

CAB# 18-2

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ORANGE COUNTY WATER DISTRICT

*BRIEF ME ON
OUR ABILITY TO
RECEIVE THE
PROPOSAL*
[Signature]

March 11, 1993

T.C. Crane, Captain, CEC, USN
Commanding Officer
Department of the Navy
Southwest Division
Naval Facilities Engineering Command
1220 Pacific Highway
San Diego, CA 92132-5190

Dear Captain Crane:

We appreciate your letter of February 19, 1993 outlining your approach to settling this District's requests for reimbursement of costs incurred to investigate and remove TCE from groundwater near MCAS El Toro. In particular, your proposed agreement for reimbursement of costs associated with the monitoring wells is a clear indication of the Navy's good faith in addressing our past requests. Our legal counsel is currently reviewing the agreement and will respond shortly.

With regard to the issue of the Navy's funding participation in the Irvine Desalter, we understand the legal and technical framework within which you must address our requests for reimbursement. We have reviewed your working schedule and are pleased that the time needed to reach the Record of Decision (ROD) has been significantly shortened over the previous schedule. We believe, however, that the process can be accelerated even further. We understand that regulation requires the preparation of a Feasibility Study. To this end, we believe that our report entitled "Irvine Desalter Facility Plan Project Report and Cost Sharing Analysis" can be submitted to the regulators for approval as the Feasibility Study. This approach will move the process directly to the ROD.

Our report is indeed a feasibility study of alternatives available to OCWD, to achieve its dual-objective of water supply and groundwater remediation, and the Navy, to achieve its single-objective of groundwater remediation. Specifically, Section 6 of the report covers all alternative cleanup methods available to the Navy, absent the Irvine Desalter, and provides justification for selection of the most feasible alternative, the pump-treat-inject alternative.

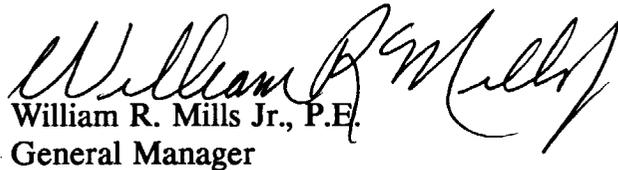
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Section 7 estimates the present worth cost of the Navy's single-objective pump-treat-inject project at about \$115 million, while that of OCWD's dual-objective Irvine Desalter is about \$106 million. Section 8 employs a standardized EPA cost sharing algorithm to allocate costs for the Irvine Desalter among OCWD and the Navy.

We urge you to carefully consider our proposal to submit the report as the Feasibility Study. Preliminary indications are that the Federal and State regulators support this concept. We believe that it offers tremendous opportunity to the Navy in terms of cost savings and time savings.

A meeting will be held on March 24, 1992 where the Navy will present its revised working schedule for the process leading to the ROD. We hope that the schedule will reflect a process accelerated even further by incorporating the OCWD report.

Sincerely,


William R. Mills Jr., P.E.
General Manager

cc: P. Drax Williams, Commanding General, MCAS El Toro