

STATE OF COLORADO

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Executive Director and Chief Medical Officer

Dedicated to protecting and improving the health and environment of the people of Colorado

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Colorado Department
of Public Health
and Environment

AUG 1 1-2011

Mr. Jim Cain, Radiation Safety Officer
Cotter Cañon City Milling Facility
P.O. Box 1750
0502 Fremont County Road 68
Cañon City, Colorado 81215-1750

Certified Mail #

7007 0220 0000 9952 7000

Subject: Annual Inspection Report and Notice of Violation, Radioactive Materials License #369-01

Dear Mr. Cain,

This letter refers to the on-site inspection of the Cotter Cañon City Milling Facility conducted on June 15 – June 16, 2011 by Philip Egidi and Edgar Ethington of this Department.

The inspection examined activities conducted under your license as they relate to radiation safety and compliance with the Colorado *Rules and Regulations Pertaining to Radiation Control* 6CCR 1007-1 (the Regulations), Orders, and the conditions of your license. Within these areas, the inspection consisted of selected examinations of procedures and representative records, observations of activities, independent radiation measurements, and interviews with personnel.

Based on the results of this inspection, one apparent violation was identified and is described below.

Our review showed that the radiation safety program at the facility remains robust. Records are being managed well despite a change of personnel. Remediation work is proceeding according to approved demolition plans for individual buildings. Occupational and public doses are well below limits and are being maintained ALARA. There are numerous issues being addressed outside the scope of this license inspection such as the RAP, financial assurance review, and revisions to the site-wide decommissioning and reclamation plans.

Before the Department makes a final enforcement decision, we are providing you with an opportunity to provide your perspective on the apparent violations. Therefore, pursuant to the provisions of CRS 25-11-107, you are required to submit a written statement or explanation to this Department regarding this Notice of Violation within thirty (30) days of receipt of this notice. Your response must include data, views, and arguments concerning the apparent violations; corrective steps already taken and the results achieved; corrective steps which will be taken; and the date when full compliance will be achieved. In

Prepared by: pve Reviewed by: ES Reviewed by: _____ Mailed by: AS
Date: 7/27/11 Date: 8/1/11 Date: _____ Date Mailed: AUG 1 1-2011

Cotter Mill, Lic# 369-01, Section 5

In addition, you may request an informal conference with Department personnel to discuss this Notice of Violation prior to submission of your response. Such a request must be made within 15 days of receipt of this notice.

After consideration of any written response and informal conference, the Department will issue a letter affirming or dismissing or otherwise disposing of the violation(s). If necessary, any remaining corrective measures and any administrative penalty determined to be appropriate, will be incorporated into an administrative order.

Apparent Violation(s):

1. License Condition (LC) 14.1 requires that “the licensee shall maintain all equipment and facilities, essential to operations governed by this license, in operating condition,” and LC 8.6 states “The Department does not permit, authorize, concur in, or otherwise approve of, the prohibited release or threatened release of a hazardous substance, pollutant, or contaminant into the environment.”

Contrary to this requirement, a spill on 11/28/10 was caused by not properly closing the vault for the pumpback system resulting in a frozen flange and a release of uranium-contaminated water to the environment in excess of 500 gallons.

Repairs have been made to the flange. The licensee shall ensure that all necessary systems are operable year-round. Documentation of the spill shall be maintained and brought forth into the historical site assessment such that any residual radioactivity resulting from the spill will be remediated.

In addition, the following Item of Concern (or Recommendation) was noted during the inspection and warrants your attention. Please include a written response to this item with your reply.

Items of Concern:

- a) All remediation activities need to have active dust suppression; inspectors observed remediation of contaminated soils with no dust suppression in the area while on a site tour with NRC and EPA.
- b) The LIMS system upgrades are still not fully implemented, which is not consistent with the approved QAPP. This is a repeat IOC. Partial implementation precludes a NOV at this time.
- c) The site-wide decommissioning plan and reclamation plan reviews are being addressed under separate cover. This was an IOC during last year’s inspection. There have been numerous delays in this process that may result in enforcement actions by the Division if not rectified.
- d) Cotter has removed the “grimace” portion of the fit test procedure, which is part of standard protocol. It is not clear why this was removed, nor documented.

Recommendation:

[Type text]

- a) The license renewal process needs to be undertaken in a timely manner such that the comprehensive renewal application that will be due at the end of 2011 will be of sufficient quality for the Division to undertake the review.

As required by Part 10.2 of the Regulations, this notice must be posted so as to permit individuals engaged in licensed activities to observe it on the way to or from any particular licensed activity location to which the document applies. Any acknowledgment to this report by the licensee shall be posted within five (5) working days after dispatched by the licensee. Such documents shall remain posted for a minimum of five (5) working days or until actions correcting the violations have been completed, whichever is later.

Please feel free to contact Phil Egidi at (970) 248-7162 or phil.egidi@state.co.us or Edgar Ethington at (303) 692-3438 or edgar.ethington@state.co.us if you have any questions concerning this letter.

Sincerely,



Ed Stroud, Health Physicist
Compliance Lead
Radioactive Materials Unit
Hazardous Materials and Waste Management Division