



Colorado Department  
of Public Health  
and Environment

# NEWS RELEASE

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**Agreement between state and Cotter will accelerate mill cleanup,  
impose penalties for missed deadlines**

DENVER – The Colorado Department of Public Health and Environment today announced an agreement with Cotter Corp. resolving a dispute over financial assurance and accelerating remedial actions necessary to clean up the company’s Cañon City Uranium Mill.

All radioactive materials licensees are required to cover the estimated costs of cleanup, facility closure and post-closure care. This financial assurance can take several forms, including cash, bonds and insurance.

“It’s important to understand that the financial assurance does not fund the actual cleanup, which Cotter must complete at its own expense,” explained Steve Tarlton, radioactive materials program manager for the department’s Hazardous Materials and Waste Management Division. “Rather, it functions like an insurance policy to pay for cleanup if Cotter fails to perform. Financial assurance requirements are reviewed and updated annually, with a comprehensive review every three years to ensure the estimates reflect changing site and economic conditions.”

At the Cotter Cañon City Uranium Mill, there are two separate financial assurance requirements: one to cover the termination of the company’s radioactive materials license and the other to cover ongoing cleanup. The financial assurance to cover the termination of the radioactive materials license was increased last year from \$14.7 million to \$20.8 million.

Negotiations with Cotter increased the amount for ongoing cleanup operations from \$2,632,632 to \$6,891,808, including \$3,225,526 to be posted as financial assurance, plus

\$3,666,282 that Cotter will apply immediately to accelerating a number of specific cleanup tasks. The agreement provides the state with the authority to impose financial penalties on Cotter if deadlines are missed on these projects:

- Installation of new monitoring wells and ditch linings in Lincoln Park that will help determine a final remedy for contaminated groundwater
- A pilot system for flushing and treating contaminated groundwater in the “Dam to Ditch” area of the site
- A new trench system to collect contaminated groundwater within the mill site and a new evaporation pond for managing contaminated surface water and groundwater

“This agreement affirms Cotter’s commitment to site remediation,” said Dr. Chris Urbina, department executive director and chief medical officer. “It allows us to move forward while accelerating the cleanup of the site. Most important, it holds Cotter accountable for meeting specific deadlines.”

The company announced its decision to terminate the radioactive materials license for its Cañon City Uranium Mill on Dec. 15, 2011. Decommissioning is expected to take between 10 and 15 years.

The Hazardous Materials and Waste Management Division is implementing an enhanced public participation process to ensure public review and comment on technical documents as decommissioning proceeds. Documents developed to address groundwater on and off Cotter property, and soil contamination on Cotter property, will be posted to the state’s website. Formal comment periods and public meetings, and informal review periods, will be advertised in local media and on the web. All decommissioning and license termination information will be discussed at the monthly Community Advisory Group meetings held in Canon City.

For more background and technical information about the Cotter Cañon City Uranium Mill, see <http://www.cdphe.state.co.us/hm/cotter/index.htm>.