

Uranium Watch

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September 11, 2017

via electronic mail

Scott Anderson
Director
Division of Waste Management and Radiation Control
Utah Department of Environmental Quality
P.O. Box 144880
Salt Lake City, Utah 84114-4880
dwmrcpublic@utah.gov

Re: Second Supplement to Comments on Energy Fuels Resources (USA) Inc., White Mesa Mill, License Renewal, Materials License No. UT 1900479

Dear Mr. Anderson:

The letter is the Second Supplement to Uranium Watch, Living Rivers, and Utah Chapter of the Sierra Club comments on the Renewal of the White Mesa Uranium Mill License, Materials License No. UT1900479. On August 11, 2017, I submitted a Supplement to comments on the White Mesa Mill License Renewal. That Supplement provided the Division of Waste Management and Radiation Control (DWMRC) the July 27, 2017, letter is from Kenneth Slowinski, Chief Counsel, Arizona Department of Water Resources (ADWR), to Lee Decker, Gallagher & Kennedy, who represents Energy Fuels Resources (USA) Inc. (Energy Fuels) in the matter of the Transportation of Water from Arizona to Utah by Energy Fuels. Impacted waste water from the Canyon Uranium Mine has been transported from the Canyon Mine, Coconino County, Arizona, to the White Mesa Mill. The water had been pumped from the bottom of the mine shaft.

I am now providing additional information regarding the letter from Mr. Slowinski, to Energy Fuels Resources (USA) Ind. (Energy Fuels). That attached Exhibit A is the response to an Arizona records act request and contains communications between the ADWR and representatives of Energy Fuels. Those communications bring up issues that must be addressed by the DWMRC in the License Renewal Process. Specifically, the DWMRC must address the questions regarding the types of wastes and other materials that can be received and directly disposed or received, processed, and disposed of at the White Mesa Mill.

The following Energy Fuels' statements are relevant:

1. The May 16, 2017, e-mail from Mark Chalmers, Chief Operating Officer, Energy Fuels, to Liz Shuppert, US Forest Service, states (in part):

As you are aware, the [Canon Mine] lined impoundment is subject to a 2-foot freeboard requirement to prevent potential overtopping. In order to meet these environmental compliance requirements and to ensure that the mine operates in conformance with the approved Mine Plan of Operations and related environmental review documents, we have periodically shipped the impacted water from the impoundment to the White Mesa Mill for ultimate management through the permitted processes at the Mill. **The Mill is authorized to receive and manage such sources of impacted water or other environmental media.** [Emphasis added.]

Importantly, the **shipment of impacted water to the Mill for environmental compliance purposes** is not the type of water transfer scenario envisioned under Ariz. Rev. Stat (ARS) 45-292. [Emphasis added.]

2. The May 23, 2017, e-mail from D. Lee Decker, Energy Fuels' counsel, to Kenneth C. Slowinski, ADWR, states (in part):

1. The Mill does not need this impacted water, as the Mill has sufficient existing water for all of its purposes. The impacted water was sent to the Mill for disposal purposes and not for beneficial use.

2. The cost of transporting the impacted water to the Mill (approximately \$0.25 per gallon) far exceeds any potential use value of the water, which is further evidence that the impacted water is not being beneficially used at the Mill.

3. In order to dispose of the water at the Mill, it is necessary to introduce it into the front end of the Mill, for ultimate disposal in the Mill tailings after it runs through the Mill process.

4. To date approximately 1.3 gallons of impacted water has been transported to the Mill. . . .

3. The June 26, 2017, e-mail from D. Lee Decker to Kenneth C. Slowinski, states (in part):

. . . the company was then forced to ship some of the impacted waste water to its White Mesa Mill for disposal to ensure compliance with environmental obligations (as well as approved variance deadlines).

Importantly, the White Mesa Mill is authorized to receive and manage not only conventional uranium ore but also other similar types of uranium impacted waste streams.

What was shipped was in effect a waste material that contained water, for proper environmental management and ultimate disposal.

In addition, when the impacted wastewater had to be transported to the energy Fuels' Mill for emergency environmental compliance purposes, it was not transported from the state for a reasonable and beneficial use in another state. Rather, it was transported for proper environmental management and ultimate disposal in another state.

In sum, Energy Fuels claims with respect the receipt and disposal of Canyon Mine waste water:

1. The impacted mine waste water was shipped to the White Mesa Mill to comply with environmental requirements for the Canyon Mine.
2. The material transported to the mill for environmental management and ultimate disposal was "waste material" that contained water.
3. Energy Fuels intended to dispose of the impacted mine waste water in the White Mesa Mill tailings impoundment(s).
4. White Mesa Mill is authorized to receive and manage conventional uranium ore and other similar types of uranium impacted waste streams.
5. The Mill is authorized to receive and manage such sources of impacted water or other environmental media.

LICENSE RENEWAL

These statements and the finding by the ADWR that Energy Fuels needed to have specific authorization to transport mine water from the Canyon Mine out of state and must make reasonable use of that water needs to be addressed by the DWMRC. The DWMRC must address the following questions in the License Renewal process:

1. Is the White Mesa Mill authorized to receive and manage various types of uranium impacted waste streams, impacted water, or other environmental media?
2. If so, 1) what impacted waste streams, impacted water, or other environmental media is the Mill authorized to receive and manage; 2) what licensing actions are required approve the receipt and management of those waste streams; and 3) under what statutory or regulatory authority is the Mill authorized to receive and manage the waste

streams?

3. Which Nuclear Regulatory Commission and Environmental Protection Agency regulations apply to the receipt and management of those waste streams?
4. What documentation must Energy Fuels provide to the DWMRC that demonstrates that Energy Fuels is, in fact, authorized by the originating entity and regulators of the originating entity to transport the impacted waste streams to the White Mesa Mill for receipt and management?
5. What are the uranium impacted waste streams, impacted water, or other environmental media that have been received and managed at the White Mesa Mill?

The Environmental Analysis for the License Renewal should include an accounting and analysis of the impacts of all materials that the are received at the White Mesa Mill for processing or direct disposal, including impacted mine water.

Sincerely,

Sarah Fields
Program Director

Enclosure: As stated