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03-SFO-0046

JUL 3 2003

Mr. Nicholas Ceto, Program Manager
Office of Environmental Cleanup
Hanford Project Office
U.S. Environmental Protection Agency
712 Swift Boulevard, Suite 5
Richland, Washington 99352

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EDMC

Dear Mr. Ceto:

K BASINS SLUDGE WATER PROJECT UPDATE

The purpose of this letter is to provide you with an update regarding sludge removal at the K-East Basin. The K-East Sludge Water System (SWS) Contractor Operational Readiness Review (ORR) was suspended on April 27, 2003. Since that time, Fluor Hanford, Inc. (FHI) has worked to resolve technical deficiencies and has incurred dozens of procedure changes and rework of previously approved Readiness Self-Assessments (RSAs). Dry runs of revised procedures are on going and corrective actions for issues identified by a technical review are being resolved. FHI has tentatively established July 14, 2003, as the restart date of the suspended contractor ORR. Based on this date, the DOE ORR should begin on July 28, 2003, with an estimated startup date for SWS of August 31, 2003. The Tri-Party Agreement Milestone (M-34-08), *Initiate Full Scale KE Basin Sludge Removal by December 31, 2002*, will be delayed accordingly.

On Thursday, June 26, 2003, FHI provided RL with a performance review, including detailed discussions of the SWS path forward, solidified schedules, and proposed Spent Nuclear Fuel (SNF) project acceleration plans.

FHI currently plans to complete sludge removal for K-East (85% of the sludge by volume) by August 31, 2004. This partially fulfills the current sludge removal Tri-Party Agreement Milestone. I would like to set up a briefing for you and your staff to discuss the K-West sludge schedules.

If you have any questions, please contact me, or your staff may contact Steve J. Veitenheimer, Director, Office of Spent Nuclear Fuels, on (509) 373-9725.

Sincerely,

Keith A. Klein
Manager

SFO:SVJ

cc: See Page 2

Mr. Nicholas Ceto
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