

Susan Crowley Staff Environmental Specialist (702) 651-2234 Fax (405) 228-6882 scrowley@kmg.com

June 3, 2005

Mr. Todd Croft Supervisor Nevada Division of Environmental Protection 1771 West Flamingo Road, Suite 121A Las Vegas, NV 89119

Re: 2005 AOC – Monthly Progress Report for May 2005

Dear Mr. Croft,

This monthly progress report is the first in a series to fulfill requirements laid out in the April 12, 2005 Administrative Order On Consent (2005 AOC) between the State of Nevada, Department of Conservation and Natural Resources, Division of Environmental Protection (NDEP) and Kerr-McGee Chemical LLC (Kerr-McGee).

Activities in the Month of May 2005:

- Preliminary engineering is nearing completion on installation of a single new Fluidized Bed Reactor (FBR) to treat about 1.2 gpm of the AP-5 solution. The new FBR is proposed to be located west of the existing FBRs and will increase the current plant perchlorate mass treatment capability by about 25 percent. Volumetric capacity of the existing FBR system will remain about 1000 gpm. Effluent from the new FBR will be fed to the existing bio-plant. Preliminary capital and operating costs have been developed. A tentative project construction schedule is being assembled.
- 2. Pilot testing of a Parkson continuous backwash sand filter has been successfully completed. The 40 gpm test unit significantly improved effluent clarity when processing both the existing effluent from the Dissolved Air Flotation (DAF) units and a mixture of 50% DAF feed plus 50% DAF effluent (tested to simulate one of the DAF units being shut down for maintenance).
- Options for treating the higher sludge volume from the bio-plant are receiving further consideration. Increasing throughput on the existing plate and frame filter presses and possible installation of a new belt press are being evaluated.

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If you have questions or comments on this report, please call me at (702) 651-2234 or call Keith Bailey at (405) 270-3651.

Sincerely,

Multiple

Susan Crowley

Staff Environmental Specialist

Express Mail

CC:

Keith Bailey

Mary Cheung (Veolia)

Pat Corbett

Mike Del Vecchio (Shaw)
Brad Dougherty (AIGC-EM)
Jeff Lambeth (Veolia)
Brian Rakvica (NDEP)

Rick Stater

Tim Wolf (Malcolm Pimie) Brenda Pohlmann (COH) Barry Conaty (COH) Jim Najima NDEP) Leslie Palencia (MWD) Pat Mulroy (SNWA)

Mitch Kaplan (EPA – Region IX) Larry Bowerman (EPA – Region IX)

Smc/April 2005 Status Report to Croft.doc