

R.M.D. Operations, LLC

October 16, 2008

U.S. Nuclear Regulatory Commission
Attn: Mr. Ted Carter
Senior Project Manager
Mail Stop T8 F5
Office of Federal & State Materials & Environmental Management Programs
Division of Waste Management & Environmental Protection
Decommissioning & Uranium Recovery Licensing Directorate
Washington, DC 20555-0001

Re: **Radioactive Material License SUC-1591**
Request for Approval to Transfer Control of License

Dear Mr. McConnell:

I write on behalf of R.M.D. Operations LLC ("RMD"), the holder of Radioactive Material License No. SUC-1591. As the U.S. Nuclear Regulatory Commission is aware, RMD is one of several related companies operating under the trade name Water Remediation Technology ("WRT"), which provide radium and uranium removal systems and related services for water suppliers. In order to simplify its operations and to make it more straightforward for its customers and the regulatory agencies it works with, WRT is consolidating its operations into Water Remediation Technology LLC, the umbrella company which conducts the various WRT entities' business. This consolidation involves an assumption of RMD's responsibilities, contracts, and licenses by Water Remediation Technology. This consolidation does not involve a change in personnel. The senior management of RMD, including Theodore G. Adams as the Corporate Radiation Safety Officer, and the service specialists remain unchanged with WRT being the new licensee. Because of this continuity, the consolidation, with respect to the radioactive material license, acts effectively like a name change, with WRT assuming the rights and responsibilities of the license.

As part of the RMD/WRT consolidation, RMD hereby requests an amendment to Radioactive Material License No. SUC-1591 naming Water Remediation Technology LLC as the new licensee. Currently, there are no WRT Uranium Removal Systems operating under the specific NRC license, and RMD and WRT feel that this license change can be a relatively straightforward process. As a transition, RMD proposes that the change in control be effective on October 30, 2008, and that the U.S. Nuclear Regulatory Commission's approval also be effective that date. In support of the request, attached is a document titled "Information for Change of Control Application", which is modeled after the representative checklist presented by the U.S. Nuclear Regulatory Commission in Appendix C of NUREG-1556, Vol. 1, *Consolidated Guidance About Materials Licenses*.

While RMD expects that the amended license, including the license conditions, will probably be revised by replacing all of the references to "R.M.D. Operations LLC" with "Water Remediation Technology LLC", we specifically request a modification to the last portion of License Condition No. 39. Currently, the last sentence of Condition 39 reads as follows:

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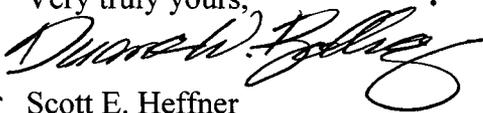
" . . . Additionally, in the contract between R.M.D. Operations, LLC and each community water system, the R.M.D. Operations, LLC must require that payments for its services and any contract termination payments be made directly to R.M.D. Operations, LLC."

License SUC-1591, License Condition 39

In its review of the initial license application, the NRC required the above-referenced portion of the water treatment payments be made directly to RMD because it was aware of the organizational relationship of WRT and RMD, and that both sister companies were parties in a treatment agreement with a community water system. The agency wanted to make sure that RMD, as the licensee, directly received the relevant portion of the treatment charges to better ensure that RMD has the monies to perform its licensed activities, including decommissioning. With the reorganization and consolidation of the WRT companies, it is no longer necessary to require that the water treatment payments be divided between WRT and RMD. WRT will be the New Licensee and also the single signatory to a water treatment agreement with a community water system. Accordingly, RMD requests that the last sentence of License Condition No. 39 be deleted. The first sentence of License Condition No. 39, regarding the NRC being recognized as a third-party beneficiary of any financial assurance mechanisms, is still relevant, and should be left unchanged in the license condition.

If you have any questions about the request, this letter or the attached information sheet, please contact me or Duane Bollig, at 303.424.5355, at your earliest convenience.

Very truly yours,



For Scott E. Heffner
President and Chief Operating Officer, R.M.D. Operations LLC
Water Remediation Technology LLC

Enclosures:

1. Checklist – Information for Change of Control Application
2. Assignment and Assumption Agreement

cc: Chris Pugsley, Esq.
Keith McConnell, NRC

INFORMATION FOR CHANGE OF CONTROL APPLICATION

For Current Licensee: R.M.D. Operations LLC

1. **New Licensee:** Water Remediation Technology LLC ("WRT"), a Colorado Limited Liability Company.
2. **New Licensee Contacts:** Duane W. Bollig, Vice President – Business Development and Government Affairs, 9500 West 49th Avenue, Suite D100, Wheat Ridge, Colorado 80033, phone: (303) 424-5355 (Contact unchanged)

Theodore G. Adams, Corporate Radiation Safety Officer (CRSO), same address as above, (716) 592-3431 (Contact unchanged)
3. **Change in Personnel:** There will be no change in the personnel having control over licensed activities and no changes in personnel named in the license (including the RSO or any other persons identified in previous license and license applications as responsible for radiation safety or for the handling of the licensed material).
4. **Description of Transaction:** R.M.D. Operations LLC ("RMD) is wholly owned by WRT Disposal, LLC ("Disposal"), which is, in turn wholly owned by WRT Environmental LLC ("Environmental"). Both WRT and Environmental are wholly owned by WRT International LLC ("International"). On October 30, 2008, or as soon afterwards as certain customer approvals are obtained, Environmental will merge into WRT, which will be the surviving entity. Contemporaneous with the merger, WRT will assume all of the other assets and liabilities of RMD, which will then be dissolved. At the same time WRT will assume the assets and liabilities of Disposal. At the conclusion of the transaction, WRT will be the successor to all of the assets, liabilities and obligations of RMD, Disposal and Environmental, including the radioactive material licenses.
5. **Current Licensee's Ongoing Business:** RMD will be consolidated into the final, merged company, Water Remediation Technology LLC, and will no longer do business as a separate company.
6. **Changes in Organization, etc.:** There are no planned changes in organization, locations, facilities, equipment, radiation safety program, or the normal operating or emergency procedures.
7. **Changes Regarding Licensed Materials:** There will be no changes in the "use", possession, location, or storage of the licensed materials.
8. **Changes Requiring Amendment:** There will be no changes in organization, personnel, locations, facilities, equipment, procedures, or personnel that would require a license amendment. The change is effectively the same as a licensee name change because of the consolidation of the aforementioned "sister" companies in

the WRT International group of companies into the surviving Water Remediation Technology LLC.

- 9. Surveillance Items and Records:** All surveillance items and records, including, but not limited to, calibrations, leak tests, surveys, inventories, and accountability requirements (as applicable and required by the license(s)), will be current at the time of transfer.
- 10. Transfer of Records:** All records required or related to the radioactive material license(s), including records concerning the safe and effective operation of facilities, public dose; and waste disposal have been transferred to the new licensee, because not only the previous central files and records, but also the licensed activities will continue at the same locations.
- 11. Description of Status of Facility[ies]:** Currently, there are no Uranium Removal Systems operating under RMD's specific license. The New Licensee will assume responsibility for any licensed activities, decontamination, and decommissioning at any facilities that come under the specific license in the future.
- 12. Decontamination Plans:** Any decontamination plans for each [the] facility[ies] will be unchanged by the consolidation of the companies. No contamination is present. Financial assurance arrangements will be unchanged, and have been provided in accordance with the license conditions, and in general terms, have been provided by the client community water system (CWS) on behalf of the Licensee. The New Licensee will be responsible for any cleanup and decommissioning activities at the time of the change of licensee.
- 13. Prior Commitments:** The New Licensee confirms that it will abide by all commitments made to the U.S. Nuclear Regulatory Commission, including, but not limited to, license conditions, maintaining decommissioning records required, implementing decontamination activities and decommissioning of the site, and completing corrective actions for open inspection items and enforcement actions. There are no corrective actions for open inspection items and enforcement actions.

Included in the enclosed Assignment and Assumption Agreement is the New Licensee's written confirmation that it accepts full liability for the site[s], and it will provide financial assurance for decommissioning activities in accordance with the approved license(s). In explanation, Schedule A to the Assignment and Assumption Agreement includes a listing of the water treatment agreements that WRT accepts and assumes for systems that are/will be located in the states of New Jersey and Virginia. The agreement listings in these two states are included in this attachment to the NRC because there are three (3) Uranium Removal Systems that either are or soon will be operating under the General License (IAW 10 CFR 40.22) for "Small Quantities of Source Material". These three small treatment systems are associated with the following water treatment agreements listed in Schedule A.

Schedule A for New Jersey

-- Item 1. Agreement with United Water Mid-Atlantic, Inc. – uranium treatment system at Sussex NJ.

-- Item 6. Agreement with West Milford Township Municipal Utilities Authority – for a future installation of a uranium treatment system at West Milford NJ.

Schedule A for Virginia

-- Item 1. Agreement with Fox Run Water Company – uranium treatment system at Chesdin Manor (residential development), Dinwiddie County VA.

- 14. Agreement to Transfer:** The enclosed Assignment and Assumption Agreement documents the transfer and assignment between RMD and WRT. There are no open inspection items, or any enforcement actions.
- 15. Commitment by New Licensee:** Included in the enclosed Assignment & Assumption Agreement is the New Licensee's commitment to abide by all constraints, conditions, requirements, representations, and commitments identified in the existing license(s).

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption of Liabilities is between R.M.D. Operations LLC ("RMD") on the one hand and Water Remediation Technology LLC ("WRT") on the other hand.

RECITALS

A. RMD is wholly owned by WRT Disposal, LLC, which is in turn wholly owned by WRT Environmental, LLC ("Environmental"). Both WRT and Environmental are wholly owned by WRT International, LLC ("International").

B. In order to facilitate the efficient operation of the various related companies' business, they are undertaking a consolidation program. As part of the consolidation of the related entities, WRT will assume all of the assets and liabilities of RMD. Further, on October 30, 2008, or as soon afterwards as certain customer approvals are obtained, Environmental will merge into WRT, which will be the surviving entity.

C. RMD and Environmental are parties to contracts with operators of public water systems (each a "WRT Removal System Agreement") for the supply and maintenance of systems which remove radium, uranium and other radioactive materials from water ("WRT Systems"). In connection with its obligations under the WRT Removal System Agreements, RMD is the licensee under various Radioactive Material Licenses ("Licenses").

D. As a part of the consolidation program, WRT will specifically assume all of RMD's rights and obligations under the WRT Removal System Agreements. WRT will also assume RMD's position as licensee under the Licenses.

NOW, THEREFORE, in consideration of the above recitals, the covenants and agreements contained herein, and other good and valuable consideration, the parties hereto agree as follows

AGREEMENT

1. Effective October 30, 2008, RMD assigns, and WRT accepts and assumes, all of RMD's rights and obligations under the WRT Removal System Agreements, including, without limitation, those agreements listed on the attached Schedule A.

2. The parties mutually consent to WRT's assumption of RMD's position as licensee under the Licenses, and WRT agrees to accept full liability for the sites covered by the Licenses and that it will provide financial assurance for decommissioning activities in accordance with the approved Licenses. WRT further commits to abide by all constraints, conditions, requirements, representations, and commitments identified in the Licenses.

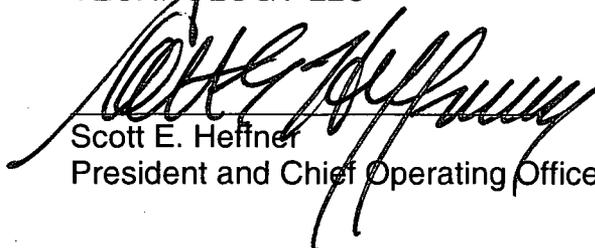
IN WITNESS WHEREOF, this Agreement is made and is effective as of October 30, 2008.

R.M.D. OPERATIONS LLC



Charles S. Williams
Chief Executive Officer

WATER REMEDIATION
TECHNOLOGY LLC



Scott E. Hefner
President and Chief Operating Officer

SCHEDULE A
to
Assignment and Assumption Agreement

WRT System Removal Agreements in New Jersey:

1. WRT Uranium Removal System Agreement, United Water Mid-Atlantic and WRT Environmental, LLC and R.M.D. Operations, LLC;
2. WRT Radium Removal System Agreement, Aqua New Jersey, Inc. and WRT Environmental, LLC and R.M.D. Operations, LLC [Southern Wells 14 & 15];
3. WRT Radium Removal System Agreement, Aqua New Jersey, Inc. and WRT Environmental, LLC and R.M.D. Operations, LLC [Central wells 11 & 13];
4. WRT Radium Removal System Agreement, Borough of Point Pleasant Aqua New Jersey, Inc. and WRT Environmental, LLC and R.M.D. Operations, LLC;
5. March 10, 2008 Contract between City of Bridgeton, New Jersey and WRT Environmental, LLC and R.M.D. Operations, LLC;
6. WRT Uranium Removal System Agreement, West Milford Township Municipal Utilities Authority and WRT Environmental, LLC and R.M.D. Operations, LLC.

SCHEDULE A
to
Assignment and Assumption Agreement

WRT System Removal Agreements in Virginia:

1. WRT Radium Removal System Agreement Fox Run Water Company, Inc. and WRT Environmental, LLC and R.M.D. Operations, LLC