



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

May 29, 2014

Mr. Thomas Hogan, Director
Environmental Health Division
Minnesota Department of Health
625 Robert St., N.
P.O. Box 64975
St. Paul, MN 55164-0975

Dear Mr. Hogan:

A periodic meeting with your program was held on April 29, 2014. The purpose of the meeting was to review and discuss the status of Minnesota's Agreement State Program. The Nuclear Regulatory Commission was represented by Patrick Loudon, Joseph O'Hara, and me.

I have completed and enclosed a general meeting summary, including any specific actions that will be taken as a result of the meeting.

If you feel that our conclusions do not accurately summarize the meeting discussion, or have any additional remarks about the meeting in general, please contact me at (630) 829-9661, or email to james.lynch@nrc.gov to discuss your comments.

Sincerely,

/RA/

James L. Lynch
State Agreements Officer
Division of Nuclear Materials Safety

Enclosure:
As stated

cc w/encl: Sherrie Flaherty, Supervisor
Radioactive Materials Unit

AGREEMENT STATE PERIODIC MEETING SUMMARY FOR THE MINNESOTA
ENVIRONMENTAL HEALTH DIVISION

DATE OF MEETING: APRIL 29, 2014

| NRC Attendees | Minnesota Attendees |
|-------------------------------|--|
| Jim Lynch, RSAO | Aggie Leitheiser, Asst. Commissioner |
| Pat Loudon, Division Director | Tom Hogan, Division Director |
| Joe O'Hara, FSME | Dale Dorschner, Assistant Division Director |
| | Sherrie Flaherty, Unit Supervisor |

DISCUSSION:

The Agreement State Program is administered by the Radioactive Materials Unit (the Unit), Indoor Environments and Radiation Section, Division of Environmental Health (the Division). The Division is a part of the Minnesota Department of Health. Sherrie Flaherty is the supervisor of the Radioactive Materials Unit. The Section manager position was vacant at the time of the meeting, with the recent promotion of Dale Dorschner to Assistant Division Director. Since the meeting, Mary Navara was named Section Manager. Minnesota regulates approximately 166 specific licenses. Management support for the Program appears excellent.

The State's last IMPEP review was conducted in November 2011. The review team found Minnesota's performance to be satisfactory for all performance indicators reviewed. Accordingly, the review team recommended, and the Management Review Board agreed, that the Minnesota Agreement State Program was adequate to protect public health and safety, and compatible with Nuclear Regulatory Commission's (NRC) program. The next IMPEP review was extended for an extra year, based on good performance.

Other topics covered at the meeting included:

Program Strengths: The Unit has excellent communications between staff members and has streamlined many processes without sacrificing the quality of regulatory products or the emphasis on protection of health and safety. The staff is very knowledgeable of the status of the program. Unit staff has a good understanding of new regulatory initiatives and associated expectations. The Agreement State program has good managerial and financial support.

The Unit holds semi-annual meetings with licensee physicists to discuss regulatory issues, recent industry problems, and methods for increasing communication. These meetings have been very successful and were well received by the licensee community. Plans are being made to expand these meetings to radiation safety officers. State managers emphasized their strong relationship with licensees.

Program Weaknesses: Division managers noted that the Program's database is not very efficient and needs upgrading. The NRC representatives suggested that the new live Web Based Licensing program may be a good fit for Minnesota. The NRC provides IT support for Web Based Licensing, which would relieve the State of that responsibility.

Enclosure

Feedback on NRC's Program:

The State expressed appreciation for the recent webinar training on Title 10 of the *Code of Federal Regulations* (CFR) Part 37. They encouraged the NRC to do additional webinar training and suggested that licensing and inspection of cyclotron operations may be a valuable topic.

The Division indicated that they appreciated the good support they receive from NRC Region III and enjoy the good relationship and communication that they have with the NRC in general. The Division was also appreciative of NRC's funding for Agreement State training.

Staffing and Training:

The Minnesota program has a Unit Supervisor, four technical staff, and an administrative support person. Three of the technical staff are fully trained and the fourth is beginning her qualification process. The staff members are cross-trained in all areas of the program. The Division Director stated that succession planning is being done to keep the program running smoothly as people leave the program.

Program Reorganizations:

The Unit has not experienced any program reorganizations since the previous IMPEP review and none are expected.

Changes in Program Budget/Funding:

The Unit has a solid source of funding through a dedicated fee fund. The Program has paid off the deficit that was incurred during the Agreement State startup. Fees average approximately 65-70% of NRC's annual fees. The Unit is not facing any travel restrictions at this time.

Materials Inspection Program:

The Unit reported that they have not performed any inspections overdue during the review period and had no overdue inspections at the time of the meeting. The Unit typically performs between 60 and 80 inspections per year.

A peer inspector accompaniment process is being initiated in the Unit. The intent is to have inspectors learn from each other by observing inspection techniques and approaches.

The Unit performs pre-licensing visits for all new license applicants that are unknown to the program.

The Unit regularly performs reciprocity inspections. Minnesota is meeting the inspection targets in Inspection Manual Chapter 1220.

Materials Licensing Program:

License actions are kept current with no licensing backlog. License applications are generally completed within four weeks of receipt. All licensing actions are peer reviewed and then reviewed and signed by the Unit Supervisor. This three-part review helps maintain accuracy and consistency of license documents. The Unit performs approximately 100 licensing actions per year.

Regulations and Legislative Changes:

The State is up to date on all regulation amendments currently required for compatibility. The regulation promulgation process takes approximately 1.5 years to complete, so it is important to keep up on newly published regulations to ensure publication within 3 years. Minnesota's 10 CFR Part 37 equivalent regulations are expected to be adopted this year. The State will look at the possibility of adopting regulations through incorporation by reference. This would free up limited resources to other parts of the program.

Event Reporting, including Follow-up and Closure Information in NMED:

The Program had reported eight events to NMED since the 2011 IMPEP review. All of the events were appropriately reported to the NRC, and were properly entered into, and updated, within NMED. Very good communication with Region III was noted during events.

Response to Incidents and Allegations:

The Unit continues to be sensitive to notifications of incidents and allegations. Incidents are quickly reviewed for their affect on public health and safety. Staff is dispatched to perform onsite investigations when necessary. The Unit Supervisor has placed a high emphasis on maintaining an effective response to incidents and allegations.

Status of Allegations and Concerns Referred by the NRC for Action:

The NRC did not refer any allegations to Minnesota since the last IMPEP review. Several allegations were received directly by the State during the period and were investigated appropriately and in a timely fashion.

Significant Events and Generic Implications:

The Unit did not identify any significant events or generic issues since the 2011 IMPEP review.

Current State Initiatives:

Unit staff members continue to accompany NRC inspectors during reactor inspections. These accompaniments provide valuable insight to the State and increased communications with the NRC. Future accompaniments are planned, and were encouraged by NRC staff.

State's Mechanisms to Evaluate Performance:

The Unit uses peer reviews of licensing actions and inspection reports to insure the quality of regulatory products. Inspectors are accompanied annually by the Unit Supervisor. The Unit Supervisor is considering reimplementing annual internal assessments of the radioactive materials program, if time and workload allows.

Current NRC Initiatives:

The NRC staff discussed ongoing initiatives with the Minnesota representatives. These included the Agreement State Program enhancement activities, medical event definition, combining of NRC agreement state program policy statements and the potential merging of NMSS and FSME.

CONCLUSIONS:

The Minnesota Agreement State Program remains a strong, stable program with excellent management support. Staffing has remained consistent since the Agreement and the training level for staff members is on target. The State has established innovative outreach programs to physicists, radiographers and neighboring Agreement States. Minnesota managers indicated that they will continue to support the IMPEP program, which they view as a valuable process.

The NRC staff recommends that the next IMPEP review to be held, as currently scheduled, in late 2016.