

MINUTES: NEVADA TELECONFERENCE OF APRIL 16, 2002

These minutes are presented in the same order as the items were discussed in the meeting. The participants were as follows:

Patricia Larkins, STP
Linda McLean, RIV
George Johns, Iowa
Kevin Hsueh, STP
Alvin Henry, STP

Paul Lohaus, STP
Josephine Piccone, STP
Dwight Chamberlain, Region IV
Stan Marshall, NV
Larry Bolschult, NV

1. **Status of Actions in March 25, 2002 Letter:** Response to Nevada IMPEP report recommendations for the September 10-14, 2001 review.

NRC staff recognized Nevada's timely response to the IMPEP recommendations including revisions to guidance documents.

Status of Materials Inspection Program. Nevada's response indicated they have completed assignment of backlogged inspections to staff with periodic supervisor updates. Nevada has also revised their existing inspection policy to follow the NRC MC2800 schedule for core (including initials) and reciprocity inspections.

Action: Nevada was requested to provide the status of their inspection program in the next progress report including overdue inspections, by priority, along with plans to eliminate overdue inspections.

Nevada's revised policy for conducting reciprocity inspections was discussed. NRC staff informed Nevada that NRC is making changes to this area that will result in a reduced frequency and level of effort for reciprocity inspections. STP will be informing All Agreement State's of this change when it is available.

Technical Quality of Inspections

Nevada's revised policy to require annual inspection performance audits was discussed.

Action: Nevada was requested to include in their next progress report the number of people who have not had an accompaniment in the last 12 months, both current and new staff, along with the schedule for accompaniments this year.

Technical Staffing and Training.

Nevada's plan to ensure that an adequate complement of trained and qualified staff is devoted to the Agreement State program was discussed. Nevada staff noted the State has begun a staffing assessment review but it is not yet completed.

Action: Nevada was requested to provide a status update and any results when the assessments have been completed and reviewed by management.

The State's plan for orientation of two new employees was discussed. Mr. Marshall stated that, based on training and qualification, the program planned to use the new staff to perform basic inspections while the more senior staff continue to address the inspection backlog.

Nevada's revised Policy for Radioactive Material Program Technical Staff Training Requirements was discussed. Mr. Lohaus discussed the two part training model developed by the NRC/OAS Training Working Group in their Recommendations for Agreement State Training Programs report, October 1997, consisting of a specific set of courses (training plan) and a qualification program tailored to the States' regulatory program. Mr. Marshall indicated that he would consider this information in revising their current training procedure.

Action: Nevada was requested to provide information on the plan for interim and full qualification of the two new staff in their next progress report.

Response to Incidents and Allegations.

Nevada developed a policy to provide event information to NRC in accordance with STP procedure SA-300, Reporting Material Events. Ms. Larkins provided clarification regarding all follow up information (significant and 30-60 days notifications), which should be provided to the NRC NMED contractor on a monthly basis via manual or electronic (email) transmission, rather than through the NRC Operations Center. Mr. Marshall indicated they had encountered problems with the installation of the new NMED software program, and had contacted INEEL, the NMED contractor, for technical support and agreed to provide information on the specific problems to the NRC NMED project manager, Samuel Pettijohn. State staff attendance at NMED training in Portland, Oregon, May 15-16, 2002 was discussed. Mr. Marshall indicated that funding constraints could impact their ability to attend the training. Linda McLean indicated that the NMED project manager may also provide on-site NMED training when the State has several staff participating in the training. NRC staff agreed to look into the availability of on-site NMED training. NRC staff found that on-site NMED training is available when a State has several staff participating in the training, and the State can accommodate hosting attendance for staff from other States interested in training.

Action: NRC staff noted that the following events need to be provided to INEEL, the NMED contractor: NV-97-007, public discovery of lost portable gauge, LV; NV98-006, portable gauge event, LV; NV-00-003, transportation accident, LV; NV01-001, portable gauge theft, LV; and NV-01-003, portable gauge theft, LV.

Program Elements Required for Compatibility

Nevada's plan to adopt NRC regulations through license amendment, until such time NV regulations are adopted to incorporate the regulatory requirements, was discussed. Ms. Larkins noted that any legally binding requirements, such as license conditions drafted to incorporate NRC requirements, should be provided to the NRC for review. Mr. Lohaus further clarified that NRC review of legally binding requirements is similar to the process we use for review and comment on proposed and final State regulations. That is State's should share the draft license conditions with NRC prior to implementation. However, NRC's review should not hinder the State's ability to implement such requirements.

Action: Nevada was requested to submit any license conditions being used to incorporate NRC regulatory requirements. The next progress report is due May 24, 2002.

Schedule for next meeting. The next meeting has been scheduled for **June 12, 2002**, at **1:00 p.m.**, EDT.

FINAL MINUTES: NEVADA TELECONFERENCE OF JUNE 13, 2002

The participants were as follows:

Paul Lohaus, STP
Josephine Piccone, STP
Patricia Larkins, STP
Lance Rakovan, STP

Linda McLean, RIV
Stan Marshall, NV
Larry Boschult, NV
Kathleen Schneider, STP

SUBJECT: Status of program activities to address the findings and recommendations of the September 10-14, 2001 IMPEP review of the NV Agreement State program

1. **Introduction.** Introductions of attendees were conducted. The discussion followed an agenda corresponding to the NV Radiological Health Section bi-monthly progress report dated May 24, 2002. Mr. Lohaus invited Mr. Marshall to provide a general summary statement on the status of the program. Mr. Marshall provided updated information regarding an ongoing audit conducted by the Governor's Office. After review and consideration, the Governor's office has decided to retain the Agreement with NRC at this time, but an option to relinquish the Agreement remains under consideration. An internal audit is underway that includes an option for full cost recovery from fees. The proposed fee recovery option could result in an increase of 50-200% on licensees, depending on the type of licensed activity. The option includes consideration to implement through a multiyear graduated program. Currently the program has an estimated 10% fee recovery program. Regarding travel, equipment, training and staffing; the audit will involve only cost recovery for existing programs and staffing levels. It does not include any future program needs. Mr. Lohaus commented on the May 24, 2002 progress report statement that the program manager can now resume efforts to reduce inspection backlog and address other audit findings, in response to the Governor's Office decision to continue the Agreement State program at this time. Mr. Lohaus stated that a program should not stop and start work as implied in the progress report. Rather, the Agreement State program should be maintained in accordance with Management Directive 5.6, until such time as the Agreement is formally relinquished. Mr. Marshall responded that the program is attempting to address the IMPEP findings.

2. **Status of Actions in May 24, 2002 Progress Report:** Response to recommendations from the September 10-14, 2001 IMPEP review.

Status of Materials Inspection Program. Mr. Lohaus discussed the information provided in the May 24, 2002 progress report on the status of their inspection program including overdue inspections, by priority, along with plans to eliminate overdue inspections. Nevada's response provided information on inspections, by priority overdue greater than 25% under the NRC schedule. Mr. Marshall stated that his understanding was that the request only pertained to the IMPEP criteria. Mr. Lohaus inquired whether the program could provide information on the status of all inspections. A greater level of detail was requested to understand both the current status of overdue inspections (including initial inspections) and the overall status of the program to maintain inspections current with the priority system. Mr. Marshall indicated that it would take a great deal of effort for the program to provide the additional data since they don't readily have that kind of information available. Mr. Lohaus noted that a program would usually maintain this level of detail in order to schedule and staff inspections; Mr. Marshall indicated that they could put together the information.

Action: Nevada was requested to provide more complete information about the overall status of the inspection program by describing how they plan to address inspections that are currently

becoming due along with eliminating the inspection backlog. (Additional information on this request is contained in the attached June 21st e-mail from P. Lohaus to S. Marshall.)

Technical Quality of Inspections. Mr. Marshall noted that four inspectors had been accompanied since the last conference call. It was agreed the program had addressed this item.

Action: Based on this information, and earlier information provided by the program, the State has been responsive to item 4 of the Program Improvement Plan, to revise the policy for periodic inspection audits and to ensure annual inspection performance audits are conducted and documented. This IMPEP recommendation is recommended for closure during the next IMPEP program review.

Technical Staffing and Training. Mr. Marshall indicated that salary issues continue to hinder their ability to hire well-qualified staff. The two new staff members will require considerable training. Based on the Governor's Office decision to continue the Agreement, the program manager has begun developing an interim and full-qualification program. The two new staff members will work out of the Las Vegas field office, and will devote 40-50% of staff time to the Materials program when fully qualified. Mr. Marshall indicated that he plans to shift licensing activities back to the Las Vegas office in parallel with in-house training for the two new staff members. Mr. Marshall stated that plans to move forward with adoption of a formal qualification program are dependent on the results of the financial audit. Mr. Marshall discussed issues that he believed are hindering the program. He noted that the internal staffing audit has begun again, based on the Governor's Office decision to retain the Agreement.

Action: Provide updated status in next progress report.

Response to Incidents and Allegations. Mr. Marshall noted that the information on five incidents has been transmitted to the NMED contractor per NRC's request. It was noted the program had addressed this item.

Action: Based on the information, and earlier information provided by the program, the State has been responsive to item 6 of the Program Improvement Plan, which states (a) report all significant and 30-60 day notification event and follow-up event information to the NRC in accordance with the STP SA-300, Reporting Material Events, (b) provide incident information to NRC in accordance with State policy adjusted to NRC policy, and (c) attend NMED training, and install NMED software. Program Improvement Plan items covering the revised policy, NMED training and software, and events identified during the 2001 IMPEP review for entry into NMED, have been addressed. This IMPEP recommendation is recommended for closure during the next IMPEP program review.

Program Elements Required for Compatibility. The development of legally binding requirements was discussed. Mr. Marshall indicated that it would be difficult to provide any legally binding requirements to NRC for review in the near future. He indicated they were experiencing a great deal of difficulty in adopting regulations, including a labored legal review. A request to incorporate 10 CFR Part 34 by reference was recently rejected. He noted that the State had been working almost three years on the same package and, due to the rejection, may have to start the 10 CFR Part 34 adoption component from scratch. Josephine Piccone asked if the program manager planned to implement rules temporarily by license condition while

undergoing the rulemaking review process. Mr. Marshall indicated "yes," with a caveat that a time frame or schedule is yet to be determined.

Action: Provide updated status in next progress report due by July 26, 2002.

Schedule for Next Meeting: The next meeting has been scheduled for August 7, 2002, 1:00 pm EDT.

From: Paul Lohaus
To: INTERNET:smarshall@bhps.state.nv.us
Date: 6/21/02 3:35PM
Subject: Response to your 6/13/02 call to Linda McLean

Stan:

I asked Linda for an opportunity to respond to your telephone call to her which you placed after our 6/13/02 bimonthly conference call. Specifically, during the bimonthly call, we asked that you provide the status of your program's material inspection program in the next progress report including overdue inspections, by priority, along with plans to eliminate overdue inspections. I would like to provide additional information and clarification regarding that request and also address statements made in your progress report.

As a minimum, we ask that you continue to include information in the progress report on the status of core inspections. This information is needed to understand the program's progress in reducing the number of overdue core inspections in accordance with your program improvement plan. Your May 24, 2002 progress report contained information on overdue inspections, as defined in the Glossary section of Management Directive 5.6 (MD 5.6). During the call, we also asked that you include in your next progress report more complete information about the overall status of your inspection program. We asked that you include such information to help us better understand your plans to continue to reduce the current number of overdue inspections. Such information will also help to understand whether the program is able to stay current with and address the entirety of the inspection workload faced by the program. For example, whether efforts to reduce the backlog may be affecting the ability of your program to maintain current core inspections within your priority system.

During the call, you expressed concern regarding the level of effort necessary to provide such information. I responded indicating that, to me, such information would normally be readily available since it would likely be used to schedule routine inspections.

Given your concern, and that we do not want to place any additional burden on your program, we ask that you consider whether there may be other alternative means for you to provide information to us on the status of your inspection program that would address the following points:

1. The current status of overdue core inspections (including initial inspections) as defined in MD 5.6;
2. An understanding of your plans to eliminate overdue core inspections (including initial inspections); and
3. An understanding of the ability of the program to both reduce the backlog in overdue core inspections and to maintain the remainder of the core inspections current with the program's inspection priority system.

For example, in lieu of providing quantitative data for items 2 and 3, you could include a short paragraph in your progress report to reflect how you plan to reduce the backlog, the current status of those plans, and discuss whether the program is maintaining current core inspections

within your priority system. You may have other suggestions or alternatives where you could provide such information without placing any significant burden on the program.

Additionally, we noted that information presented in your May 24, 2002 progress report on overdue initial inspections does not appear to comport with guidance in MD 5.6. We would appreciate your addressing this point in your next progress report.

Finally, in your progress report you provided information that the Governor's office conducted an audit to consider returning the Agreement State program to NRC. An independent financial audit of the program is also underway to assess costs of carrying out the program given tight fiscal constraints. In the report, you stated that the Governor's Office decided to continue the Agreement State program at this time. The report also notes that although the ". . . decision could be reversed at any time in the future. . . program management can now resume efforts to reduce inspection backlog and address other audit findings. "

I want to reiterate that whether the Agreement is returned or not is solely a State decision, and that NRC is neutral on whether Nevada retains its Agreement. I want to also reiterate that until such time as a decision is made, and the Agreement is formally relinquished, NRC would expect Nevada to continue to implement a program consistent with the IMPEP criteria. The program retains responsibility to maintain an adequate and compatible program in accordance with the terms of the Agreement, and in accordance with the criteria contained in Manual Directive 5.6, Integrated Materials Performance Program.

I hope this information is helpful. Please let me know if you have any questions.

Paul

CC: Dwight Chamberlain; Josephine Piccone; Kathleen Schneider; Linda McLean; Patricia Larkins; Vivian Campbell