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ASSISTANT ATTORNEYS GENERAL

March 18, 1998

The Honorable S. Michael Pincus
Montgomery County Circuit Court
Montgomery County Judicial Center
50 Courthouse Square
Rockville, Maryland 20850

Re: *State of Maryland, Department of the Environment v.
Neutron Products, Inc.*
Case No. 76639

Dear Judge Pincus:

I apologize, in my letter to you dated March 16, 1998, I made an error. I stated that based upon the approvals obtained by Neutron Products for the construction of its courtyard enclosure and the stipulation of the parties, which was entered by this Court, that Neutron could conduct one melt once its sediment and stormwater management plan was approved. At our last telephonic status conference with your Honor, the agreement was that Neutron Products could conduct one melt once its detailed design for the sediment and stormwater management plan was filed with Montgomery County Permitting Services. This was agreed to based on Neutron's representation that it had offered to pay the County any overtime that was required to obtain an approval as quickly as possible. I've conferred with Mr. Myers and we both agree what the understanding was as of the last telephonic conference. I apologize for my error. However, as stated in the previous letter, no further melt will be permitted until the courtyard enclosure is actually constructed.

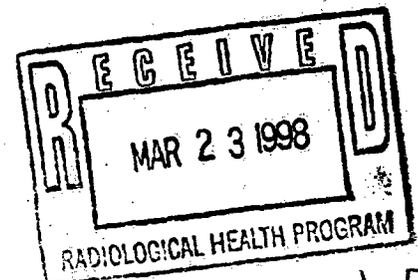
Thank you very much for your attention to this matter.

Very truly yours,

Christina Gerstung Beusch
Deputy Counsel

CGB:tlw

cc: John Myers, Esquire
Roland Fletcher
Ray Manley



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March 16, 1998

The Honorable S. Michael Pincus
Montgomery County Circuit Court
Montgomery County Judicial Center
50 Courthouse Square
Rockville, Maryland 20850

Re: *State of Maryland, Department of the Environment v.
Neutron Products, Inc.
Case No. 76639*

Dear Judge Pincus:

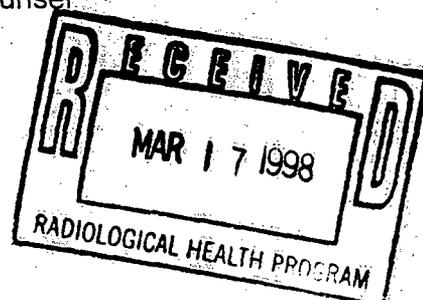
Enclosed is a letter from the Montgomery County Department of Permitting Services, along with a computer printout, indicating the status of various approvals needed for the permit for construction of the courtyard enclosure at Neutron Products' Dickerson facility. At this time, it appears that Neutron Products has received all of the approvals required, except for sediment control, stormwater management, approvals from the Park and Planning Commission, Wells and Septic, and a plumbing permit from the Washington Suburban Sanitary Commission. Based upon our last status conference and the Stipulation of the parties which was signed and entered by your Honor, Neutron Products will be allowed to conduct one melt operation once the approval for sediment control and stormwater management is granted. It was anticipated this approval should be completed by the end of the month. After that time, no melt of Cobalt 60 will be permitted until the courtyard enclosure is completely constructed.

If you have any questions or concerns regarding this status report, please do not hesitate to contact me. Thank you very much for your assistance in this matter.

Very truly yours,

Christina Gerstung Beusch
Deputy Counsel

CGB:tlw
Enclosure
cc: John Myers, Esquire
Roland Fletcher
Ray Manley



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ASSISTANT ATTORNEYS GENERAL

January 29, 1998

The Honorable S. Michael Pincus
Montgomery County Circuit Court
Montgomery County Judicial Center
50 Courthouse Square
Rockville, Maryland 20850

Re: *State of Maryland, Department of the Environment v.
Neutron Products, Inc.
Case No. 76639*

Dear Judge Pincus:

This letter is to provide you an update on the status of the permit process for Neutron Products' construction of the courtyard enclosure. This report contains information supplied to me from Montgomery County Permitting Services as of January 29, 1998. During the past week, I have spoken with Mr. Robert Hubbard, Montgomery County Director of Permitting Services, Don Boswell, Manager of the Plan Review Section of Montgomery County Permitting Services, and Jay Beatty, who is in charge of the Stormwater Management Section of Montgomery County Permitting Services. County and State representatives also met with Neutron at Neutron's site on January 27, 1998. I have determined that as for fire code compliance, Neutron Products' plans have been approved. The plans are still under review for mechanical, structural, electrical and building code requirements. However, Mr. Boswell assured me that review should be completed in approximately two weeks and that approvals as to these aspects of the plan should be forthcoming before March 1, 1998. Neutron Products and the County are still working on the site plan for the expanded parking. Mr. Boswell indicated that he believed that Neutron Products still needs to revise certain aspects of the site plan, but that he did not see why the plan could not be completed and reviewed by March 1.

The major outstanding approval required by the Stipulation entered into between Neutron Products and MDE is for the Sediment and Stormwater Management Plan. As of this date, Neutron Products has not submitted any plan to Montgomery County for review. I was in contact with Mr. Jay Beatty of Montgomery County regarding this matter. He said that he was informed that Neutron Products would be submitting a concept plan

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today. Once that plan is reviewed and approved, Neutron Products will submit detailed plans. Mr. Beatty indicated that because of the timing of the submittal of the plan that some level of review may be performed by Montgomery County prior to March 1, 1998; however, it is possible that the plans will not receive approval by that time. The timing on the review and the approval depends in great part on the rapidity in which Neutron Products submits the plans and the completeness of those plans.

In addition, the County has asked the Radiological Health Program (RHP) of MDE to submit another letter with respect to the current plans indicating MDE's scope of approval for purposes of radiation safety. The RHP will be complying with this request.

I thank you for your continued assistance in resolving this matter.

Very truly yours,



Christina Gerstung Beusch
Deputy Counsel

CGB:tlw

cc: John Myers, Esquire
Roland Fletcher
Ray Manley
Alan Jacobson

NEUTRON PRODUCTS inc

22501 Mt. Ephraim Road, P. O. Box 68
Dickerson, Maryland 20842 USA
301-349-5001 FAX: 301-349-2433

29 January 1998

Mr. Donald H. Boswell
Manager, Plan Review
Department of Permitting Services
250 Hungerford Drive, 2nd Floor
Rockville, MD 20850-4153

Dear Mr. Boswell,

Thank you for meeting with us and MDE on Tuesday, January 27 at our facility in Dickerson. This letter will serve as the meeting summary which you requested.

Those in attendance were:

Jay Beatty-DPS
Don Boswell-DPS
Gary Miller-DPS
Harry Sandberg-DPS

Alan Jacobson-MDE
Dick Witmer-Witmer Assoc.

Dick Demory-NPI
Jack Ransohoff-NPI
Bill Ransohoff-NPI
Michael Repp-NPI
Jeffrey Williams-NPI

One of the issues discussed was the County's need for written assurance from MDE that the scope of Neutron's proposed project is approved by MDE. You requested of Mr. Jacobson that MDE review the drawings which they currently have and sign off on them if they are acceptable. Then, you will verify that the drawings given to MDE are the same as the drawings which are currently under review in your department.

The County does not object to Neutron setting aside space for a sanitary wastewater treatment plant. Mr. Jacobson expressed concern that Neutron will not be able to discharge any radioactive material to the private treatment plant. Neutron recognizes that an evaporator will be required to treat the mop water and other slightly contaminated water, in order to meet that requirement. All parties recognize that it is unlikely that Neutron will be able to obtain a discharge point in the immediate future, and accordingly, Neutron will provide space for a treatment plant that can be installed at a later date.

Mr. Don Boswell
29 January 1998
Page 2

Mr. Sandberg was shown the locations of the existing sanitary waste holding tanks. I believe he was satisfied with the manner in which they are being used, and although he did not raise any substantive concerns, he did make some suggestions (to cover the manholes of the underground holding tank, to label pipes in the H building, etc.) which we will implement.

A radwaste transfer shield for the south end of the Crane Bay was discussed with Mr. Miller. Since the floor space would be reduced so that the proposed mezzanine would be more than one third of the open floor space below, Neutron proposed making the shield portable, so that it could be loaded in another part of the Limited Access Area and then brought into the Crane Bay shortly before shipment. This was acceptable. Since the waste transfer shield is equipment, it has not been shown on the drawings. If the County or MDE would like a drawing of the portable shield, it will be prepared and provided.

Neutron described the intended use for all of the proposed mezzanines and committed to keep the mezzanines free of any radioactive material which requires shielding. A brief description of the intended uses of the mezzanines was distributed and is enclosed for your records.

Mr. Miller said that his review had been substantially completed and that the electrical review was proceeding. Mechanical and structural review are to follow. Mr. Miller estimated that the actual review time required would only be a matter of days; you suggested that, to be safe, we should allow two weeks.

Neutron and Witmer are to be working directly with Mr. Beatty on the stormwater management issues. We are addressing Mr. Beatty's comment that our site plan reflect, as clearly as possible, all existing site conditions and the current proposed changes.

Mr. Beatty said that Neutron is permitted to put down fresh stone in existing parking and driveway locations, but cannot pave them without considering those areas as new impervious and submitting the necessary plans to Stormwater Management. He also said that the small addition to the existing unloading station east of the buildings will not require sediment control. The enlarged concrete pad is required to relocate the nitrogen storage tank. The addition will be approximately 150 sq. ft. and is shown on the site plan (Dwg. 120090 Rev.D) at location A6.

Mr. Jacobson described to Mr. Witmer the remediation of the dry pond and the areas immediately downstream which will be required upon completion of the courtyard enclosure. Mr. Witmer and Mr. Beatty said that this will have to be included in the stormwater management/sediment control plan.

NEUTRON PRODUCTS inc

Mr. Don Boswell
29 January 1998
Page 3

Neutron is to work with Dave Niblock on the site plan to address all landscaping and parking requirements.

Neutron expressed a desire to obtain the necessary permits in order to start construction on those aspects of the project which do not constitute plant expansion or require prior Park and Planning approval. At this time, those projects include:

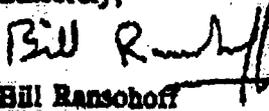
construction of the sand filter for the dry pond,
minor modification of the unloading station on the east side of the buildings, and
relocation of the nitrogen tank thereto,
installation of the new plant entrance,
modification of the existing electrical system, and
some of the required landscaping modifications.

The County's position was that they would consider a request for phased construction once they had approved all of the required plans.

I obviously was not involved in all of the discussions which took place on Tuesday, but I believe this is a faithful description of the meeting and some of the subsequent discussions. If you, or any of the other parties, do not agree or feel the summary is incomplete, please notify me promptly so that I can make the necessary changes.

Thank you for your time and attention in this matter.

Sincerely,


Bill Ranschoff

cc: Alan Jacobson
Jay Beary
Gary Miller
Dave Niblock
Harry Sandberg
Dick Witmer
Dick Demory
Jack Ranschoff
Michael Repp
Jeffrey Williams

NEUTRON PRODUCTS inc

Mezzanine #1

Mostly a walkway and alternate exit from the existing upstairs offices in the LAA.
Limited storage of containers on the eastern half.

Mezzanine #2A

Ventilation fan room. (Fan, HEPA filter, etc.)

Heat pump, requiring some maintenance access.

Storage for such things as:

spare parts, filters, etc. for fan.

teletherapy containers.

containers of soil, and

supplies for LAA machine shop (stainless steel tubing, etc.).

Mezzanine #2B

Storage for spare parts. Examples include:

pumps and small motors,

filters,

bearings.

electrical supplies, such as controls, lightbulbs, etc., and

hardware, such as nuts, bolts, chain, tools, etc.

Mezzanine #3

Maintenance access to mechanism for sliding door to be installed on hot cell.

Area for remote operations for hot cell access corridor below.

Storage for such things as:

empty containers (drums, innerpacks, B25's, etc.), and

containers of soil (could be used to provide additional shielding).

Mezzanine #4

Area for remote operations for decontamination corridor below.

Storage similar to Mezzanine #3.

Mezzanine #5

Fabrication shop administration office and some limited drafting.

Storage for fabrication shop activities, such as:

spare parts for Photofloc equipment (pumps, motors, bearings, couplings, gear boxes, agitator paddles and blocks, etc.),

pipe fittings,

hardware,

rubber hose,

spare parts for truck and forklift maintenance.

IN THE CIRCUIT COURT FOR MONTGOMERY, COUNTY, MARYLAND

STATE OF MARYLAND
DEPARTMENT OF THE ENVIRONMENT

Plaintiff

V.

NEUTRON PRODUCTS, INC.

Defendant

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CIVIL CASE NO. 76639

STIPULATION

This Stipulation is being made this 12th day of November, 1997, by and between the Maryland Department of the Environment (MDE) and Neutron Products, Inc. (NPI), and is entered as an order of this Court.

The parties hereby stipulate and agree as follows:

1. On or before March 1, 1998, NPI shall have received all approvals from Montgomery County Department of Permitting Services (DPS), which include review and approval by DPS' Plan Review Section, Land Use Compliance Section, and the Division responsible for Sediment Control and Stormwater Management, for construction of NPI's courtyard enclosure.

2. The deadline for approvals required in paragraph 1 of this Stipulation does not include approvals for water and sewer (from the Washington Suburban Sanitary Commission (WSSC) or the County Health Department or the County Department of Environmental Protection) and the Montgomery County Park and Planning Commission, also known as the Maryland National Park and Planning Commission.

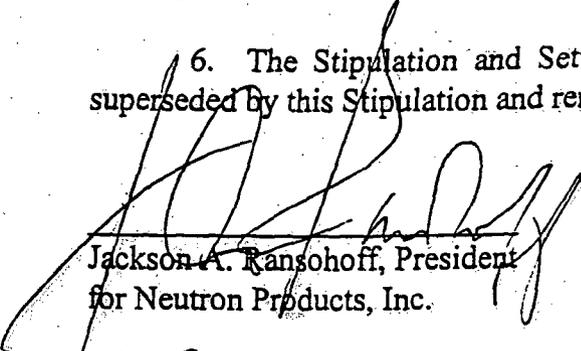
3. If NPI does not meet the deadline in paragraph 1 of this Stipulation, NPI shall pay MDE \$25,000 by April 1, 1998, without requirement of a prior hearing.

4. At such time as NPI receives the approval set forth in paragraph 1, NPI may perform one cobalt-60 melting campaign, but no more thereafter until the courtyard is enclosed.

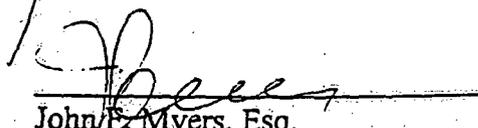
5. The parties will have a status conference with Judge Pincus on January 5, 1997, and approximately every 60 days thereafter. Beginning 30 days after the initial

conference, NPI shall submit monthly status reports to the Court and MDE. The conference with the Court and the reports shall include an update on approvals for water and sewer and from the Park and Planning Commission, in addition to any other relevant information regarding the construction of the courtyard enclosure and compliance with the Stipulation and Settlement Agreement, dated January 3, 1994.

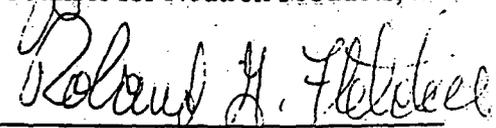
6. The Stipulation and Settlement Agreement, dated January 3, 1994, is not superseded by this Stipulation and remains in full force and effect.


Jackson A. Ransohoff, President
for Neutron Products, Inc.

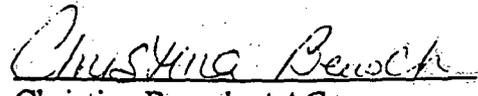
11/12/97
Date


John P. Myers, Esq.
Counsel for Neutron Products, Inc.

11/12/97
Date

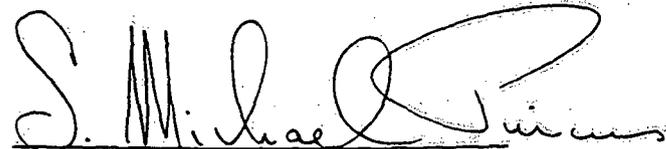

Roland G. Fletcher, Manager,
Radiological Health Program, MDE

11/12/97
Date


Christina Beusch, AAG
Counsel to MD Dept. of the Environment

11/12/97
Date

IT IS HEREBY ORDERED, this 12th day of November, 1997.


S. Michael Pincus, Judge
Circuit Court for Montgomery County,
Maryland