

July 19, 2010

MEMORANDUM TO: Michael F. Weber  
Deputy Executive Director for Materials, Waste,  
Research, State, Tribal, and Compliance Programs  
Office of the Executive Director for Operations

Bradley W. Jones, Assistant General Counsel  
for Reactor and Materials Rulemaking  
Office of the General Counsel

Cynthia A. Carpenter, Deputy Director  
Office of Federal and State Materials  
and Environmental Management Programs

Cynthia D. Pederson, Deputy Regional Administrator  
Region III

FROM: Aaron T. McCraw, IMPEP Project Manager */RA/*  
Division of Materials Safety and State Agreements  
Office of Federal and State Materials  
and Environmental Management Programs

SUBJECT: MINUTES: JUNE 22, 2010 ARIZONA FOLLOWUP  
MANAGEMENT REVIEW BOARD (MRB) MEETING

Enclosed are the minutes of the MRB meeting held on June 22, 2010. If you have comments or questions, please contact me at (630) 829-9650.

Enclosure: Minutes of the Management  
Review Board Meeting

cc w/encl: Aubrey Godwin, Director  
Arizona Radiation Regulatory Agency

Gary Robertson, Washington  
Organization of Agreement  
States Liaison to the MRB

Management Review Board Members

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<b>DATE</b>	07/19/10			

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## MINUTES: MANAGEMENT REVIEW BOARD MEETING OF JUNE 22, 2010

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

### In person at U.S. Nuclear Regulatory Commission (NRC) Headquarters in Rockville, Maryland:

Mike Weber, MRB Chair, DEDMRT  
Brad Jones, MRB Member, OGC  
Randy Erickson, Team Member, Region IV  
Terry Reis, FSME  
Joan Olmstead, OGC

Cindi Carpenter, MRB Member, FSME  
Donna Janda, Team Leader, Region I  
Aaron McCraw, FSME  
Antonio Dias, FSME

### By videoconference:

Cindy Pederson, MRB Member, Region III

### By telephone:

Gary Robertson, OAS Liaison, WA  
Aubrey Godwin, AZ  
Bob Cope, AZ

Betsy Ullrich, Team Member, Region I  
Michelle Beardsley, FSME  
Janine Katanic, FSME

- 1. Convention.** Mr. Aaron McCraw convened the meeting at 1:00 p.m. (EDT). He noted that this Management Review Board (MRB) meeting was open to the public; however, no members of the public participated in this MRB meeting. Mr. McCraw then transferred the lead to Mr. Mike Weber, Chair of the MRB. Introductions of the attendees were conducted.
- 2. Arizona Followup IMPEP Review.** Ms. Donna Janda, Team Leader, led the presentation of the Arizona Followup Integrated Materials Performance Evaluation Program (IMPEP) review results to the MRB. She summarized the review and the team's findings. The on-site review was conducted by a review team composed of technical staff members from the U.S. Nuclear Regulatory Commission (NRC) and the State of New Mexico during the period of March 29 – April 1, 2010. A draft report was issued to the State for factual comment on May 3, 2010. The State responded to the review team's findings by letter dated June 4, 2010, from Mr. Aubrey Godwin, Director, Arizona Radiation Regulatory Agency (the Agency).

**Common Performance Indicators.** Ms. Janda presented the findings regarding the common performance indicator, Technical Staffing and Training. Her presentation corresponded to Section 2.1 of the proposed final IMPEP report. The review team found Arizona's performance with respect to this indicator to be "satisfactory, but needs improvement." The review team closed two recommendations from the 2008 IMPEP review and made one new recommendation. The review team recommended that the State review and update, if appropriate, the Agency's staffing and budget plan to ensure Program needs are met and to maintain long-term stability of the Program. Ms. Cindi

Carpenter asked if budget concerns could lead to additional staff losses. Mr. Aubrey Godwin replied that the recently approved State sales tax increase should ease some of the budget concerns. He added that the Agency's budget is locked in through Arizona Fiscal Year 2011. Mr. Gary Robertson inquired about the Agency's strategy to address the two vacant technical positions in the Program. Mr. Godwin responded that they will look internally first, because it can take as few as 5 days to transfer staff internally as opposed to the 3 months it could take to bring in an individual from outside of the Agency. The MRB agreed that Arizona's performance met the standard for a "satisfactory, but needs improvement," rating for this indicator.

Ms. Janda presented the findings regarding the common performance indicator, Status of Materials Inspection Program, on behalf of Mr. Santiago Rodriguez. Her presentation corresponded to Section 2.2 of the proposed final IMPEP report. The review team found Arizona's performance with respect to this indicator to be "satisfactory, but needs improvement." The review team closed the one open recommendation from the 2008 IMPEP review and made no new recommendations. Mr. Brad Jones requested, and the other MRB members agreed, that a sentence be added to the final report clearly indicating that there were no overdue routine inspections at the time of the review. The MRB agreed that Arizona's performance met the standard for a "satisfactory, but needs improvement," rating for this indicator.

Mr. Randy Erickson also presented the findings regarding the common performance indicator, Technical Quality of Inspections. His presentation corresponded to Section 2.3 of the proposed final IMPEP report. The review team found Arizona's performance with respect to this indicator to be "satisfactory." The review team closed two recommendations from the 2008 IMPEP review, left one recommendation open, and made no new recommendations. Mr. Robertson asked if the Agency has any senior or experienced staff members that could help with the inspector accompaniments to address the open recommendation. Mr. Godwin replied that he and the Program Manager should be able to handle the annual accompaniments. The MRB agreed that Arizona's performance met the standard for a "satisfactory" rating for this indicator.

Ms. Betsy Ullrich presented the findings regarding the common performance indicator, Technical Quality of Licensing Actions. Her presentation corresponded to Section 2.4 of the proposed final IMPEP report. The review team found Arizona's performance with respect to this indicator to be "satisfactory, but needs improvement." The review team closed three recommendations from the 2008 IMPEP review, left one recommendation open, and made one new recommendation. The review team recommended that the State review its radioactive materials licenses regarding the requirements for financial assurance, and either obtain financial assurance for licenses that are authorized to possess the applicable quantities, or revise the license conditions to ensure clear quantity limits that will not require provision of financial assurance. Ms. Carpenter asked if the Agency has a licensing backlog. Ms. Ullrich responded that the Agency was timely with their licensing actions. Ms. Carpenter also asked if the Agency was looking to obtain a second license reviewer to add depth to the Program. Mr. Godwin responded that the Program does have some depth already. He informed the MRB that other technical staff is capable of performing licensing actions. Ms. Ullrich added that all licensing actions receive a secondary review from another technical staff member or

manager. Mr. Robertson informed the State of a Microsoft Excel spreadsheet that some States use for determining the applicability of their financial assurance requirements. The MRB agreed that Arizona's performance met the standard for a "satisfactory, but needs improvement," rating for this indicator.

**Periodic Meeting.** Ms. Janda presented the review team's findings from a periodic meeting that was held in conjunction with the followup IMPEP review. Her presentation corresponded to Appendix D of the proposed final IMPEP report. During the periodic meeting, the review team discussed the status of the performance indicators not reviewed during the followup IMPEP review with Agency managers. The review team did not identify any performance weaknesses during the periodic meeting.

**MRB Consultation/Comments on Issuance of Report.** Ms. Janda concluded that the Arizona Program was found "satisfactory" for one of the four performance indicators reviewed during the followup IMPEP review and "satisfactory, but needs improvement," for the other three performance indicators. The review team noted that the State made progress in management oversight of the Agreement State program; however, the review team believed that additional time and actions are necessary before the Agency reaches and sustains a level of satisfactory performance. Overall, the review team recommended, and the MRB agreed, that the Arizona Agreement State Program was "adequate to protect public health and safety, but needs improvement," and "compatible with NRC's program." Based on the results of the current IMPEP review, the next full IMPEP review of the Arizona Agreement State Program will take place in approximately 2 years, with a periodic meeting in 1 year.

**Public Participation.** None.

3. **Precedents/Lessons Learned.** The MRB established no new precedents during this meeting.
4. **Adjournment.** The meeting was adjourned at approximately 2:30 p.m. (EDT).