failing to report certain violations to the EPA.

For more details, a copy of the Order is enclosed. **The Order does not require any response or action by the County Commission.** If you have any questions regarding this Order, please contact Jill Minter at (303) 312-6084.

Sincerely,


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

Enclosure:

Administrative Order

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

2014 MAR 20 AM 9:13

IN THE MATTER OF:)
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Cameco Resources,)
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Respondent.)

Docket No. ~~SDWA-08-2014-0009~~

ADMINISTRATIVE ORDER

REGION VIII
HEARING CLERK

1. This Order is issued under the authority vested in the Administrator of the United States Environmental Protection Agency (EPA) by section 1414(g) of the Safe Drinking Water Act (Act), 42 U.S.C. § 300g-3(g), as properly delegated to the undersigned officials.
2. Cameco Resources (Respondent) is a Wyoming corporation that owns and/or operates the Power Resources/Smith Ranch Public Water System (System) and provides piped water to the public in Converse County, Wyoming, for human consumption.
3. The System is supplied by a groundwater source consisting of one well. The water is treated by chlorination (sodium hypochlorite).
4. The System has four service connections and/or regularly serves an average of approximately 100 of the same individuals daily for at least six months out of the year. Therefore, the System is a “public water system” as defined in section 1401(4) of the Act, 42 U.S.C. § 300f(4), and 40 C.F.R. § 141.2. The System is also a “non-transient, non-community” water system as defined in 40 C.F.R. § 141.2.
5. Respondent is subject to the Act and the National Primary Drinking Water Regulations (Drinking Water Regulations) at 40 C.F.R. part 141. The Drinking Water Regulations are “applicable requirements” as defined in section 1414(i) of the Act, 42 U.S.C. § 300g-3(i).
6. The Drinking Water Regulations include monitoring requirements. The EPA has sent Respondent annual notifications of the specific monitoring requirements that apply to the System.

VIOLATIONS

7. The Maximum Contaminant Level (MCL) for selenium is 0.05 milligrams per liter (mg/l), with compliance to be based on a running annual average of selenium samples. 40 C.F.R. §§ 141.23(i) and 141.62(b). The running annual average of selenium samples from the System for the 2nd Quarter 2013, 3rd Quarter 2013, and 4th Quarter 2013 exceeded 0.05 mg/l and, therefore, Respondent violated the selenium MCL.
8. Respondent is required to notify the public of certain violations of the Drinking Water Regulations. 40 C.F.R. §§ 141.201-141.211. For Tier 2 violations (MCL violations where EPA has not determined that Tier 1 notice is needed), Respondent must repeat the public notice every three months as long as the violation or situation persists. 40 C.F.R. 141.203(b)(2). Within 10 days after having completed public notice requirements of the Drinking Water Regulations, Respondent is required to

provide the EPA with a copy of the public notice and a certification of having notified the public in full compliance with the Drinking Water Regulations. 40 C.F.R. § 141.31(d). Respondent failed to notify the public and/or did not provide the EPA with such a submission or certification for the 3rd Quarter 2013 and 4th Quarter 2013 selenium MCL violations cited in paragraph 7, above, and, therefore, violated this requirement. Respondent did notify the public and provide the EPA with a copy of the public notice for the 2nd Quarter 2013 selenium MCL violation.

9. Respondent is required to report any failure to comply with any Drinking Water Regulation to the EPA within 48 hours (except where the Drinking Water Regulations specify a different time period). 40 C.F.R. § 141.31(b). Respondent failed to report the violations cited in paragraph 7, above, to the EPA within this time frame and, therefore, violated this requirement.

ORDER

Based on the above violations, Respondent is ordered to perform the following actions upon Respondent's receipt of this Order (unless a different deadline is specified below):

10. Within 30 days after receipt of this Order, Respondent shall submit to the EPA a proposed plan and schedule to bring the System into compliance with the MCL for selenium as identified in 40 C.F.R. § 141.62. The plan shall include proposed modifications to the System and estimated costs of such modifications. The schedule shall include a project start date, interim milestone deadlines, and a final compliance deadline (which shall be within 18 months of the project start date). The Respondent shall not begin construction or modifications to the System before the EPA has approved Respondent's compliance schedule. The EPA's approval of Respondent's schedule does not substitute for any State of Wyoming approvals of plans and specifications that may also be required before any modifications may be made to the System.

11. The schedule required by paragraph 10, above, shall be incorporated into this Order as an enforceable requirement upon written approval by the EPA.

12. Within 90 days after receipt of the EPA's approval of the schedule required by paragraph 10, above, Respondent shall provide the EPA with quarterly reports on the progress made toward bringing the System into compliance with the selenium MCL. Each quarterly report is due by the 10th day of the month following the relevant quarter.

13. Within 10 days after completing all tasks included in the schedule required by paragraph 10, above, Respondent shall notify the EPA of the project's completion.

14. The System shall achieve compliance with the selenium MCL by the final compliance deadline specified in the EPA-approved schedule. If the Respondent's plan fails to achieve permanent compliance, the EPA may order further steps and/or seek penalties for noncompliance.



15. Within 30 days after receipt of this Order, Respondent shall notify the public of the 3rd Quarter 2013 and 4th Quarter 2013 violations cited in paragraph 7, above, following the instructions provided in the public notice template enclosed with this Order. Thereafter, following any future violation of the Drinking Water Regulations, Respondent shall comply with any applicable public notice provisions of 40 C.F.R. part 141, subpart Q. Within 10 days after providing each public notice, Respondent shall submit a copy of the public notice to the EPA along with certification of having provided public notice in full compliance with the Drinking Water Regulations, as required by 40 C.F.R. § 141.31(d).
16. Respondent shall report any violation of the Drinking Water Regulations to the EPA within 48 hours of the violation occurring, as required by 40 C.F.R. § 141.31(b). However, if a different time period for reporting is specified in this Order or the Drinking Water Regulations, Respondent shall report within that different period.
17. If the number of individuals served by the System falls below an average of 25 daily at least 60 days of the year, Respondent shall notify the EPA in writing within 10 days.
18. This Order shall be binding on Respondent, its successors and assigns and any person (e.g., employee, contractor, or other agent) acting in concert with Respondent.
19. If Respondent (a) leases or sells the System to another person or entity, or (b) contracts with or hires any other person or entity to operate the System, Respondent shall, no later than the date of such lease, sale, or other contract, provide a copy of this Order to the lessee, purchaser, or contractor and, no later than 10 days thereafter, notify the EPA in writing of the lease, sale, or other contract, with such notification to include the name and contact information of the person who has leased, bought, or contracted to operate the System. Respondent shall remain obligated to comply with this Order even if Respondent leases the System to another person or entity or hires another person or entity to operate the System.
20. Respondent shall send all reporting and notifications required by this Order in writing to:

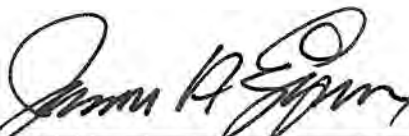
U.S. EPA Region 8 (8P-W-DW)
1595 Wynkoop Street
Denver, Colorado 80202-1129




GENERAL PROVISIONS

21. This Order shall not constitute a waiver, suspension, or modification of any requirement of the Act or the Drinking Water Regulations. Issuance of this Order is not an election by the EPA to forgo any civil or criminal action.
22. Violation of any part of this Order or the Drinking Water Regulations may subject Respondent to a civil penalty of up to \$37,500 (as adjusted for inflation) per day of violation. 42 U.S.C. § 300g-3; 40 C.F.R. part 19.
23. Respondent may seek federal judicial review of this Order pursuant to section 1448(a) of the Safe Drinking Water Act, 42 U.S.C. § 300j-7(a).
24. This Order is effective upon receipt by Respondent and will continue to be in effect until closed by the EPA.

Issued: March 20, 2014.


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


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



IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

[System] Has Levels of [Contaminant] Above Drinking Water Standards

Our water system recently violated a drinking water standard. Although this is not an emergency, as our customers, you have a right to know what happened, what you should do, and what we did (are doing) to correct this situation.

We routinely monitor for the presence of drinking water contaminants. On [give date], we received notice that the sample collected on [give date] showed that our system exceeds the standard, or maximum contaminant level (MCL), for [contaminant]. The standard for [contaminant] is [MCL]. The average level of [contaminant] over the last year has been [provide level]. **OR** [Contaminant] was found at [provide level].

What should I do?

- There is nothing you need to do. **You do not need to** boil your water or take other corrective actions. However, if you have specific health concerns, consult your doctor.
- If you have a severely compromised immune system, have an infant, are pregnant, or are elderly, you may be at increased risk and should seek advice from your health care providers about drinking this water.

What does this mean?

This is not an emergency. If it had been, you would have been notified within 24 hours. However, [Insert relevant health effects language for the contaminant from Appendix B to Subpart Q or Appendix B of this document.]

What is being done?

[Describe corrective action.] We anticipate resolving the problem within [estimated time frame].

For more information, please contact [name of contact] at [phone number] or [mailing address].

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.

This notice is being sent to you by [system]. State Water System ID#: _____.

Date distributed: _____.

Instructions for Chemical or Radiological MCLs Notice – Template 2-3

Template on Reverse

Chemical or radiological maximum contaminant level (MCL) violations require Tier 2 notification. You must provide public notice to persons served as soon as practical but within 30 days after you learn of the violation [40 CFR 141.203(b)]. You must issue a repeat notice every three months for as long as the violation persists. Your primacy agency may have more stringent requirements for MCL violations (e.g., it may require you to provide water from an alternate source). Check with your agency to make sure you meet all requirements. Use Template 2-4 for fluoride MCL violations.

Community systems must use one of the following methods [40 CFR 141.203(c)]:

- Hand or direct delivery
- Mail, as a separate notice or included with the bill

Noncommunity systems must use one of the following methods [40 CFR 141.203(c)]:

- Posting in conspicuous locations
- Hand delivery
- Mail

In addition, both community and noncommunity systems must use another method reasonably calculated to reach others if they would not be reached by the first method [40 CFR 141.203(c)]. Such methods could include newspapers, e-mail, or delivery to community organizations. If you mail, post, or hand deliver, print your notice on your system's letterhead, if available.

The notice on the reverse is appropriate for mailing, posting, or hand delivery. If you modify this notice, you must still include all required PN elements from 40 CFR 141.205(a) and leave the mandatory language unchanged (see below).

Mandatory Language

Mandatory language on health effects (from Appendix B to Subpart Q) must be included as written (with blanks filled in). This notice includes a placeholder for a specific contaminant's health effects language.

You must also include standard language to encourage the distribution of the public notice to all persons served, where applicable [40 CFR 141.205(d)]. This language is also presented in this notice in italics and with an asterisk on either end.

Corrective Action

In your notice, describe corrective actions you are taking. Do not use overly technical terminology when describing treatment methods. Listed below are some steps commonly taken by water systems with chemical or radiological violations. Depending on the corrective action you are taking, you can use one or more of the following statements, if appropriate, or develop your own text:

- We are working with [local/state agency] to evaluate the water supply and are researching options to correct the problem. These options may include treating the water to remove [contaminant] or connecting to [system]'s water supply.
- We have stopped using the contaminated well. We have increased pumping from other wells, and we are investigating drilling a new well.
- We have increased the frequency that we will test the water for [contaminant].
- We have since taken samples at this location and had them tested. These samples show that we meet the standards.

Repeat Notices

If this is an ongoing violation and/or you fluctuate above and below the MCL, you should give the history behind the violation, including the source of contamination, if known. List the date of the initial detection, as well as how levels have changed over time. If levels are changing as a result of treatment, you can indicate this.

After Issuing the Notice

Make sure to send your primacy agency a copy of each type of notice and a certification that you have met all public notification requirements within ten days after issuing the notice [40 CFR 141.31(d)].