



UNITED STATES
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August 3, 2016

MEMORANDUM TO: Glenn M. Tracy
Deputy Executive Director for Materials, Waste,
Research, State, Tribal, Compliance, Administration,
and Human Capital Programs
Office of the Executive Director for Operations

Mary B. Spencer, Assistant General Counsel
for Reactor and Materials Rulemaking
Office of the General Counsel

Scott W. Moore, Deputy Director
Office of Nuclear Material Safety
and Safeguards

David C. Lew, Deputy Regional Administrator
NRC Region I

FROM: Lisa C. Dimmick, Senior Health Physicist */RA/*
Agreement State Programs Branch
Division of Material Safety, State, Tribal,
and Rulemaking Programs
Office of Nuclear Material Safety and Safeguards

SUBJECT: MINUTES: JUNE 30, 2016 ARIZONA
MANAGEMENT REVIEW BOARD MEETING

Enclosed are the minutes of the Management Review Board (MRB) meeting held on June 30, 2016, for the Arizona Agreement State program. If you have comments or questions, please contact me at (301) 415-0694.

Enclosure:
MRB Meeting Minutes

cc: Jack Priest, MA
Organization of Agreement States
Liaison to the MRB

Management Review Board Members

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DATE	08/03/16

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MINUTES: MANAGEMENT REVIEW BOARD MEETING OF ARIZONA
June 30, 2016

The attendees were as follows:

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

Glenn Tracy, MRB Chair, OEDO	Brian Goretzki, AZ
Adam Gendleman, MRB Member, OGC	Dan Collins, NMSS
Scott Moore, MRB Member, NMSS	Lisa Dimmick, NMSS
Bryan Parker, Team Member, Region III	Julian Sessoms, NMSS
Sara Forster, Region III	Jim Lynch, Region III
Dennis O'Dowd, Region III	John Miller, Region I
Mark Andrews, TN	David Crowley, NC
Gehan Flanders, TCEQ	Tony Gonzalez, TCEQ
David Stradinger, ND	Asfaw Fenta, VA
Chris Myers, TX	

By videoconference:

Dave Lew, MRB Member, Region I	Randy Erickson, Team Member, Region IV
Mark Shaffer, Region IV	

By telephone:

Jack Priest, MRB Member, MA, OAS	Jerry Perkins, AZ
Duncan White, NMSS	Joe O'Hara, NMSS
Kathy Modes, NMSS	Cindy Flannery, NMSS
Lizette Roldan-Otero, NMSS	

- 1. Convention.** Ms. Lisa Dimmick convened the meeting at 1:00 p.m. (ET). She noted that this Management Review Board (MRB) meeting was open to the public. Ms. Dimmick then transferred the lead to Mr. Glenn Tracy, Chair of the MRB. Introductions of the attendees were conducted.
- 2. Arizona IMPEP Review.** Mr. Bryan Parker, Team Leader, led the presentation of the Arizona Integrated Materials Performance Evaluation Program (IMPEP) review results to the MRB. He summarized the review and the team's findings for the six indicators reviewed. The on-site review was conducted by a review team composed of technical staff members from the NRC and the State of Minnesota during the period of March 28–April 1, 2016. A draft report was issued to Arizona for factual comment on May 2, 2016. Arizona responded to the review team's findings by letter dated June 1, 2016. Mr. Parker reported that the team found the Arizona Agreement State Program satisfactory for all six performance indicators reviewed. The team made no new recommendations and there were no previous recommendations from the 2012 IMPEP. Overall the team recommended that the Arizona Agreement State Program be found adequate to protect public health and safety, and compatible with the NRC's program.

3. Performance Indicators.

Mr. Parker presented the common performance indicator, **Technical Staffing and Training** which was reviewed by Randy Erickson. His presentation corresponded to Section 3.1 of the proposed final IMPEP report. The Arizona Agreement State Program is managed by the Radiation Regulatory Agency (Agency) located within the Department of Natural Resources. The Agency Director reports to the Governor's Office. The review team recommended to the MRB that the indicator, Technical Staffing and Training, be found satisfactory. In making that determination, the review team found that there are 4.5 full-time equivalents assigned to the radioactive materials program, with two current vacancies. During the review period, no new hires were made and no staff left the Agency. The review team noted that two long-term inspectors are planning to retire later in 2016. The Agency is exploring options to hire replacement staff. A training and qualification manual compatible to Inspection Manual Chapter (IMC) 1248, "Formal Qualifications Program for Federal and State Materials and Environmental Management Programs." is in place and ready to be implemented for new hires. The MRB discussed the long standing vacancies and planned retirements. In responding to the MRB's questions, Arizona indicated that the number of Arizona licensees has been fairly stable with no expected increases or decreases. There are no backlogs in materials licensing or inspection activities. In addition the Agency is planning to double encumber staff for the planned retirements. The MRB agreed that Arizona's performance met the criteria for a "satisfactory" rating for this indicator.

Mr. Parker presented the common performance indicator, **Status of Materials Inspection Program** which was reviewed by Todd Jackson. His presentation corresponded to Section 3.2 of the proposed final IMPEP report. The review team recommended to the MRB that the indicator, Status of the Materials Inspection Program, be found satisfactory. In making that determination, the review team found that the Agency conducted 217 higher priority inspections during the review period with only one inspection conducted overdue. No inspection findings were conveyed to the licensee beyond the 30 day goal. The Agency inspected more than 20 percent of reciprocity licensees during each year of the review period. The MRB agreed that Arizona's performance met the criteria for a "satisfactory" rating for this indicator.

Mr. Parker presented the common performance indicator, **Technical Quality of Inspections** which was reviewed by Todd Jackson. His presentation corresponded to Section 3.3 of the proposed final IMPEP report. The review team recommended to the MRB that the indicator, Technical Quality of Inspections, be found satisfactory. In making that determination, the review team reviewed 17 of the Agency's inspection files, and accompanied 3 inspectors to evaluate their work. The review team found that inspection reports were thorough and complete, with sufficient documentation to ensure that a licensee's performance with respect to health and safety was acceptable. The review team also noted that the Agency maintains an adequate supply of appropriately calibrated survey instruments to support the inspection program, as well as to respond to radioactive materials incidents and emergency conditions. The MRB agreed that Arizona's performance met the criteria for a "satisfactory" rating for this indicator.

Mr. Parker presented the common performance indicator, **Technical Quality of Licensing Actions** which was reviewed by Mr. Tyler Kruse. His presentation corresponded to Section 3.4 of the proposed final IMPEP report. The review team recommended to the MRB that the indicator, Technical Quality of Licensing Actions, be found satisfactory. In making that determination, the review team reviewed 23 of the Agency's licensing actions including new licenses, amendments and terminations and found them to be thorough, complete, consistent, and of high quality. About 1531 actions were completed during the review period. Current guidance is used for all licensing actions. Pre-licensing guidance is applied to all new licenses which includes site visits. The MRB agreed that Arizona's performance met the criteria for a "satisfactory" rating for this indicator.

Mr. Parker reviewed and presented the common performance indicator, **Technical Quality of Incident and Allegation Activities**. His presentation corresponded to Section 3.5 of the proposed final IMPEP report. The review team recommended to the MRB that the indicator, Technical Quality of Incident and Allegation Activities, be found satisfactory. In making that determination, the review team reviewed the casework for all three allegations received during the review period. The team found the Agency to be responsive, taking prompt and appropriate action. Documentation was thorough and complete, and allegations were closed appropriately. Concerned individuals' identities were properly protected. With regard to incidents, during the review period, 100 incidents were reported to Arizona. The review team evaluated 18 of the 72 radioactive materials incidents, 30 of which were reportable to the NRC. The Agency dispatched inspectors for onsite follow-up of the cases reviewed as appropriate. The MRB agreed that Arizona's performance met the criteria for a "satisfactory" rating for this indicator.

Mr. Parker presented the non-common performance indicator, **Compatibility Requirements** which was reviewed by Randy Erickson. His presentation corresponded to Section 4.1 of the proposed final IMPEP report. The review team recommended to the MRB that the indicator, Compatibility Requirements, be found satisfactory. In making that determination, the review team reviewed the status of regulations required to be adopted by Arizona under the Commission's adequacy and compatibility policy, and verified the adoption of regulations as required. Arizona uses Orders or legally binding requirements such as license conditions as appropriate. The Arizona regulatory process typically takes 1 to 3 years to complete, which includes review and public comment. There are currently no overdue amendments due for adoption. Although there have been issues in this area in the past regarding timely adoption of regulations, the review team noted significant progress during this review period, resulting in the recommendation of satisfactory. The MRB discussed process changes that occurred between the 2012 and 2016 IMPEP reviews as well as the differences in the 2012 and 2016 moratoriums on regulation development in Arizona. In responding to the MRB's questions, Arizona indicated that the current moratorium allows exemptions and the Agency has been able to use the exemptions to promulgate regulation amendments. The MRB agreed that Arizona's performance met the criteria for a "satisfactory" rating for this indicator.

4. **MRB Consultation/Comments on Issuance of Report.** The review team recommended, and the MRB agreed, that the Arizona Agreement State Program be found adequate to

protect public health and safety and compatible with the NRC's program. The review team recommended, and the MRB agreed, the next IMPEP review take place in approximately four years with a periodic meeting mid-cycle. The final IMPEP report for Arizona can be found in the NRC's Agencywide Documents Access and Management System using the Accession Number ML16188A002.

5. **Precedents/Lessons Learned.** None applicable to this review
6. **Adjournment.** The meeting was adjourned at approximately 2:30 p.m. (ET)