

August 29, 1995

MEMORANDUM TO: Don Funk, Office Allegation Coordinator

THRU: Gary Shear, Chief  
Fuel Cycle and Decommissioning Branch

FROM: John Jacobson, Fuel Facility Inspector  
Fuel Cycle and Decommissioning Branch

SUBJECT: TELEPHONE CONTACT WITH COMBUSTION ENGINEERING

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On August 28, 1995, Gary Shear, Tim Reidinger, and I spoke with Earl Saito, the health physicist at CE in Hematite, MO. The conversation began with a review of CE's activities to date in remediating the contaminated sewage sludge that was deposited in the site creek. A discussion on disposal of the dirt and sludge removed from the creek during the project indicated the licensee is drying the material onsite in preparation to shipping it to the Envirocare low-level radioactive waste disposal site. As part of the conversation, we inquired what had routinely been done with the sludge from the sewage treatment facility.

Mr. Saito stated that to the best of his knowledge (he started employment with the licensee around January 1995) up until January 1994, the licensee had released the sludge under the 10 CFR 20 effluent release criteria as "clean" domestic sewer sludge. Under the old Part 20, licensee's were able to release insoluble uranium in water effluent if the concentration was below  $3 \times 10^{-5}$  microcuries per milliliter (or 30,000 pCi/l). Apparently, the licensee considered the sludge to be a "slurry" of suspended solids in water, and released it as an effluent if the uranium concentration was below the limit. After January of 1994, when the new Part 20 was implemented, the licensee could no longer meet the release limits. Since that date, the licensee has simply been storing the material onsite while negotiating with Envirocare to take its contaminated waste. This was apparently part of the problem which led to the amount of sludge in the sewage treatment plant overwhelming the design capacity and ending up in the site creek. Site personnel didn't change or remove sludge from the settling basin as frequently as they should have because no sludge shipments were being made. Currently, the licensee has rectified this problem by inspecting the settling basin on a daily basis and removing sludge to a storage container as needed to ensure the system is not overwhelmed.

After the call, NRC participants concluded that there did not appear to be any indication that the licensee planned to make any additional contaminated sludge shipments to the St Louis Metropolitan Sewer District. The release of contaminated sewage sludge to the Sewer District prior to January 1994 is an apparent violation of the old 10 CFR 20.301 for disposal of licensed material. A discussion with S. Soong, M. Lamastra, M. Adams, and M. Tokar of NMSS Fuel Cycle Licensing Branch on August 29, 1995, indicated that the licensee would have been required to request an exemption to 10 CFR 20.301 in order to dispose of this material by any method other than shipment to a licensed low-level radioactive waste disposal site. Based on the apparent violation and its duration, and the ongoing EPA investigation, OI is requested to initiate an investigation to determine if wilfulness or careless disregard is involved.

P-4