

STATE OF COLORADO

Bill Owens, Governor
Douglas H. Benevento, Executive Director

Dedicated to protecting and improving the health and environment of the people of Colorado

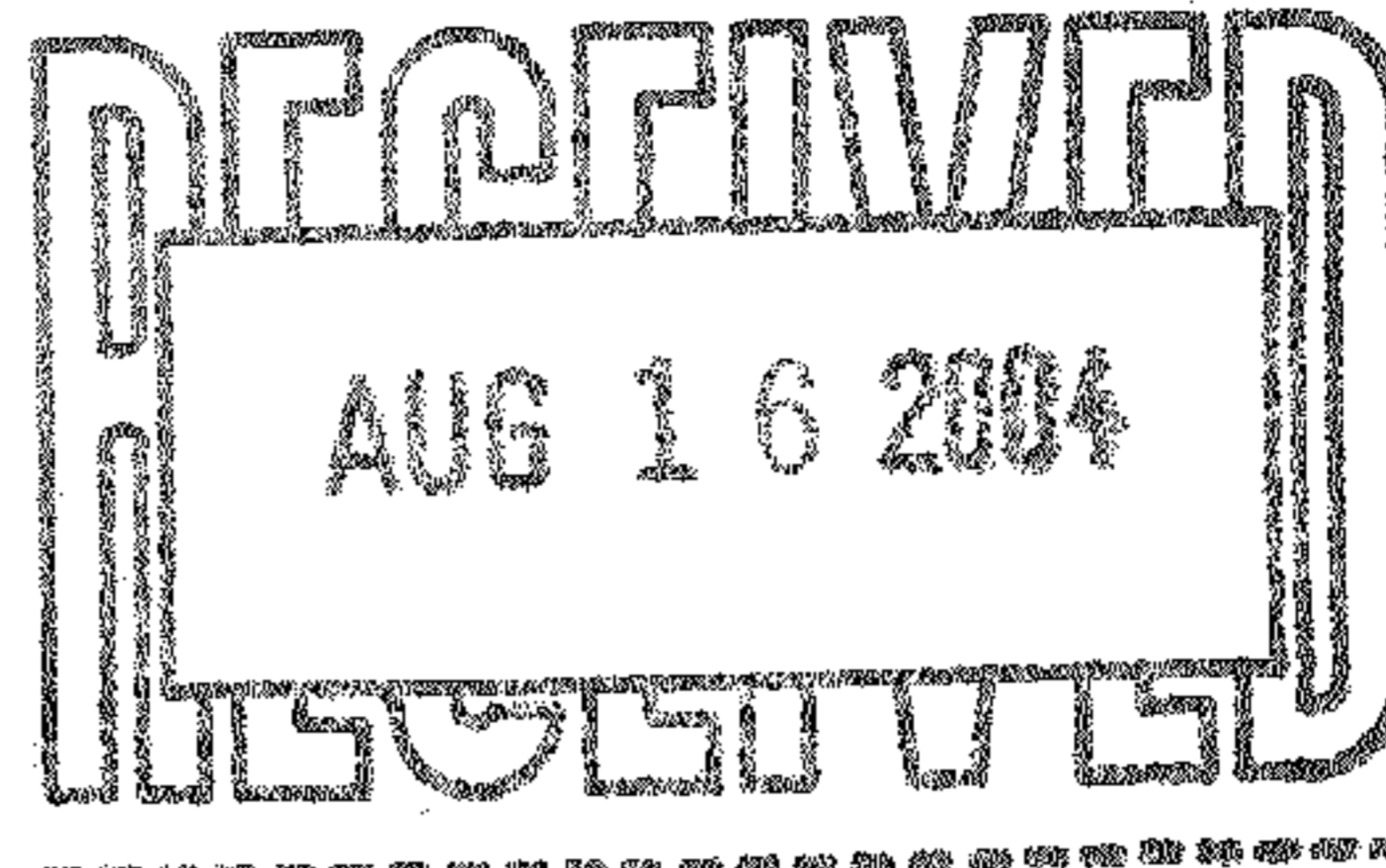
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Colorado Department
of Public Health
and Environment



August 11, 2004

Mr. Linn Havelick
Colorado School of Mines
1500 Illinois St.
Golden, Colorado 80401-1877

Re: CSM Creekside Site

Dear Mr. Havelick:

On August 6, 2004 representatives of CSM and CDPHE met with representatives of the AGO and the Governor's Office to discuss the status of cleanup at the Creekside site. One of the agreements at that meeting was that CDPHE would clarify its June 21, 2004 letter to provide the options that may be available to proceed with the cleanup. This letter provides the written clarification that we agreed to in our meeting.

The context of the June 21 letter was that CSM was in the process of cleaning up the site, and needed to find a way to proceed in light of increasing cleanup costs. Our letter attempted to reiterate our previous position that without additional risk assessment for the receiving facility, CDPHE would not allow more concentrated radioactive material to be sent to an unlicensed facility. The 3 pCi/gm above background threshold for sending material to a municipal landfill was simply a conservative "off the shelf" number that CDPHE said could be utilized by the school, given the time pressures of the construction schedule.

If CSM desires, it may still pursue avenues that would allow more contaminated material to be disposed of in municipal or commercial solid waste landfills. A risk assessment would be required that demonstrates that the receiving facility could accept a portion of the CSMRI material without posing an unacceptable risk. Depending on the facility's Certificate of Designation, the local governing body may also need to approve the request.

In addition, CSM could pursue cleanup options that leave contaminated soils in place. Again, a new risk assessment would be needed for this option. In addition, CSM should be aware that any cleanup that leaves contamination in place would also require the school to be responsible for proper control of this material, including maintenance and monitoring, in perpetuity. In addition, such management of radioactive materials in perpetuity would require a radioactive materials license.

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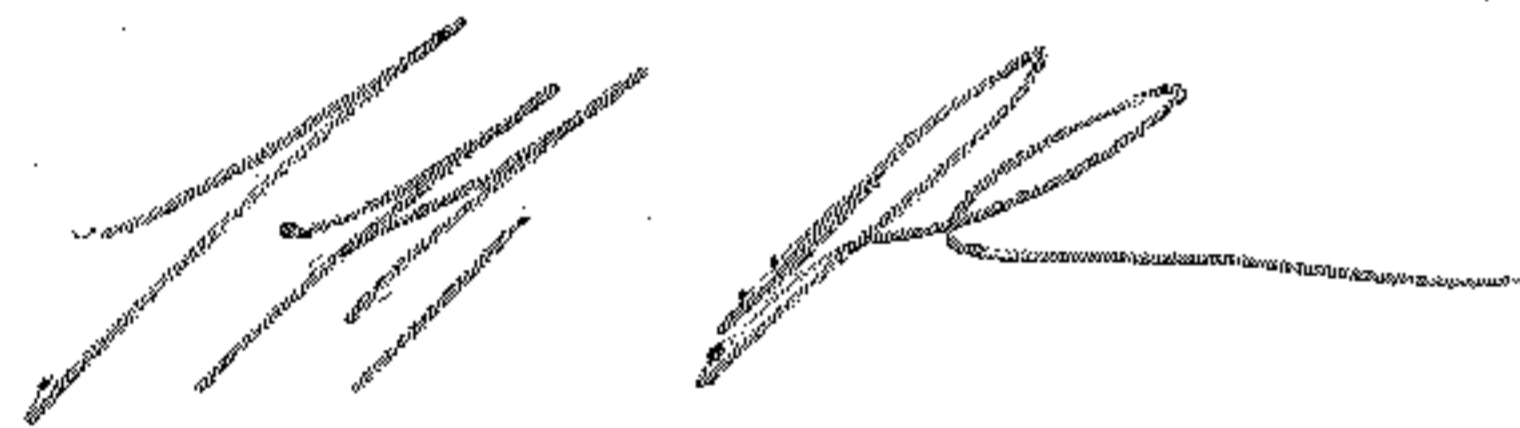
In the August 6 meeting, both CSM and CDPHE expressed our preference for removing all contaminated materials from the site. In that regard, it would be useful to meet in the near future to begin analyzing how this can most effectively be accomplished. Factors that should be considered in this discussion include cost, funding, and timing. At a minimum, the following information would be helpful in framing this discussion:

- Funding currently available
- Potential for future cost recovery
- Estimated cost of full cleanup
- Cost spent to date
- Cost of shipping supersacks currently stored on site to Idaho

We would also want to talk about the current materials handling practices, to see if the segregation of material can be optimized, thus allowing greater volumes to meet the 3 pCi/gm threshold.

We look forward to beginning these discussions and finding a path forward as quickly as possible. Please let us know when you would be available. If you have any questions, you can call Jeff Deckler at (303) 692-3387.

Sincerely,



Jeffrey Deckler
Remedial Programs Manager
Hazardous Materials and Waste
Management Division



Joe Schieffelin
Compliance Program Manager
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cc: Robert Moore, CSM
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