



DEPARTMENT OF THE NAVY
SOUTHWEST DIVISION
NAVAL FACILITIES ENGINEERING COMMAND
1220 PACIFIC HIGHWAY
SAN DIEGO, CA 92132-5190

M60050.001077
MCAS EL TORO
SSIC # 5090.3

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Ser 1831.AP/2676
May 11, 1993

William R. Mills, Jr.
General Manager
Orange County Water District
P.O. Box 8300
Fountain Valley, CA 92728-8300

Dear Mr. Mills:

Thank you for your letter of March 11, 1993 concerning settlement of the Orange County Water District's requests for reimbursement of costs incurred relating to investigation and remediation of TCE in the groundwater near MCAS El Toro. We are in basic agreement as to the approach to be followed in resolving the issues of concern. We look forward to hearing from your legal counsel on the monitoring well cost settlement proposal.

We have done a preliminary review of your report entitled "Irvine Desalter Facility Plan Project Report and Cost Sharing Analysis." The report will help to focus and accelerate our effort to comply with our legal obligations. Information from this report will form a basis for the Feasibility Study for Operable Unit No. 1 required under our Federal Facility Agreement with EPA and the State of California.

As Mr. James Reilly of your office indicated at our March 24, 1993 meeting, the report has not fully addressed all of the regulatory requirements for Feasibility Study completion. We are working with him to prepare a complete identification of the "gaps" that must be filled. We appreciate the District's offer to conduct the extra work to supplement your report and complete the Feasibility Study made through Mr. Reilly. We feel that the additional work will facilitate resolution of your cost recovery requests to have the Feasibility Study completed by our independent contractors. Additional meetings are scheduled between your engineering staff and our contractors in the coming months. A groundwater modeling meeting with all parties involved has been scheduled for June 3, 1993, in Santa Ana. This meeting will go a long way in clarifying the direction of our common goal to resolve the groundwater issues we share.

It is our intention to address the "fair share" apportionment issues (methodology, etc.) later in the process after the Feasibility Study is underway and questions regarding consistency with the Superfund's National Contingency Plan have been more thoroughly addressed. We sincerely look forward to successful resolution of these difficult issues in the months ahead and a successful outcome for all concerned.

Sincerely,

T. C. CRANE
Captain, CEC, U.S. Navy
Commanding Officer