

March 12, 2015

MEMORANDUM TO: Michael A. Norato, Ph.D., Chief
Materials Decommissioning Branch
Division of Decommissioning, Uranium Recovery,
and Waste Programs
Office of Nuclear Material Safety
and Safeguards

FROM: Dominick Orlando, Senior Project Manager **/RA/**
Materials Decommissioning Branch
Division of Decommissioning, Uranium Recovery,
and Waste Programs
Office of Nuclear Material Safety
and Safeguards

SUBJECT: MEETING SUMMARY – TECHNICAL MEETING TO DISCUSS
DECOMMISSIONING OF THE WNI SPLIT ROCK SITE IN JEFFERY
CITY, WYOMING (DOCKET NO.: 040-01162)

On January 29, 2015, staff of the U.S. Nuclear Regulatory Commission (NRC) held a technical meeting at NRC Headquarters in Rockville, Maryland, with representatives of Western Nuclear Incorporated (WNI) to discuss the decommissioning of WNI's Split Rock site in Jeffery City, Wyoming. Notice of the meeting was provided on the NRC's website on January 14, 2015.

The NRC staff explained its rationale for concluding that WNI had not received all of the NRC approvals necessary for NRC to terminate the radioactive materials license for the Split Rock site that were discussed in the NRC staff's letter to WNI dated January 7, 2015 (Agencywide Document Access and management System (ADAMS) Accession Number ML14338A463).

The NRC staff stated that it had determined that, several times in the past, the staff had mischaracterized the conclusion in a non-public 2002 Staff Requirements Memorandum and this led to a conclusion by WNI that all of the NRC approvals for an alternate approach to the requirements in 10 CFR Part 40 Appendix A related to the termination of the radioactive materials license for the Split Rock site had been received by WNI. Specifically, in several instances in the past the NRC staff has stated that, in 2002, the NRC approved the use of institutional controls at the Split Rock site. The use of institutional controls and Alternate Concentration Limits (ACLs) constituted an alternate approach to the requirements in 10 CFR Part 40 Appendix A for license termination.

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However, based on the NRC staff's review of the docket for the site, and the SRM, the NRC staff has concluded that the NRC did not specifically approve the institutional controls for the site in 2002. The NRC staff also discussed the concerns raised in the January 7, 2015, letter about the model used to predict ground water movement at the site and the results of recent ground water monitoring showing that the results may not be consistent with the model's predictions. Finally, the NRC staff discussed several issues associated with recent requests by the NRC staff for information necessary to support the approval of the indirect change of control of Western Nuclear Incorporated, WNI's 2014 Surety update, and ACL exceedences at the Split Rock site.

To resolve the issues identified by the NRC staff, the NRC staff proposed that it would meet with WNI to review WNI's bases for its showing that the institutional controls (deed restrictions, etc.) are legal, enforceable and durable. NRC staff would prepare documentation summarizing the NRC staff evaluation of the institutional controls. NRC staff would also meet with WNI to determine the impact of the new information regarding the fate and transport of the constituents of concern in the ground water at the Split Rock site with the goal being to confirm the validity of the model and that it does not adversely impact the license termination. These meetings would be conducted in the very near term (within a month) and could occur as one meeting if WNI can obtain the necessary ground water information. If WNI cannot obtain the ground water information, then the meeting to discuss the institutional controls would occur in the near term and a separate ground water meeting would be held when WNI has the information on the ground water. The NRC staff used several slides during the discussions and these are attached. An opportunity was provided for interested members of the public to ask NRC staff questions at the conclusion of the business portion of the meeting. The public did not ask any questions of the NRC staff.

The meeting was adjourned at 3:00 pm. Action items are summarized below.

ACTION ITEMS:

1. Provide an example of a standby Trust Agreement for WNI's use – NRC
2. Provide an example of a Chief Executive Officer letter – NRC
3. Contact NRC legal staff that may have discussed the institutional controls with WNI in the past to determine if the NRC reviewed and approved the institutional controls via written documentation - NRC
4. Determine if the non-public SRM can be made publicly available, and if appropriate, make it publically available

Meeting participants are listed below.

NRC

Larry W. Camper, Division of Uranium Recovery and Waste Programs Division (DUWP)
 Catherine Scott, Office of the General Counsel
 Matthew Meyer, Reactor Decommissioning Branch, DUWP
 Kenneth Kline Reactor Decommissioning Branch, DUWP
 Reginald Augustus Reactor Decommissioning Branch, DUWP (by phone)
 Robert Evans, Repository and Spent Fuel Safety Branch, Division of Nuclear Materials Safety, Region IV (by phone)
 Dominick Orlando, Materials Decommissioning Branch, DUWP

WNI

Anthony Thompson, Thompson & Pugsley

Louis Miller, Worthington Miller Environmental

Christopher Pugsley, Thompson & Pugsley (by phone)

Lawrence Corte Western Nuclear Incorporated (by phone)

WNI

Anthony Thompson, Thompson & Pugsley
Louis Miller, Worthington Miller Environmental
Christopher Pugsley, Thompson & Pugsley (by phone)
Lawrence Corte Western Nuclear Incorporated (by phone)

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NAME	DOrlando	CHolston	DOrlando
DATE	03/9 /2015	03/ 9 /2015	03/ 12/2015

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**MEETING WITH WESTERN NUCLEAR INC.
JANUARY 29, 2015**

Outstanding RAIs/Information Requests

Indirect Change of Control (ML14301A290)

- The organizational charts for WNI before and after the indirect change of control occurred.
- WNI's May 7, 2010 responses to the NRC staff's request for additional information dated December 30, 2009.
- The annual reports pursuant to Section 13 or 15(d) of the Securities Exchange act of 1934 (Form 10-K) for 2010, 2011, and 2012.

2014 Surety Update (ML14338A505)

- A comparison of the data used in the financial test with the independently audited year-end financial statements for the latest fiscal year (extension requested 1/13/2015)
- A letter from the WNI Chief Executive Officer as discussed in NUREG-1757, Volume 3 Appendix A13.3. (WNI's October 14, 2014 includes a letter from the Chief Financial Officer of Freeport-McMoRan Inc.)
- An acceptable standby trust for WNI's parent company guarantee

ACL Exceedences (ML13241A105)

- The concentration of nitrate in wells SWAB-1R and SWAB-2 continue to exceed the Alternate Concentration Limits for nitrates in condition 74 of WNI's radioactive materials license. No response to September 11, 2013 RAI.

License Termination Issues Resolution

NRC staff meets with WNI's representative/Wyoming land/real estate expert to review the institutional controls (deed restrictions, etc.) as the basis for concluding that they are legal, enforceable and durable. NRC staff prepares documentation summarizing the NRC staff evaluation of the institutional controls.

NRC staff meets with WNI representative/ground water expert to determine the impact of the new information regarding the fate and transport of the constituents of concern. NRC staff confirms the validity of the model and that it does not adversely impact the license termination.

Meetings to be conducted in the very near term (within a month) and occur as one meeting, assuming WNI can obtain the necessary ground water information. If WNI cannot obtain the ground water information, then the IC meeting would occur and a separate ground water meeting would be held when WNI is ready.

Communication

A licensee may speak to an NRC staff member about his or her site, and if the licensee is not satisfied with the result of the discussion, to discuss it with NRC management. However, the first step is for the licensee to speak to the NRC PM. In the future we expect that WNI will contact our site PM if they have questions regarding the site and we expect that all communications from WNI be signed by a WNI company official.