



FINAL MARE ISLAND NAVAL SHIPYARD Restoration Advisory Board (RAB) Meeting Minutes

HELD THURSDAY, November 29, 2012

The Restoration Advisory Board (RAB) for former Mare Island Naval Shipyard (MINSY) held its regular meeting on Thursday, November 29th, at the Mare Island Conference Center, 375 G St., Vallejo, California. The meeting started at 7:08 p.m. and adjourned at 9:15 p.m. These minutes are a transcript of the discussions and presentations from the RAB Meeting. The following persons were in attendance.

RAB Community Members in attendance:

- Myrna Hayes (Community Co-Chair)
- Maurice Campbell
- Chris Rasmussen
- Jerry Karr
- Michael Coffey

RAB Navy, Developers, Regulatory and Other Agency Members in attendance:

- Janet Lear (Navy Co-Chair)
- Charles L. Perry (Navy)
- Heather Wochnick (Navy)
- Brooks Pauly (Navy)
- Dwight Gemar (Weston Solutions)
- Gil Hollingsworth (City of Vallejo)
- Janet Naito (Department of Toxic Substances Control)
- Neal Siler (Lennar Mare Island)

Community Guests in attendance:

- Mike Franklin
- Jim Porterfield
- David McMurtry
- Fred Ousey
- Chris Sokol

RAB Support from CDM Smith:

- Ahnna Brossy (CDM Smith)
- Teresa Toye (CDM Smith)
- Wally Neville
- Doris Bailey (Stenographer)

I. WELCOME AND INTRODUCTIONS

CO-CHAIR LEAR: Okay. Welcome, everyone. Thank you for coming to the Mare Island Restoration Advisory Board meeting. We usually start with introductions. I'm Janet Lear, I'm the Navy co-chair.

CO-CHAIR HAYES: And I'm Myrna Hayes and I'm the community co-chair from Vallejo.

MR. CAMPBELL: Maurice Campbell, RAB member, community.

MR. KARR: Jerry Karr, community member, Napa Solano Audubon.

MR. COFFEY: Mike Coffey, RAB member from American Canyon.

MR. SILER: Neal Siler, Lennar Mare Island.

MR. RASMUSSEN: My name is Chris Rasmussen, I'm a resident of Mare Island.

MS. NAITO: Janet Naito, Department of Toxic Substances Control.

MR. HOLLINGSWORTH: Gil Hollingsworth representing the city of Vallejo.

MR. PERRY: Charles Perry, Navy.

MS. WOCHNICK: Heather Wochnick, Navy.

MR. PORTERFIELD: Jim Porterfield, ex-Mare Islander.

MR. PAULY: Brooks Pauly, support to the Navy.

MR. MCMURTRY: Dave McMurtry from Benicia.

MR. OUSEY: Fred Ousey, Envirotech Services.

MR. SOKOL: Chris Sokol, and I'm a vet from the Navy, and I'm a contractor.

MR. FRANKLIN: Mike Franklin from Vallejo.

MS. TOYE: Teresa Toye, CDM Smith, contractor for the Navy.

MS. BROSSY: Ahnna Brossy, CDM Smith, contractor for the Navy.

MR. GEMAR: Dwight Gemar with Weston.

CO-CHAIR HAYES: Saved the best for last.

CO-CHAIR LEAR: We have a special guest from our San Diego office, we have Charles Perry here. He's the Environmental Business Line Team Leader with the Base Realignment and Closure Office. And he's going to be giving our first presentation. This is a subject that was requested by the RAB a while back, and he'll be talking about the Base Realignment and Closure Environmental Program Budget Execution Processes.

CO-CHAIR HAYES: Yikes.

MR. COFFEY: Wow, that's a mouthful.

II. PRESENTATION: *Base Realignment and Closure Environmental Program Excavation Processes*

Presentation by Mr. Charles Perry (Navy)

MR. PERRY: Thank you for all coming out with the bad weather and everything, but looks like it's a great turnout. I am what's called an Environmental Business Line Team Leader, lots of words for basically a supervisor, and I cover a lot of the financial side, which is why I'm coming up here to give a talk about our budget execution process. But, there's quite a bit in this presentation. It may jump around a little bit, but there's a lot that I wanted to cover. Here's the outline, we'll be going over identifying installation needs and establishing budgets.

Our budget process, which I'll spend quite a bit of time on, it's kind of complicated. The BRAC II through IV program. Basically all the rounds of BRAC have been combined into one round that we pay for, except for BRAC V, which covers Concord up here in the Bay Area as well as Brunswick and Willow Grove on the East coast. The bulk of our program is in BRAC II through IV. I'll be covering the program that we had in 2012, that we just wrapped up September 30th, as well as our planned 2013 program. I'll go over the contracting mechanisms that we utilize. Our small business goals that we have at NAVFAC Southwest that BRAC utilizes. Small businesses that we have utilized at Mare Island going back a couple of years, as well as our planned use adjustment. Reinforcement for local businesses. Then I've got a list of some basic contract procurements for the environmental program, and I'll discuss that in depth a little bit.

So, identifying installation needs. Basically, each of the bases have either what's called a Federal Facility Agreement or, as in the case of Mare Island, a Federal Facility Site Remediation Agreement, FFSRA. This is initially established as a legal agreement between the Navy and the agencies that lines out schedules for our sites, also review time frames, there's quite a bit of stuff in there. But the important part that relates to our budget process is the SMP, the site management plan. This is basically a schedule. It's updated annually. There are generally delays, or if we get additional funding and we're able to expedite a program or a site for some reason, we then use these annual updates to reflect that in the schedule.

Timelines and funding, we update that annually, actually we update it twice a year. We adjust based on when we think our funding profiles are going to be coming in, and I'll go over that funding process. Here I mention an example of phasing our funding across fiscal years. And this can come up when we identify a large project that may be coming up. If the base has a control, which basically means they're allotted funding for the year, say \$10 million, and we have a \$10 million project coming up, we usually are going to try and phase that across a couple of different years so that we are not spending all of our money on one project for a base. We would phase, four or five million of it one fiscal year, and four or five the next fiscal year, which then frees up additional funding to address other sites at the base. We also cover regulatory cost reimbursement, so all the documents that go to the regulatory agencies for them to review for us, they're funded for. We take all that, and we then establish our budgets.

Basically, the environmental program is the vast majority of the budget that we have at BRAC. We have some O&M that we do a little bit of support to the bases, and we also have some salary and support dollars, but the vast majority of that goes for environmental cleanup. We basically input our funding requirements into a database that we call NORM, which is short for normalization of data. This is just an internal program we get into twice a year, and basically any changes, any updates to information that we have, if we complete a feasibility study we then

have costs associated with that, we go into our NORM database and update it. This tracks all of our sites that we have, and it tracks them from the beginning all the way through the end. Whatever we currently know about the site we'll try and get that in there budget-wise. It also tracks time frame, so what fiscal years do we expect this funding to be coming in. It gets escalated for inflation once a year. As I mentioned before NORM is updated twice a year.

The data that we put into this NORM database then gets rolled up for BRAC into the overall Department of the Navy budget. This budget is then submitted to the Department of Defense; gets rolled up in that overall Department of Defense budget; which gets submitted to the Office of Management and Budget, OMB; which then becomes the Presidential budget, which is the entire federal budget; that then gets submitted to Congress. Then Congress has to authorize and appropriate it. Once they do that, it then has to go to the President for him to actually sign off before we actually have a federal budget each year. It's a fairly lengthy process. It's locked in two years in advance. It can be adjusted, but when it's adjusted it's usually a decrease, we sometimes get cuts to our budget that we then have to try and absorb and figure out, prioritize sites.

The sources of our funding, more recently, they've primarily been appropriations, which is that process I just discussed. However, if we ever do sell a base, that funding doesn't go back to the Federal Treasury, it comes to BRAC and we use it for environmental cleanup. I know there have been some smaller, recent sales, but the last big one was Tustin El Toro sold for about 600 million, and that came right into the BRAC program and was utilized to fund environmental cleanup at a lot of the BRAC bases.

CO-CHAIR HAYES: Is that money all gone?

MR. PERRY: Yes.

MR. COFFEY: Fifteen minutes.

MR. PERRY: It helped out quite a bit when it came through. Here's the flow chart for the budget process. I'll walk through it and then I'll tag it to our current fiscal year to kind of get an idea of how it goes. But basically we initially develop our budget, as I discussed, in our first year. That then goes through various reviews through the DOD, and then finally that budget is officially submitted to the DOD and the OMB. That then gets incorporated into the federal budget, as I mentioned before, called PresBud, around the February time frame. Then it gets submitted to Congress. February through September they're supposed to debate it, authorize it. In a perfect world it would be on the President's desk in the October time frame, and they usually sign it pretty quickly. In the last few years the budgets have been getting held up in Congress, as everyone's probably aware of, and they typically haven't been signed until fairly late in the fiscal year. We do have something called Continuing Resolution Funding which is what keeps us going so that our offices don't shut down when the budgets don't get approved. That basically allows us to fund things at the approximate level that we had funded the previous year that was approved. However, the money is not just all given out, it's kind of given out piecemeal throughout the year, sometimes it's held up a little bit, so it leaves a little bit of uncertainty to our program. In a perfect world, again, we would like to have that budget approved quickly.

Our fiscal year '15 budget we're currently developing right now. That would be the start of year one. In year two we've got our fiscal year '14 budget coming up here in February, it will become part of the Presidential budget that will get submitted to Congress. That's the money we're

hoping is appropriated in early fiscal year '14, and our fiscal year starts October 1st. Then year three would be fiscal year '13, our current year, which is what we are currently operating under; however, that budget hasn't yet been approved. It's still with Congress, however we did get continuing resolution funds that fund us right now up to the second quarter. So, we are able to move forward on projects right now.

Any questions on this slide? You can see how lengthy this is, so when there's big changes to our program, especially larger projects that get shifted or moved or schedules delayed, you can kind of see where there's not a lot of space for us to account for that in the overall budget; and so then it comes down to us switching things around internally to try and make things work. If we had a big project that was scheduled for, let's say FY-13 coming up here now, and we're not ready for it, the work plan got delayed or whatever the reason, we would then be looking at are there any other projects that we plan for fiscal year '14 that we can move forward to utilize those funds that we have right now. If we don't have anything that's ready, then basically that would potentially go to another base for them to utilize. We don't necessarily get that money back the next year. It then may have to go back into the cycle, and it could take two or more years to get that funding. That's more critical on the big projects when you're, dealing with larger chunks of money than the smaller ones. The smaller ones we usually absorb.

MR. CAMPBELL: The Department of Defense budget, there's a potential of a fiscal cliff at the end of the year. Is the continuing resolution going to be able to fund you through that? If so, for how long?

MR. PERRY: Right now our continuing resolution goes through the end of March. We've got that money, it's in our pocket. I doubt that the comptrollers would go in and pull that money back. But yes there is a chance they could, theoretically. But I would doubt that would happen. I feel fairly comfortable that up through March we've got funding in place.

MR. CAMPBELL: Funding, okay. Thank you.

CO-CHAIR HAYES: I'm jumping ahead to the next slide. If you needed to shift things or if you couldn't shift them into 2014 you might lose it to another base or potentially back to the system. It looks to me like Mare Island's 50 percent or more than 50 percent of the total cost to complete; am I right?

MR. PERRY: What?

CO-CHAIR HAYES: 52.

MR. PERRY: The total program cost to complete is referring to the third bullet --

CO-CHAIR HAYES: All BRACs II through IV?

MR. PERRY: Yes. And that's close to a billion, so \$960 million there. And Mare Island is \$52 million. It's a good chunk, but it's --

CO-CHAIR HAYES: Sorry, I got distracted and thought \$96 million and \$52, that was where the 50 percent. But with the \$52 million needed to complete, what could you envision not being reassigned?

MR. PERRY: We could get it reassigned, but theoretically it could end up back in that two, three year due loop of the budget process.

CO-CHAIR HAYES: You said you could move, if for some reason something got stalled, you could possibly move ahead to a fourteen, for example, and bring that on.

MR. PERRY: The goal of each of the teams is to not lose the base's money.

CO-CHAIR HAYES: Right.

MR. PERRY: The team would be looking at every project coming up and saying, are there any of these projects that can be expedited in FY-14 or 15, or something that we could pull up to take the place of whatever project got delayed in fiscal year '13. That being said, sometimes, things just aren't ready. Because there are a lot of study documents, a lot of planning documents that have to be in place before you can go out and do the big dollar things are the actual remediation work.

CO-CHAIR HAYES: Right.

MR. PERRY: There's a lot that goes up before that to be able to get things in place to do that remediation work.

CO-CHAIR HAYES: Yeah.

MR. PERRY: That's where, if we're just not ready, then another base would take advantage of that funding. Then there wouldn't be a requirement for them to necessarily give us that money back the next year. But we would lobby our management, which would partially be me, to try and keep that money on a given base.

CO-CHAIR HAYES: Would that be going to all those BRAC II through IV's, or are you saying that it could jump out of BRAC and go to another active base that has a plume or something?

MR. PERRY: No, it would not go to an active base.

CO-CHAIR HAYES: Okay.

MR. PERRY: The funding pots are completely different. There's what's called Environmental Restoration Navy Funding, ERN, which is for active base CERCLA projects. Then we've got BRAC environmental funding that's just for BRAC projects. Theoretically it could go back to the Federal Government Treasury; however, that, from my knowledge, hasn't happened. There's always a base that's got something going on that could utilize that money.

CO-CHAIR HAYES: Is that how we got that \$8.9 million, for the overages? Was that from another base that didn't --

MR. PERRY: The funding for FY-12?

CO-CHAIR HAYES: The funding for Lennar.

MR. PERRY: If we're talking about the \$8 million from last year --

CO-CHAIR HAYES: Right.

MR. PERRY: That was part of our budget.

MS. WOCHNICK: That was a project that was delayed. We had a project that was delayed, so we had spent \$8 million on that.

CO-CHAIR HAYES: Okay. Those are the kinds of things that would be useful for us to know. I'm actually kind of glad that you could finally get up here, because a project delayed worth \$8

million is a big project for us not to have ever heard anything about which one you swapped out. We didn't hear anything about the \$8 million being reassigned to the Lennar properties at all before it all went down. That's a pet peeve of some of us who actually have tried to honor the BRAC law and the RAB law which require early and often communication about environmental cleanup issues. So, we'd like to know, I would like to know personally, what \$8 million project wasn't ready to roll yet and it kind of seems backroom deal to me as the Restoration Advisory Board. But, I'm sure you can justify all of that for us, and that's actually why you're here, so press on.

MR. PERRY: Okay. For here the overall BRAC II through IV program was \$213 million in fiscal year '12 that just wrapped up September 30th, and it's planned for \$130 million in fiscal year '13. There's that asterisk there that, this has not been officially established, basically because that Presidential budget, the '13 Presidential budget is still with Congress. Until they authorize it and appropriate it and the President signs it, it's all on paper, it's not official. That being said, we did get the Continued Resolution Funds, which is a chunk of it.

CO-CHAIR HAYES: Going right to this line item, Janet had reported some numbers kind of like this a few months ago. But, if you had a delay, a project that wasn't ready that was \$8 million, and I expect it's still on the books to do, and you have \$52 million that you're trying to get done, why would you reduce the Mare Island budget so drastically in FY-13?

MR. PERRY: Well, there are controls basically at each of the bases that the teams are required to stay within. As you've probably heard over the recent years, there have definitely been some budget cuts across the Federal Government, and in the Navy, and the BRAC program has definitely seen our share of that. I don't recall what the exact plan number for fiscal year '13 was, say two to three years ago, but I do know that the control that we had has been reduced, and so the \$6.6 million that we're getting in '13 is less than it was a few years back. And budgets are continuing to get tighter. I don't know, what the future holds as far as budgets, but the goal is to try and keep the most important sites at each of the bases moving forward. When we're looking at our reduced budgets across all of the bases that we have, we're trying to take into consideration sites with the most risk; sites on pieces of property that we're moving towards transfer in a quick fashion. Just try and see where we should prioritize funds for each of the various bases. There's a lot of work that goes into trying to identify that at a relatively high level within our organization when budget cuts come down. But, in years where budgets are getting more, then we're also the beneficiary of higher budgets. But, in the current fiscal climate, it seems to be a downward trend in our budgets.

CO-CHAIR HAYES: In the past, for a long, long time we participated in that ranking and prioritization process. I'd like to go on the record as requesting that we be a part of that process again.

MR. PERRY: Well, there are a couple of different rankings. In the CERCLA process, or in our general process, we rank sites by risk. On the active side of the house, the way we fund the sites is high risk to low risk. They don't have the transfer component that BRAC has. That's the primary thing they look at is risk to human health and ecological risk at a site. At BRAC they have those initial risk rankings that were done from the sites; however, the transfer component of it is also a big part. We look at a site and go, okay, do we have a development agreement out there? What parts of the property are going to be transferring earlier than others? Then we look at the risks of the sites along with potential transfer schedules and try to come up with what

makes sense. But, definitely work with Janet as far as if priorities are changing, if budgets continue to drop down too, the RAB is a part of that process.

MR. HOLLINGSWORTH: I would say that one of the things to walk away from this discussion with is an understanding that environmental remediation on Mare Island has been done when you consider the amount of work or the things to be dug up and hauled off or anything like that. We are now in a phase where we're spending money, but we're spending money not based on the schedule per se, we have paperwork to do now. It takes a certain period of time to do that paperwork. So, tomorrow morning, if he came up and found \$52.2 million and we had to spend it between now and 2014, we couldn't do it because paperwork takes a long time. I'll give you an example. Up in IR-17 we are looking at a schedule of 2017 to complete that cleanup up there around the general area of the Navy Exchange. 22 months of that is review time of documents that haven't even been completed. So, even if he came up with \$52.2 million to complete, it takes a certain period of time to complete it, and that's why we are sitting there looking at 2017 to complete the project. We are really at a position now where acceleration is enormously difficult to do. We could throw all the money in the world, if we had it, at it and these are a known condition. I want to make sure everybody understands, those are known conditions and not unknown conditions, because that's another whole story all by itself. Money is not the deal now, it's time, it's pure time. And that's it.

MR. CAMPBELL: Since we're on the subject, there is a difference in normal remediation and early transfer remediation, and I think it affects the budget. And maybe you want to explain it to this group.

MR. PERRY: With early transfers we can transfer the property with remediation still required on the property. There's a whole approval process that goes up through the Governor's office in order to transfer that property, and there's lots of insurance that goes with it and all sorts of other requirements that go along with early transfer. I think that there was a bit more of that historically. The early transfers were something that the BRAC was looking into more. All of the transfer options are always on the table, but I do know that there have been some difficulties with them in the past. Generally, I've seen more of a recent preference for the Navy to get to cleanup or to OPS, operating properly and successfully, prior to transfer. But again, all options are always on the table for transfer.

MR. CAMPBELL: Thank you.

CO-CHAIR HAYES: Thank you, Gil, for the input, but I don't think that we're talking necessarily about acceleration. What I asked for was participation, not acceleration. Again, we've been dropped out of the process and we need to be brought back to the table. Even though we're only meeting every two months, I think it's important that the Restoration Advisory Board, that the community, gets to be a part of that three-way communication. We've been dropped out of that process and I want to bring us back in. That seems to be happening, kind of as a more consistent pattern, and we need to correct that course and say that real clearly. Money talks and something else walks, too. I don't believe that if we had more money to throw at this, because we have in the past, that we wouldn't get something done. I know that Janet isn't the only person at DTSC who could review documents or is reviewing documents. If there was some urgent need we could turn the ship's course a bit. But, that isn't actually so much what I'm talking about as trying to understand why the huge consistent decrease for Mare Island and also, again, participation in the decision-making process at the budget level.

MR. PERRY: To talk a little bit to that decrease, it's not just something that we're seeing at Mare Island, this is across BRAC. All of the bases are feeling a little bit of a pinch and are having to look at what projects we're working on. But for prioritization, granted, maybe that hasn't specifically been talked about in the RAB. But input that the RAB has at these meetings, sites that are of more interest to RAB members, that there's more concern about, that type of information is always something that the BEC and lead RPM are well aware of and it does filter into decision processes and information that's fed up to management. If it's not overtly spoken about in these meetings, the RAB is part of that process just by what you guys bring up in these meetings. Any other questions on this slide?

MR. KARR: How many total bases nationwide? Are they cross service that are involved in BRAC? Just in BRAC.

MR. PERRY: Well definitely cross service, but our BRAC office is Navy BRAC.

MR. KARR: Right.

MR. PERRY: We only handle Navy bases. But each -- the Air Force, the Army Corps, they each have their own BRAC programs for their bases. I know the Navy in a couple of those rounds took the brunt of the closures, and so there are quite a bit of bases; but the Air Force has a whole program that they're working on. That being said, before the bases closed, the bases had been working CERCLA programs for a number of years before that. Each of the bases have these programs that then if a base gets closed, then the sites, whatever stage they're at in the CERCLA process, kick over to the BRAC side and it keeps moving forward.

MR. KARR: Well, is this total program dollars, \$130 million, is that the Navy only?

MR. PERRY: That's Navy only.

MR. KARR: Okay.

MR. PERRY: I wish I had the number of bases that you first asked for.

MR. KARR: No, that's fine.

MR. PERRY: But I don't have that off the top of my head. But there's a significant number.

MR. KARR: No, that's okay.

MR. PERRY: So, I'm going to go over a couple of contracting mechanisms. There's quite a bit of variation in our contract mechanisms, but these are a couple of main ones that we use. We use Naval Facilities Engineering Command Southwest or NAVFAC Southwest to do most of our contracting work. We have these basic contracts, which at the end of the slides I've got a list of some upcoming basic contracts and I'll discuss those a little bit more. These basically list what type of work the contractors can do, whether it's study work or remediation work. If we have a multi-award contract it may have a number of contractors that are on it that we can award projects to. We also do fixed price and cost plus contracts, and those are set up up-front. Fixed price contracts, the contractor assumes financial risk, but that depends on how we set that contract up. An example of one where the contractor may assume the risk is if we say: hey, we've got an area here that we want you guys to dig up and get to remedial goals. We give them characterization data that basically says here's the approximate site. Theoretically, if it's good characterization data there shouldn't be a whole lot of risk there. But, anytime you put a shovel to the ground, you never know what you're going to find. So, there is some risk there. In a fixed

price contract, the risk shifts to the contractor, within reason, and the price then theoretically goes up, because the contractors will price that risk. When you have competitive contracts with more than one company on them and if we're going to do this type of contract, we'll typically put it on a competitive contract so then the competition helps keep prices from climbing too high.

The other type of contract is cost plus. Cost plus is more of a time and materials type contract. We tell the contractor generally what we want them to do. Then, they do it. If there's more contamination or more whatever, we pay them for it. So, the government has the risk in that situation. However, there are certain sites where the characterization is not very good or there's just so much potential for anything going on at the site, that the cost plus contracts sometimes make the most sense just because we can't quantify the risk. At BRAC, we tend to utilize the cost plus contracts very little. It's a very small part of our overall contracting repertoire.

For each contract we always prepare a scope of work, a government estimate. We utilize the SMP schedule, the FFA's, FFSRA's in our scopes as much as we can. Any decision documents that we may have or any characterization information, that all gets fed into there. We try to get as much information as we can into these scopes or that are included with the request for proposals that go out to the contractors, to have them bid successfully on the projects. Any questions?

So, small business goals. As I mentioned before, we utilize NAVFAC Southwest. These are the NAVFAC Southwest goals for all of their work. This includes environmental as well as construction, planning, all sorts of things that the NAVFAC Southwest covers. The goal was 36 percent for small business, in general. Then, under small business falls these other small business companies that are HUD zone, small disadvantaged, service disabled veteran companies, and women owned companies. Those all fall under that small business umbrella. In FY-12, the actual percentage was close to 47 percent. However, I have been seeing some recent e-mail traffic that looks like this goal is going to be raised up quite a bit too. I believe, over 50 percent is going to be the goal for small businesses.

CO-CHAIR HAYES: This is overall NAVFAC Southwest, there are no numbers for Mare Island?

MR. PERRY: Well, I'll have the numbers we actually hit for Mare Island coming up. But, yeah, these are the goals for NAVFAC as a whole. Now, those goals being out there, theoretically one group could meet less of that goal, one group could be at 20 percent, another group could be at 80 percent. The goal is all combined, everyone should be above that goal.

MR. CAMPBELL: Define the world of contracting. I realize this is your overall world. When you get into some of the numbers for Mare Island, I want to know what the geographic area of inclusion is for Mare Island contractors for each of the areas. What's the year-to-date information?

MR. PERRY: Well, this information here is not locality centric. This is overall.

MR. CAMPBELL: Is part of your information going to be locale centric?

MR. PERRY: Not specific numbers.

MR. CAMPBELL: Can we get those numbers at some stage? I mean, if it's in the database it should be easy to spin out.

MR. PERRY: We don't track those numbers.

MR. CAMPBELL: What do you track?

MR. PERRY: These numbers come from our overall contracting. Typically what happens is, we've got these small businesses, which are generally our prime contractors.

MR. CAMPBELL: Right, okay, they're large.

MR. PERRY: Well, these right here are small business prime contractors. They may be what would be considered a relatively large small business.

MR. CAMPBELL: 8A?

MR. PERRY: When you get down to some of these small disadvantaged and veteran owned, some of these qualify for the 8A, but other businesses that don't qualify for 8A still fit within the small business.

MR. CAMPBELL: MBE, WBE, that type of thing?

MR. PERRY: Yeah.

MR. CAMPBELL: All right. Thanks.

MR. PERRY: Basically, our prime contractors can be geographically all over the place. The subcontractors are where usually, not always, but where you see more of the localization come into it.

MR. CAMPBELL: Okay. I dealt on another base and we had an economic subcommittee. There were definitions. When you have a community, say like Vallejo or like Hunter's Point where it's severely disadvantaged, it's an enterprise zone and a hub zone, and you take a look at that. There are a lot of service items that are used; people buy gas, the Navy buys gas, or they buy it locally. People go to hotels, are they staying local? What are they doing, copying stuff, using secretarial services local?

MR. PERRY: Yeah, I mean generally, we don't track the specific numbers of those, but we generally expect that the companies that are doing our work out here, folks are going to be getting gas locally, are going to be going to lunch locally. There is an economic impact whether there are actual subcontracts going on or not, but there is economic impact for just the work that happens to be going on base.

MR. CAMPBELL: Are you familiar with the phrase airporing?

MR. PERRY: No.

MR. CAMPBELL: It's a common phrase when there is a company, they go to a secretarial service, they get a business presence in the local community and they say they're one of the local companies when, in fact, they're not.

MR. PERRY: Okay.

MR. CAMPBELL: BRAC is very familiar with that.

MR. PERRY: Okay. I've not heard that, but I'll look into that when I get back into the office.

MR. CAMPBELL: Thank you.

MR. PERRY: So, these aren't talking local, but these are talking small business that we've done at Mare Island specifically. We generally are up in the 50 percent. FY-12 was a great year for

small business, close to 80 percent of our work went to small businesses. In FY-13, currently, we're planning for 54 percent of our work to go to small businesses. The Mare Island team has been successfully focusing on that, and helps pull some of the other teams along that might not be hitting those goals as diligently as Mare Island does.

CO-CHAIR HAYES: Are your contractors required to give you any data on where they're shopping for shoes or hard hats or --

MR. PERRY: No.

CO-CHAIR HAYES: -- or water or whatever it is they use? My impression is that, let's say a company is headquartered in Nashville, Tennessee, and it has projects all over the country. For whatever reason, it might be to its advantage or laziness, a lack of accountability or sensitivity - it might just be giving all of its safety vest sales to one company. Maybe it's getting, because I used to be in outside sales, some trip to Hawaii for how many safety vests they buy. So, how do you --

MR. PERRY: Well, we don't track specific things, but part of the thing is the companies need to stay competitive. If they're pricing things out someplace to give a friend of theirs, a good buddy, a handshake deal, if that prices them out of being competitive on our contracts, then they're not going to win an award. We don't track specifics; however, companies do get audited by our Inspector General. That's where companies need to be on the up-and-up. They could get audited. If they are audited and something was shown to be going on that was not appropriate, they could lose work.

CO-CHAIR HAYES: Well, I'm not saying necessarily that it would be inappropriate, but I'm just saying that I'm not hearing from you that there is any incentive built in. You have all these nice goals and numbers for small veteran women, but you don't have any incentive built in to your contracts to encourage local purchases from those companies. It's all on the honor system. Some companies are just good social neighbors and some are lousier, but it doesn't sound like you have any incentive or any encouragement or anything to buy local. I think, in the latest presentation award that was given for the area H-1, there were a number of statistics given about how much greenhouse gases were reduced by the project, which was one of the reasons why the project took sort of a sweep of the environmental awards. I get the Currents magazine, the Navy's magazine on environmental cutting edge technology, and there's a lot of talk about that. I would think that you would be building into your contracts the whole buy local, the whole less transportation cost kind of things that just come with the local supply.

MR. PERRY: Well, there are a couple parts to that. We do push the whole greenhouse gas emission that you're talking about. We do look at trucking costs. The teams are always looking at that and pushing companies to look at sustainable methods in their work, and that tends to push you to local companies. That then, saves money. Not necessarily funding, sometimes that costs a little bit more, but you're kind of looking at what's the best thing to do at this site. We sometimes spend a little bit more money to make sure that we are being good environmental stewards as that project kind of attests to. But, we do have some requirements. On the next slide here we have the Defense Authorization Act that sets a preference to contract with BRAC area contractors. I threw in there in parentheses (not a requirement) because it doesn't mandate it. But, it definitely pushes a preference in there. Our Contracting Officer is pretty big on this and has sent out an e-mail to all of our prime contractors to reemphasize this clause, and to let them know that we do have a strong preference to hire in the local communities near our BRAC bases.

The other part that comes into this equation is there's also a FAR clause, Federal Acquisition Regulation, which requires companies to compete their subcontracting work. This is where you sometimes end up in regulations counteracting each other a little bit. So, local suppliers would need to be competitive in their pricing to win these. It makes things a little bit difficult. There are always caveats to all these regulations, so it's a difficult area. We don't specifically track the subcontractor -- we don't track what the primes are subcontracting out, necessarily in statistics that we can pull up in a database.

CO-CHAIR HAYES: It's just all on the honor system?

MR. PERRY: Well, they get audited.

CO-CHAIR HAYES: Or, it kind of feels good?

MR. PERRY: Companies do get audited on this stuff. We don't go on a contract or task order by task order basis to track all of this, however, the companies do get audited and are expected to be following our scopes and our contracts. Yes.

MR. CAMPBELL: One thing I would think that you have in your database is a zip code listing of the companies that are serving Mare Island. I guess you could provide something like that for the RAB, so the RAB could take a look at it?

MR. PERRY: Yeah, I do believe that there is a database that tracks area. I've actually been talking to someone recently about that, so I'll go back to one of our Contracting Officers and see what they can pull. I don't know exactly what it shows, other than that they've looked in some database, I don't believe it's a Navy database, but there is a federal --

MR. CAMPBELL: The GSA typically.

MR. PERRY: Yeah.

MR. CAMPBELL: Then the subcategories under that.

MR. PERRY: Any other questions on this slide? This goes back to that basic contract list that I was talking about. I want to differentiate between our basic contracts and our task orders. This list covers basic contracts, that are currently underway, where our request for proposal has gone out and they're running through the process of hiring these types of contract mechanisms on board.

You'll see our contract capacity for a couple of these is \$100 million and a five year contract. That doesn't mean the company that wins this is going to get \$100 million and five years worth of work. What it does, is it sets the top ceiling capacity of that contract at \$100 million and the ceiling duration of it is five years. Every year, depending on how they're doing on that contract, we would then award an option year for the following year. If a contractor was performing poorly, there's a chance that those option years would not be awarded. Whatever they'd been awarded to date would be what they'd get on that contract vehicle. Here we've got a couple of cost plus contracts at the top and then we've got some other contract vehicles, some natural resource vehicles, and some NEPA contracts. The other thing I wanted to point out is basically, the ones that are coming up are pretty much all the small business that we've got. That's because the goal, that I had mentioned, is going to be increased quite a bit. They want to make sure that we've got contract vehicles that we can get to, to allow us to meet those goals. In the past, when I saw a list like this it would have been primarily big business with a few small business things. This is quite a bit of a change from what these plans typically look like.

The one at the top is an unrestricted, and that basically means that any company can bid on this one. Sometimes small businesses will win an unrestricted, or if we have a MAC contract, a multi-award contract, sometimes it will be unrestricted, we'll have a small business and a few big businesses on it. This is definitely where NAVFAC is going. These are planned ones that our request for proposal is supposed to go out this year. Here are a couple of the EMACs, which are environmental multi-award contracts, that will hire four to six companies. They'll all win this contract. Then every time we do a task order on that contract, all four, or however many contractors are on that, have the opportunity to bid on that task order. I think that's what I wanted to hit on this. Any questions on this?

CO-CHAIR HAYES: On natural resources and cultural resources. Why does it say that the primary focus is on, I guess that's the Marine Corps something or other, 29 Palms.

MR. PERRY: These contract lists that I'm putting up here are NAVFAC Southwest contract lists. That's what we pretty much use up here in BRAC.

CO-CHAIR HAYES: Right.

MR. PERRY: But, these cover the entire southwest NAVFAC footprint, which is all up and down the coast. It covers active bases as well as closed bases. Sometimes there are contracts that are Marine Corps centric where it was primarily set up for them. A lot of these natural resource and cultural resource contracts, we sometimes utilize, but these are primarily utilized on the active bases. That's where they've got a lot of active work going in the area. Then we'll tie into them when we need them for some of the projects.

CO-CHAIR HAYES: I'm very curious about how BRAC prioritizes and manages natural and cultural resources on the properties you haven't yet transferred, how you prioritize that. Because you have some very important, significant areas here on the island that I've never understood how you put resources into them in those two categories.

MR. PERRY: Okay. I think this is about all I have. In conclusion, I wanted to say that overall you see kind of a lengthy process budgeting-wise we have as well as contract actions that we have to do, each of those contracts, when we modify them, they take time and money. The goal is to try and make sure the teams are working closely with each other; agency, Navy, RAB, community, to make sure that we're trying to keep these things on the schedule as much as we can. Granted, there are always things that come up that we didn't anticipate. But, when we keep them on schedule, it makes that budgeting aspect of it that much clearer, that much easier so that we can make sure we've got the funds in hand to do the work that we plan to do when we plan to do it. That's pretty much what I wanted to leave you with. There is an acronym list here at the back in case I didn't cover any of these. The Navy has a lot of acronyms. Any last questions?

(No response.)

MR. PERRY: All right. Well, thank you for your time. I appreciate you guys having me up here. It was nice to talk to you.

CO-CHAIR LEAR: Thanks, Charles. Our next presentation is to be given by Neal Siler of Lennar Mare Island, and he's going to talk about Building 866 Voluntary Cleanup, an Example of Land Use Change and Environmental Remediation. This presentation was developed in response to some inquiries that we had on our RAB tour, so thank you for being so responsive, Neal.

III. PRESENTATION: *Building 866 Voluntary Cleanup an Example of Land Use Change and Environmental Remediation*
Presentation by Mr. Neal Siler (Lennar Mare Island)

MR. SILER: My pleasure, Janet. As Janet mentioned, this was a topic that came up and a question that came up on our RAB tour that we had earlier this month. The question was, when you make a land use change or you're going to remediation, when do you get to a point and you say enough is enough? When you do that, you're usually going to some sort of a residential cleanup, but you can't do it because you have some sort of recalcitrant compound, or it's much larger than you ever thought. You kind of back off from that and go to commercial/industrial which would be a lesser use. But, in this case we're going to talk about Building 866. We've done the opposite. We've actually gone to an area that was originally, as part of the year 2000 land use plan, slated for commercial industrial reuse, and we've taken it to residential reuse. I'll explain the reasons why we did that, give you an idea of the factors. I'm going to describe the site a little bit. I'm going to talk about the historic investigations and remedial activities that have taken place to date. We're going to talk about what we've done in the past few years and where we're going in the future and the path forward to getting there. You can see from this next slide this is what I was talking about.

As far as the description of the site is concerned, I'll try to be concise here just to move this along a little bit. If you look at the next six slides, you can see a little bit about the description of the site and how it got to be in its present state at this time, and some of the environmental issues that are still ongoing at this site. Building 866 covers an area of about 6.3 acres that was dominated by Building 866, which was a five story, windowless, 386,000 square foot facility. It was constructed in 1955 to serve as an electric and electronic shop. It served that purpose until it closed down in 1994. The future use in the 2000 land use plan, was to be commercial/industrial and mainly a commercial facility. But in 2005 that land use changed to residential. Principally we're going to put in detached single-family homes in those areas.

Now, at the facility there were 40 individual specialized work areas that could have been a potential source for contamination at this facility. There was the Installation Restoration Program Site 11, which was the electrical and electronics shop. One of the principal areas, that was part of the Building 866, was one that was situated on the northeast end of it. That was the transformer and motor work area. Again, what you'll see as we come back to this and I talk about the historic investigations or remedial activities, there was a cleaning room that was located on the ground floor. It was a pretty large room, where the Navy did transformer and motor washing before they actually decommissioned that type of equipment. That occurred between 1955 and 1978. There was a floor drain and a sump in that cleaning room, which is kind of one of the principal areas that was of environmental concern at that facility. Then that drain and sump drain to a grease trap, which was also known as underground storage tank 866, which was a 3,000 gallon tank, where they collected any kind of the off-flow from the drain and the sump area. Prior to 1972, it was connected to the storm and sanitary sewer system. After 1972, it was connected to the industrial wastewater treatment system.

In addition to those major areas, there were nine polychlorinated biphenyl or PCB sites, six on the ground floor, there were two on the second floor, and one on the third floor. In addition to that, there were nine fuel oil pipeline segments at the facility; some had been removed, some could not be located, some had been abandoned, some had been washed. In addition to that,

there were three underground storage tanks that were not associated with the grease or the drain cleaning area.

So, how the facility got into its present state. Right now it's just basically an open field in that this building was demolished in the 2007-2008 time frame. You can see here what the building looked like. This photograph on the upper right, this was the transformer work area and motor work area. It was a very large room, had a number of overhead cranes in it. What they're doing to demolish that, he's actually cutting all of these beams with a torch as we go through here. Then what they did is they actually took a large piece of heavy machinery, attached it to it, and pulled it until it actually collapsed. You can see it starting to collapse right there. That's how that portion of the facility was actually demolished. Then the main structure, which was the five-story structure, they actually used a crane and a wrecking ball to knock down the sides. You can see here this was a pretty stout building. You can see all the material that wouldn't come off here. There were actually three-quarter inch rebar on eighteen inch centers. It was rebar in this entire building. It was meant to last and it was really hard to get down. Then actually what was really kind of interesting, because we couldn't get a big enough crane to really start knocking everything off, the crane actually took smaller pieces of equipment, like bobcats, you can see this small excavator up here, got on top of the building and actually started taking the building apart from the top down. They would take a floor down, make a path down to the next floor, and then take the next floor down. You can see this is what the building looked like when we had almost everything down but the elevator shafts. There's one of the elevator shafts coming down. What they did with the elevator shafts, they would get one side of it or one edge of it, and they would knock the actual floor out from underneath it until it just fell right over.

MR. COFFEY: Sounds like "Angry Birds."

MR. SILER: What this site map shows you is the environmental facilities of concern. You can see these sites designated ALOL. There's a couple of ULOL, unknown sites. These are known sites here. PCB sites. Here's the PCB sump site. This is underground storage tank M7, M57 and M122. This is that grease trap right here that was connected to this cleaning room drain and floor sump. Then you can see some of the FOPL lines as they come through here.

Why did we change the land use at this facility? When you look at one of these facilities, each of them is considered on a case-by-case basis looking at factors such as environmental cleanup, schedule to do that work, what entitlements you have to go through to re-entitle the property, the economics, the aesthetics and the compatibility. One of the main issues here at Building 866 was compatibility with adjacent land use. Let's go back up to the second slide. If you look at this map right here, this is investigation area C-2, which is primarily a commercial/industrial area. This is the Building 866 area which kind of juts out like a tooth here. All the surrounding land use in this area is residential. So, if you looked at this, it just wasn't compatible with the surrounding land use in this area. Plus, the fact if you're going to have single-family-detached homes right here, I'm not sure that you want a five-story structure right next to your single-family detached home, whether you put windows or not on this building. In addition to that, if this was going to be a commercial facility, you'd have other aesthetic things. You'd have to look at noise, traffic coming through there, the type of work they're going to be doing. So, it just didn't work out that this was a facility that fit in with the surrounding land use and was not compatible with it. That's why the decision was made here to change the land use from commercial to residential.

CO-CHAIR HAYES: Neal, what you're saying is that regardless of the number of houses that you ever build on this property, if you ever do, regardless of how many you could place there, you've somehow benefited the properties surrounding it even if that property just doesn't get reused in our lifetime?

MR. SILER: Well, that's some part of it, I think. Just because you can clean a property up to unrestricted land use or residential land use doesn't mean you couldn't use it for a commercial or industrial purpose in the future, it just means you can use it for anything that you want to in the future; you wouldn't be restricted to a certain type of land use. You're actually better off by going to the unrestricted land use because then you have a lot of flexibility to using that.

The next thing I'm going to talk about is some of the historic investigations and remedial actions that took place. These can be broken up into actually three different time periods in the 80s and 90s. The 20th century, I call the investigation period. You'll see the early 2000s, 2001 to 2006 is the time of the PCB cleanups. And then from 2006 to 2010, that's the time of the underground storage tank and FOPL cleanup. Remember I talked about the cleaning room drain? How this facility was identified as an environmental issue was the fact that in 1981, when they were doing work, the drain was plugged. It was plugged with sediment, and they started removing the sediment out of it. They tested the sediment and found out it contained 1,700 milligrams per kilogram of PCBs in it. So, they knew they had an issue at that point. They also looked at the other facilities, looked at the grease trap and they looked at the line that went from the drain to the grease trap, and found out that it was also contaminated with PCBs and oil. In 1984 they pumped out the grease trap, washed it. They cleaned out the drains. They also drained the pipeline. They put the grease trap out of service at that time. In 1990, they went back and looked at the grease trap, actually removed it from the ground, removed contaminated soil around it, and actually abandoned the pipeline that went from the drain and the grease trap in place. Now, from 1990 to 1999 these investigations primarily dealt with looking at the site and seeing what the lateral and vertical extent of contamination associated with these facilities was.

There's kind of a real interesting one in here that came back to haunt us in later years, and it was this in situ thermal desorption demonstration that the Navy and EPA did. And what they did was there was some --

CO-CHAIR HAYES: I was at that demonstration.

MR. SILER: There were some residual PCBs around where they had taken out the underground storage tank, and they pumped heat into it to see if they could break it down. I think they had some that still had some very high levels of PCBs, and they got it down to something like 0.033 milligrams per kilogram of PCBs. The only problem is that when they did that, there was always this question of did they actually break those down into dioxin and furans. So, we had to go back and look at it later to see whether there were any dioxins and furans there.

Moving along to the early 21st century or what I call the time of PCB cleanups, I did some additional investigative work at the FOPL sites, and also concentrated on these nine PCB sites. They closed those out in the early part of 2003 to 2006. Then after 2006 and 2007, they went on to actually do some additional cleanup actions at one PCB site, which was an unknown site, Building 688 PCB site. In the 2007-2008 time frame, the building was demolished and we could start looking at these underground storage tanks and some of these FOPL segments, because there were a few FOPL segments that actually went underneath the building. We thought they had probably been removed, but we really weren't sure. A lot of times, when you see some of

these FOPL segments it will say it didn't exist or it couldn't be located or it had been flushed, and you'll find it and it was cleaned out, you'll find it, you'll cut into it, and oil will come spewing out of it. It's always interesting when you see some of these sites. Between 2007 and 2010, we really characterized some of these underground storage tanks and FOPL sites and went on from there.

Now, some of these sites were only cleaned up to commercial industrial land use criteria. There was a lot of inertia on the contractor that was here to get them to go onto residential, and it wasn't part of their scope of work. What Lennar Mare Island did was they voluntarily went and did some additional investigations to evaluate the sites for residential cleanup. We kind of focused on 23 environmental sites; they were the PCB, the FOPL, and the underground storage tank sites. We didn't have to worry about what was in the building anymore because the building had been demolished. Those sites had already been cleaned up to residential land use; but we did want to look at some of the FOPL sites, the PCB sites, especially that sump site. We wanted to investigate some of the FOPL sites, and go back to some of these UST sites that had been cleaned up to commercial and industrial land use criteria.

We put forth a program that was approved and reviewed by the regulatory agencies: installed 37 soil borings, two trenches along one of the FOPL lines and some of the underground storage tank areas, and collected 58 soil samples. We analyzed those samples for petroleum hydrocarbons, polynuclear aromatic hydrocarbons, and also volatile organic compounds. We collected three groundwater samples. Three of the soil borings were converted to temporary wells and also collected two soil vapor samples. In UST 866, or the old grease trap, there was always this suspicion that maybe they had used some sort of gasoline to wash something down, so we wanted to look at that.

For the FOPL sites, we followed the fuel oil pipeline sampling and analysis plan that had been developed for the site and we looked at those investigations to residential use. When you looked at them for commercial and industrial use, the grid isn't as dense as when you're looking at it for residential use; it's about 75 to 100 feet if you look in a line. For residential reuse it's about 50 feet along each FOPL line. If you know the depth of the FOPL line, and sometimes you've investigated it or you can find it, you take a sample directly beneath where you think the FOPL line would be. If you don't know the depth of the FOPL line, you can't find it, then there's a way in the sampling and analysis plan to take a sample at a depth of 5 feet and then at 12 feet following the plan. On the underground storage tank sites and the FOPL sites we stepped out laterally 10 feet. What we would do is we would actually go down, if we had step down and had to go down, we went down 2 additional feet. That's what we did for the investigation so we could collect enough data to support the residential land use. This map right here, these green diamonds on the map shows you the area that we looked at. Again looking at about 50 feet where we didn't have any previous data, there's a cluster around underground storage tank M57 and UST 866. We did some additional work at one of the cisterns M7, we did some groundwater work there also.

What did all our investigations tell us? It really kind of focused on three sites; UST M57, and there's actually a FOPL line that actually went into UST M57. FOPL E-3 has a variable diameter M57, and also PCB site Building 866. We're going to excavate eight small areas around UST M57, and one area at this FOPL. We're going to remove constituents of concern that are above the residential cleanup levels, collect verification samples, dispose of the materials appropriately off-site, and backfill the excavation. At the PCB sump site there's only one area that we want to

take a look at. There's one other small area where we want to remove PCBs that are greater than the residential cleanup goal; collect verification samples, dispose of materials off-site, backfill the excavation. This is UST M57 and the FOPL segment E-3 VAR M57. These eight areas that we're going to excavate vary in depth between 2 feet and about 9 feet. The constituents of concern here are petroleum hydrocarbons as diesel and motor oil and benzo(a)pyrene. This one area right here, where we found some volatile organic compounds and some TPHs, gasoline in soil vapor, we're going to remove that area also. For the sump site, we had actually done investigations along the line that went back to the grease trap which is right down here. This is the PCB sump. These areas have been excavated to various levels. This area right in here was the area where we had the PCBs still existing above the residential cleanup goal. There was also a pipe that went out here in this area, and we're actually going to have to excavate around this pipe and investigate to see if the pipe went further in this area. We may have to do some additional investigations in that area also. That sums up my presentation as to what we're going to do at the site and how we investigated it to support residential reuse. If you have any questions, I'd be glad to answer them. Maurice.

MR. CAMPBELL: Cost versus time.

MR. SILER: Cost versus time. It's kind of an interesting thing. If you had an existing facility, and let's say you're looking at TPH and you have a refinery, you want to keep the refinery running. You really want to clean it up, but you also don't want to go out of business at the same time, you probably wouldn't dig it up because that may disrupt your entire operation or you have to dig underneath the refinery. What you'd want to do is cut the source off and then do some other technique that would clean the site up, and it would take a long time to do, and you'd have to do a lot of monitoring, but you could still stay in business, so you'd do something like bioventing or soil vapor.

If you have an area where you go to residential cleanup, what you really want to do is you want to get rid of it and get it out of there so you can develop the site, if you are going to eventually put homes in there. Or, it gives you some additional flexibility, like in this case the building really wasn't useful in its present state, so you want to remove all that so you have the flexibility to do something else. So, although it's more expensive to dig it up, it looks like we have to remediate to get it down to residential reuse so, that worked out pretty well in our favor.

If you remember back when we did the IA-C3 black granular material in the triangle, we looked at what it would take to actually dig out that commercial industrial area. What you'd have to do is knock down all the buildings, you'd have to dig it all out, and that comes with a price tag of about \$30 million. We looked and said, can we do something different and cheaper that would give us at least the resolution that would be protective of human health and the environment, and that's when we came up with the cap idea. That was only about \$3 to \$5 million. That worked out pretty well. It kind of depends on a number of different factors when you look at the cleanup method and time.

CO-CHAIR HAYES: How much have you spent on the Building 866 site to date?

MR. SILER: The demolition cost about \$1.6 million. I think the additional investigations we're doing, those have only cost about another couple hundred thousand. We're probably going to be at maybe another couple hundred thousand as we perceive the plan right now in the remediation.

CO-CHAIR HAYES: So, not too bad, huh? When do you plan to move those houses that are up on their little --

MR. SILER: That I couldn't tell you, you'd have to talk to Tom Schief about that, how those plans are.

CO-CHAIR HAYES: I'm just curious because cleanup makes reuse possible.

MR. SILER: Right.

CO-CHAIR HAYES: So, I know theoretically it sounds like you're close to closure requests on this. A year?

MR. SILER: What we're hoping to do is to actually get the cleanup done in 2013. Depending on if we get all that done and we discuss everything with the regulators and everything works out fine, it's potentially possible that we could get this closed out in 2013.

CO-CHAIR HAYES: So, you would then leave the fence up or take the fence down even if you weren't developing? What would you do?

MR. SILER: That, I'm not really sure about. We might keep the fence up. If they start to develop it then the fence will come down and we'll be around for whatever they want to protect as part of their construction.

CO-CHAIR HAYES: Right. Just asking that on behalf of probably the neighbors who live across the street, not because it really matters a whole lot to me, but --

MR. RASMUSSEN: Are there any other sites on Mare Island where this sort of land use switch has been made successfully?

MR. SILER: Not on the eastern early transfer parcel that I can recall. I know at one point, if you remember where Building 271 is, and the Buildings 85, 87, 89, 91 complex, which is the horseshoe which is down in investigation area C-1, and it's down on the waterfront. If you're ever in Building 271 is that it's very open, there's a lot of light that comes in there, and there was always this dream of converting that to lofts somehow and to live/work or something like that facility. But, when you try to explain to people what you'd have to do to go back in there and take a look at that, then it becomes a little bit cost prohibitive to do that and the time to do it. Plus, there are some engineering constraints. If you remember the floor in Building 271, we do have some FOPL lines, it looks like, that come through there. The concrete floor is about 12 feet thick. It's been our practice to not put people into residential reuse where we would have to have some sort of LUC or engineering control, like a vapor barrier or something like. It's been our goal not to do that, and that's why we want to kind of separate that out. So, it's going to be a little bit difficult to do it in that area.

CO-CHAIR HAYES: But didn't you actually, in the last specific plan, get approval for up to 29 units at that site?

MR. SILER: Not at that site.

CO-CHAIR HAYES: Just more generally in the industrial area?

MR. SILER: The only one that I can think of that we have made for high density units like that is right next to our office, Building 459, Building 659, 775, that actual area is excluded from the

commercial/industrial land use covenant in investigation area B.2-1 because it was cleaned to residential reuse. So, you could put something there.

CO-CHAIR HAYES: No, I distinctly remember Todd Berryhill arguing before planning commissions and others about getting permission to build up to 20, I think it was 29 or 27 units within the industrial area as loft space.

MR. SILER: I think that was their dream. I think that's why. If you're ever inside that building you could see why it would be very attractive.

CO-CHAIR HAYES: Maybe in Oakland or San Francisco, not Vallejo, the market wouldn't be there.

MR. SILER: I don't know. I couldn't tell you what the market would be like. But, it's always easier said than done when people want to do that, so --

MR. COFFEY: What's the current status of the property as far as how much of that piece of property or the site is up to residential use as far as how much of it is?

MR. SILER: This one right now? I couldn't tell you as far as acreage. There are a number of sites that have been cleaned up or at least have been approved for that. If you look here, this site, cistern M7, has been cleaned up to residential reuse. There's a PCB site that's called 866 north, that has been cleaned up to residential reuse. Obviously, anything that was within the footprint of the building or in the upper floors of the building or in the ground floor is gone, that's residential reuse. We still have to do something around M57 and around this area here that is still commercial/industrial, but most everything else looks pretty clean as far as anywhere around a source.

MR. COFFEY: Cool.

MR. SILER: When we demolished the building we looked for things underneath the building to see if there's anything else there, but we couldn't find anything. Because we looked for staining, we looked for odors, we looked for all sorts of different things at DTSC's request. Not Janet, it was Bill Kilgore.

MS. NAITO: That was before my time.

MR. KARR: Neal, was the material, all the concrete, able to be reused or was it all hauled away?

MR. SILER: No, it was all recycled. It was all crushed on site. If you remember if you were ever out here, it was my dream to make a 1 to 250 millionth scale model of the Himalayas, the Karakoram; and the Hindu Kush range. And I tried, but I couldn't quite get there.

CO-CHAIR HAYES: Was this on your off hours?

MR. SILER: That's right. I actually had them, when they had the conveyor belt, put a little more there, a little less there.

CO-CHAIR HAYES: We have photos of that, that was very cool, very cool.

MR. SILER: Okay. Well, thank you very much.

CO-CHAIR HAYES: Very artsy.

CO-CHAIR LEAR: Thank you. So this is our first public comment period. Do we have any public comments?

(No response.)

CO-CHAIR LEAR: All right. So ten minute break. And Janet Naito brought treats, and they are in the other room over there. Thanks, Janet.

(Thereupon there was a brief recess.)

IV. ADMINISTRATIVE BUSINESS (Myrna Hayes and Janet Lear)

CO-CHAIR LEAR: We're at administrative business. As always, if you have any comments on the meetings -- on the minutes from last meeting, please get those to Myrna or myself. Myrna, did you have any other administrative business?

CO-CHAIR HAYES: No.

V. FOCUS GROUP REPORTS

CO-CHAIR LEAR: Okay. So, we are at focus group reports. I've been told the way I handled it last time was good, so I'm going to try it again. Do natural resources or technical or city have any reports tonight?

MR. KARR: I'd like to thank the Navy for the rain. You're paying for everything else so I figured that you brought this over.

CO-CHAIR LEAR: Wow, because earlier I was thanked for not having it rain on our site walk, and now I get thanks for the rain.

MR. KARR: It's all timing.

CO-CHAIR LEAR: Yeah. Nothing from the city? Nothing from everyone? Okay. So who's next? Lennar update.

a) Lennar Update (Neal Siler)

MR. SILER: Okay. You have this 11 x 17 handout that we have here. Give you some idea of what we've been up to. If you look in the upper left-hand corner, and a number of people have commented about this, is that we had an issue over the last few years where the intersection of Azuar Drive and A Street was flooding. We actually implemented some remedial measures in that area to not only prevent, but at least mitigate the flooding in that area. We actually dug a trench that drains out to the west, lined it with fabric and gravel. The last rain storm that we had it seemed to work pretty well, but we'll have to see as the ground gets saturated and we go forward here as more rain comes in over the weekend the next few days. But, up to this point it's been working pretty well.

CO-CHAIR HAYES: Can I just ask you something that I actually did on the tour and I don't know that I really understood? Where did the idea of this rather L.A. river look come into the solution or the remedy? Or, how did that come to look like this?

MR. SILER: It was actually working with CH2M Hill who actually did the work on the Crane Test Area. They came up with the solution, at least as a temporary solution as we're going forward. There still may be -- if you remember on the RAB tour, there may still be some other things that we may need to do, but this is the first one that we've done right here.

CO-CHAIR HAYES: Well, it's sort of L.A. river-ish, and it isn't very aesthetic. I know precisely what it was meant to serve, but I'm just curious about, it just doesn't look like anything. Any other drain ditch in the town that gets permitted through regular natural resource, with natural resource commenting on it, agencies commenting on it and that sort of thing; so I'm just curious about what you think it's going to ultimately look like; whether it's just going to get to be a big weed patch; whether it's going to provide any natural resource value in this state; or whether it's just going to fill in with sediment; because it doesn't seem to have any cloth or anything that would prevent sediment from filling in.. Anyway, I'm just curious about how this design got to be here because it doesn't look like anything anywhere in the general area.

MR. SILER: Actually we did discuss this with DTSC, and we actually discussed it with the City of Vallejo, and this was all approved by them. But as far as how it works and the reason it looks like this right now is because it's just been constructed. I think as we move forward a lot of the bare patches of dirt you see surrounding it, I think that's the material that was excavated out of it. I think as we get rain and we start getting growth around it, you won't be able to see it as well. Now, there's no doubt you're correct, Myrna, it's going to have to be maintained over time. It actually has fabric underneath it to prevent something from growing out of it. But, it is going to eventually silt up because, if you remember from the RAB tour, the slope of this is very, very slight, it's only about 0.3 percent grade to the west, so you probably are going to get some sedimentation in there. It's going to have to be maintained over time.

CO-CHAIR HAYES: Oh, and trust me, weed seeds do not come up from under, they go blowing over and they find a niche and they do their thing.

MR. SILER: Yeah.

CO-CHAIR HAYES: I don't know who, how this came to be, but it's a great solution for the moment because it really does drain water, I saw that, I witnessed it, but it's an eyesore, it's hideous, quite frankly. And I don't know how it got permitted.

MR. SILER: Okay, moving right along. If you look at the upper right-hand corner, that is some work at two PCB sites that we've been doing over the last month at Building 483. It appears we're done. You can see the workers cutting through the rail lines right there. It actually cut it right there because just on this side of the picture is where the rail line ended, so it didn't seem that much of an issue to cut it at that point. But, that one appears to be done. They've actually backfilled that and put asphalt back over it. The one down below is in Building 225 where they've scabbled this one room where we had a high hit of PCBs. We'll probably have to go back and do some additional work in that area as we move forward.

As far as the documents that we've submitted, the cleanup plan for Building 866 sump site, we have got that reviewed and commented and approved by the regulatory agencies. We've submitted the third quarter 2012 groundwater monitoring reports for Installation Restoration Program Site 3, industrial pump station 4, T-2 oil water separator, and IR-15. We have a number of comments that are in play and are upcoming for response comments.

Moving forward. We've done a lot of field work, including the Crane Test Area. We talked about Building 69, there's some additional work we'll be doing there. We've done work in 87, 91. You can see 225 and 483. We completed a petroleum hydrocarbon investigation in Building 121. We did the actual combined 60 day post injection enhanced reductive dechlorination groundwater event, and the fourth quarter 2012 groundwater event at IR-15. That was

implemented the week before last. We're doing some additional PCB work at Buildings 592 and S3402. Hopefully in the next few weeks we'll be able to get started again, weather permitting, with the Building 637 area remediation, which is one of the sites that we looked at during the RAB tour, as well as one of the FOPL sites and a couple of other PCB sites. So, any questions?

(No response.)

MR. SILER: Okay.

b) Dwight Gemar (Weston Solutions)

CO-CHAIR LEAR: Weston update.

MR. GEMAR: Hopefully everybody was able to grab an update from the Weston. The main activity we're working on is a number of documents. The first three that are listed there were submitted to the Navy for their review, there are two munitions after action reports, one for IR Site 05, Dredge Pond 7 South, and the other for the Western Magazine Area. We summarized the removal work that was done in those areas. Then the other one was the second annual wetland monitoring report for Site 05. We also have been working with the Navy on wrapping up a couple of other documents for agency review. One is a Draft Feasibility Study for the Investigation Site 05 and Dredge Pond 7 South in the Western Magazine area; and then also the Investigation Area H-1 Post Closure Care Plan. Those have a little bit more work to do and they should be ready to go to the agencies hopefully in December. Then we did submit a number of documents in the last couple of months to the agencies for review, including the Final Remedial Investigation Report for IR site 05, Dredge Pond 7 South, and the Western Magazine Area, which is a mouthful.

Also we did two five-year reviews. One was actually the second five-year review for the Western Early Transfer Parcel that was signed way back in 2002 and then 2,800 acres were transferred from the Navy to the State of California that year. Then we've also done the first five-year review for the remedy that we've recently implemented at Investigation Area H-1. We've also done the fifth annual monitoring report for the wetlands that were constructed out at H-1. We did get comments back so far on those four documents. On one of those documents, the H-1 five-year review, so we're working on responses to those comments.

As far as H-1 goes, the containment system continues to operate at a very low flow rate as expected. Even with all this heavy rain, the landfill is pretty much buttoned up now with a geosynthetic cap on the top and the slurry wall around it, so we don't expect much change in the recovery rate now that it's totally contained.

Then just an update on the five-year wetlands survey report. You might recall, I think, in the last update, we had just gone out to do that monitoring, and so these are the results listed here. The wetland cover native plant species is up around 93 percent, which exceeds our fifth year goal. Also the number of non-native plants is below five percent, which is another goal. Then the third goal we're just a little bit shy on, which is pickleweed, we're at 57.4 percent versus a goal of 60 percent. But, as I mentioned beneath the bullets there, the percentage of pickleweed has been rapidly increasing. There's other native plants like salt grass that have been pretty happy out there, but the pickleweed is overtaking the salt grass, which is fine, both of those species are good habitat for the Salt Marsh Harvest Mouse. So my guess is that we do have Salt Marsh Harvest Mice out there, and that was what was intended, so it's all looking real good. We think this might be the last report that we'll need to do, but we're waiting on agency review for that.

That's all we've got. Any questions I'd be happy to answer them, otherwise we're watching the grass grow.

CO-CHAIR HAYES: Yeah, exactly.

MR. GEMAR: It's turning green, looking good.

CO-CHAIR HAYES: Yeah, it is.

c) Regulatory Agency Update (Janet Naito, Elizabeth Wells, Carolyn D'Almeida)

CO-CHAIR LEAR: Agency update.

MS. NAITO: Well, I'm going to give the update for my department, the Water Board, and U.S. EPA. So, here's Caroline's update. She sent out seven PCB concurrence letters. She issued a letter requiring sampling at three more sites. She received seven more reports, all from the Navy. Elizabeth reports that she is at the Moffett RAB meeting tonight, she apologizes profusely for not being here, but she couldn't clone herself in time, and the two BECs arm wrestled and it was decided that she was going to be at Moffett.

Typically in November she brings the San Francisco Estuary institute's "Pulse of the Estuary" publication, so she's going to bring that to the January meeting. In the last two months she's worked with either the Navy or Lennar to review multiple documents. She lists them as IR-03, the FOPL Source Area Groundwater Report; the Dredge Pond 3E Work Plan; Closure Request for the UST 993-4; the Industrial Wastewater Pump Station 4 and Oil Water Separator T2 Groundwater Report; the Above-ground Storage Tank Removal Work Plan for the above-ground storage tank at dredge pond, or it's labeled 3E; Investigation Area F-1 Final RI report; the Investigation Area H-1 Five Year Review Report; the WETP Five-Year Review Report; and the Closure Request for the Underground Storage Tank 243; and historic Independence Wharf well removal. She's also pretty much completed the transition of most of Lennar sites to Adrianna Constantinescu, her fellow Water Board project manager. She participated in the RAB tour. She met with Lennar, the Navy, and my department regarding a path forward for various different sites. I did some of the same things but not all of them.

CO-CHAIR HAYES: You also brought refreshments.

MS. NAITO: I brought food today so I get credit for that.

CO-CHAIR LEAR: And for showing up.

MS. NAITO: And for showing -- and for being the one to show up.

MR. COFFEY: Brownie points.

MS. NAITO: Thank you. I also participated, as Janet mentioned today, on a site walk with the Department of Fish and Game and the Navy. And we would like to thank Janet for ensuring that it didn't rain too much during our site walk, because that would have been completely miserable.

MR. COFFEY: Gosh, props for Janet today, man.

VI. CO-CHAIR REPORTS

CO-CHAIR LEAR: Do you want me to go first?

CO-CHAIR HAYES: Sure. You have something all prepared.

CO-CHAIR LEAR: Okay. So, this last reporting period the Navy has done some field work at Crane Test Area North and Defense Reutilization and Marketing Office. We've also done field work at Investigation Area K and continue to do field work at Production Manufacturing Area and South Shore Area. We did groundwater sampling at CTA North, DRMO south. That was supposed to be done today, but I have not confirmed that. For IA-K, in the first part of the month, we collected sediment samples from four areas offshore. These were data gap sampling that was in response to agency comments on the last investigation report for the offshore. That data will be incorporated into the Final RI for that site. We continued the non-time critical removal action at the PMA/SSA. We've investigated about 17,600 anomalies, and completed under-building work at ten of the fifteen to date.

Probably the most exciting thing that happened this month is EOD Fallon came out to inspect one item that we did identify off of PMA, a spherical metal object, and there was some concern that it might be munitions related. However, it turned out not to contain any munitions, it was probably a metal buoy. They spent a couple evenings out there looking at the item, and they also x-rayed it to ensure that it was non-munitions related. We also had a really nice RAB tour. Also, thankful that it didn't rain that day. Weston was very kind and brought one of their UXO techs out with some equipment that they used to evaluate or look for metallic objects in the subsurface, and gave us a little demonstration. Then we all went and visited seven sites and got to ask questions and talk about everyone's concerns. So, it was really nice. Thanks for all of you who participated.

We submitted five documents this last period. Three of those were PCB Site Closure Reports. We also submitted the Final RI for IR Site 05, Dredge Pond 7-S, and the Western Magazine Area. We also submitted a Human Health Risk Assessment Approach Summary for IR Site 17. We received comments or concurrence on four documents from the Water Board, and one document from DTSC. And our next RAB meeting is January 31st. So with that I'll turn it over to –

MR. HOLLINGSWORTH: I just have two things on that. Number one, probably nobody else in this room compares these, but on your report for September, October, and November, you had the same ship on there all three months.

MR. COFFEY: Oh, my God.

MR. HOLLINGSWORTH: Now, I know the Republicans said you all are really short of ships in the Navy and he was going to solve that, but he didn't get elected. So, apparently you all have run out of ships and you only have one, the U.S.S. Campbell.

CO-CHAIR LEAR: That's the one.

MR. HOLLINGSWORTH: But I want to point out to this group something very significant, and it was kind of glossed over. In a period of three months, September, October, and November, the folks doing cleanup down in the south end of the island, by the Navy's reports, have actually investigated over 6,000 anomalies down there in that 90-day period and which I think is, is close to unbelievable. They have found a number of non-exploded, very small explosive type things. But, I think it's well, I don't very often compliment contractors, well, contractors and/or the Navy, but 6,000 in 90 days is a pretty good deal. So, I just wanted to point that out, because I do keep track of you every day.

CO-CHAIR LEAR: Okay then.

MR. COFFEY: Stalker.

CO-CHAIR HAYES: Well, Gil's not the only one that keeps track of you every day. I'm very happy that the evening work crew did find that the items out there in the river, the item was not an explosive item, but I am confident that if it was they would have handled it correctly. It was actually impressive to see from afar, the other side of the river, from what I could see, anyway, how the process was done, and lights and plywood laid out on the marsh, and the Coast Guard cooperating with flashing lights. I'm not making fun. You probably do not hear this too often, but I agree with Gil, these folks are doing a great job and they're working under very, very, very severe conditions in that, not because it's sunny California, but because of the work they're being asked to do, crawl under buildings and dig to four feet on every dig, not something they budgeted for. The Navy must be happy about not having taken on that risk. I think that was the way it worked, right? The contractors had taken the risk?

CO-CHAIR LEAR: We told them they had to do the --

CO-CHAIR HAYES: No, I'm not saying that you didn't tell them, I'm just saying I don't think they expected to dig at every hole to four feet. That was what I understood on the tour. But also, this watching and waiting game is getting very old because, as I've said before but I'll say on the record today, I'm the person who ends up being the point of contact, the person that people ask, "What are they doing over there? What is going on? What are those people doing out at the end of the pier?" So, to the extent that you can, again, in the spirit of the Restoration Advisory Board law, if you can let us know before you're doing something like using the end of berth 24 as your sampling launch spot, it would just be helpful. It means picking up the phone or shooting a quick e-mail out to, it doesn't even need to be the co-chair, it can just be everybody; that would be helpful. Because, amazingly, people in this community actually do want to know what's happening on Mare Island and what progress is being made. That's at least my experience.

The preserve is open this Friday. Some Fridays recently it has not been. So, do come out, 10:00 a.m. to 5:00 p.m. for regular time, and then 5:00 to 8:00 for lighted trail unless it's pouring rain. That's each day this weekend and every weekend from now through New Year's Day night. The Flyway Festival, San Francisco Bay Flyway Festival, in its 17th season, will be February 8 through 10, 2013. That's the second weekend in February, that's the weekend that we've settled on. I'll get with the Lennar folks and hopefully be able to arrange to use the building that we've used in the past, or to work with you to come up with a new building. Thank you very much.

CO-CHAIR LEAR: Thanks for coming, everybody.

MR. SILER: Aren't we going to have a second comment period?

CO-CHAIR LEAR: Oh. Are there any additional public comments?

MR. SILER: Actually I have one. That's right.

CO-CHAIR LEAR: You're not public.

CO-CHAIR HAYES: No, no, public comment period is for any RAB member to comment on a topic that is not agenda-ized, or is a public member of the public.

MR. SILER: Okay. See.

CO-CHAIR LEAR: Well, you don't have to wait for a public comment period, you can discuss whatever you want.

CO-CHAIR HAYES: It has to be on the agenda.

MR. SILER: Okay. I don't know if many of you know about this, but Lennar Mare Island has been assisting the City of Vallejo in a grant application process to actually develop the north island. And one of the things that's come up is a EPA grant.

CO-CHAIR HAYES: Develop the north island? You guys are going to take it on too?

MR. SILER: No, no, no.

CO-CHAIR HAYES: You said develop.

MR. SILER: No, I said to help the City develop the north island, not us develop the north island.

CO-CHAIR HAYES: Oh, okay.

MR. SILER: But, one of the things that have come up is EPA's assessment of environmental contamination on the north island, which is most likely dealing with the buildings itself, so hazardous building materials. One of the things that they evaluate on the grant application for is community input. So, we have a letter that we've put together that we'd like the RAB to consider sending to the EPA administrator, as part of the community support, to get the City, as part of the grant application process for the City. Similar letters have been actually put forth to other groups within the City, other individual members. Some people have signed their name to the letter; some have augmented the letter, that's fine, whichever way you'd want to do it; but I do have this in electronic format if anybody would like to submit it. And, we'd like the RAB actually to consider supporting this grant application process.

MR. COFFEY: Send us a copy.

CO-CHAIR HAYES: I would imagine that I could speak for my fellow community members of the RAB in saying that that sounds like a good idea. I don't know if we would need to agenda-ize it or what your time frame is, but we only meet once every two months, so that might be way out of line. Might be able to just --

MR. KARR: Is it possible to e-mail us a copy of it?

MR. SILER: Yeah, sure can.

MR. KARR: So, that way we can understand what we're signing, unlike a contract.

MR. SILER: Like I say, you can augment it. Actually it says you owe me all your money.

CO-CHAIR HAYES: Though I think Neal made a clarification that it wouldn't hurt to have individual letters or letters representing maybe the organizations, in your case, Jerry, that you represent, they were also looking specifically for a letter from the Restoration Advisory Board.

MR. KARR: That's all I was addressing. I mean, before I would support the RAB supporting it, I'd like to see the letter we're being asked to sign onto.

CO-CHAIR HAYES: I gotcha. So, if you could --

MR. SILER: I'll e-mail it, I will send it out tomorrow.

CO-CHAIR HAYES: So if you can send it out, and then people let me know. When you're done with the north island, there's a similar property that needs a similar kind of process, and that's actually the housing at the historic Naval Ammunition Depot. The technical memorandum cleared that property for transfer under CERCLA in January 2009, so coming up on several,

many years ago. And what would hang the property up for transfer really is a very similar thing, possible asbestos and/or some aspect of asbestos and some part of the heating system and then lead in soil, two things that would prevent the Cal EPA, DTSC from allowing the transfer to take place. So, when you're done with north island, being a helpful neighbor, I think that would be a really good use of your helpful neighborliness to consider that project, because that is slated to come into the park, and it would be expected to be a good source of revenue for the park.

MR. NEVILLE: A cautionary note to those RAB members or others who might want to use the RAB trailer. The ramp that goes up to the trailer has deteriorated quite badly and is very slick and hazardous during wet weather. I suspect there's somebody in here that has liability there, and I suppose it would be worthwhile taking a look at that because it is somewhat dangerous.

CO-CHAIR HAYES: Yeah, we've been saying that for some years now, but it's really gotten pretty bad now. Good point, Wally.

CO-CHAIR LEAR: Any other public comments?

(No response.)

MR. COFFEY: That would be no.

CO-CHAIR LEAR: Okay. Everybody drive safe. Thank you for coming.

(Thereupon the foregoing proceedings were concluded at 9:15 p.m.)

LIST OF HANDOUTS:

- Presentation Handout – 2010 Western Early Transfer Parcel (WETP) Second Five-Year Review and Investigation Area (IA) H1 Initial Five-Year Review – Weston Solutions
- Presentation Handout – Interim Results of Data Gap Investigation, Building 207 and Buildings 85/89/271 Areas, Investigation Area (AI) C1 – Lennar Mare Island
- Presentation Handout – Navy Environmental Cleanup Program Update – Navy
- Navy Monthly Progress Report Former Mare Island Naval Shipyard July 26, 2012
- Public Notice Start of Five-Year Reviews for two Sites at the Former Mare Island Naval Shipyard
- Mare Island Draft Navy Field Schedule
- Weston Solutions Mare Island RAB Update