



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION III
801 WARRENVILLE ROAD
LISLE, ILLINOIS 60532-4351

JUL 07 1995

Advanced Medical Systems, Inc.
ATTN: Mr. David Cesar
Treasurer
121 North Eagle Street
Geneva, OH 44041

Dear Mr. Cesar:

This is in response to your July 3, 1995 letter in which you requested an additional 30 days to respond to our deficiency letter of June 7, 1995.

You are hereby granted an additional 30 days. We expect your response to arrive on or before August 7, 1995.

If you have any questions, please feel free to call me at (708) 829-9834.

Sincerely,

K. G. N. II

for John R. Madera, Chief
Nuclear Materials Licensing Section

License No.: 34-19089-01
Docket No.: 030-16055

E145

Date: July 7, 1995

PRELIMINARY NOTIFICATION OF EVENT OR UNUSUAL OCCURRENCE PNO-III-95-36

s 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 the Region III staff on this date.

Facility

Advanced Medical Systems, Inc.
Cleveland, Ohio

License No. 34-19089-01

Licensee Emergency Classification

General Emergency
Site Area Emergency
Alert
Unusual Event
X Not Applicable

Subject: CONTAMINATED SOIL AND DRAINAGE TILE FOUND DURING EXCAVATION

On July 5, 1995, a contractor for the licensee began excavation of the drain tile which is located around the perimeter of the licensee's facility. The purpose of the excavation was to identify any radioactive contamination of the clay drain tile and surrounding soil in preparation for installing a new manhole and connecting pipe to the foundation drain tile system. The existing manhole and lateral pipe, which are known to contain cobalt-60 contamination, will be cut off from the drain tile system and grouted in place.

Initial surveys of the excavated foundation drain tile and surrounding soil have identified radioactive contamination both inside the tile and in the soil. Radiation measurements on the tile showed levels of about 250 microrad per hour, and soil measurements averaged about 100 microrad per hour.

The licensee intends to remove all contaminated portions of the drain tile and all soil with measurable contamination. The contaminated materials are being segregated on the licensee's site -- the tile is being placed in plastic bags, and the soil is being covered with plastic sheeting, pending more thorough surveys.

The new manhole, to be installed, will be used to pump water into above ground tanks as it accumulates from the foundation drain tile system. The water will then be analyzed prior to final disposition.

Two Region III (Chicago) radiation specialists are onsite, monitoring the licensee's activities.

The State of Ohio and local government representatives will be notified of this information. The information in this preliminary notification has been reviewed with licensee management.

This information was obtained from the Region III inspector onsite. It is current as of 11 a.m. on July 7, 1995.

CONTACT:

John Madera
John Madera
9/829-9834

James Caldwell
James Caldwell
708/829-9801

B146

AGENDA - AMS BRIEFING
July 10, 1995

I INTRODUCTION OF PARTICIPANTS

II REASON FOR CONFERENCE CALL

A. OHIO SERC ORDER/45 DAY COMMENT PERIOD

1. 2/7/95 - Request from Cuyahoga County LEPC to the Ohio SERC to grant a variance pursuant to section 3750.11(B) and an order pursuant to section 3750.18 of the Ohio Revised Code
2. 6/30 - Start of 45 day comment period - the SERC granted only the Order per Section 3750.18 designating AMS as an additional facility subject to sections 3750.04 and 3750.05 of the Revised Code

B. LETTERS TO/TESTIMONY IN FRONT OF THE SERC

1. The letters/testimony supporting the LEPC request contained inaccurate and/or misleading statements concerning NRC regulatory actions.
2. The statements indicated lack of NRC enforcement of requirements, especially in the area of performance of emergency response exercises and conducting physical inventories of hazardous materials. (this will be discussed in more detail later)

C. OPTIONS

1. No comment/response to "A" and "B" above
2. Comment (legal/preemption) only on SERC decision
3. Comment on SERC decision and respond to letters and testimony
4. Respond only to letters and testimony

D. RISKS

1. Set precedent for Ohio and other States
2. Loss of respect/trust from Ohio local/state officials
3. LEPC making demands financially or otherwise which diverts AMS's attention from NRC activities
4. LEPC demands result in AMS throwing in the towel due to dual regulation/costs
5. Further response may appear to place the NRC in the position of an advocate for the licensee "Carrying the licensee's water"
6. Political issues can't be fought with technical information

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III BACKGROUND/STATUS OF ISSUES

A. RESOURCES/TIME ONSITE

1. A quick review shows approx. 128 man-days onsite at AMS during the last 10 months of which 110 man-days were expended in the last six months

B. NRC EFFORT TO SUPPORT THE SERC DELIBERATIONS

1. 2/95 - LEPC petitions SERC for emergency planning authority over AMS.
2. 3/95 - NRC meets with SERC Executive Committee.
3. 4/95 - NRC meets with full SERC.
4. 6/95 - SERC initiates process to grant LEPC authority over AMS emergency planning.

C. STATUS OF AMS/ISSUES

1. License renewal - due date 12/94 (timely renewal)
 - Renewal application - deficiency letter 4/17 - response date extended to 6/16 - currently being reviewed
 - DFP/cost estimate - deficiency letter 3/30 - response date extended to 5/30 - received 6/2 response inadequate and TAR issued to HQ on 6/15 - per Bykoski response to region 7/18
 - Financial Instrument/Standby Trust Agreement (STA) - deficiency letter 3/13 - response changed STA - 4/14 to HQ for contractor review - contractor comments 6/19 - deficiency letter 6/28 - 30 days to respond
 - Emergency Plan - deficiency letter 6/7 - response date extended to 8/17 due to our comments and comments from local and state agencies (65 pages from the NEORS)
2. Hearing request - OGC status
3. 2.206 issues - OGC status
4. AMS Water Issues
 - 11/94 - NEORS installed a sewer line plug
 - 12/94 - CAL to monitor water level to protect structural integrity and deal with the contaminated water - revised the CAL 2/95 due to heavy rains & need for increased monitoring
 - Basement flood as high as 40'' (contaminated as high as 170,000pCi/l)
 - License amendment to address water problems
 - 6/17 - original completion - extended with milestones new amendment as follows;
 - 6/30 - complete pumping and treating water from basement, manhole and lateral

COMPLETED

- 7/7 - complete excavation evaluation and disconnection of under-drains and grout-in 4'' sewer line, manhole and lateral
WORKING - COMPLETE BY END OF WEEK
- 7/8 - start to remediate interceptor -
NEED NEORS D COOPERATION ???
- Evaporation of treated water (approx 100,000 gal) - waiting on response to deficiency ltr.
- Long term solution to ground water problem ??
- 5. Structural analysis of building/WHUT room
 - Need Shewmaker to complete his analysis
- 6. Radioactive Material Inventory
 - 1/88 - License condition 14 required physical inventory every 6 months
 - 1/90 inspection violation - failure to conduct an inventory from 1/88 to 1/90
 - 3/90 enforcement conference - AMS committed to complete inventory by end of 1990
 - DFI with daily CPs considered because AMS would not complete inventory - not issued
 - 4/93 - inventory except for the material in the front plug verified - unable to pull front plug - FRONT PLUG STILL NOT REMOVED
 - 6/93 - current due date in the license for the completion of the inventory
 - 6/98 - next due date for complete physical inventory verification
 - Contractor "ALARON" hired and has completed the construction of the milling rig for milling out the front plug - waiting on the completion of the water problems (AMS says they can only do one action at a time)
 - Inventory list as of 10/1/94

- Bulk Cobalt	- 22,421 Ci
- Sealed sources	- 48,189 Ci
- Cesium	- 664 Ci
- Depleted Uranium	- 2,171 Ci
- Total	- 73,445 Ci
- Of total in front plug	- 4,015 Ci
- Front plug % of total	- 5.5 %
- Of total as NPI sources	- 4,727 Ci
- 7. Emergency Planning
 - 1986 - AMS voluntarily developed and submitted first emergency plan. First responders including Cleveland Fire Department (CFD) participated in emergency plan development, training and site familiarization.
 - 1990 - Materials emergency planning requirements promulgated requiring AMS to have an emergency plan by December 1994 (renewal).
 - 1992 - AMS voluntarily upgraded emergency plan. First responders including CFD participated in plan upgrade. Upgraded plan incorporated biennial exercise requirement.

- 10/94 - NRC inspection discloses emergency planning deficiencies including concerns over management controls and interface with first responders and violation of exercise requirement. Licensee commits to mid-1995 exercise.
- 8. Transfer of sealed/bulk radioactive sources offsite
 - Past shipments of Cesium and Cobalt have been made to JL Shepherd
- 9. Shipment of LLW to Barnwell (approximately 30 Ci)
 - This hasn't been discussed with AMS yet
- 10. Decontamination of the facility
 - Hot Cell - may need to be completed to support the removal of the front plug and the shipment of the sealed/bulk sources
 - WHUT room - 30-100 Ci of loose Co-60 - might be worth the dose since the waste can be shipped to Barnwell
 - This hasn't been discussed with AMS yet

IV RE-BASE LINE/ESTABLISH NEW FRAMEWORK FOR AMS COMMITMENTS

- A. ISSUE A DFI/LETTER THAT REQUIRES/REQUESTS AMS TO DEVELOP A PLAN FOR COMPLETION OF ITEMS III C.4, 6, 7, 8, 9 AND 10 SPECIALLY ADDRESSING THE **PRIORITY, SEQUENCE AND SCHEDULE** FOR COMPLETION. IN ADDITION REQUIRE/REQUEST AMS TO JUSTIFY THOSE ITEMS WHICH THEY DO NOT INTEND TO COMPLETE WITHIN THE NEXT ?? YEARS.

V RESPOND TO LETTERS/TESTIMONY

- A. ISSUE COVER LETTER TO SERC THAT ACKNOWLEDGES ORDER, EMPHASIZES NRC'S MISSION IS TO CONTINUE TO MAINTAIN THE FACILITY IN A SAFE CONDITION AND ENCLOSE A LIST OF FACTS WHICH ADDRESS SOME OF THE MISLEADING COMMENTS BY THE VARIOUS STATE AND LOCAL OFFICIALS

V QUESTIONS

VI SET DATE FOR NEXT MEETING TO DISCUSS STRATEGY



Advanced Medical Systems, Inc.

1020 London Rd.
Cleveland, Ohio 44110
216-692-3270

July 12, 1995

Mr. James Caldwell
Nuclear Materials Inspection, Section 2
United States Nuclear Regulatory Commission
801 Warrenville Road
Lisle, Illinois 60523-4351

Re: USNRC License No. 34-19089-01

Dear Mr. Caldwell:

On June 21, 1995, Advanced Medical Systems, Inc. (AMS) was issued Amendment No. 36 to the referenced license number to permit treatment of contaminated water that currently exists in the basement of the London Road facility. In Item 19 of that amendment, AMS was directed to complete subitems "D" and "E" by July 7, 1995, and to begin item "F" by July 8, 1995. Because of delays in receiving the necessary permits and authorizations, AMS forwarded amended milestone dates to you in our letter dated June 29, 1995. To date, we have received no response.

Once excavation activities began, AMS discovered that the building drawings (circa 1950) did not accurately depict the true construction of the foundation drainage system. Therefore, additional excavation is required in order to ensure optimum foundation drainage after repairs are complete. Because of the delay associated with the additional excavation, AMS is submitting the following amended milestone dates:

Item	Scheduled Start Date	Scheduled Completion Date	Anticipated Completion Date	Current Status
Treat basement water	May 17, 1995	June 30, 1995	—	Complete
Install new manhole	July 3, 1995	July 21, 1995	—	Complete
Excavate in vicinity of 4" line, disconnect foundation drainage system, and remediate 4" line, 15" line and foundation drainage system.	July 3, 1995	July 21, 1995	July 28, 1995	Only excavation of foundation drainage system remains to be done.

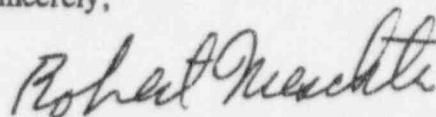
Item	Scheduled Start Date	Scheduled Completion Date	Anticipated Completion Date	Current Status
Grout in existing lateral connection and existing manhole	July 3, 1995	July 21, 1995	July 28, 1995	In progress
Re-connect foundation drainage system to new manhole	July 3, 1995	July 21, 1995	July 28, 1995	In progress
Remediate ⁶⁰ Co activity that exists at the outfall of the existing lateral system in the NEORS D Interceptor	July 8, 1995**		Revised start date is July 29, 1995**	Awaiting NEORS D authorization

** Actual start date subject to timely NEORS D approval to access the London Road Interceptor at the location of the outfall.

I am also taking this opportunity to inform you that, because the new excavation entails complete removal and replacement of existing drain tile and gravel, AMS will not perform the initial 3,000-gallon flush test of the foundation drainage system prior to re-connecting the system to the new manhole as described in our March 20, 1995 and June 16, 1995 letters. We will, however, perform the 10,000 gallon flush test on the fully remediated system prior to discharging any ground water that collects in the new manhole.

If you have any questions, please contact me at (216) 692-3270. We will continue to keep you informed of our progress toward reaching these milestones.

Sincerely,



Robert Meschter, RSO

cc: D. Cesar
D. A. Miller, Esq., Stavole & Miller

Advanced Medical Systems, Inc.

121 North Eagle Street • Geneva, Ohio 44041
466-4671 FAX (216) 466-0186

July 13, 1995

Mr. James Caldwell
Deputy Director
Division of Radiation Safety and Safeguards
U. S. Nuclear Regulatory Commission
801 Warrenville Road
Lisle, Illinois 60523-4351

Dear Mr. Caldwell:

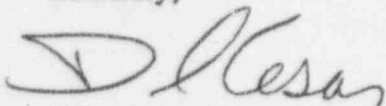
It is inappropriate and inefficient for the USNRC to communicate directly with contractors and consultants to AMS in the absence of a representative of AMS.

Therefore, effective immediately, AMS has instructed its contractors and consultants to not correspond with any agency without an AMS representative being present.

The USNRC should direct its questions and requests for information on any issue to the Radiation Safety Officer, Mr. Robert Meschter. In the unlikely event that Mr. Meschter does not have the information being solicited, he will assemble the appropriate contingent of employees, consultants, or contractors and return your call as soon as possible.

Mr. Meschter can be reached at 216/692-3270. If Mr. Meschter cannot be reached, the USNRC should contact me at 216/466-4671.

Sincerely,



DAVID CESAR
Treasurer

DC/cs

cc: Robert Meschter
Dwight Miller
Henry Billingsley
Carol Berger
John Denega

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JUL 19 1995