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TO: Harold LaFevre

FAX NUMBER: (301) 415-5398

FROM: Jon Carter

DATE: February 14, 1997

TOTAL PAGES: 10 (including the cover page)

COMMENTS: Harold -- Pursuant to our telephone conversation, I have attached copies of pages five and six of the "Director's Decision" regarding the NRDC's 10 CFR 2.206 petition and copies of the first and signature pages of Larry Anderson's Complaint and Khosrow Semnani's Answer and Counterclaim for your review. As you can see from the attachments, the dates reflected in the Director's Decision appear to be in error.

On a related matter, has the NRC taken formal action on the American College of Nuclear Physicians' (California Chapter) "Petition for Rulemaking" dated January 21, 1997? Attached are copies of the first and last two pages of that document. Has the NRC been in touch with Utah on that "Petition?"

Please telephone me to discuss these matters. Thank you for your assistance.

9702200164

X A Gr

5/2/17

As a result, a follow-up inspection was conducted the week of January 27, 1997. Areas that were examined during this inspection included: 1) the licensee's quality assurance/quality control program; 2) the licensee's review of changes made to the facility; and 3) contractor laboratory certification. The results of the January 27, 1997, inspection are currently being evaluated. Once this evaluation is complete, the NRC will document the results in an inspection report. Based on a preliminary review of the inspection results, no significant violations were identified.

III. DISCUSSION

In December 1996, the *Salt Lake Tribune* published a series of articles that questioned the relationship between Larry F. Anderson, former Director of UDRC and Khosrow Semnani, President of Envirocare, during the licensing of the low-level radioactive waste (LLW) disposal facility. Subsequently, the NRC staff learned that on ^{10/18/96} May 16, 1996, Larry F. Anderson filed a complaint against Khosrow B. Semnani in the Third Judicial District Court of Salt Lake County, State of Utah, to obtain compensation for alleged consulting services in the sum of 5 million dollars. The complaint alleges that, while Director of UDRC, Mr. Anderson recognized the need for a LLW site in Utah; incorporated a consulting firm, Lavicka, Inc., for the express purpose of developing a plan for siting the facility; and entered into a business arrangement to provide Mr. Semnani with a license application and consulting services. Mr. Anderson alleges that Mr. Semnani, President of Envirocare, agreed to pay a consulting fee of 100,000 dollars and an ongoing remuneration of 5 percent of all direct and indirect revenues that Mr. Semnani would realize from such a facility, if the site were successful. The complaint contends that Mr. Semnani owes Mr.

Anderson unpaid compensation for consulting services in the sum of 5 million dollars.

11/1/96
In ~~October~~ 1996, Mr. Semnani filed a counterclaim in the court, denying Mr. Anderson's claim and alleging that, in fact, Mr. Anderson used his position as the Director of UDRC to extort money in the sum of 600,000 dollars. Mr. Semnani contends that all the money he paid was based on the belief that if he did not pay, Mr. Anderson would use his official position and capacity as an officer and employee of the State of Utah to deny Mr. Semnani fair consideration, review, hearing, and determination on his license application and, thereby, cause the license not to be granted, or, if Envirocare was granted a license, Mr. Anderson would use his position to subject the facility to unfair and biased oversight and supervision of the operation of the facility under the license. As a result of these allegations, the Utah Attorney General's office is investigating the relationship between Mr. Semnani and Mr. Anderson.

The NRDC petition is based on the events described above. The NRC has evaluated the NRDC's requests and found no basis to take the requested actions.

As an initial matter, NRDC requests that the NRC immediately revoke the NRC 11e.(2) byproduct material license under which Envirocare is currently permitted to accept uranium mill tailings for disposal. In addition, NRDC also asks that the NRC immediately revoke any other NRC license, or agreement state license, if such license exists, held by Envirocare, Khosrow Semnani, or

02/14/97 09:35 2205 356 0000
James C. Haskins (1406)
HASKINS & ASSOCIATES
5085 South State Street
Murray, Utah 84107-4840
Telephone: (801) 268-3994
Facsimile: (801) 268-4031

IN THE THIRD JUDICIAL DISTRICT COURT OF SALT LAKE COUNTY
STATE OF UTAH

LARRY F. ANDERSON, an individual, and
LAVICKA INC., a Utah corporation,

Plaintiffs

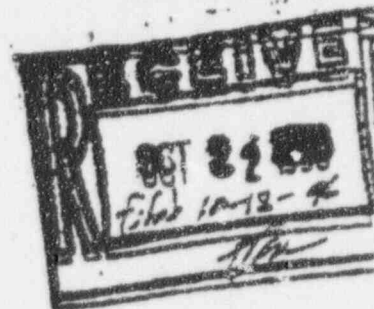
v.

KHOSROW B. SEMNANI, an individual,
and ENVIROCARE OF UTAH, INC., a Utah
corporation,

Defendants

COMPLAINT

Civil Number



960907271 CN

Judge Hall

COME NOW, the Plaintiffs, by and through their counsel, James C. Haskins, and allege
the following claims as against the Defendants as follows:

JURISDICTION

1. The individual Plaintiff, Larry F. Anderson (hereinafter "Anderson"), although
presently residing outside of the State of Utah, did reside in Utah County during the course of the
activities herein alleged, and by filing this action in the above-entitled court does hereby submit to
the jurisdiction of this court.

3. For an amount equal to not less than \$5,000,000 representing the amount agreed for the services of the Plaintiffs as implied through the actions of the parties; Together with an order directing the Defendants to continue with such compensation for the Plaintiffs as the Defendants realize revenues. Such actual and final amount to be established at time of trial; or,

4. For an amount equal to not less than \$5,000,000 representing the damages incurred by the Plaintiffs by the fraudulent behavior of the Defendants;

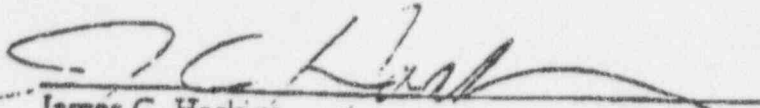
5. Together with an amount equal to \$2,500,000 representing exemplary and punitive damages for the egregious actions of the Defendants;

6. Together with interest on such amounts, both before and after judgment, as the Court deems just;

7. Together with the costs and expenses incurred herewith; and,

8. Such other relief as the Court may deem just and proper in the circumstances.

Dated this 12 day of October, 1996



James C. Haskins,
Attorney for Plaintiffs

Gary A. Weston, USB #3435
 NIELSEN & SENIOR
 Attorneys for Defendants
 1100 Eagle Gate Tower
 60 East South Temple
 Salt Lake City, Utah 84111
 Telephone (801) 532-1900

IN THE THIRD JUDICIAL DISTRICT COURT OF SALT LAKE COUNTY
 STATE OF UTAH

LARRY F. ANDERSON, an individual,
 and LAVICKA INC., a Utah corporation,

Plaintiffs,

v.

KHOSROW B. SEMNANI, an individual,
 and ENVIROCARE OF UTAH, INC., a
 Utah corporation,

Defendants.

ANSWER AND COUNTERCLAIM

Civil No. 960907271

Judge Frank G. Noel

Defendants, Khosrow B. Semnani and Envirocare of Utah, Inc., answer the Complaint of the Plaintiffs as follows:

FIRST DEFENSE

The Complaint fails to state a cause of action against Defendants upon which relief may be granted.

SECOND DEFENSE

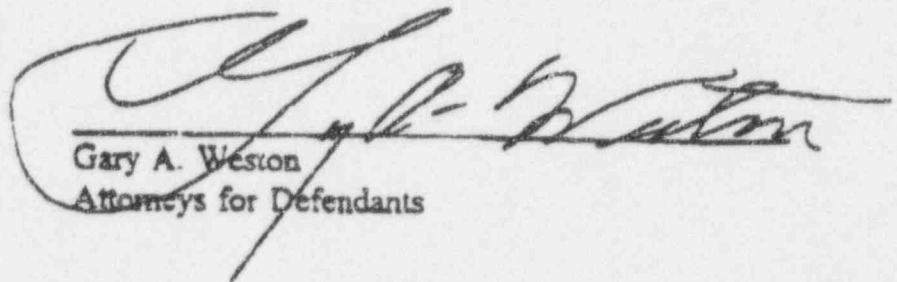
1. Admit the allegations of paragraph 1.
2. Admit the allegations of paragraph 2.

Semnani the condominium unit and other property received from Mr. Semnani and for a judgment in an amount equal to the fair market value of such property as not disgorged and reconveyed, together with interest on all said amounts accruing at the rate of ten percent per annum from date received by Anderson. Further, for punitive damages in an amount of \$1.8 million and costs of court and such further relief as the Court may deem proper in the premises.

2. On their Second Claim for Relief, Defendants pray for judgment against the Plaintiffs in the amount of attorney fees incurred by Defendants in defending against the Complaint in this action, for costs of court and such further relief as the Court may deem proper in the premises.

DATED this 1st day of November, 1996.

NIELSEN & SENIOR



Gary A. Weston
Attorneys for Defendants

ACNP

January 21, 1997

Robert J. Hoffman, Chairman
and Members
Utah Radiation Control Board
Department of Environmental Quality
158 North 1950 West
P.O. Box 144850
Salt Lake City, UT 84114-4850

American
College of
Nuclear
Physicians

California
Chapter

Dorothy Duffy Price
Executive Director

Box 21
Los Altos, CA 94023

Tel: (415) 949-1241
Fax: (415) 949-1241

Subject: Petition for Rulemaking

Dear Mr. Hoffman:

The following petition is submitted to the Utah Radiation Control Board in accordance with the State of Utah's responsibilities as an Agreement State under Section 274 (b) of the federal Atomic Energy Act as amended. Petition format and content is based on the U.S. Nuclear Regulatory Commission's 10 CFR Part 2, Subpart H, section 2.802(c) rule. We request that you inform us immediately if Utah law or regulations require us to follow an alternate procedure so we may take the necessary steps to resubmit it. By copy of this letter, we request that the Department of Environmental Quality undertake any related actions which are reserved to it or the Division of Radiation Control consistent with its Agreement State responsibilities and authority. We further request, by copy of this letter, that the NRC appropriately consider all Agreement State compatibility questions including the posting of sufficient financial assurances.

I. General Problem Statement and Proposed Solution

1. Problem Statement: Envirocare is not currently required to post substantial financial assurances, a circumstance we consider directly inconsistent with the state's earlier decision to exempt Envirocare from 10 CFR Part 61 institutional control requirements for land ownership. This concern is compounded by Utah's recent authorization to dispose of non-containerized nuclear power plant ion exchange resin wastes.

Envirocare is now actively pursuing a state license renewal based on acceptance of up to 10.5 million cubic feet of radioactive waste per year from combined private sector and government sources. (For comparison purposes, Ward Valley is licensed to receive a total of 5.5 million cubic feet of waste over the site's entire 30-year life). Of this total,

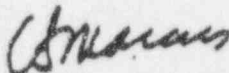
January 21, 1997
Robert J. Hoffman, Chairman
and Members
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disposal facilities pursuant to the federal Low-Level Radioactive Waste Policy Act. Since the Barnwell site has a finite remaining capacity, and the Richland site is only open to the Northwest and Rocky Mountain Compact states, Envirocare seems poised to emerge as the nation's main disposal site.

Perhaps our greatest fear is that Envirocare's cheap prices, expanding waste acceptance criteria and vast unused capacity will lead to abandonment of the new facility siting efforts now underway, and that Envirocare will indeed become the main national disposer just long enough to develop problems which force its unexpected closure. This scenario would leave our members and many other waste producers across the nation with no place to take their waste and an undesired share of potentially significant environmental restoration costs. In many ways, this fear lies at the crux of the issue.

We look forward to the State of Utah's formal reply and stand ready to help answer any questions you, the Department of Environmental Quality, or other state officials may have in considering this petition.

Sincerely,



Carol S. Marcus, Ph.D., M.D.
Director, Nuclear Med. Outpt. Clinic
Harbor-UCLA Medical Center

and
Professor of Radiological Sciences,
UCLA

and
President, American College of Nuclear
Physicians, California Chapter

JAN 21 '97 (FRI) 15 44

January 21, 1997
Robert J. Hoffman, Chairman
and Members
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Attachment: May 7, 1996 Information Notice (Subject: Ion exchange resin disposal)

cc w/ attachment:

Governor Michael O. Leavitt
Shirley Ann Jackson, Chairman, U.S. Nuclear Regulatory Commission
Dianne R. Nielson, Executive Director, Utah Department of
Environmental Quality
William Sinclair, Executive Secretary, Radiation Control Board
and Director, Radiation Control Division
Don Womeldorf, Executive Director, Southwestern Compact
Members, California ACNP Board

ENVIROCARE OF UTAH, INC.

NRC GROUNDWATER DEMONSTRATION

February 18, 1997

Agenda

Envirocare 11e.(2)

- Objectives of Meeting
- Background
- Status
- Regulatory Issues and Options
- Technical Presentation
- Summary and Conclusions

Envirocare 11e.(2)

■ Regulatory Background

- Apparent Exceedance of Baseline - 1995
- Site Specific Standards - Table STD-1
- Apparent Exceedances of Baseline - 1996
- Apparent Exceedances of Table STD-1
- Notifications
- Compliance Monitoring

Envirocare 11e.(2)

- Status of Groundwater Monitoring and Standards
 - Sampling and Analyses For All Apparent Exceedances - Splits on Every Sample
 - Notification of All Apparent Exceedances
 - Consider Apparent Exceedances to be Part of Background
 - Demonstrate Envirocare Position to NRC and Utah DRC Satisfaction

Envirocare 11e.(2)

■ Regulatory Issues

- Assumptions on source of apparent exceedances
- Modeling for LARW
- Level of information needed to support demonstration of background option
- Appropriate process to follow

■ Regulatory Options

- Demonstrate part of background
 - Use Mountain State's data
 - Adjust American West Analytical's original data
- Demonstrate constituents are not hazardous constituents
- Submit and support ACLs
- Corrective action

Overview

- Established Background/Exceedences
 - Background data collection
 - Analytical procedures
 - Evaluation of background
- Effects of Contract Laboratory
 - Time of change
 - Contrast in analytical procedure
 - Implications for established background
- Site Conditions
 - Arsenic distribution
 - Time of travel
 - Groundwater mounding
- Current Efforts

Establishing Background

- January 1991 (earliest) - May 1994
- American West Analytical Labs
 - Graphite Furnace AAS

Analytical Methodologies

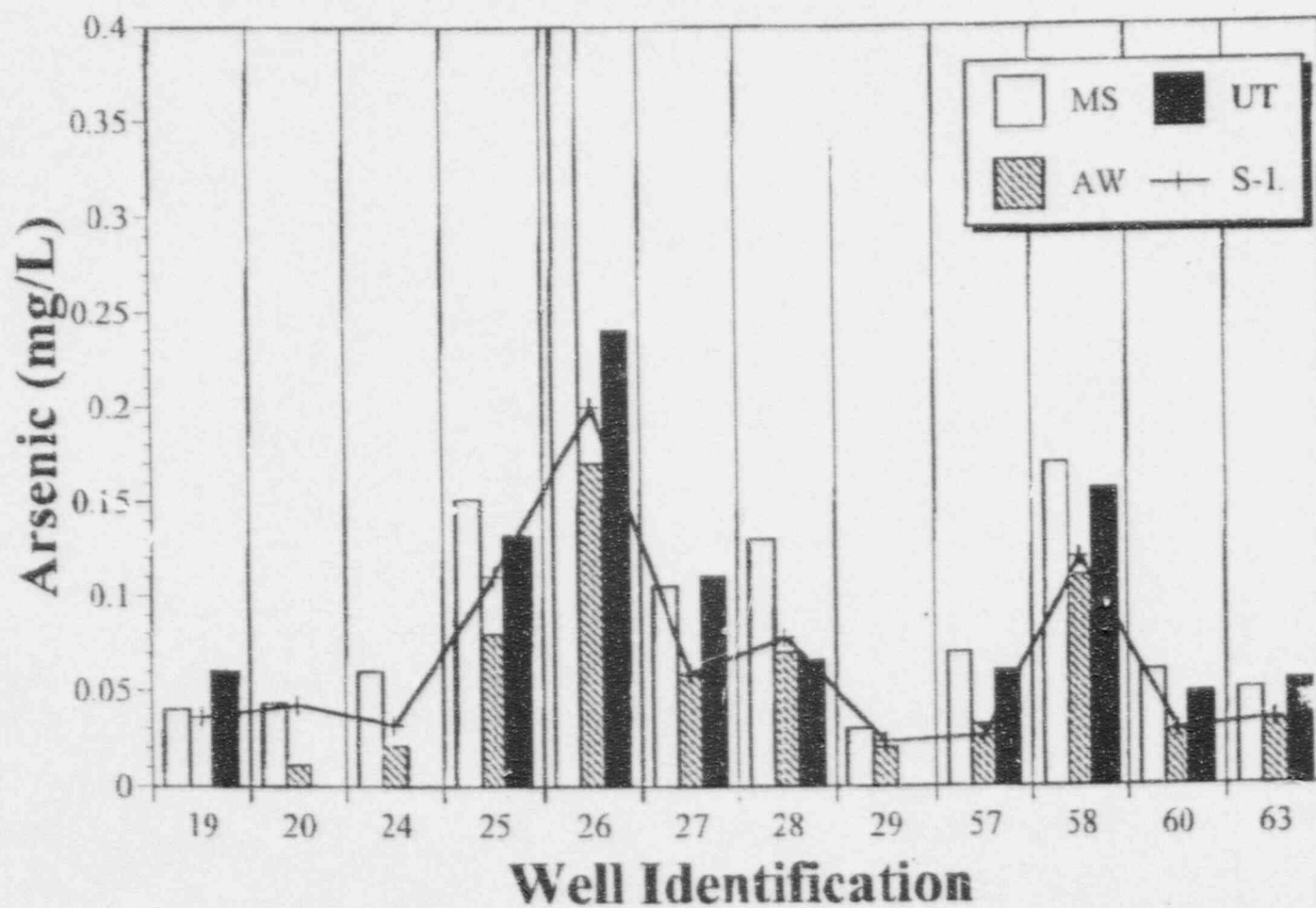
**America West Analytical Lab
(AWAL)**

Graphite Furnace Atomic
Absorption Spectroscopy
(GFAAS)

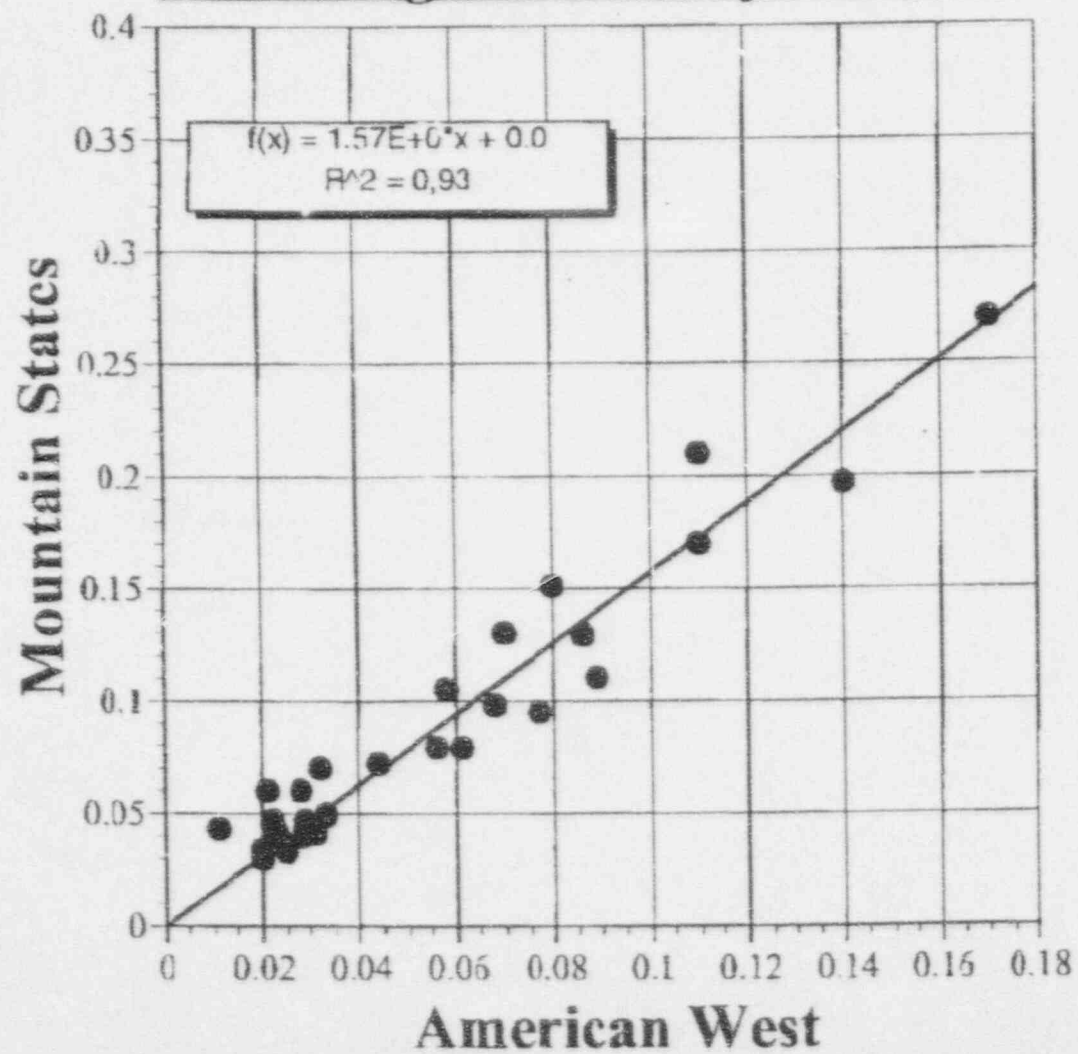
Mountain States

Hydride Generation Atomic
Absorption Spectroscopy
(HAAS)

Comparison of Groundwater Split Analyses



Relationship Between Current and Background Analytical Labs



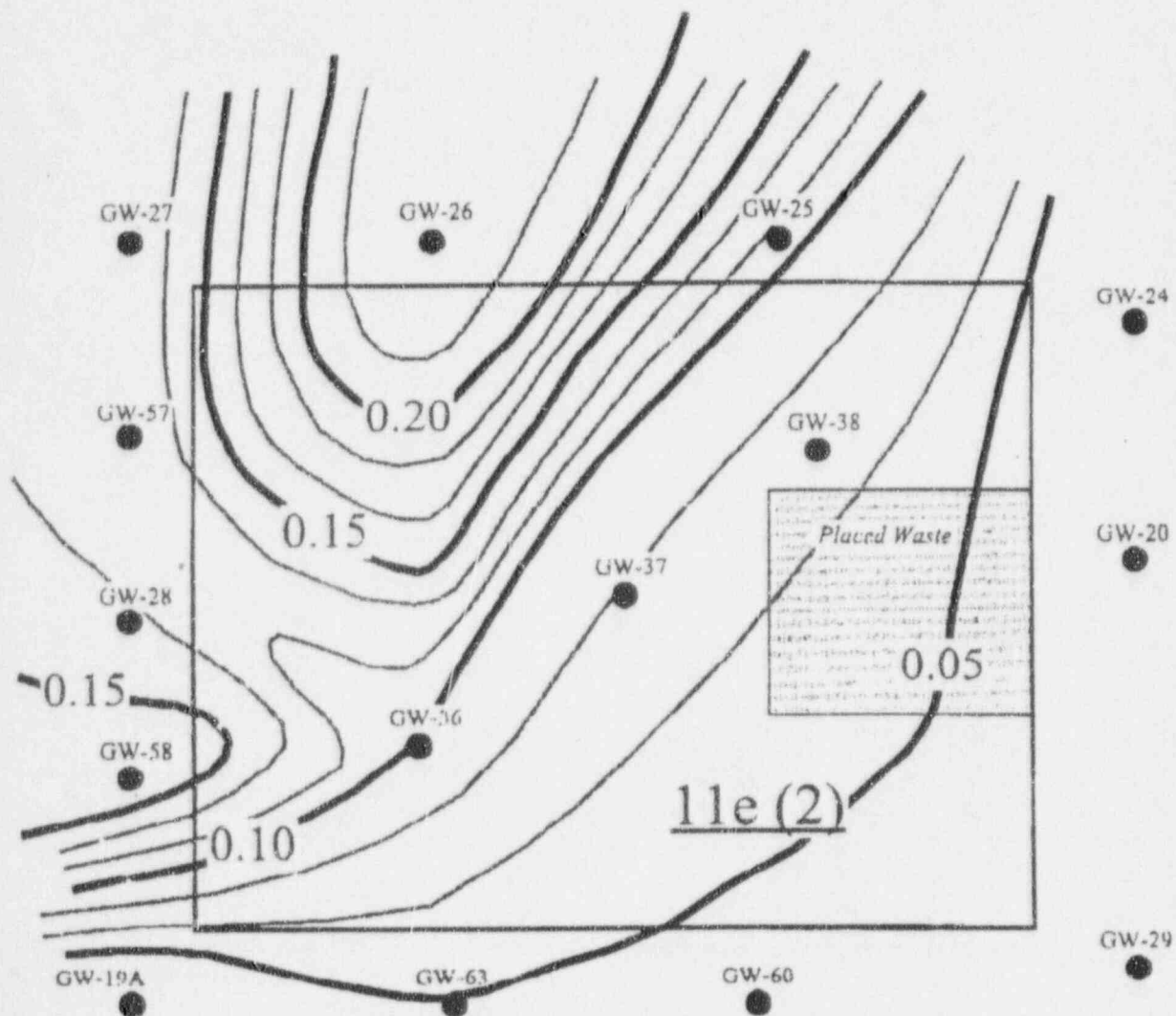
Approach to Revision of Background Concentrations

- Only Mountain States data were used (May - Nov. 1996)
- For each element and each well, outliers were identified using a Q-test for small data sets
- Outliers were discarded from data set
- The mean and standard deviation for each element in each well was calculated
- Background concentrations were calculated as the mean plus two standard deviations.

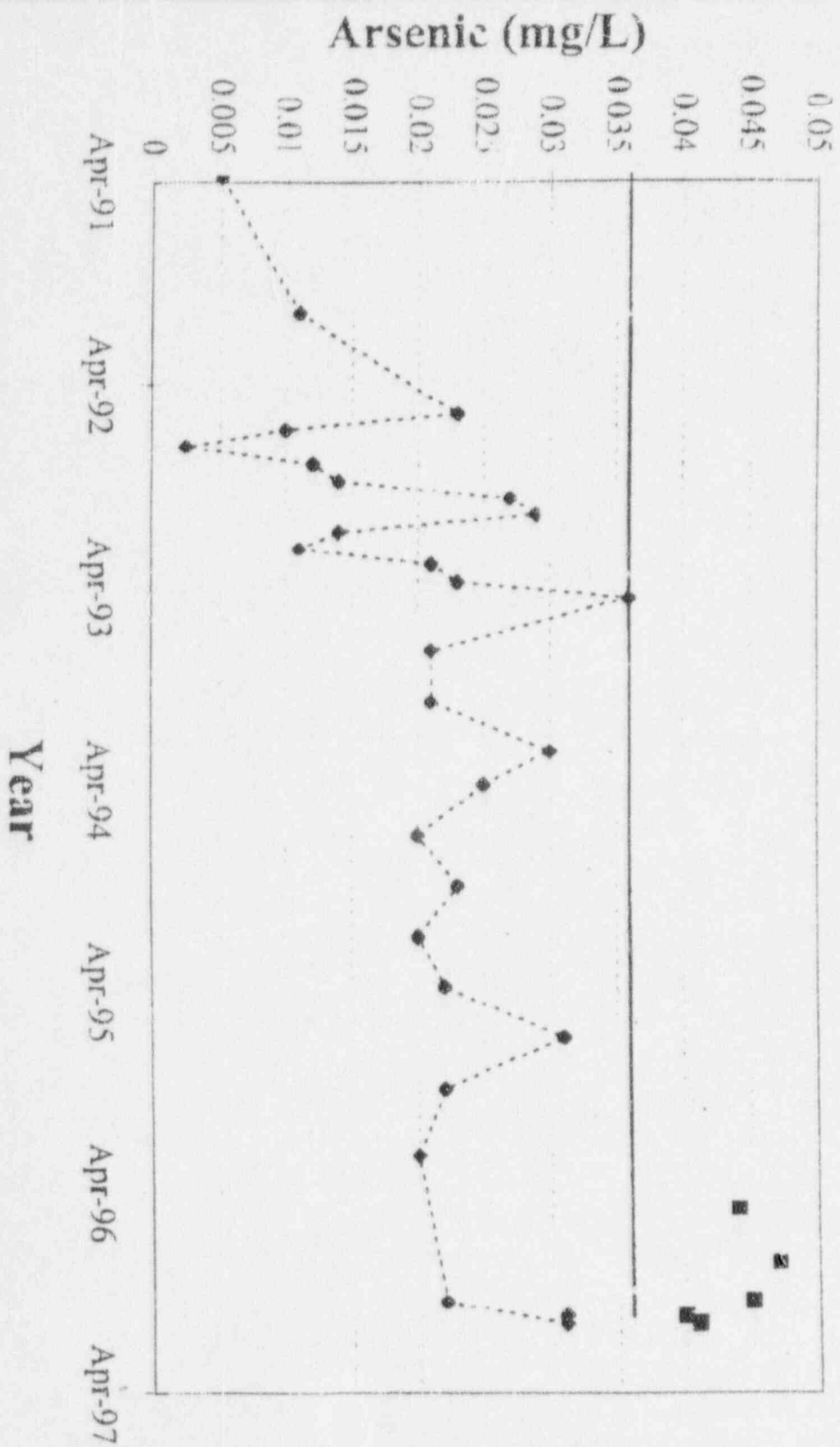
Table of Revised Background Concentrations

MCL	As Ba Be Cd Cr Pb Hg Mo Ni Se Ag											
	As	Ba	Be	Cd	Cr	Pb	Hg	Mo	Ni	Se	Ag	
19A	0.05	2	0.004	0.005	0.1	0.015	0.002	-	0.1	0.01	-	
Initial	0.036	0.02	0.005	0.004	0.005	0.005	0.00034	0.75	0.01	0.005	0.005	
Revised	0.05	0.028	0.0003	0.0003	0.005	0.0011	0.0001	0.57	0.02	0.002	0.01	
20	0.042	0.023	0.005	0.004	0.005	0.005	0.00049	0.33	0.01	0.055	0.005	
Initial	0.046	0.028	0.0003	0.0003	0.005	0.0011	0.00071	0.18	0.02	0.072	0.003	
Revised	0.042	0.023	0.005	0.004	0.005	0.005	0.00029	0.33	0.01	0.001	0.005	
24	0.032	0.036	0.005	0.004	0.005	0.005	0.00054	0.22	0.02	0.055	0.003	
Initial	0.041	0.035	0.0003	0.0003	0.005	0.0011	0.00054	0.22	0.02	0.055	0.003	
Revised	0.041	0.035	0.0003	0.0003	0.005	0.0011	0.00054	0.22	0.02	0.055	0.003	
25	0.11	0.044	0.001	0.004	0.05	0.005	0.0002	0.3	0.01	0.005	0.005	
Initial	0.153	0.02	0.0003	0.0003	0.005	0.043	0.0001	0.22	0.02	0.018	0.007	
Revised	0.153	0.02	0.0003	0.0003	0.005	0.043	0.0001	0.22	0.02	0.018	0.007	
26	0.2	0.044	0.001	0.004	0.005	0.005	0.0002	0.7	0.01	0.014	0.001	
Initial	0.405	0.038	0.0003	0.0003	0.005	0.027	0.00191	0.53	0.02	0.038	0.009	
Revised	0.405	0.038	0.0003	0.0003	0.005	0.027	0.00191	0.53	0.02	0.038	0.009	
27	0.059	0.053	0.005	0.004	0.005	0.005	0.00026	0.55	0.01	0.005	0.005	
Initial	0.126	0.035	0.0003	0.0003	0.005	0.035	0.00032	0.56	0.02	0.006	0.009	
Revised	0.126	0.035	0.0003	0.0003	0.005	0.035	0.00032	0.56	0.02	0.006	0.009	
28	0.078	0.033	0.005	0.004	0.005	0.005	0.00038	0.46	0.01	0.005	0.005	
Initial	0.138	0.028	0.0003	0.0003	0.005	0.011	0.0001	0.29	0.02	0.013	0.005	
Revised	0.138	0.028	0.0003	0.0003	0.005	0.011	0.0001	0.29	0.02	0.013	0.005	
29	0.023	0.038	0.005	0.004	0.005	0.005	0.00038	0.37	0.01	0.005	0.005	
Initial	0.05	0.02	0.0003	0.0003	0.005	0.0011	0.00041	0.19	0.02	0.005	0.005	
Revised	0.05	0.02	0.0003	0.0003	0.005	0.0011	0.00041	0.19	0.02	0.005	0.005	
57	0.026	0.048	0.005	0.004	0.005	0.005	0.00038	0.53	0.01	0.005	0.005	
Initial	0.049	0.02	0.0003	0.0003	0.005	0.015	0.00099	0.36	0.02	0.014	0.009	
Revised	0.049	0.02	0.0003	0.0003	0.005	0.015	0.00099	0.36	0.02	0.014	0.009	
58	0.12	0.048	0.005	0.004	0.005	0.005	0.00062	0.36	0.01	0.005	0.005	
Initial	0.217	0.038	0.0003	0.0003	0.005	0.0011	0.00021	0.21	0.02	0.028	0.008	
Revised	0.217	0.038	0.0003	0.0003	0.005	0.0011	0.00021	0.21	0.02	0.028	0.008	
60	0.029	0.037	0.005	0.004	0.005	0.005	0.00049	0.31	0.01	0.015	0.005	
Initial	0.04	0.028	0.0003	0.0003	0.005	0.0011	0.00025	0.24	0.02	0.046	0.003	
Revised	0.04	0.028	0.0003	0.0003	0.005	0.0011	0.00025	0.24	0.02	0.046	0.003	
63	0.034	0.097	0.005	0.004	0.005	0.005	0.00046	0.31	0.01	0.005	0.005	
Initial	0.053	0.048	0.0003	0.0003	0.011	0.0011	0.00041	0.21	0.02	0.058	0.011	
Revised	0.053	0.048	0.0003	0.0003	0.011	0.0011	0.00041	0.21	0.02	0.058	0.011	

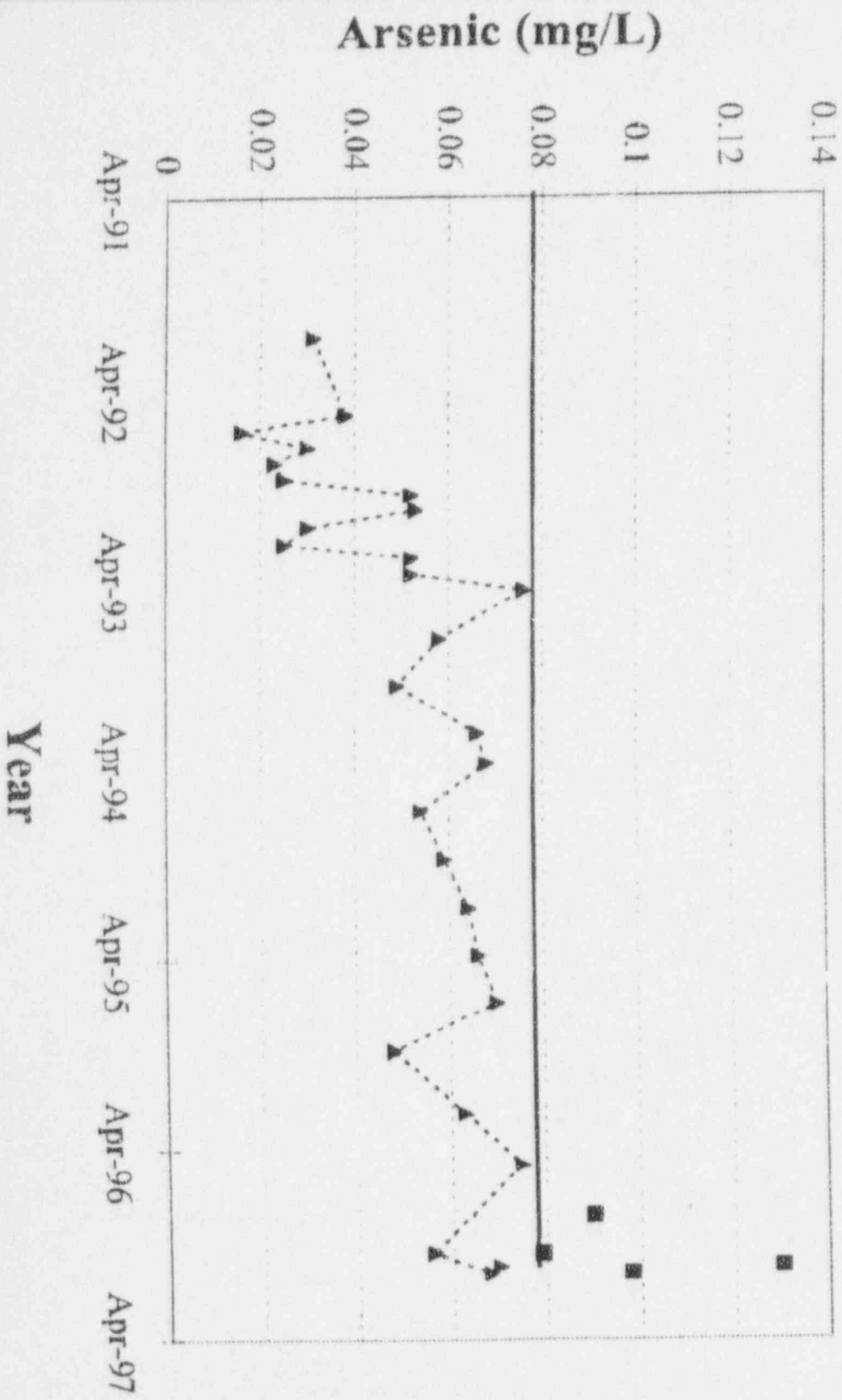
Groundwater Arsenic (Nov. 1996)



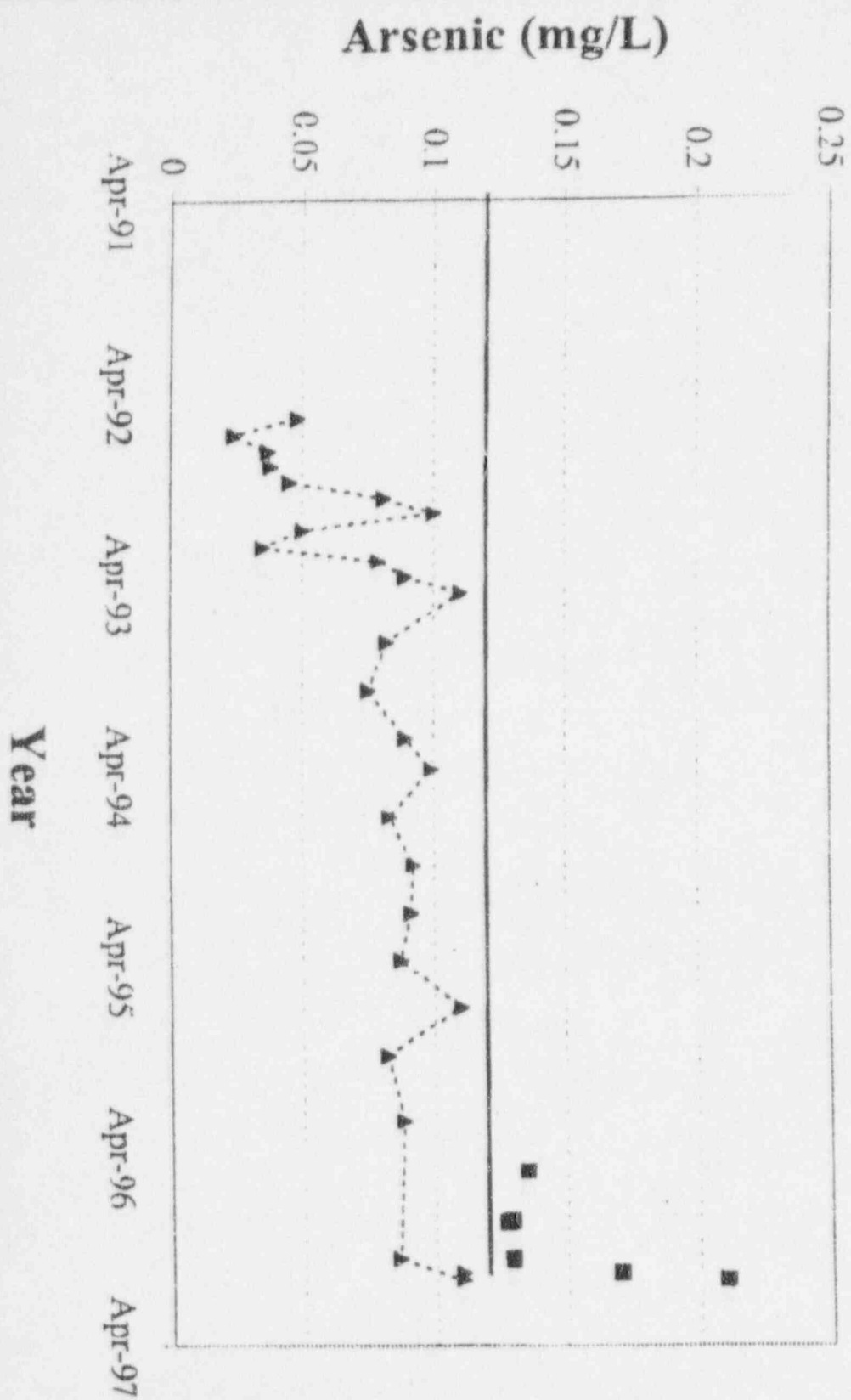
GW-19A



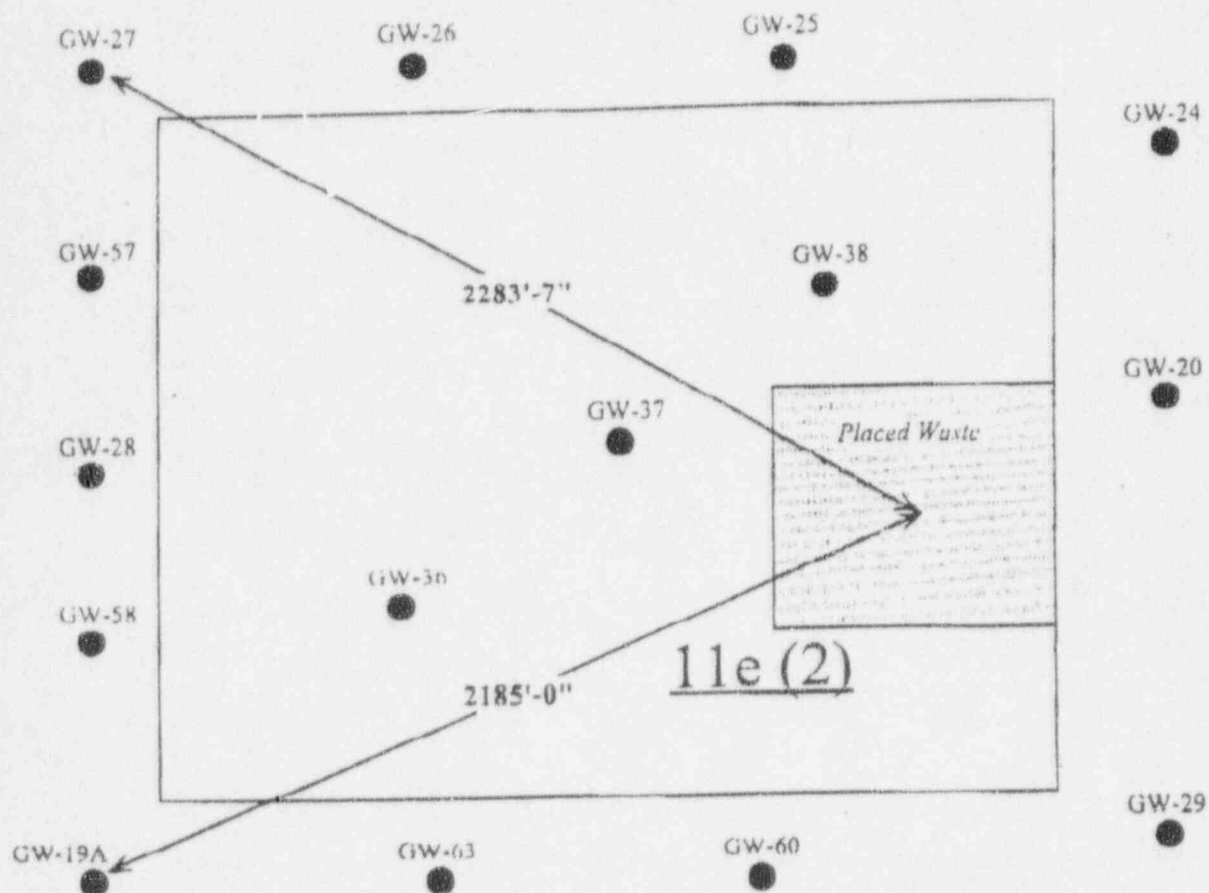
GW-28



GW-58



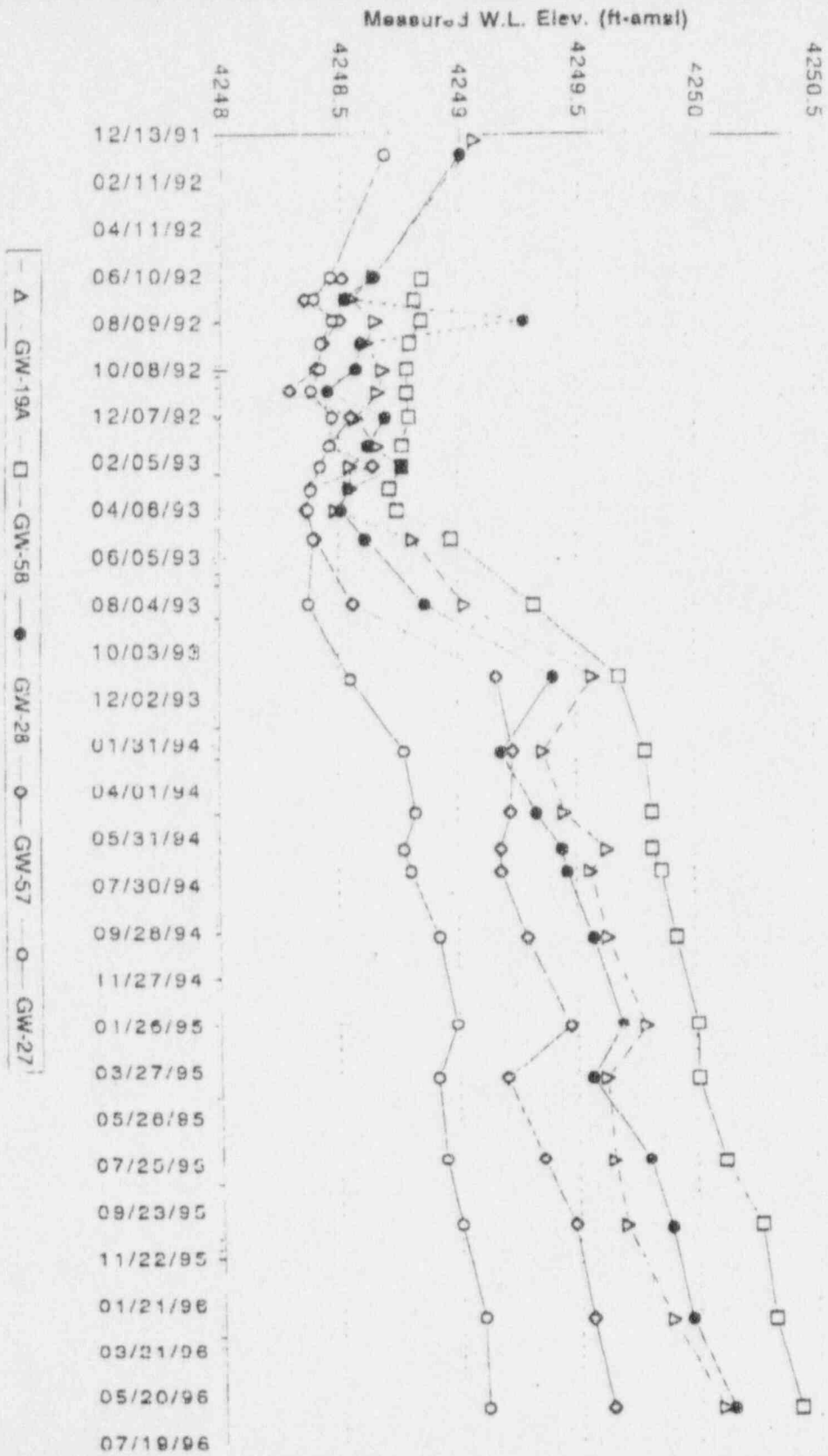
Groundwater Travel Times



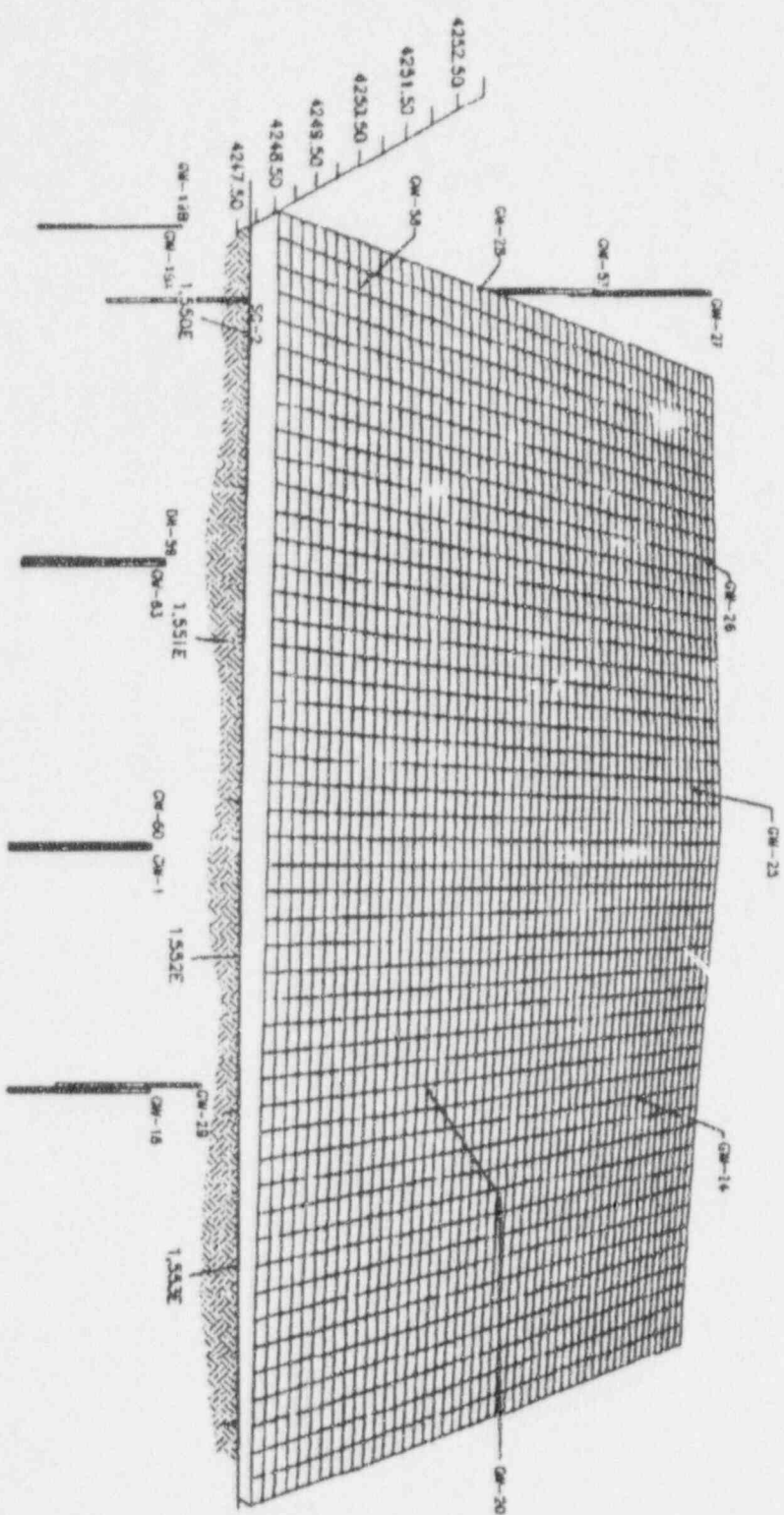
Regional Groundwater Velocity = 0.56 m/yr = 1.84 ft/yr

Therefore, Time to 27 = (2284 ft)(yr/1.84 ft) = 1241 yr

Alternatively, 2284 ft / 3 yrs = 761 ft/yr to reach 27



APRIL 1982 POTENTIOMETRIC SURFACE
Vertical Exaggeration x 50



APRIL 1982 POTENTIOMETRIC SURFACE

SCALE IN FEET (HORIZONTAL)

SEE ELEVATION TABLE FOR DATA



Adriatic Brown

Environmental Services Division

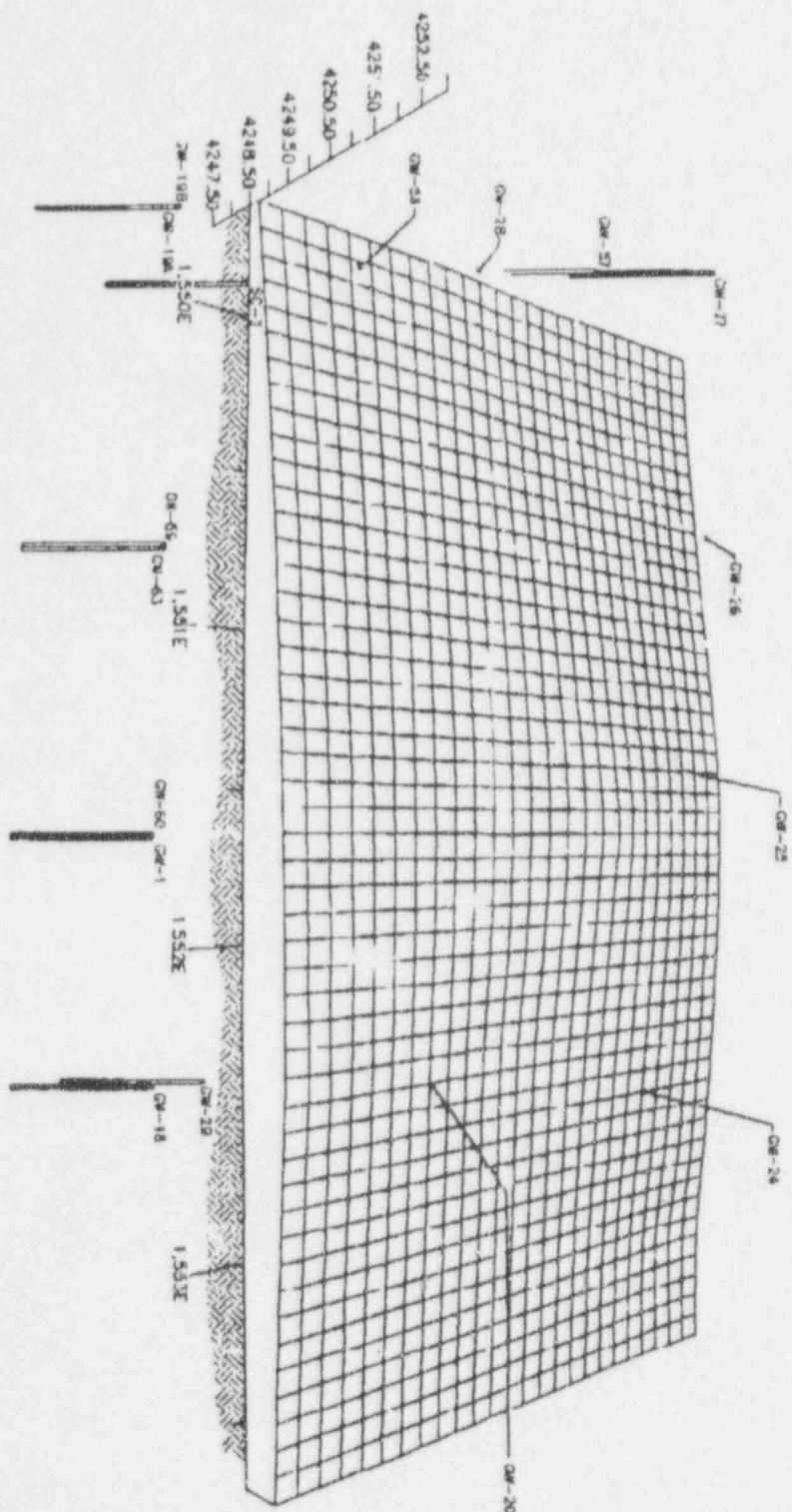


APRIL 1982 POTENTIOMETRIC SURFACE
VERTICAL EXAGGERATION x 50

County & State

Page Number

1



INTERPOLATION OF DATA

15

SCALE IN FEET (HORIZONTAL)



Adrian Brown

FILE # JMW-VIS-011265 20/10/2011

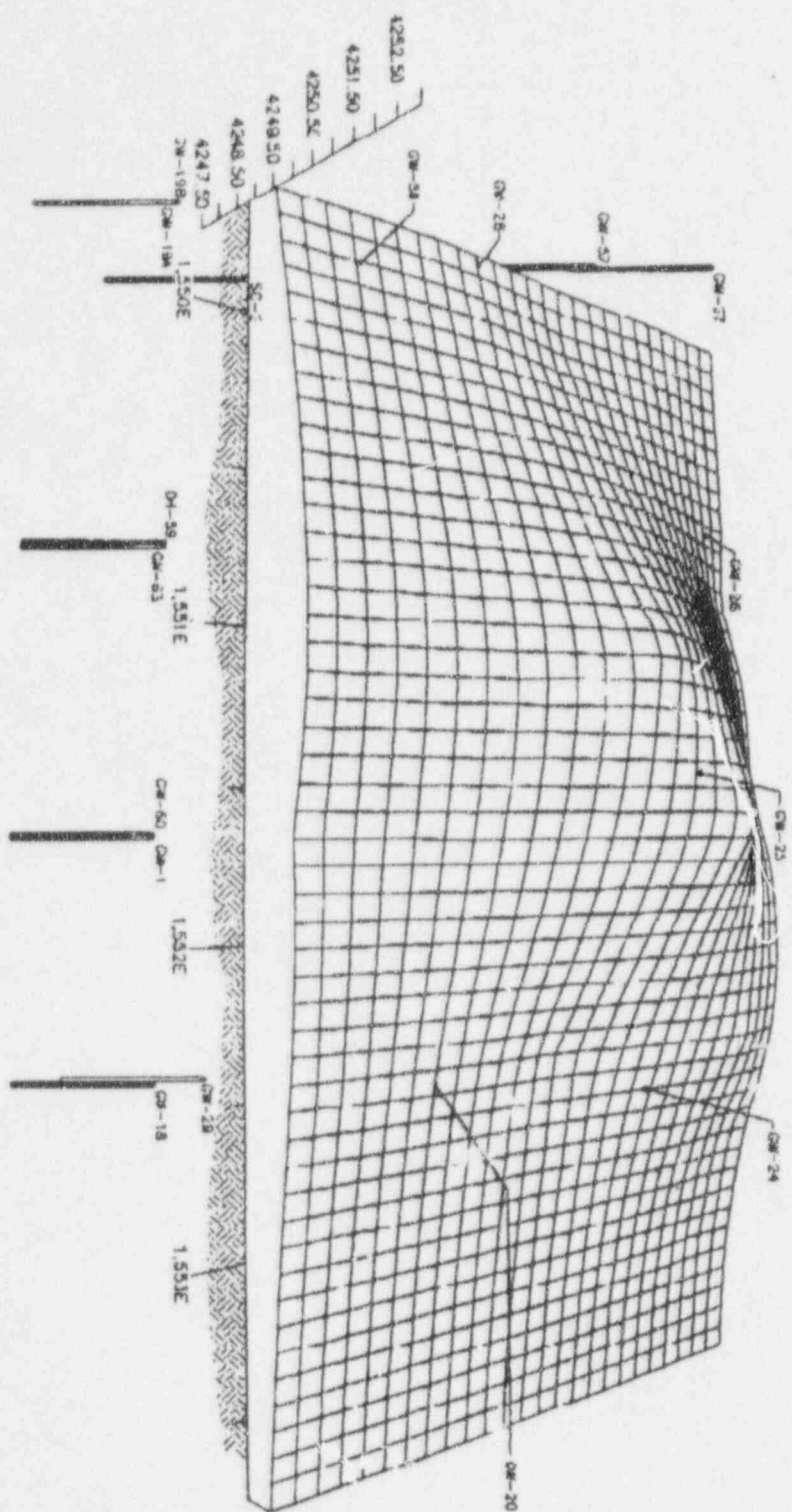


**JUNE 1992 POTENTIOMETRIC SURFACE
VERTICAL EXHAUSTION X 50**

Cassidy & Steele

PLATE 11

62



SYNOPSIS

20	1	20
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SCALE IN FEET (HORIZONTAL)

PAGE EVOLUTION - 20/04/2017



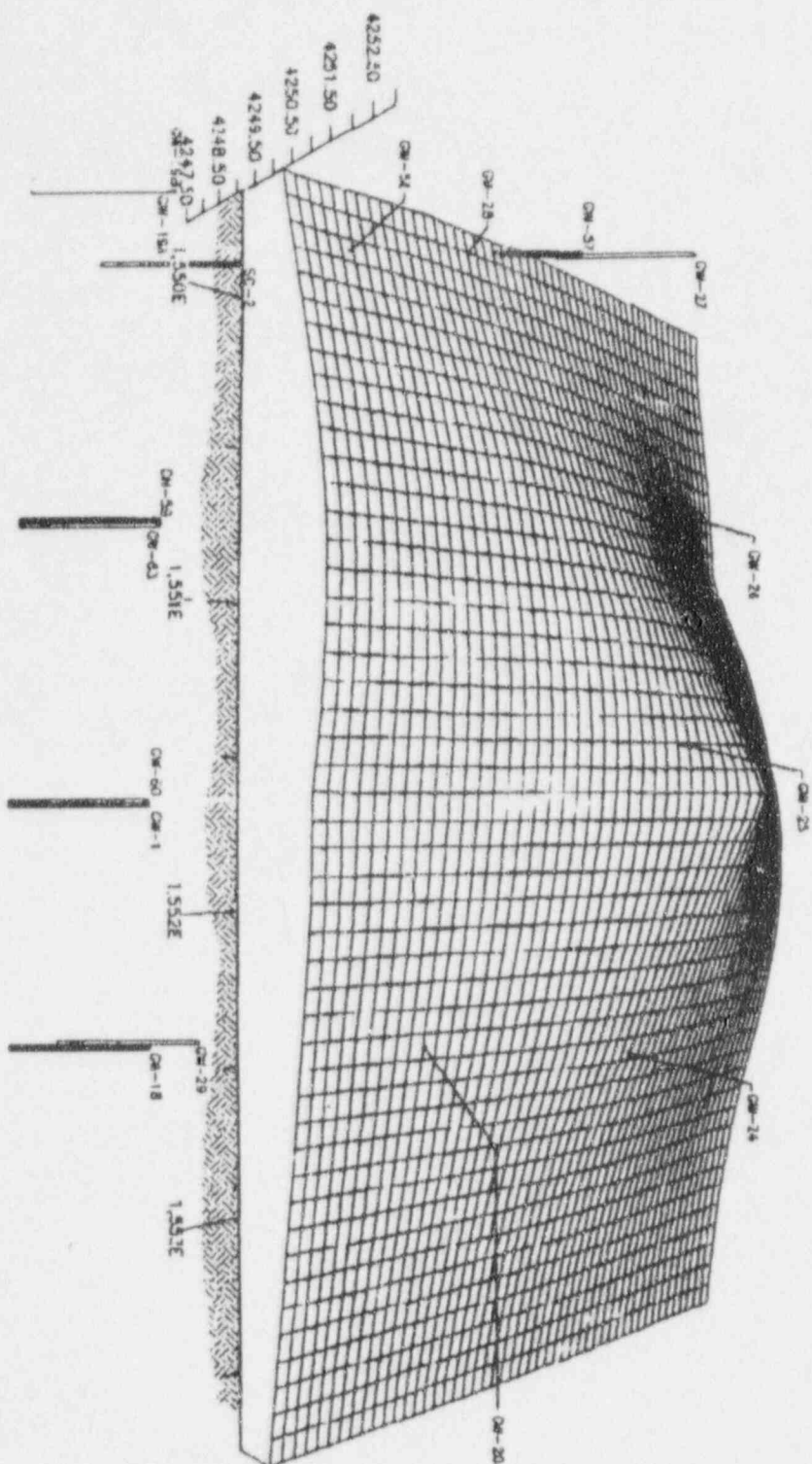
Adrian Brown



**APRIL 1984 POTENTIOMETRIC SURFACE
VERTICAL EXAGGERATION X 50**

Country & Stars

FIGURE 11.10.10



SYNOPSIS OF THE

600 5 600
* SCALE IN FEET (HORIZONTAL)



Adrian Brown



**JUNE 1996 POTENTIOMETRIC SURFACE
VERTICAL EXAGGERATION X 60**

County: 3 Sheets

STILL KINER

Current Efforts

- abundance of elements of concern in aquifer solids
- potential effects of changing redox and pH conditions
- movement of water table (vertically and horizontally)