

June 6, 2006

MEMORANDUM TO: Management Review Board Members:

Charles Miller, NMSS
Joseph Gray, OGC
Dennis Sollenberger, STP

FROM: Osiris Siurano, Health Physicist **/RA/**
Office of State and Tribal Programs

SUBJECT: MINUTES: MAY 2, 2006, ARIZONA MRB MEETING

Enclosed are the minutes of the Management Review Board (MRB) meeting held on May 2, 2006. If you have comments or questions, please contact me at 415-2307.

Enclosure:
As stated

cc: Edgar Bailey, OAS Liaison, CA
Aubrey Godwin, AZ

June 6, 2006

MEMORANDUM TO: Management Review Board Members:

Charles Miller, NMSS
Joseph Gray, OGC
Dennis Sollenberger, STP

FROM: Osiris Siurano, Health Physicist **/RA/**
Office of State and Tribal Programs

SUBJECT: MINUTES: MAY 2, 2006, ARIZONA MRB MEETING

Enclosed are the minutes of the Management Review Board (MRB) meeting held on May 2, 2006. If you have comments or questions, please contact me at 415-2307.

Enclosure:
As stated

cc: Edgar Bailey, OAS Liaison, CA
Aubrey Godwin, AZ

Distribution:
DIR RF

DCD (SP01) **SUNSI Review Complete**
: Publicly Available ☐ Non-Publicly Available
: Non-Sensitive ☐ Sensitive

MVirgilio, OEDO
KCyr, OGC
DRathbun, STP
LBolling, STP
VCampbell, RIV
RStruckmeyer, NMSS/IMNS

DCD (SP01) PDR (YES/)
JStrosnider, NMSS
JSchlueter, STP
SMinnick, RI
JTobin, STP
MErnstes, OEDO

DOCUMENT NAME: E:\Filenet\ML061570155.wpd

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

OFFICE	STP		STP			
NAME	OSiurano:nyc		AMcCraw			
DATE	06/06/06		06/06/06			

OFFICIAL RECORD COPY

MINUTES: MANAGEMENT REVIEW BOARD MEETING OF MAY 2, 2006

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

Charles Miller, MRB Chair, NMSS
Joseph Gray, MRB Member, OGC
Aaron McCraw, STP
Andrea Jones, Team Member, STP
Monica Orendi, STP
William Rautzen, STP
Mike Ernstes, OEDO

Dennis M. Sollenberger, MRB Member, STP
Sheri Minnick, Team Leader, RI
Jennifer C. Tobin, STP
Ashley Tull, Team Member, NMSS
Richard Struckmeyer, NMSS
Aubrey Godwin, AZ
Osiris Siurano-Perez, STP

By Tele-conference:

Edgar Bailey, OAS Liaison, CA
James Mullauer, Team Member, RIII
Bill Wright, AZ

Dennis K. Rathbun, STP
Michael Stephens, Team Member, FL

By Video-conference:

Vivian Campbell, RIV, Team Member

Chuck Cain, RIV

1. **Convention.** Mr. Aaron McCraw convened the meeting at 3:10 p.m. He noted that this Management Review Board (MRB) meeting was open to the public. However, no members of the public attended this meeting. He then transferred the lead to Mr. Charles Miller, Chair of the MRB. Introductions of the attendees were conducted.
2. **Arizona IMPEP Review.** Ms. Sheri Minnick, team leader, lead the presentation of the Arizona Integrated Materials Performance Evaluation Program (IMPEP) review results to the MRB. She summarized the review and noted the findings. She noted that five out of six recommendations made during the 2002 IMPEP review were closed during this review. The onsite review was conducted by an interoffice team during the period of February 6-10, 2006. The review team's general approach for conduct of this review consisted of: (1) examination of Arizona's response to the questionnaire; (2) review of applicable Arizona statutes and regulations; (3) analysis of quantitative information from the State's licensing and inspection database; (4) technical review of selected files; (5) field accompaniments of two Arizona inspectors; and (6) interviews with staff and management to answer questions or clarify issues. The review team evaluated the information that it gathered against the IMPEP performance criteria for each common and applicable non-common indicator and made a preliminary assessment of the radiation control Program's performance.

The review team issued a draft report on March 8, 2006, received Arizona's factual comments by letter dated April 10, 2006, from Mr. Aubrey Godwin, Director, Arizona Radiation Regulatory Agency, and submitted a proposed final report to the MRB on April 24, 2006.

Common Performance Indicators. Ms. Minnick presented the findings regarding the common performance indicator, Technical Staffing and Training. Her presentation corresponded to Section 3.1 of the proposed final IMPEP report. The team found Arizona's performance with respect to this indicator to be "satisfactory but needs improvement" and made one recommendation. The review team recommended that the Agency develop and implement a staffing plan to fill a current vacancy, meet growing Program needs and maintain long-term stability. Ms. Minnick noted that the Agency is having difficulties in retaining qualified staff. It is expected that all but one staff member will be retired within the next five years. The MRB agreed that Arizona's performance met the standard for a "satisfactory but needs improvement" rating for this indicator.

Ms. Vivian Campbell presented the findings regarding the common performance indicator, Status of Materials Inspection Program. Her presentation corresponded to Section 3.2 of the proposed final IMPEP report. The review team found Arizona's performance with respect to this indicator to be "unsatisfactory" and made one recommendation. The review team recommended that the State take appropriate measures to conduct core inspections (including initial inspections) in accordance with the inspection priority schedule in MC 2800, and conduct reciprocity inspections in accordance with MC 1220. The review team identified 5 initial and 18 core inspections completed overdue as well as 14 initial inspections and 2 routine core inspections overdue at the time of this review. The Program did not meet the 20 percent criterion prescribed in MC 1220 for inspection of reciprocity licensees. The Agency has had two inspectors retire and was budgeted to only fill one of the resulting vacancies. Since March 2003, the Agency has filled the one budgeted inspector position with three different staff. Two of the staff were trained by the senior inspector and subsequently left the program for higher paying jobs after becoming fully-qualified. The newest staff member is currently being trained by the senior inspector. Program staff had to focus on inspecting the lower priority licenses for training purposes. In addition, the senior inspector was unable to conduct inspections during a six-month period in 2003 and 2004. The review team identified insufficient staffing, and shortcomings of the Program's database as the root causes for the number of overdue inspections. A short discussion on the State's inspection frequencies was held. The State's inspection frequencies are based on NRC's inspection manual Chapter 2800. The increased control of sources was also discussed. The MRB agreed that Arizona's performance met the standard for an "unsatisfactory" rating for this indicator.

Ms. Campbell also presented the findings regarding the common performance indicator, Technical Quality of Inspections. Her presentation corresponded to Section 3.3 of the proposed final IMPEP report. The review team found Arizona's performance with respect to this indicator to be "satisfactory" and made no recommendations. The MRB agreed that Arizona's performance met the standard for a "satisfactory" rating for this indicator.

Mr. James Mullauer presented the findings regarding the common performance indicator, Technical Quality of Licensing Actions. His presentation corresponded to Section 3.4 of the proposed final IMPEP report. The team found Arizona's performance with respect to this indicator to be "satisfactory" and made no recommendations. A short discussion on financial assurance was held. The MRB agreed that Arizona's performance met the standard for a "satisfactory" rating for this indicator.

Ms. Andrea Jones presented the findings regarding the common performance indicator, Technical Quality of Incident and Allegation Activities. Her presentation corresponded to Section 3.5 of the proposed final IMPEP report. The review team found Arizona's performance with respect to this indicator to be "satisfactory" and made no recommendations. The MRB agreed that Arizona's performance met the standard for a "satisfactory" rating for this indicator.

Non-Common Performance Indicators. Ms. Ashley Tull presented the findings regarding the non-common performance indicator, Compatibility Requirements. Her presentation corresponded to Section 4.1 of the proposed final IMPEP report. The review team found Arizona's performance to be "satisfactory" and made one recommendation. The review team recommended that the Agency develop a process that allows for the adoption of NRC regulations within the three-year time frame. The review team found that the Agency has made significant improvements on the timeliness of submitted regulations to the NRC; however, during the review period, the Agency's proposed regulations were approximately one year overdue. The MRB agreed that Arizona's performance met the standard for a "satisfactory" rating for this indicator.

Mr. Mike Stevens led the discussion of the non-common performance indicator, Sealed Source and Device Evaluation Program. His presentation corresponded to Section 4.2 of the proposed final IMPEP report. The team found Arizona's performance to be "satisfactory" for this indicator and made no recommendations. A short discussion on the Agency's SS&D reviewers duties and retirement was held. The MRB agreed that Arizona's performance met the standard for a "satisfactory" rating for this indicator.

MRB Consultation/Comments on Issuance of Report. Ms. Minnick concluded, based on the discussion and direction of the MRB, that the Arizona program be rated "unsatisfactory" for the performance indicator, Status of Materials Inspection Program, "satisfactory but needs improvement" for the performance indicator, Technical Staffing and Training, and satisfactory for the five remaining performance indicators. Accordingly, the review team recommended that the Arizona Agreement State Program be found adequate but needs improvement and compatible with NRC's program. A discussion on these overall findings was held. Mr. Godwin provided updated information on the IMPEP review findings. The MRB discussed the possibility of sending a letter of support to the State's senior management. The State welcomed the proposed letter. A short discussion on options for improving program performance was held. The MRB directed that the letter transmitting the final IMPEP report from Mr. Martin Virgilio, Deputy Executive Director for Materials, Research and State Programs (DEDMRS), outline the performance issues and that it should be mailed to Mr. Dennis Burke, the Governor's Chief of Staff for Policy. Placing the State on heightened oversight was briefly discussed. However, the MRB did not consider this option appropriate and directed that a periodic meeting with the State be held in approximately one year after the IMPEP review to assess the Agency's progress and determine a date for the next review.

Comments. Mr. Miller thanked the team for a well done job and the State for its cooperation. Mr. Godwin and Mr. Bill Wright, both from the State of Arizona, thanked the MRB and the IMPEP review team for their work. Mr. Mike Stephens thanked the MRB for the opportunity to participate in this review.

3. **Status of Current and Upcoming Reviews.** No information on the status of current and upcoming reviews was provided during this meeting.
4. **Precedents/Lessons Learned.** No precedents that will be applied to the IMPEP process in the future were established by the MRB during this review.
5. **Good Practices.** No good practices were identified during this review.
6. **Adjournment.** The meeting was adjourned at approximately 4:48 p.m.