

From: "Christopher Pugsley" <cpugsley@athompsonlaw.com>
To: "Ron Linton" <RCL1@nrc.gov>, <dbollig@wrt.net.com>
Date: 01/24/2007 10:34:56 AM
Subject: RE: Chris/Duane:

Ron:

Thompson & Simmons, PLLC, as counsel of record for RMD Operations, LLC and on their behalf, hereby agree to the license conditions as attached to your e-mail of January 23, 2007. Please do not hesitate to contact me if you have any questions.

Christopher S. Pugsley, Esq.

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This message contains information from this law firm that may be privileged and confidential. If you receive this message in error, please notify Christopher S. Pugsley, Esq. at (202) 496-0780 or at <mailto:cpugsley@athompsonlaw.com> cpugsley@athompsonlaw.com immediately and destroy all copies of this message and attachments.

From: Ron Linton [mailto:RCL1@nrc.gov]
Sent: Tuesday, January 23, 2007 3:14 PM
To: cpugsley@athompsonlaw.com; dbollig@wrt.net.com
Subject: Chris/Duane:

Chris/Duane:

Please take a look at this version. I want to make sure you agree and we have captured all the changes we discussed. This should be the last time you need to look at this..... Thanks.

Ron

CC: "Anthony J. Thompson" <ajthompson@athompsonlaw.com>

Mail Envelope Properties (45B77C8C.CAD : 8 : 64685)

Subject: RE: Chris/Duane:
Creation Date 01/24/2007 10:34:26 AM
From: "Christopher Pugsley" <cpugsley@athompsonlaw.com>
Created By: cpugsley@athompsonlaw.com

Recipients

nrc.gov
TWGWPO01.HQGWDO01
RCL1 (Ron Linton)

athompsonlaw.com
ajthompson CC ('Anthony J. Thompson')

wrtnet.com
dbollig

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Route

nrc.gov
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Files	Size	Date & Time
MESSAGE	1150	01/24/2007 10:34:26 AM
TEXT.htm	7755	
Mime.822	11603	

Options

Expiration Date: None
Priority: Standard
ReplyRequested: No
Return Notification: None

Concealed Subject: No
Security: Standard

NRC FORM 374

U.S. NUCLEAR REGULATORY COMMISSION

MATERIALS LICENSE

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 36, 39, 40, and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee	
1. R.M.D. Operations, LLC	3. License Number SUC-1591 DRAFT
2. 9500 W. 49th Avenue, Suite D-100 Wheat Ridge, CO 80033	4. Expiration Date January 24, 2017
	5. Docket No. 40-9059 Reference No.

- | | | |
|---|-------------------------------------|--|
| 6. Byproduct Source, and/or
Special Nuclear Material | 7. Chemical and/or Physical
Form | 8. Maximum Amount that Licensee
May Possess at Any One Time
Under This License |
| Source | Any | No Limit |

9. The R.M.D. Operations, LLC uranium water treatment program, including operation of its uranium removal system, media exchanges, and final disposition pathways, shall operate as specified in the R.M.D. Operations, LLC Environmental Report dated September 27, 2005, except where superseded by licensed conditions contained in this license or approved by the NRC. Whenever the words "will" or "shall" are used in the above referenced documents, it shall denote a requirement.
10. R.M.D. Operations, LLC shall contractually possess the uranium source material contained within the uranium removal system, including the ion exchange vessels. R.M.D. Operations, LLC may lease space from the community water system to house the uranium removal system. If a uranium removal system is sold or otherwise transferred to the community water system by R.M.D. Operations, LLC, R.M.D. Operations, LLC shall execute a contract with the community water system to lease the uranium removal system to retain possession of the source material. If the uranium removal system is not leased back to R.M.D. Operations, LLC, the community water system will be required to obtain an NRC specific license or comply with another future regulatory option, such as a general license, promulgated or endorsed by the NRC.
11. R.M.D. Operations, LLC will consult with State and/or local historic preservation officers or similar governing body before beginning construction related to, or the use of, a uranium removal system that is located outside of, or away from, existing community water system structures.
12. If a possible direct outlet to storm sewers, sanitary sewers, or drain field exists at the community water system where the uranium removal system will be operated, the uranium removal system will be designed with a secondary containment system to protect against a release of any media containing source material that could affect water resources. The uranium removal system shall not be located on the 100-year flood plain unless approved by the R.M.D. Operations, LLC Safety and Environmental Review Panel and the NRC.

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13. R.M.D. Operations, LLC will consult with Federal or State fish and wildlife agencies to identify potential endangered or threatened species before beginning construction related to, or the use of, a uranium removal system that is located outside of, or away from, existing community water system structures.
14. Any corporate organizational changes affecting the assignments or reporting responsibilities described in the Environmental Report or in any other R.M.D. Operations, LLC licensing documents shall be reviewed and documented by the R.M.D. Operations, LLC Safety and Environmental Review Panel and made available to the NRC.
15. The R.M.D. Operations, LLC Corporate Radiation Safety Officer shall possess the professional qualifications and shall satisfy the professional training requirements outlined in the Environmental Report before engaging in any corporate radiation safety officer activities.
16. R.M.D. Operations, LLC system specialists shall possess the professional qualifications and shall satisfy the professional training requirements outlined in the Environmental Report before engaging in any licensed activities.
17. R.M.D. Operations, LLC will ensure that local utility managers and operators satisfy appropriate basic training requirements outlined in the Environmental Report before initiating licensed activities.
18. R.M.D. Operations, LLC may, without NRC approval, make changes to standard operating procedures and conduct tests or experiments, provided that they are reviewed by the Safety and Environmental Review Panel and the company ensures the following three conditions are met:
- (1) The change, test, or experiment does not conflict with any requirement specifically stated in the R.M.D. Operations, LLC license or impair the company's ability to meet all applicable NRC regulations.
 - (2) The safety or environmental commitments made in the Environmental Report or other licensing documents are not degraded.
 - (3) The change, test, or experiment is consistent with the NRC's findings in its environmental assessment and technical evaluation report.

If any of these conditions are not met, if any alterations are made to the license conditions or to the performance requirements in the license application, or if implementation of uranium water treatment programs is outside the scope of such performance requirements, NRC approval through a license amendment will be required.

19. The Safety and Environmental Review Panel shall consist of a minimum of three individuals employed or appointed by R.M.D. Operations, LLC, and an R.M.D. Operations, LLC employee shall be designated the

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Safety and Environmental Review Panel Chairperson. One member of the Safety and Environmental Review Panel shall have expertise in management and be responsible for managerial and financial approval changes; one member shall have expertise in operations and/or construction and shall have responsibility for implementing any operational changes; and one member shall be the Corporate Radiation Safety Officer with the responsibility of ensuring that changes conform to radiological safety and environmental requirements. R.M.D. Operations, LLC may include additional members on the Safety and Environmental Review Panel as necessary to address health physics or other technical disciplines and legal/regulatory issues. Temporary members or permanent members other than the three identified above may be consultants.

20. R.M.D. Operations, LLC will be permitted to register and implement new uranium removal systems at Community Water Systems that will operate within the scope of the performance requirements delineated in the Environmental Report. R.M.D. Operations, LLC must register, keep track of, and inform the NRC of all community water system facilities it enters into service contracts with, so that the number of such community water system facilities, uranium removal systems, and their locations can be readily determined at any given time, including those operating under a general license pursuant to 10 CFR 40.22 and those operating under this specific license. Notification to the NRC shall be made by the last day of the month for any uranium removal system that becomes operational in the preceding month. Notification must contain the name and location of the community water system where the uranium removal system has become operational and contain a facility description summary and relevant features summary similar to Appendix A 3.4 and A 3.5 of NUREG-1757, Vol. 3. The R.M.D. Operations, LLC Safety and Environmental Review Panel will review community water system requirements and document the conclusion that such requirements are within the performance requirements set forth in the Environmental Report. Such documentation shall be subject to NRC inspection. Community water systems and uranium removal systems operating under a general license pursuant to 10 CFR 40.22 will not be required to provide financial assurance as outlined in this license and will not be subject to on-site NRC inspection.
21. The R.M.D. Operations, LLC Safety and Environmental Review Panel shall document and maintain all decisions and determinations and make such documentation available for NRC inspection. R.M.D. Operations, LLC shall provide the NRC with annual reports of all such decisions and determinations. Records shall be maintained in accordance with all applicable NRC regulations.
22. All written notices and reports to the NRC required under this license shall be addressed in care of the Document Control Desk, Deputy Director, Decommissioning and Uranium Recovery Licensing Directorate (Mailstop T-7 E-18), Division of Waste Management and Environmental Protection, Office of Federal and State Materials and Environmental Management Programs, Nuclear Regulatory Commission, Washington, D.C. 20555-0001, or by express delivery to 11545 Rockville Pike, Two White Flint North, Rockville, Maryland 20852-2738. Required telephone notification shall be made to the NRC Operations Center at (301) 816-5100, unless otherwise specified.
23. Standard operating procedures shall be developed and followed for all licensed activities, including the handling of licensed materials during normal and accident situations. A copy of the current standard operating procedures shall be kept in the area(s) of the uranium removal system where they are utilized.

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The Safety and Environmental Review Panel will review and approve all standard operating procedures before they are implemented.

24. R.M.D. Operations, LLC will implement its radiation safety program as described in Section 3.13 of its Environmental Report. All training sessions and materials shall conform to the requirements of the Environmental Report and the R.M.D. Operations, LLC performance requirements. Any alterations to the radiation safety program outside the scope of the R.M.D. Operations, LLC performance requirements or that fail to meet a condition for action by Safety and Environmental Review Panel shall require NRC approval.
25. R.M.D. Operations, LLC will ensure that all uranium removal system equipment is installed properly before the commencement of licensed activities. After the commencement of licensed activities, R.M.D. Operations, LLC will ensure that no alterations are made to components of the uranium removal system that contain, or potentially contain, licensed material unless approved by either the Safety and Environmental Review Panel or the NRC, as required.
26. R.M.D. Operations, LLC will ensure that all equipment used for media exchanges are functional and operate within the specifications described in the Environmental Report. R.M.D. Operations, LLC system specialists will ensure that all media exchange activities are conducted in accordance with the written procedures and in a manner that minimizes potential releases of spent treatment media.
27. R.M.D. Operations, LLC shall, at a minimum, use a radiation monitoring program as described in the Environmental Report.
28. R.M.D. Operations, LLC shall, at a minimum, use an environmental monitoring program and emergency response procedures as described in the Environmental Report.
29. Where the uranium removal system is located, R.M.D. Operations, LLC shall ensure the fire marshal or equivalent has been contacted and provided instruction on uranium source material hazards and possible effects from a fire.
30. R.M.D. Operations, LLC shall, at a minimum, use a contamination control program as described in the Environmental Report.
31. R.M.D. Operations, LLC shall, at a minimum, use security procedures and measures as described in the Environmental Report. R.M.D. Operations, LLC shall also comply with and implement, in conjunction with appropriate site personnel and community water system security requirements, NRC compensatory measures or other security requirements issued by the Commission.
32. To prevent the public from accessing the uranium removal system when unattended, the system shall be housed in a locked shed or locked structure, be within the locked community water system facility, and/or be within a locked fenced-in area and properly marked at all times, in accordance with the requirements of 10 CFR Part 20.

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33. R.M.D. Operations, LLC shall, at a minimum, use standard operating procedures for media exchange and other related procedures as described in the Environmental Report.
34. R.M.D. Operations, LLC shall, at a minimum, use transportation accident response standard operating procedures in accordance with the DOT-approved transportation contractor's response procedures. R.M.D. Operations, LLC will also conduct followup accident site surveys, as necessary.
35. R.M.D. Operations, LLC shall transfer uranium-laden (spent or fully-loaded) treatment media only to properly licensed or permitted facilities for final disposition. R.M.D. Operations, LLC will obtain properly executed contracts with these facilities before initiating licensed activities and will designate a set of final disposition locations for spent treatment media at each community water system uranium water treatment program. R.M.D. Operations, LLC will select a final disposition location from the designated set of locations before transferring each set of spent treatment media.
36. Uranium-laden (spent or fully-loaded) treatment media is not to be stored at the community water system for greater than 60 days and shall only be contained within the ion exchange vessel or DOT-approved containers.
37. R.M.D. Operations, LLC shall conform its decommissioning activities to the methodology and requirements described in the Environmental Report.
38. Before a uranium removal system becomes operational, R.M.D. Operations, LLC shall create a standby trust, acceptable to the NRC, for the uranium removal system located at a site-specific community water system. R.M.D. Operations, LLC shall obtain appropriate financial assurance mechanisms for site-specific public or private community water systems before the uranium removal system becomes operational. For public community water systems, R.M.D. Operations, LLC may obtain statements of intent or guarantees pursuant to 10 CFR 40.36 (e) (4) in accordance with R.M.D. Operations, LLC license application dated September 27, 2005, and subsequent supporting documentation dated August 14, 2006, August 30, 2006, and September 13, 2006. For private community water systems, R.M.D. Operations, LLC will obtain acceptable financial assurance mechanisms pursuant to 10 CFR 40.36 in accordance with R.M.D. Operations, LLC license application dated September 27, 2005.
39. The contract between R.M.D. Operations, LLC and each community water system shall include the statement, "For purposes of this Agreement, the U.S. Nuclear Regulatory Commission (NRC) shall be considered an intended third-party beneficiary of any Financial Assurance mechanism required for activities under this Agreement and shall be granted rights to enforce the provisions of such financial

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assurance mechanism for Decommissioning or other related activities." Additionally, in the contract between R.M.D. Operations, LLC and each community water system, the R.M.D. Operations, LLC must require that payments for its services and any contract termination payments be made directly to R.M.D. Operations, LLC.

40. R.M.D. Operations, LLC will prepare site-specific decommissioning cost estimates pursuant to the methodology delineated in the environmental report before initiating licensed activities. R.M.D. Operations, LLC will document such decommissioning cost estimates in its financial assurance mechanism for each community water system. R.M.D. Operations, LLC will adjust decommissioning cost estimates pursuant to applicable NRC requirements, such as changes in engineering or design, and economic conditions, such as inflation, on an annual basis.

FOR THE NUCLEAR REGULATORY COMMISSION

DRAFT

Date: _____

 Keith I. McConnell, Deputy Director
 Decommissioning and Uranium Recovery
 Licensing Directorate
 Division of Waste Management
 and Environmental Protection
 Office of Federal and State Materials
 and Environmental Management Programs