

December 27, 1996

PRELIMINARY NOTIFICATION OF EVENT OR UNUSUAL OCCURRENCE PNO-III-96-076

This preliminary notification constitutes EARLY notice of events of POSSIBLE safety or public interest significance. The information is as initially received without verification or evaluation, and is basically all that is known by Region III staff (Lisle, Illinois) on this date.

Facility
ADVANCED MEDICAL SYSTEMS, INC.
Advanced Medical Systems, Inc
Cleveland, Ohio
License No: 34-19089-01

Licensee Emergency Classification
Notification of Unusual Event
Alert
Site Area Emergency
General Emergency
X Not Applicable

Subject: SETTLEMENT OF LAWSUIT BROUGHT BY SEWER DISTRICT

On December 27, 1996, the Northeast Ohio Regional Sewer District announced it had reached a settlement with Advanced Medical Systems, Inc., (AMS) in its lawsuit resulting from the discovery in 1991 of cobalt-60 contamination in sewage sludge ash at the sewer district's Southerly Wastewater Treatment Plant. In 1994 the sewer district had terminated sewer service for the AMS facility in Cleveland. The sewer district brought the lawsuit to recover the costs associated with the containment and control of the sludge ash ponds at the treatment plant.

Under the terms of the settlement, AMS and associated businesses will pay \$1.25 million to the sewer district. The lawsuit in U.S. District Court has been dismissed with no admission of liability of any party.

The settlement agreement establishes conditions to be met by AMS before it may be reconnected to the sewer system. AMS is also permitted to discharge about 100,000 gallons of water stored at its facility if the water contains less than 100 picocuries per liter of only soluble cobalt-60.

Region III (Chicago) and the Office of Nuclear Material Safety and Safeguards will review the settlement agreement to determine if any NRC regulatory issues are involved.

The State of Ohio has been notified. The sewer district issued a news announcement on the settlement on December 27, 1996.

This information is current as of 2:00 p.m. (CST) on December 27, 1996.

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