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For

E. 3820 Broadway

Spokane, Washington 99202

budinger & associates
geotechnical & material engineers

Nuclear Regulatory Commission
Washington, D.C. 20555

October 5, 1990

Attn: Document Control Desk

SUBJECT: Reply to "Notice of Violation"

Gentlemen:

We are in receipt of your NRC Inspection and Notice of Violation letter dated September 21, 1990. We noted that three (3) violations were summarized in your letter and shall address these three in the same order outlined in your Notice of Violation.

- 1) Physical Inventory - In accordance with Condition #14 of our license, a 6 month physical inventory should be conducted. We have organized the records for each of our nuclear densometers such that the records for each gauge shall be kept separately, allowing for a more thorough tracking program. We have also initiated a program for leak testing in which all of our nuclear densometers shall be leak tested on the same date. Therefore, the physical inventory shall be conducted on all of the gauges at the time leak tests are required.

However, due to the small size of our company and the nature of our business, we would like to point out that we inventory our nuclear densometers daily. A major percentage of our business is in construction testing. Our nuclear densometers are vital tools upon which this portion of our business depends. Therefore, if one densometer turned up missing, we would be fully aware of its absence within a short period of time (i.e. less than 24 hrs). In reality, then, we do inventory our densometers daily.

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F.C. Budinger PE
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- 2) Records of Leak Tests - The violation noted in your letter actually refers to two (2) of the four (4) nuclear densometers currently in our possession. In researching this apparent violation, we have determined that we may have inadvertently marked leak tests during the period July 6, 1988 to July 25, 1990, such that the 2 nuclear densometers in question (Campbell Pacific Nuclear MCI's) were actually leak tested but the records indicate the leak tests were performed on 1 of our Troxler 3411B models. For the period in question, we have several leak test records for this single Troxler 3411B.

With the aforementioned records system, we have currently implemented, we anticipate no further problems with maintaining timely and accurate leak test records. Traditionally, we attempted to test each nuclear densometer at a 6 month interval. Henceforth, we shall test all gauges simultaneously, thereby reducing the amount of tracking required to assure the leak tests are performed in a timely fashion and properly filled. We are presently awaiting the arrival of a new leak test kit from Troxler which will enable us to test each gauge upon receipt of the kit.

- 3) Document Posting - We have received 10 CFR parts 19 and 20, as well as Form NRC-3 from you. These 3 items have been posted directly on the outside of the dosrs to the nuclear densometer storage area. We recently moved (August 1989) and inadvertently destroyed these documents attempting to remove them from our old facility. However, we believe that we are now in compliance with NRC Regulations for document posting.

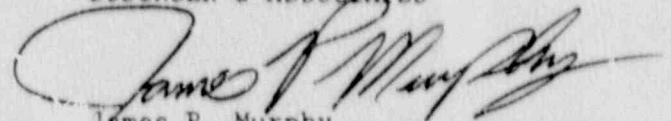
September 25, 1990
Nuclear Regulation Commission

With the actions noted above, we believe that our Radioactive Materials Program shall be in full compliance with NRC Regulations by the 1st of October (pending receipt of leak test kit from Troxler Corporation). We have completely reorganized our records for Radioactive Materials in order to henceforth proceed with a safe and efficient Radioactive Materials Program. We have collected and organized the records for each of the nuclear densometers we operate and placed them into separate books. We have also accumulated our personnel information into a separate book. With this separation and organization, we are confident our program will be maintained in full compliance with the provisions outlined in our Radioactive Materials License.

Our management staff has met and discussed the conditions outlined in your letter of September 21, 1990 and implemented the program (outlined). We have also discussed the items of non-compliance with our personnel.

We appreciate your assistance in helping us maintain a safe Radioactive Materials Program. If you should have any questions regarding the program, currently implemented, please do not hesitate to contact us.

Respectfully Submitted,
BUDINGER & ASSOCIATES



James P. Murphy
Mgr. Construction Services
RSO

JPM/csm
Addressee - 1
Region V Administrator - 1