

August 26, 1998

MEMORANDUM TO: Joseph J. Holonich, Chief
Uranium Recovery Branch
Division of Waste Management, NMSS

FROM: John W. N. Hickey, Chief [original signed by:]
Low-Level Waste and Decommissioning
Projects Branch
Division of Waste Management, NMSS

SUBJECT: REVIEW OF ANNUAL SURETY UPDATE SUBMITTED
BY ENVIROCARE OF UTAH, INC., FOR THE CLIVE, UTAH, FACILITY,
SOURCE MATERIAL LICENSE #SMC-1559

We have reviewed the updated financial surety for the Envirocare of Utah, Inc., (Envirocare) facility, provided in correspondence dated July 7, 1998. Envirocare has prepared the surety estimate by using Means Heavy Construction Cost Data, 1998 (Means), for estimating costs of various decommissioning work elements at the Envirocare site. Envirocare adjusted costs that are not included in the Means manual by using CPI-U inflation factors.

Envirocare has proposed an adjusted surety of \$3,445,968, an increase of \$139,080 over its 1997 financial surety figure of \$3,306,888. Envirocare has applied inflation factors to two (2) of its decommissioning cost estimate components not found in the Means manual, radiological survey and environmental monitoring, and groundwater restoration and well plugging. While an earlier Envirocare submittal dated May 29, 1993, presented a surety calculation of \$3,479,888, a subsequent review by Envirocare found radiological survey and environmental monitoring, and groundwater restoration and well plugging costs to be over estimated, and hence, in error. We agree with Envirocare's findings, and concur with figures submitted in its most recent, July 7, 1998, submittal. We assume that your staff has reviewed the adequacy of these cost estimates. We expect Envirocare will forward to NRC evidence that its current escrow account with Zions Bank, in favor of NRC, contains assets that adequately reflect Envirocare's latest financial assurance funding requirement.

Docket No. 40-8989
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