

NRC – DEQ – EPM Project Status Teleconference Notes
June 26, 2024 – 2:30 Eastern, 1:30 Central

Attendees:

NRC

Jim Smith
Lifeng Guo
Christine Pineda

DEQ

Paul Davis
Courtney Redmond
David Cates
Kelly Dixon

EPM

Jeff Lux
Matt Crawford
John Hesemann

Administrative Issues

Request for Waiver per Trust Agreement Section 3.2.5

VNS – Federal Services (VNSFS) prepared the design for all water treatment systems and resin processing systems. Because procurement, installation, and startup are not engineering or architectural services, Section 3.2.5 of the Trust Agreement would require the Trustee to select a contractor by competitive bidding. Section 3.2.5 also enables the Lead Agencies to grant a waiver from the competitive bidding requirement. EPM submitted an April 1, 2024, letter to the NRC, the DEQ, and the DOJ requesting that they provide a written waiver to allow EPM to retain VNSFS for procurement, installation, and startup. EPM will require VNSFS to demonstrate that all subcontractors and suppliers they retain are selected via competitive bidding.

After conferring with the NRC and the DEQ (the Lead Agencies), in a letter dated May 29, 2024, the DOJ stated, “... we agree that it is appropriate to award VNSFS the contract without competitive bidding ... the selection and use of VNSFS as contractor remains subject to all other applicable provisions of the Trust Agreement ...”.

EPM will contract with VNSFS for the above-stated scope of work and will require VNSFS to demonstrate that their subcontractors and suppliers are selected via competitive bidding.

Insurance for Facilities

The cost to replace or restore the Western Area Treatment Facility, should it be damaged by severe weather (or any other circumstance), could easily be great enough to prevent EPM from being able to complete decommissioning. EPM has considered the need for insurance to reserve funding for remediation.

Section 2.7 of the Trust Agreement states, “Only at the direction of the United States and Oklahoma shall the Cimarron Trustee investigate the possible purchase of an insurance policy to cover future Environmental Actions and general liability at the Cimarron Site.” In a May 31, 2024, letter EPM requested that the NRC and the DEQ direct EPM to investigate insurance for the facilities described above.

On June 19, 2024, the DEQ approved the request to investigate the possible purchase of insurance.

EPM will wait for a response from the NRC to investigate insurance possibilities, requirements, and costs.

Standby Trust Investment Strategy

The Standby Trust is managed by US Bank as Trustee, and EPM is the Grantor of the Trust. Since the Standby Trust was executed in 2015, the return on the Trust's funds has not kept pace with inflation, so the value of the Trust has actually declined in the last nine years.

EPM will meet with US Bank to encourage a more aggressive strategy while continuing to invest the Trust's funds in investment vehicles authorized by the Standby Trust Agreement.

Updated Decommissioning Cost Estimate

On April 24, 2024, EPM submitted an updated decommissioning cost estimate (DCE) to the NRC and the DEQ. The updated DCE was based on the value of the Trust accounts as of the end of the year, the approved budget for 2024, and the estimated cost for construction and operation from the 2022 *Facility Decommissioning Plan – Rev 3*.

In reviewing the updated DCE, the DEQ noticed an error in Table 16-5a of that submittal.

EPM submitted a corrected DCE in a letter dated May 31, 2024.

Legal Support for Construction Contracts

In a letter dated June 19, 2024, EPM notified the NRC and the DEQ of its intent to retain Stinson LLP to assist EPM in the development of terms and conditions that should be included in contracts with vendors for the construction of groundwater remediation infrastructure and water treatment facilities. EPM executed an engagement agreement with Stinson on June 24, 2024.

EPM will incorporate terms and conditions applicable to construction, in addition to terms and conditions required by the Trust Agreement, into contracts for 2025.

Impact on Contracting Strategy on the Approved Budget for 2024

Both BMcD and VNS – Federal Services (VNSFS) had planned to prepare numerous request for bid (RFB) packages for numerous procurement, fabrication, and construction tasks. The proposed budget for 2024 was based on proposals from BMcD and VNSFS that included the preparation of numerous RFBs, responding to request for information (RFIs) from bidders, and evaluation of those bids.

VNSFS and EPM discussed ways to combine procurement and fabrication tasks to consolidate the 20+ RFBs to 5 RFBs. BMcD determined that it would be much more cost effective to combine most of the numerous RFBs for individual tasks into a single RFB for a General Contractor, reducing the number of RFBs to three (GC, driller, and injection system designer/fabricator).

Both VNSFS and BMcD are preparing revised scopes of work and cost estimates for 2024 and the first quarter of 2025. EPM believes the reduction in the number of bid packages they will prepare and bids they will evaluate will result in significant cost savings. However, the cost for individual tasks that were presented in the budget for 2024 may increase or decrease as a result.

EPM will inform the NRC and the DEQ of changes to the proposed budget upon finalization of the scopes of work and costs for BMcD and VNSFS.

Status of Work and Submittals

2024 Decommissioning Activities (schedule dates are approximate, assuming no “problems” are identified)

The following activities are planned for 2024:

- 1) BMcD and VNSFS advance designs to 90% “Issue for Bid” status – 7/12/2024
- 2) EPM issues RFBs to pre-qualified contractors by end of July for:
 - i) General Contractor
 - ii) Extraction and monitoring wells
 - iii) Injection system design and fabrication
- 3) VNSFS issues RFBs to subcontractors by the end of July
- 4) Select Contractors and request approval of Lead Agencies in early October
- 5) EPM submits proposed scope of work and budget for 2025 (includes construction) in early October
- 6) BMcD and VNSFS advance designs to 95% “Issue for Best and Final Pricing” status by end of 2024

2025 Decommissioning Activities (timeline is indefinite)

The following activities are planned for early 2025, assuming that the amended license is issued and the proposed scope of work and budget for 2025 are approved by December 31, 2024:

- 1) EPM and VNSFS issue “Best and Final Pricing” bid requests
- 2) BMcD and VNSFS advance designs to 100% “Issue for Construction” status
- 3) EPM executes contracts with Contractors
- 4) Contractors execute contracts with subcontractors
- 5) Pre-mobilization training, submittals, etc.

Evaluation of the Area East of BA1 Injection Trench GETR-BA1-01

EPM submitted a letter addressing the potential for surface water seepage due to injection of treated water in GETR-BA1-01 on February 21, 2024. The letter included tabulated data and a figure showing the concentration of uranium in groundwater in this area. The letter also included a proposal to conduct and document visual observations of the area of concern on a monthly basis during monthly routine radiological surveys.

On March 20, 2024, the NRC informed EPM that the responses were satisfactory. The DEQ met with EPM on April 4, 2024, to discuss the February 21 letter, and two issues were identified:

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1. The “Comprehensive Analytical Data” spreadsheet used to tabulate the data was missing some data for uranium in groundwater in this area.
2. There was no recent (within the past 7 years) data for some of the locations shown in the Figure.

In addition, EPM attempted to conduct a visual survey of the area, and discovered that the wooded area has become so thick with underbrush that visual observation for seepage isn't currently practical.

In a letter dated May 7, 2024, the DEQ proposed the collection and analysis of groundwater samples to establish a baseline concentration for uranium before trench operations.

EPM will update the table, including data for locations not included in the February 21 letter, revise the figure accordingly, and submit a revised report related to the potential for surface water seepage in BAI. On August 1-2, EPM will collect groundwater samples from the 5 monitor wells listed in DEQ's May 7 letter; this data will be submitted to the NRC and the DEQ long after submittal of the revised BAI seepage report.

Wetland Delineation

The last time a wetland survey was conducted to determine if the construction of proposed groundwater remediation infrastructure would impact wetlands was in 2015. Burns & McDonnell conducted a wetland delineation at the site on May 8-9, 2024. The NRC requested an updated wetlands map that would replace the map provided in response to requests for additional information related to the EA.

EPM will submit the completed wetlands report to the NRC and the DEQ.

Environmental Assessment Status

The NRC sent a draft Environmental Assessment report to the DEQ and EPM on May 31, 2024. Review and comments were requested by July 5, 2024.

The NRC requested a figure similar to Figures 6-2 and 6-3 in the decommissioning plan, showing the proposed license area in a site-wide figure. That figure is being prepared, and will be submitted as Figure 6-4, an addendum to the decommissioning plan.

The NRC also requested an updated map showing wetland areas identified during the recent wetland delineation effort. That figure is also in production and will be submitted to the NRC.

The DEQ and EPM plans to provide feedback related to the EA, Figure 6-4, and an updated wetland delineation map to the NRC and the DEQ by July 5, 2024.

Safety Evaluation Report Status

The Safety Evaluation Report is nearly complete. There are several issues that need to be addressed from a legal/regulatory perspective. One example is the status of Subareas G and N,

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which the NRC concurs are releasable for unrestricted use, but which the 2011 License Transfer Order states should not be released until groundwater remediation is complete. Redefining the licensed area as proposed in Section 6 of the decommissioning plan would result in the release of large portions of Subareas G and N.

NRC will finalize the Safety Evaluation Report when these issues have been resolved.

Annual Environmental Monitoring Program Sampling Event

Water samples were collected from 29 monitor wells and 2 surface water locations the week of April 15 – 19, 2024. All samples were analyzed for isotopic uranium mass concentration. Samples collected from the monitor wells in western areas and both surface water samples were also analyzed for nitrate and fluoride.

Laboratory analytical data has been tabulated and the EQulS database has been updated to include that data. EPM will defer submittal of an updated Comprehensive Analytical Data spreadsheet until data from the upcoming BA1 sampling event is complete.

EPM plans to submit the annual environmental monitoring data to the NRC and the DEQ by June 28, 2024.

Date and Time of Next Teleconference

Via Microsoft Teams on July 17, 2024, at 2:30 Eastern, 1:30 Central