

July 31, 2013

Mr. Mark Sedlak,
Director of Public Services
City of Owosso
522 Milwaukee Street
Owosso, Michigan 48867

SUBJECT: NRC ROUTINE INSPECTION REPORT NO. 03028983/2013001(DNMS) AND
NOTICE OF VIOLATION – CITY OF OWOSSO

Dear Mr. Sedlak:

On April 10, 2013 and July 1, 2013, an inspector from the U.S. Nuclear Regulatory Commission (NRC) conducted a routine inspection at your facility in Owosso, Michigan, with continued in-office review through July 8, 2013. The purpose of the inspection was to review activities performed under your NRC license to ensure that activities were being performed in accordance with NRC requirements. The in-office review included a review of the physical security and inventory of your gauge. A final exit meeting was held between Mr. Kulzer of my staff and Mr. Scanlon of your staff by telephone on July 10, 2013.

During this inspection, the NRC staff examined activities conducted under your license related to public health and safety. Additionally, the staff examined your compliance with the Commission's rules and regulations as well as the conditions of your license. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

Based on the results of this inspection, the NRC has determined that two Severity Level IV violations of NRC requirements occurred. The violations were evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's website at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The first violation concerned the licensee's failure to amend Condition 12 of its NRC Materials License No. 21-18888-03 naming a specific individual as Radiation Safety Officer. The second violation concerned the licensee's failure to conduct a physical inventory of the gauge every six months to account for all sources and/or devices received and possessed by the license, as required by Condition 17 of NRC Materials License No. 21-18888-03. The violations are cited in the enclosed Notice of Violation (Notice). The NRC is citing the violations in the Notice because the inspector identified the violations.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The guidance in NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be useful in preparing your response. You can find the Information Notice on the NRC website at: <http://www.nrc.gov/reading-rm/doc-collections/gen-comm/info-notices/1996/in96028.html>. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with Title 10 of the *Code of Federal Regulations* (CFR) 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response, will be made available electronically for public inspection in the NRC's Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC's website at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made publicly available without redaction.

Please feel free to contact Mr. Edward Kulzer of my staff if you have any questions regarding this inspection. Mr. Kulzer can be reached at (630) 829-9875.

Sincerely,

/RA/

Aaron T. McCraw, Chief
Materials Inspection Branch
Division of Nuclear Materials Safety

Docket No. 030-28983
License No. 21-18888-03

Enclosure:
Notice of Violation

cc w/encl: M. George Scanlon, RSO
State of Michigan

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/RA/

Aaron T. McCraw, Chief
Materials Inspection Branch
Division of Nuclear Materials Safety

Docket No. 030-28983
License No. 21-18888-03

Enclosure:
Notice of Violation

cc w/encl: M. George Scanlon, RSO
State of Michigan

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NAME	ELKulzer:ps*ELK	ATMcCraw*ATM				
DATE	7/25/2013	7/31/2013				

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NOTICE OF VIOLATION

City of Owosso
Owosso, Michigan

Docket No. 030-28983
License No. 21-18888-03

During a U.S. Nuclear Regulatory Commission (NRC) inspection conducted on April 10, 2013, and July 1, 2013, with continued in-office review through July 8, 2013, two violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

1. Condition 12 of NRC Materials License No. 21-18888-03 names a specific individual as Radiation Safety Officer.

Contrary to the above, between December 31, 2011, and April 10, 2013, the licensee failed to amend its NRC license to replace the listed Radiation Safety Officer (RSO) following that individual's retirement. Specifically, the licensee failed to amend its NRC license to list the new RSO, who has been deemed qualified to be RSO by the NRC, until prompted by the inspector.

This is a Severity Level IV violation (Section 6.3).

2. Condition 17 of NRC Materials License No. 21-18888-03 states the licensee shall conduct a physical inventory every 6 months, or at other intervals approved by the U.S. Nuclear Regulatory Commission, to account for all sources and/or devices received and possessed under the license.

Contrary to the above, between December 31, 2011, and April 10, 2013, the licensee had not conducted physical inventories to account for all sources and/or devices received and possessed under the license, an interval that exceeds 6 months.

This is a Severity Level IV violation (Section 6.3).

Pursuant to the provisions of Title 10 of the *Code of Federal Regulations* (CFR) 2.201, City of Owosso is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with a copy to the Regional Administrator, Region III, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include: (1) the reason for the violation, or, if contested, the basis for disputing the violation or severity level, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken, and (4) the date when full compliance was or will be achieved. Your response may reference or include previously docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

Enclosure

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days of receipt.

Dated this 31 day of July 2013.