

**MARE ISLAND NAVAL SHIPYARD
RESTORATION ADVISORY BOARD (RAB) MEETING MINUTES
HELD THURSDAY, AUGUST 25, 2005**

The Restoration Advisory Board (RAB) for former Mare Island Naval Shipyard (MINSY) held its regular meeting on Thursday, August 25, 2005, at the J.F. K. Library, Joseph Room in Vallejo, California. The meeting started at 7:11 p.m. and adjourned at 9:11 p.m. These minutes are a transcript of the discussions and presentations from the RAB Meeting. The following persons were in attendance during this month's RAB meeting.

RAB Members in attendance:

- Myrna Hayes (Community Co-Chair)
- Kenn Browne (Community Member)
- Marti Browne (Community Member)
- Jerry Karr (Community Member)
- Paula Tygielski (Community Member)
- Michael Coffey (Community Member)
- Gary Riley (RWQCB)
- Carolyn d'Alemlida (EPA)
- Chip Gribble (DTSC)
- Jerry Dunaway (Navy Co-Chair)
- David Godsey (Navy)
- Dwight Gemar (Weston Solutions)
- Cris Jespersen (Weston Solutions)
- Steve Farley (Lennar Mare Island)
- Sheila Roebuck
- Gil Hollingsworth (City of Vallejo)

Community Guests in attendance:

- Bob Bancroft
- Randy Kiefer
- Neal Siler
- Michelle Trotter (DTSC)
- Chris Haskett
- Diji Christian
- Jay Ruby
- Tommie Jean Damrell

RAB Support from CDM:

- Regina Clifford/Darlene McCray (CDM)
- Doris M. Bailey (Stenographer)
- Wally Neville (audio visual support)

I. WELCOME AND INTRODUCTIONS

CO-CHAIR DUNAWAY: Thank you for coming to our August Restoration Advisory Board meeting for Mare Island. We have a very interesting presentation tonight relating to land use controls. And Mr. Bruce Reshen is here from the Guardian Trust and will be talking about that. First, let's start with some introductions though. And let me start down over here with Paula. My name is Jerry Dunaway, I'm the BRAC environmental coordinator for Mare Island for the Navy.

(Attendees introduced themselves as requested).

II. PRESENTATION: *The Guardian Trust: A Public/Private Partnership to Manage Cleanup Remedies*
Presented by Mr. Bruce-Sean Reshen, The Guardian Trust.

CO-CHAIR DUNAWAY: Just for a little advance planning here. I am going to be leaving the RAB meeting halfway through after the first presentation. So on the Navy monthly report, we do have a new monthly report out on the table, please grab one. The real big change or news is the DRMO cleanup is in full swing right now. You can look at some of the pictures we have on there. And also we started resuming our discussions on early transfer with the City of Vallejo this month. With that, I want to bring Bruce up and allow him to start the presentation on the Guardian Trust and what that's all about. So let me turn it over to Bruce.

MR. RESHEN: Thank you, Jerry, I appreciate the introduction. I'm very happy to be here. I spent about two years out here working with the state, Cal EPA on a program of statewide environmental insurance which would finally make that insurance product affordable. And after two years work, and I happened to see Michelle here this evening who was one of the folks we presented to at one point. As we all know, we chose AIG just before AIG had their little difficulties, so the program has been held in abeyance. But the good news is that very soon we hope there's going to be an announcement that the cost of environmental insurance in California is going to be drastically reduced. For instance, the cost cap policies which had been unavailable below three million will be available down to \$200,000 of cost, and at affordable rates.

So sometimes things take longer than usual, but you have to have an innate sense of optimism to get through it all. I'm here this evening representing the Guardian Trust. And we, my company, the MGP group, are managers of the trust. It's a trust that's been designed specifically to deal with the issues that surround land use controls and engineering controls, cooperatively set up by the government and us. And we're going to say a lot of things about it, and I'm going to tell you why it's sensational and the very best; however, bear in mind there are potentially other solutions, and before a decision is made you should look carefully, I think, at all the possible alternatives. Just a brief word about our company.

Our mission is to really support programs that will make brownfield redevelopment possible. The programs include the Guardian Trust which, as we said, is meant for long-term stewardship of engineering and land use controls. It also includes state sponsored environmental insurance programs.

The trust has also worked on, and is working, the MGP is working on secondary loan market programs. These would, in effect, for the first time not rely on banks standing alone. Banks are afraid of making loans on brownfields. What we do is we go into most banks or small, they're not your Bank of Americas, they're small town banks. We train them to underwrite the loans, and once they make the loans, we buy them from them. So they have minimal risk and become much more willing to do these loans. We then turn around every six months and securitize the loans on Wall Street. So, in effect, this enhances the ability to get brownfield loans. And finally, we deal with programs involving state registries. Under the Brownfield Act, the new act of 2002, unless every state has a brownfields registry that functions by the end of this year, they're denied all federal funding. So it's been a very prolific area for us. But tonight we're here to just talk about the Guardian Trust.

I'm going to give you some background. Land use controls, more so than even engineering controls, have long been an afterthought in the process of remediation. Now, of course, you don't need these controls if you clean up everything; but unfortunately, in the real world it's rare that you can clean up everything. One, it's prohibitively impossible. Two, it's technologically impossible in most cases. And so we're forced to utilize what we refer to as risk based cleanups. And frankly, in common sense English that means there's a risk because the contamination is still there.

What we do is we try to enter there, we try to come between the contamination and human health and the environment. So the attempt is to find a cost effective way to make everyone safe in spite of the contamination still being there. Unfortunately, there's no consistent approach to doing this. Every state seems to have a different way of doing it. Only a third of the states have a full scale program of any kind. The good news is that California is in the forefront and has a really good strong system for at least placing easements on properties. Those are restrictive covenants, and we'll deal with those a little bit later. The -- go ahead, Neal. Okay.

Another item is that in many cases the state can enforce covenants. For instance, all the federal government under RCRA, the Resource Conservation Recovery Act which deals with hazardous waste, federal government's prohibited from taking easements. And in most states, while the government can take an easement from the initial party, and that easement runs with the land, enforcement against the next party may be difficult. The results of all of this is that we've had a very difficult time implementing land use controls. Another issue, of course -- excuse me, I've had a terrible cold this week.

Another issue is resources. The truth is that resources vary, not only with time, but administrations. And when resources are bare, most states have cut back on enforcement and oversight controls. It's one of the areas that has become less important than feeding people and housing them, and it's hard to argue. But especially for those of you in the community who have to live with the site that still has contamination, there's a concern when states have to cut back in this area. This is a reality. Well, what's happened?

Well, in 1997 the federal government, the EPA under Tim Fields got together with some states and said, "We've got to figure out a better way of doing this. "Next slide. Go ahead. Involved in this study were our company, MGP, together with the state of Pennsylvania, the EPA, and several other groups. And we said, "Well, how can we find a better way of doing this?" And our concept was to integrate and augment long-term stewardship so that it integrates with all existing state and federal programs.

Also, the critical mass, and also we might find some efficiencies in the process. Without integrating government, the thought was that perhaps the private sector could bring some efficiencies. At the same time we're all very leery of the private sector in terms of Enron, WorldCom, and other companies, and what we know that some bad apples are capable of doing. And so we were looking for a solution that involved both public and private elements. And given the looming problem with most cleanups being risk based now.

We want a solution that would work with Superfund sites, RCRA sites, ordinary brownfield sites, in fact, any type of site. And thus was born the idea of the Guardian Trust. Into this -- keep going. We formed an advisory committee which consisted of the EPA, their headquarters

and Region 3, which is the mid-Atlantic region; Pennsylvania DEP, PADEP; Department of Defense represented by the United States Navy; California; and Maryland. And this group, at times also augmented by the Department of Energy, met monthly for a period of two years to create the Guardian Trust. The objectives in establishing the trust was to create a vehicle for the more efficient long-term stewardship of both land use controls and the engineering controls. Go ahead.

And again, as we said, to integrate it with existing programs, and develop both programs and procedures to address the concerns that we talked about, namely that the implementation of land use controls is not being done well. To give you an idea of how bad it is, the EPA recently surveyed the 935 sites, Superfund sites, that they have called construction complete, meaning they're all basically, except for maybe five, ten percent, finished with. This is from 1980, when they started, through 2004. And discovered that only a third of them had the land use controls in place. Only about half of that third, one-sixth, had it done correctly. And only about a third of that one-sixth, one-eighteenth, was still in place. They, of course, are resurveying every Superfund site to try to get it right, and I think they'll continue to try to spend our money until it is right. And with some sympathy I tell you that when this first started no one really gave much thought as to how to do it, and the field officers are tremendously overburdened. Some of them have twenty to thirty sites in their portfolios simultaneously. And their sense was that if they couldn't release a site once it was considered construction clean, then how are they going to take on new sites which they were being given? And this, of course, was the impetus for the Guardian Trust.

Now, the mission of the Guardian Trust is the continued protection of public health and the environment, but at the same time facilitating the return of those contaminated sites to productive use. In fact, it's not only the primary mission, it's the only mission of the Guardian Trust. And the question is, how do we do it? Well, the Guardian Trust is a not-for-profit organization. In the technical jargon of the IRS, it's a 501(c)(3) charitable organization. It's been set up by the Earth Pledge Foundation. That website is Earthpledge.org. And they're a fascinating group. They do all sorts of very innovative things environmentally, everything from turning waste into fuel to promoting the uses of, in our cities of green roofs, and planting gardens on roofs to absorb the carbon dioxide in the air and make the air cleaner.

Underneath the trustees, underneath the sponsor they appointed trustees for the trust. And this is kind of interesting. The Earth Pledge Foundation, while they supervise, they supervise the trustee, it is the trustees responsibility with the technical know-how to know what's going on. The trustees of the Guardian Trust, I am proud to say, are perhaps the two most environmentally accomplished people in the United States. One of whom is Tim Fields who headed OSWER and started this off. OSWER is the Office of Solid Waste and Emergency Response. They are the folks in Washington who designed the cleanups and decide what's good and not good.

Tim was the head of OSWER for six years. And since no good deed shall go unpunished, we've made him a trustee of the Guardian Trust. Augmented by Steve Luftig who, those of you in the environmental field know, headed Superfund for sixteen years, from the start of Love Canal right through 1997. He then switched to the head of the Office of Innovation. He is now retired and the trustee of the Guardian Trust. The concept is very simple, folks. If anyone is going to understand what's safe or not safe, these are the individuals. They need to approve each and

every site that goes into the trust. And as you'll see, part of that is we underwrite those sites to see what belongs, to make sure what is being done is really safe.

Now, underneath all of this, sits lonely MGP group, whose job it is to manage day to day under the auspices, not only of the trustee, but of the sponsor of the Earth Pledge Foundation. That, by the way then, is the structure of the trust. We're asked often why the trust and why not-for-profit? Well, in an age of WorldCom and Enron, I think all of us feel a little safer not having an ordinary corporation. Not to say that ordinary corporations can't be very honest, but they're not subject to the same scrutiny that a trust is.

A not-for-profit group who needs to break even and not earn a high rate of profit is certainly, in many ways, a more efficient and safer way. The last thing you tend to want is anything in a group that is looking first at, well, maybe if we cut corners here and earn a little more profit, it will be a better deal. The trust does have to break even, it has to price to break even, but it doesn't have to price to earn any particular profit. If we look at our supervisory trust; again, the trustees chosen by the sponsor, they established policies, they established the oversight of the management company. I will tell you that when we were ready to begin they held us up for a year and two months writing protocols and procedures and standards for accepting sites and for going out reviewing sites. It had to meet their specifications before they would allow us to begin even accepting sites. Now, I talked about a trust being better. Remember that a trust is a judicially constructed organization, it's created by the judiciary. It's subject not only to ordinary financial statement audits, which we all know can have its failings, in addition there is a fiduciary audit and there's a operating audit.

The fiduciary audit is very simple. It's, do you have enough assets to meet not only today's liabilities, but all the future liabilities? And we usually accept sites for a period of at least 30, 40 or more years. So they're looking at have you contained enough resources to accomplish your mission? And then an operational audit which is specifically an audit of the management company. And it asks a simple question, has the management company operated in conformity with the guidelines and the protocols set up by the trustees? If not, it's grounds to fire the management company. And so there's a much greater level of supervision.

But a trust can still fail. As I mentioned to someone earlier today, except for my children, no one is perfect, and I'm not even sure about them. What you try to do is set up an organization that common sense tells you is as safe as you possibly can get it. But common sense tells us that everyone has to be watched or it's never safe. Go ahead. The hard rule, as we said, is to the day-to-day operation. We operate based on the use of the protocols, the procedures, and the trustee's review. Any transaction that falls outside of those protocols requires the specific approval of the trustees.

Recently we were asked to look at a Department of Energy site where, in fact, it involved the cleanup of a guardian site that had nuclear, it was a nuclear reactor facility. We were not authorized to do that by our protocols, so again, we had to go specifically back to the trustee. And that's the way we operate. Go ahead. They've reviewed the transactions. We also in the trust have supervision of contracts. It's an interesting way that we organize it. In every part of the country we will have two basic kind of contractors. Engineers who will go and make the site inspections. And title insurance folks who will go and look at the deeds. Notice that we do not

send engineers to look at the deeds, that's not a very smart thing to do in my opinion. There are engineers who do understand that, but in general that's not their forte.

We generally hire, as I said, about four in each region, and we tell them that they're competing against their other firms. In addition we hire a fifth firm which will do nothing but redo ten to twelve percent of the ones that have already been done. We actually search for all the ways you can force quality control. And nothing worked except redoing a percentage of the sites to be certain. And by the way, we inform the companies that we're going to redo a percentage of them, so that they're policing themselves. And once a year we evaluate, and those who have not done what we want, we free up to seek other opportunities. And in that way we try to gain quality control. Likewise when we deal with our database. It's a very simple process. When we send folks to the site we have a hand held computer, they put the information into the computer. If they don't fill in every required field, the system won't allow them to bill us for the service. So we know they've looked at everything. And then when we sit down and put things into the computer, we have a second person check each line so there isn't garbage in, garbage out. The database is the heart of what we're doing. That is the institutional memory.

We don't have to rely on any one individual because the database has all the information. In addition, that database information is available on a Web portal for the community and all the other stakeholders, so that rather than folks having to fight to get information, all the information is there on the website. Anyone with a computer can dial in and get it whenever they want, whatever time of day. It's that simple and straightforward. Also when it comes time to do your five year reports and other items, all the information is there, it becomes a very simple process. Let's move on. That's it, stop there.

This is a very complex diagram, but in some ways it wonderfully explains what we do. As probably no one is surprised, right in the middle I put the Guardian Trust. For a moment take a look on the left-hand side both at the top and at the bottom. At the top are the regulators, be it federal or state or local, who set policy for land use and engineering controls. Our client, the responsible party, the one who is responsible to do the cleanup and the controls, is in the bottom. You'll notice they come to an agreement between them, "How are we going to do the land use controls?" Where the Guardian Trust is involved, those obligations those rights and the obligations to monitor, to inspect, and to report on the controls goes to the Guardian Trust.

In response, the Guardian Trust receives a payment, receives a lump sum payment equal to the value of those services for the 30 or 40 years. That means it's discounted. And I don't want to use fancy terms but, for instance, if someone owes you something ten years from now, it's worth less than it is now, so you would discount it back. So, in effect, there are savings because we don't just add up all thirty years, we add them up and then we discount each number back to the present to come up with the one lump sum price. We believe -- now, there are other ways of doing it, but we believe there's a tremendous advantage to having the monies in place, up front, in a trust where they can only be drawn to do the work, where they are not subject to being used elsewhere. For instance, if they're in the hands of government, or if they're in the hands of a private company unrestricted, where again they can be used in any fashion.

In effect this is, we believe, the safest way. Now, if you have a credible organization -- (thereupon a telephone rang.) If you have a credible organization is it possible they can do it each year? Yes. One of the advantages we believe in is the up-front payment, it's done and

that's it. We are proud to say that we are the only company in America without an accounts receivable department. Everyone pays up front.

There is tremendous cost savings which get passed on from doing that. Now, the next thing you realize is that involved is not just the trust, the government, and the responsible parties, but the management company, that's us, the public, and even subsequent buyers. And here's where it gets tricky. You don't want to just protect now against whoever is the responsible party, you want to know that when they sell it and they sell it and again and again, that that protection will also be in place.

The mechanism we use -- now, there are other ways of doing it. But the mechanism we use is the party we signed the agreement with promises it will not sell that site to anyone else unless they also sign onto the Guardian Trust. And, therefore, we solve the problem of from one owner to another, all of them have signed on affirmatively. And that is the way that we take care of it. Finish off the diagram. And again, we see in the top you have the sponsor, the trustees, and then the trust. It's all tied in as to how this process works. And by the way, if there are any questions, please ask. Go ahead.

MS. D'ALMEIDA: From what you just said, it sounds like it's basically a fixed price contract, you're receiving payment up front.

MR. RESHEN: Yes.

MS. D'ALMEIDA: But most of these institutional controls are probably going to be running for how long? For, in perpetuity? How can you get a fixed price contract for, to govern something that's going to last forever?

MR. RESHEN: Well, there are two ways of doing it. And we actually had a meeting today and we talked about this. If you do it for thirty years, and I actually don't recommend doing it in perpetuity because it's more expensive. If you do it for thirty years, nothing has gone wrong on the site, do you know how much cheaper it is to do it for another thirty years and another thirty years? But let's say the state insists that you do it in perpetuity. The way that's done is to place a sum in the trust such that each year the monies are available to, in perpetuity, pay that amount. It's a larger amount. And by the way, it's called a console. It's a type of bond that has no maturity, and it's simply issued in effect then that what happens again is you have a large enough sum, let's say it's a million dollars and you're paying five percent, well that's \$50,000.

If 50,000 is enough to do the job each year -- and, of course, we're talking about for one site that's plenty. In fact, for Mare Island, which has numerous sites, we don't yet know what it would cost, and I say that up front, they have, we have to underwrite it to know that. But what we're saying is that you could do it in perpetuity if you wanted. I don't recommend it, but you can do it. And if the government says that's required, it can be done. Okay?

MS. D'ALMEIDA: So what do you do after the first thirty years is up?

MR. RESHEN: You come back and say you want to renew. One of the difficulties with that is that the folks renewing it is the current owner at that time and not the original owner. You know, again, there's a trade-off. It's also a lot more feasible. And I have to tell you, in many cases once thirty years have gone by and nothing's occurred, not only is it, I would think a lot less

expensive, but I know that, but you also take another look at the controls and say, "Do you really need to be that restrictive?" You have another opportunity to look at it. But again, you have to be flexible to get the community, the state, and the responsible party together to agree on doing it. Our mission is, once the parties have decided, we implement it. But I'm not here to tell you, you know, what's best in this case, because again I think there's a trade-off between the certainty of forever and the costs, which are very real considerations. There was another question out there, I think? Yeah.

MR. RILEY: I had a question about you described when subsequent owners purchase the site that the Guardian Trust is involved with that, that those owners, you said sign on to the trust. I'm curious as to, what the relationship is for a site owner between the trust, and is the trust responsible for --

MR. RESHEN: Which owner are you referring to?

MR. RILEY: Well, the owner of a site subsequent to the original site. So a trust has been brought in, institutional controls are in place, and the Guardian Trust is doing its monitoring. I'm curious as to what the responsibilities of the new site owner are and what, if the Guardian Trust identifies a breach of one of the controls, what happens, and how that related to the current owner, and then the remedy and the oversight agencies.

MR. RESHEN: You're asking a different question than I thought you were.

MR. RILEY: Well, there's two questions there.

MR. RESHEN: Okay. Which one do you want answered? I'll answer both of them, but --

MR. RILEY: I'm just interested in what the subsequent property owners, what their relationship is to the trust.

MR. RESHEN: What happens is this. You sign a site acceptance agreement, let's say you're a responsible party. In it you're pledging that you will not sell that site to anyone who will not sign that agreement with us. It involves onerous monetary penalties if you do. But an interesting thing happens. People at some point realize they want to sign it. You know why? It protects them. Because the first folks, let's call them owner A, suddenly realize when they let go of the site that their liability to the government has ended. They're still on the hook, God cannot help them with that, or the Guardian Trust. What we can do is to say, "How do you mitigate the risk of that?" And the risk of that is to make sure that the next guy knows he's on the hook. And then you know what, that fellow realizes at some point, "If I want to sell my property and not have to sit up nights thinking what has that buyer done, I'm the one responsible." The answer is that at some point everyone understands it protects them. And it's an interesting, interesting process. I have not come to a client who didn't first say, "Well, I don't want any restrictions on the property." But by the end of the negotiation they're saying, "Now, you'll enforce that against the next guy, won't you?" And the answer is, of course.

And that's why it's important that a trust, unlike any other business entity, corporations have limited life, a trust goes on forever. And that's why in some ways it's better. Let me go on because we're running short on time.

Next item is our services. Very briefly, we send the engineers to the site, they inspect and look, they also do, if necessary, monitoring, actual sampling. We also then send the title insurance folks who are suited for that to look at the land use records. Are the deed restrictions in place? Are they named? We do other things. We, for instance, if you're a landlord, we go to every tenant and make them sign off that they're aware of the restrictions, they know what goes on. In fact, we give you, as a landlord, model ideal lease language to use for the tenants. We then go to the local building departments; the planning departments, the zoning departments, three of the most transitory groups in all of America, and each time we go to a site in the land use records we go to them and say, "Do you understand you are not to do anything before you have received permission?" And then we go one better.

We do a database monitor which can be done in this country. Every permit that's pulled, the Guardian Trust puts your block and lot number into the database, and each morning our expert in that area pulls the database and looks at what permits have been pulled on a Guardian Trust site. And now there's a checklist. You, first of all, notify the responsible party. You notify the township. You notify the regulatory authorities. You then go back and you see, besides sending formal letters of notice to that party who pulled the permit, if we are at all unsure we go back to the responsible party and say, "We're going to seek an immediate injunction, a temporary injunction to make sure that no one acts on this permit." It is the best way that we know of. I mean, yeah, there are other ways. As we've talked about earlier, the city can do it itself.

But we feel the advantage is that rather than an employee, we have someone whose sole job is to look at these reports, interpret them, and then to know what steps to take to mitigate the permit. In a sense the Guardian Trust is a vehicle for a very nitty gritty management construct that tries very hard to think of every way something can go wrong and then think of ways of protecting. In addition, we report to all the stakeholders, including the community. We provide financial assurance in the, it's there for the long term. We take the lump sum payment. And everything goes immediately into our database.

In addition, on any community where it's, one of our sites exists, we go out and train the community. We hold seminars to teach people what are these controls, why are they necessary, how do you deal with them, what their role is in making sure there's sufficient oversight. An informed community is the best way of making sure these controls work. I'm going to speed up because we're running short on time. The next slide deals with how we do the monitoring, and we cover a lot of this in the outreach. I do want to talk more about the, for a moment, the reporting, the next slide.

We have two types of reporting, annual reporting. Even though we may go to the site even monthly in some cases, we report once a year if things are okay. If they're not, we have five days to report to everyone in the world, the government, the responsible party, the current owner, everyone, the tenants if they're involved, all the local agencies, planning, building, zoning, economic development, all get notified. Furthermore, we have a responsibility, once it's been so-called remedy, we go out and make sure it has been, and we report on that. So there's reporting that's on there ordinary, and there's intervention that's extraordinary.

The next one talks about the database. A lot of that we've talked about. I'd like to spend some time on the following slide. The document we negotiate, which is our site acceptance agreement, incorporates all these terms. It is a legal document carefully prepared, protects our rights,

protects the rights of the responsible party, and the community's rights. I want to spend five minutes and then ask questions. If you go to the next one, lessons learned. I want to talk about some of the things we've learned.

The Guardian Trust, we believe, is an efficient vehicle. The government in some ways agrees. Up until last year the EPA was the grantee, the holder of all the easements on Superfund. That meant on each transaction the Department of Justice, who considered land use rights, signed off. That process averaged three years and a million dollars.

As a pilot study, the Guardian Trust, we take on an average two months and 35,000. Whereupon the EPA -- extraordinary, folks, I'm telling you -- issued a guidance in May of last year saying that henceforth the EPA no longer wants to be the grantee of any easement on a Superfund site, that it should be any third party not-for-profit trust. Now eventually there will be many of those, at the moment there's only one. It's an example, by the way, that really reaffirmed my faith that government can be moved if you really show them the logic of what you're doing and they want to do the right thing. By the way, is everyone surprised, the Justice department said, "God, we don't want to look at these sites. We hate doing this. We have people who quit when they're assigned this." They went through our system, they took a look at three deals we did, and said, "Yes, we're satisfied." And the Guardian Trust now is the grantee on those easements.

It's an example of how you can try and improve the efficiency of these transactions of everyone and get better utilization. When we do a transaction there are two documents we produce, an implementation control plan and an, and a control plan for what we call O&M. And these two documents are absolutely vital. The good news is that California may be the oldest state in the country that actually at least requires the first. And what the first one, the implementation document says is here's what we're going to do to implement the controls. And we get that document signed off by the regulators.

When California wanted to sign off, the rest of the country we forced them to sign off. It's good because it now means what you're doing is exactly what the government wants you to do. We then have a second document, a stewardship control O&M plan which says every time we go to a site, every time we do a land use record, here's exactly what we're going to do step by step. Our goal is that no one goes to the site without our work plan in their hand. I don't want to rely on anyone's intellect or diligence. I don't know all the people who are out there, but I know if I put in their hands a document, and their supervisors know if it's not followed they get fired, we stand the best human chance of getting it done right. And that's what we've learned.

One final point on this which is, these plans are dynamic, they're not static. You can't do them once and that's it. You've got to look at what happens over time. A great example being a site we have near Niagara Falls where an industrial park was being built on a site actually very close to Love Canal. And when we went in and talked to the folks we said to them, "Well, what controls are you contemplating?" They said, "Well, you need a fence." The first thing we said to them is, "Okay. How tall? What is the tensile strength? How far in the ground does it go? What's on top of the fence, barbed wire, glass, this, that?" Notice people don't normally think of these things, the documents just say a fence. You've got to be very specific. In addition, they said for signage they want a large sign saying, "Poisons, do not enter." So I kind of shook my head and I said, "Well, that makes a lot of sense during construction, what happens when you start leasing space in this industrial park?"

That's not going to be a very effective marketing tool. 'Poisons, do not enter.'" You've got to think of these plans as all temporary, and reevaluate them even perhaps every year. There are things you may not need, you can release it, you can go to the state and say, "This control is no longer needed." There are other ways. Again, think of them as dynamic. Another example. The costs of the land use controls and the engineering controls have to be looked at in totality with other costs. Another site, this one in southern Georgia, where we're looking at a site where they're implementing an asphalt cap which is a parking lot. Underneath there's a lot of ugly contamination. It's the normal, what we call in real estate, the three year asphalt. And they all do it because after three years they make the space smaller, each time smaller, to get more cars in. We pointed out, however, that if the asphalt broke up, this wasn't just an inconvenience or grounds for a slip and fall in the parking lot, this was a violation of their land use controls and very serious. We showed them by spending fifteen percent more, they were able to buy a eighteen year asphalt and be very safe. It's an interactive process. You can't look at the controls in isolation, you've got to look at the whole thing as you're doing. Also very quickly. The importance of costing.

One of the nice things is we developed a real long range costing model, which means that as interest rates fluctuate a little bit, we're not impacted. We want to thank the Navy, they participated in the study and gave us 25 sites to average and come up with our costing model that we're using. And it's a very interesting mathematical distribution. After thirty years, now my dad isn't here, if he was I'd tell him he finally got his money's worth, the \$25 a semester of cost to send me to college. We're able to use what's called Monte Carlo's simulations to come up with the right costing model.

The long run pricing assumptions are very important. In addition, we buy inflation hedge to make sure that we control that. The one thing I've suggested and I've stressed, be careful what you try to price. For instance, we recently had a client who said, "I want you to put in the pricing cost, if someone sues me, of legal fees." We did, and they were astonished because the deal went from 200,000 to three million. Well, of course, they couldn't do it.

The answer is I don't know how to price that. It's so impossible to judge, it's not something you should put in the controls. What you do know, what you do understand that you can legitimately price, those should be part of the controls. And insurance has a great role in that. Whatever is done there should be lots of insurance in place for the controls specifically, not just on the site as a whole. And in doing that we even recommend various types of insurance policies, but I think that may be getting too esoteric at the moment. Next slide.

Obviously you can't put these controls on unless you know how a site is being used. In your case there's good news, Lennar has very good ideas, Weston does what they want at each site, the city has approved that, so that's not a concern here. There are great economies of scale in giving out lots of engineering and title insurance assignments. We find that improves our efficiency. Can someone try and meet our pricing? I can't tell you that. I think you've got to look at all the alternatives. We believe our pricing is very efficient.

And finally, let's just sum up the key advantages. Not only is there private sector management on the day to day level, but through the trust and the sponsor, this public oversight. And we regard that as very important. The trust does nothing but land use and engineering controls. It's not an afterthought, it's not a little bit, it's all we do, and we think that enables us to do it well.

By doing lots of sites we're able to obtain much greater efficiency in pricing. Disciplined stewardship is what makes people feel safe and what makes these deals work. And I think it takes very intensive management with lots of inspections.

Remember the documents, the easement or the document, there has to be an on-site program of inspection and reporting. If there's not, it's not worth a damn. All right. Seriously, that's a very important point. Whoever and however you do this, that program has to include a component of verification. You trust but you verify. And the funds are not part of the political process. Quickly, the benefits, the next one. If you do a comprehensive approach, it's the only way, meaning you just don't think of it, okay, here's another control. You've got to look at our whole program of controls, and a methodology, not just for today, but for the long run. You delegate certain responsibilities, but there has to be oversight, checks and balances.

There are other ways of doing it besides the trust. What I like with the trust, you have a management company, you have trustees, you have a sponsor. The more folks involved, the better off and safer we are. It also facilitates properties because buyers and sellers don't have to worry now about, "Well who takes responsibility for this?" Because you have a neutral third party who's going to be there forever. And these things could last forever.

Finally, I have someone in the, in our computer department who worked very hard on this diagram and insists that I present it at all presentations. This is meant to show, on the inside inspecting -- these are all the functions. Inspecting and monitoring, tracking and reporting, statewide registries, legal access, financial assurance, and training and outreach. And who are they provided for? On the outside ring, da da dum, keep going, okay. The communities, developers, responsible parties, local government, lenders and insurers, property owners, the states, the EPA. In effect, you want, however you do this, a construct where all the functions are provided and all of these groups get serviced. You've been wonderfully attentive, I'd like to take a few questions, but thank you very much. I enjoyed this. (APPLAUSE.)

MR. RESHEN: Questions? By the way, if there is, we have limited time for the questions, I gave out, there are Guardian Trust brochures, it lists a website and there's a host of information. Also I will tell you MGP group, our website is www.MGP.com. M as in Mary, G as in Gail, P as in Peter, partners.com. And there's a wealth of information. Not just on our company, by the way. As a public service, both of those websites have a lot of independent articles of research done by others to provide you with information on these controls. Very briefly, let's have three or four questions. Thank you.

MR. KARR: You mentioned the increased scrutiny and oversight of the trust. How that is provided other than IRS and a Secretary of State where you're incorporated?

MR. RESHEN: How is that what?

MR. KARR: Well, the increased scrutiny of the trust versus a corporation. You mentioned that early on.

MR. RESHEN: Well, for instance, a corporation there are no fiduciary audits, there are no operational audits performed. You have very little insight except for the inscrutable numbers that go into the financial statement. Nothing about how they really operate, nothing about is it safe? Indirectly that's answered. Also, if you don't know what a corporation does, you to go a

stockholders meeting and try to get a vote, it's very hard. If you don't like what a trust does, you simply go to a nearest judge and try to get an order to get the question answered. In other words, having access to judicial oversight adds to something. And so again, I don't think anything's perfect, but I think this comes as close to being as strong as we're going to get in the real world. Yeah, hi. By the way, give your name so -- I'm sure everyone else knows, but not me.

MR. GRIBBLE: Chip Gribble with DTSC. So the question is, how did we get here today? Did the city solicit you to come into Vallejo? Are you trying to get a, get Lennar to sign up for this? That's the first part. The second part is, what's the status today regarding our inventory?

MR. RESHEN: One, I am here -- one, the trust is a public service, we're supposed to be going and speaking to community groups. Second, I would very much like this community to utilize the trust, I believe it's good. And it's good for my company, no bones about it. How did I get here? I'm, that's a question for my mother and father. No, I got here by the, I believe the Navy suggested, who are very familiar with what we do, suggested to the city and Lennar that it might be useful for me to come and speak on the subject. We have general expertise as well as specific.

CO-CHAIR HAYES: Actually Bruce --

MR. RESHEN: That's why I mentioned to you the website doesn't just have information on the trust, it has a lot of information about all the other folks who have dealt with these agencies that you may find useful.

CO-CHAIR HAYES: I just wanted to follow up that I think you're here today because we had a land use control focus group meeting in which the Navy did bring up your service. And we, as the Restoration Advisory Board community members, as well as Lennar, and I'm not sure if the city was at that meeting, but the Navy said, but the regulators were there and said, we'd like, you know -- we said, "Why don't you arrange for Bruce to come out and speak?"

MR. RESHEN: I see.

CO-CHAIR HAYES: So it was a broader range of stakeholders than just the Navy and Lennar.

MR. RESHEN: Okay. I was not aware and I thank you for adding that. I will tell you, however, that the three stakeholders I spoke to, all of whom reserved their decisions, but basically said they were grateful for the information. And I think it spurred them to do more thinking about the entire subject. And that in itself is something good. One last one.

MR. GRIBBLE: So just to finish it.

MR. RESHEN: Yes, the lady over there, go ahead.

MS. CHRISTIAN: May I use this one? It follows or it precedes Myrna's, I'm not sure which. This is a very simple question, probably I should know the answer, so here we go. What is this arrangement or contract that your trust would be replacing, if any?

MR. RESHEN: Unfortunately you were looking down, and I have to admit something to you now, I'm deaf. I can only tell what you said if you look directly at me.

MS. CHRISTIAN: I see.

MS. TYGIELSKI: He has to read your lips.

MR. RESHEN: Okay. Can someone repeat what was said?

MS. CHRISTIAN: Or is it, it may not even be important.

CO-CHAIR HAYES: No, it's a good question.

MR. RESHEN: I'm happy to answer it, but I don't know what you said.

MR. RILEY: If you can repeat the question, I believe he --

MS. CHRISTIAN: What existing arrangement or contract would your trust be replacing, if any?

MR. RESHEN: I'm not sure it's replacing any. I think it augments it.

MS. CHRISTIAN: Okay.

MR. RESHEN: The trust is not, you have a relationship here between the Navy and the city, the city and Lennar, and the city and Weston, between everyone and the state. The Guardian Trust doesn't replace any of those. The Guardian Trust, I think of as best is a management construct to get an intensive level of service so that all the obligations dealing with land use controls and engineering controls are met so that all the stakeholders gain. But I don't think you can look upon this as replacing any of them.

MS. CHRISTIAN: So it is adding to?

MR. RESHEN: Yes, it augments. It clearly augments. And I apologize for that. Yeah, go ahead. I, we're, bear in mind that --

MS. D'ALMEIDA: I just wanted to know how long has the Guardian Trust been in operation? How many sites do you have and/or have you done? And do you have any sites that you've done in California, anything local, or is it all back east coast?

MR. RESHEN: Okay. The answer to the first thing is the Guardian Trust has been in business for three years. During that time we've taken into the trust 40 responsible parties, and I think it may be around 62 sites at this point. And those, that all sits in the trust. Again, the way it works, each year as we do the monitoring, the inspecting, the reporting, the database tasks, monies are drawn and paid. You were also asking how many specifically in California? I'm not sure. I think the answer is zero, I think there may be one, but I'm not sure there are, okay? And that I can check for you. If you, by the way, those, I tried to go around the room, those who did not get my cards, I have them up here. If, since we, I don't want to monopolize the time of the whole meeting, take a card, call me, I'm the last lonely guy in Connecticut. Thank you. You've been a wonderful audience. (APPLAUSE.)

CO-CHAIR DUNAWAY: Thank you, Bruce. I hope you guys found that interesting. The Navy certainly has been working with the Guardian Trust. We've only worked with them over

the past few years so we're not even certain about the direction we'll go with this organization. I believe the folks back in Washington are driving that decision and wanted to see more time spent on this before any decisions are made for our responsible party sites. Chip.

MR. GRIBBLE: I'm not sure how the Navy plays into this. It would seem to me that this would come into play with Lennar or Weston or somebody else who buys property here, not the Navy.

CO-CHAIR DUNAWAY: It's not here at Mare Island the Navy is using the Guardian Trust, it's at some sites in Pennsylvania.

MR. GRIBBLE: Well how would it get started here? It would seem to me to be Lennar signing up to this.

CO-CHAIR DUNAWAY: Well right now they are the group that's at that stage of designing the land use control management plan or system, so that was the focus group meeting discuss that we had earlier this month. So, yeah, they are the ones that are kind of our first to get there.

MR. RESHEN: And I would like to stress that there are, I think, other alternatives that you should look at and get all the facts. And I don't think Lennar is at the point where they should be asked yet to make a decision, they are still gathering the information they need as well as the city. And I think that has to be done expeditiously. And I understand there are some deadlines coming up. But I think it's a useful step if we heighten awareness, but I would be more comfortable to know that you've looked at all the alternatives and then made a decision in our favor. Okay? So there is, I hope this is the start of a not lengthy but a very deliberative process.

CO-CHAIR HAYES: I don't want to belabor the point but I am thinking that if the south shore area wasn't included in an early transfer and that, or that that early transfer wasn't successful, there would be an opportunity for the Navy to, I'm sure, have an organization like the Guardian Trust manage the land use controls on the south shore which we will expect due to ordnance issues.

CO-CHAIR DUNAWAY: Okay. Well with that, again I think Bruce is going to stick around so you can talk to him during the break.

MR. RESHEN: With your permission, I'd like to stay.

CO-CHAIR DUNAWAY: You are welcome to stay. And our meeting goes to about 9:00 o'clock, so there's about another hour's worth. I'll be leaving during the break, Myrna will facilitate the rest of the meeting. With that, why don't we takes a break, and don't look at that clock. Plan to be back about 8:20 or 8:25.

(Thereupon there was a brief recess.)

III. ADMINISTRATIVE BUSINESS (Myrna Hayes, Jerry Dunaway)

CO-CHAIR HAYES: Jerry is on his way to Mexico, isn't that a bummer? So you're struck with me, the second bummer. I'll welcome you back to the meeting. And grab the last handful and, of course, put several dollars in the kitty there. I went into town for provisions, you know, on the new western frontier where we live, going on a trek to Trader Joe's takes you all day in the

wagon. Okay. All right, well I got your attention, Trader Joe's. Let's go on through the next, the whole -- why does he leave me with the long half? You notice there's only one item up here and then we have to do all the rest. Ten minute break, that's over with.

Administrative business. That would be seeking your approval for the July 28th meeting minutes. Is that what we're doing? Does anybody have any changes that they had submitted for that or want to right now? Otherwise we'll consider those approved. And the library is going to be recarpeting the whole second floor of the entire library, it says. If you read -- oh, you don't have an agenda, Diji -- in September, so we may or may not be meeting here in September depending on whether they start with this room and work that way or work this way. So we'll keep you abreast of the meeting location.

November RAB meeting, as we've done in the past, since we do meet on the last Thursday of the month and that happens to usually be Thanksgiving, if you don't mind, we'll move, as we have, the November meeting to December 1st this year. I suppose that must be the first Thursday in December.

IV. FOCUS GROUP REPORTS

a) Community (need to select a new group leader)

Then we'll go right along to focus group reports. And the community outreach focus group position is vacant, though we're still going to have to talk some time about kind of reorganizing all of this. But in the meantime, does anybody have any report about the community outreach? I do, I guess, to say that I announced at the land use controls focus group meeting that I had been invited, as had other RAB members, to attend a little barbecue for the new students, students moving to the school on Mare Island this next Sunday, but politics and principles, I suppose, disinvited us, so maybe we'll be there at another time. My grandchildren are really upset because they thought I could go with them to their school barbecue, but now I can't.

MR. KARR: Is it the principal of the school?

CO-CHAIR HAYES: No, probably higher principals than that, people with greater principles. Natural Resources Committee, Mr. Karr, you chair that committee, it appears. Do you have any comments for us?

b) Natural Resources (Jerry Karr)

MR. KARR: Just that Napa Solano Audubon as well as Friends of San Pablo Bay Refuge are starting our pre-planning for the Flyway Festival in January, so that we can make all the citizens of Vallejo aware what they're losing by the headquarters and inability to secure building 505 for an education center due to internecine pissing contests in Washington.

CO-CHAIR HAYES: That is the value of having our meetings court reported. Okay. Well, besides that match being held in Washington where we lost and they won, we're not sure what, that has allowed for the City of Vallejo, I believe, and our good men in blue, not this color of blue, to come up with a better idea for the use of building 505. I mean as long as

Jerry's going to say he's planning for the Flyway Festival, it's coincidental because as the coordinator of the festival I am also, so we should get on the same page some day.

MR. KARR: Yeah.

CO-CHAIR HAYES: But I will say that the men in blue who carry guns and tasers have a fine plan to make building 505 into a public building, that would be an indoor soundproof firing range -- if I'm not correct, you can correct me, Gil -- and a gym. Oh, yeah, that's right, also the kiddie cops, the Mare Island patrol, the cadet training program, will be hoping to move out there too. So a big slap in the face from the City of Vallejo who didn't then pick up where the Fish and Wildlife Service and the Navy left off, and pick up that dream of this community and this region for a permanent environmental center in that facility. We're not supposed to be political here necessarily, but I think this is a place for the community for two-way communication between the community and the other folks who serve on the RAB. So it isn't meant to the individual who serves on the committee directly, but rather to the organization he represents and we underwrite as taxpayers. Technical report, Paula.

c) Technical (Paula Tygielski)

MS. TYGIELSKI: We had a meeting on August 2nd at Lennar's office on Mare Island. And I did a face-down in the parking lot prior to the meeting, but I have recovered from my fall, I'm okay. We discussed land use controls, and I think we all expressed a worry about them, that we're afraid that given time people will forget them. And so Guardian Trust was brought up and we said we'd like to hear about them, so that's why Mr. Reshen was invited. And anyway that's what our meeting was about on August 2nd. And I believe we are to soon have a meeting about the landfill. And I'm not, I don't think that it's been decided on that, but it was either September 22nd or October 4th.

CO-CHAIR HAYES: She reads her e-mails.

MS. TYGIELSKI: I read it just today.

CO-CHAIR HAYES: You just got it today.

MS. TYGIELSKI: So there's soon to be another meeting about the landfill.

CO-CHAIR HAYES: And to follow up on what Paula just described, in the interest of time I'm wondering, Steve, if since you and Sheila prepared this synopsis of our meeting on the land use controls, if we might impose upon you to e-mail?

MS. D'ALMEIDA: There are some copies over there. All right. All right.

CO-CHAIR HAYES: It was a lengthy meeting. It was, I thought, a productive meeting. And in fact, Bill Kilgore, the senior hazardous materials engineer for DTSC said that in his many years of work on school sites as well as on military sites, say in the last fifteen years, he hasn't had such a productive meeting with members of the community. So I considered that a great compliment.

And I want to thank each one of the Restoration Advisory Board members, the community, as well as the large number of regulators and responsible parties, the city of -- no, the City of

Vallejo wasn't there -- but almost everybody who has a part to play was at the table, Weston and Lennar, and we really, really appreciated the pizza, and that helps makes those meetings go as well. Just, I'm just going to say a couple of things about some of the things that we did have discussion about.

We as a RAB, several of us spoke from the community side of the house anyway, don't believe that the city alone can track land use control issues and provide for enforcement. Jerry, if you don't mind me quoting you here, you suggested that in your line of, previous line of work that you knew of a company that could be engaged to act as a trustee or might be able to be engaged, so if you can make sure that Lennar has those details that would be helpful on that company, as Bruce had said, to do some of our homework.

And then Jerry brought up the Guardian Trust, and I noted that Evan Newer of Arcatus who bills himself as the most highly paid environmental engineer in the world, and the Navy has had him at two of our RAB conferences, quite a character, may have a website accessible to the public that shows cleanup on properties or adjacent properties and the track record on that. And I know that he said that it is Web based and it is available to realtors, to property owners, to regulators, to the responsible party, similar to what you talked about, Bruce. And Jerry also may be a point of contact for someone who, a commercial entity that could track land use controls.

And we suggested that Solano County might be another layering to consider, because they do have inspection ability and an environmental department, and they have enforcement authority and, because the state representative represented that nobody was going to be able to do it perfectly, and that maybe layering of sort of an accountability would be a good way to go. And finally, there was quite a bit of talk that related to the system, whatever this system of monitoring and enforcement is, and that it should be insulated from the political process.

So kind of interesting that several of our comments were addressed by you through our trust, Bruce. And again, if you want a copy of those comments, there's some of those comments -- they are not on the table, I don't think, but I think Sheila can provide them for us by e-mail. City, city report -- oh, oh, oh, and speaking of that, of those two next upcoming focus groups with the two dates, that's been a long time in coming. We requested it December 2nd of 2004 of the agency, and they finally figured out who, who they're going to send to talk with us. So really make sure you put that on your calendar. Invite your neighbors. It's not an exclusive meeting, it's an inclusive meeting, and it's very important if you care at all about another part of Mare Island, which is the highest point at the north end of the island, the landfill complex. So plan to attend and bring people you know who would be interested in that site. The city report, Mr. Hollingsworth.

d) City Report (Gil Hollingsworth)

MR. HOLLINGSWORTH: As you know, we're continuing with development on a number of fronts throughout Vallejo. I just wanted to bring up what's going on in the next thirty days, and this is only for the next thirty days, of the different development actions that are on Mare Island. We have been spending, I think, the better part of the last two years completing the dredge pond environmental impact statement and environmental impact report.

On September 6th the public comment period will be completed on that particular document, and written comments are due into our planning division. On September 20th the city council will hold the first study session. It's currently, and I want to emphasize currently because it changes, scheduled for a thirty minute presentation by Weston, followed by a fifteen minute question and answer period by the city council. This is before the city council meetings. We have it scheduled for 6:00 o'clock, but always check your schedule because they have a tendency to change the order around so that they assure their self of lunch, or supper in this case.

So anyway, the dredge pond EIS EIR, some very important milestones this next thirty days. Also ongoing as it affects Mare Island is the Lennar specific plan amendment and the Lennar environmental impact report.

On August 30th, I think that's next week sometime, the city council will hold a study session on the SPA, specific plan amendment. They have broken these two documents up because they are very thick and it's hard to handle in thirty minutes, you know, a volume of information. So Lennar will present the first study session on the specific plan amendment. That's followed up on September 12th by the planning commission has a public hearing on the environmental impact report. On September 26th comments are due, public comments rather, written comments are due to our planning department on the environmental impact report. That's September 26th for that one.

Above and beyond that, two other announcements. I mentioned at our last meeting that, and I advertised our bimonthly development reports that actually provide all this information in a, hopefully a condensed version. And the next impact report or rather development report will be out on, and on our internet site by September 8th, so if you're looking to see the newest information. And the last item that I have, the city hall will be closed on September 5th for the Labor Day holiday, so if you need to pay your water bill, pay it before then.
(LAUGHTER.)

MR. KARR: Gil, a quick one. All of those dates and milestones that you mentioned, are they on the city site?

MR. HOLLINGSWORTH: Yes, and you should check 'em constantly because, as I said, we can say 6:00 o'clock now for the September 20th meeting, but if they decide to discuss budget they may pull it and do something else.

CO-CHAIR HAYES: Gil, is the e-mail address to be able to send comments by e-mail also listed on that site? I know the Navy allows and DTSC allow an e-mail.

MR. HOLLINGSWORTH: I don't know that.

MS. BROWNE: We just did it for the waterfront EIR, we did e-mail comments.

CO-CHAIR HAYES: So more than likely it is. Martie says for the waterfront EIR they were able to mail comments.

MR. HOLLINGSWORTH: It's a standard process.

CO-CHAIR HAYES: It's surprising in past years the EIR's, you could not find anything related to a fax number or an e-mail, it was only, you know, by 5:00 o'clock, or in many of these regulatory places too you'd have to call and say, "Do you receive this by --" okay. We'll check on the website. Thank you. You're continuing to make a tremendous contribution to the RAB, though I know you're impatient about having to serve on this board given there's many other city departments that have a role to play in the environmental cleanup. Lennar update. Oh, it finally says Steve Farley.

e) Lennar Update (Steve Farley)

MR. FARLEY: A couple handouts. I put them all over on the table. I don't know if there's any left. But if you didn't get a chance to get one, let me know and I can certainly send them to you. There are three or four handouts. One is the eleven by seventeen handout that we normally use. Also there's a couple of schedules that I've included, I believe Myrna had requested specifically of the RAB to provide some additional details about the number of reports that had been issued recently, and a forecast for a series of reports that are coming out in the next thirty days. So we're going to try to have about a -- I know, you're looking at the schedule.

We'll try to have about a sixty day window of reports that we recently issued, and a sixty day window coming forward. So if you have any questions about that, let me know. Also, if you have an interest in receiving those electronically rather than hard copy, I'd be happy to make those things available electronically. So we can talk about that as we go forward. There's a, also the summary, Myrna, that you mentioned and that Sheila pointed out, a summary of the land use covenants focus group meeting. It is also over here on the table. Grab one of those if you're interested.

CO-CHAIR HAYES: Minus those comments I just made.

MR. FARLEY: Yes, minus the comments that Myrna just added. Let's talk for a second about the eleven by seventeen handout, Documents in Review. These are really the major documents in review that are coming up. You can see here that they're related primarily to land use covenants and implementation plans and implementation reports for IA or installation area, investigation area H2 and D1.2.

We also have the draft RAP, remedial action plan for IA B that's coming up. And as you can see below, there's a number of upcoming public comment periods, and those are obviously very important to the RAB. So we've included those here too as well.

On the left side of your figure you can see that there's a number of green leaders leading from a comment here about IR14 pump, industrial wastewater pipeline system inspections. We're busily trying to wrap that work up and get going with the reports for that. There's some small sort of orange colored boxes on there as well that represent underground storage tank work sites. One is at building 742, which is sort of in the lower right corner. That's one that we reported on last month, and the public comment period has just ended on that.

And then up towards the middle of the figure, we'll be doing some soil gas work at the request of the agencies for those areas. The other thing that I wanted to point out here is the photographs in the upper right corner are some photographs that we took while some pretty

extensive cleaning was going on inside building 84, the old brig. And what you're seeing there in the large photo is some folks up on a, some lifts, vacuuming out the building. And so we're using very high efficiency, the HEPA vacuum systems to filter out the dust particles that may have settled on horizontal surfaces, and then we'll come back in after that and do some additional sampling inside the building.

CO-CHAIR HAYES: Can you tell us why you're doing that and then also will your team come over to my house next? If anybody's been to my house they can --

MR. FARLEY: Let me answer the second one first, not a chance. Just to remove, just to be certain that we have removed all the particulates that may contribute to PCB concentrations that would show up in air samples. So I want to make sure that we know what, when we do the air sampling, what might contribute to PCB concentrations in the air samples.

And then lastly, in the lower left corner and the diagram sort of in the upper right corner, that's a photograph of some excavation work that we're doing right now at pump station number four. And I wanted to capture that while the work was going on so you could see what the excavation looks like. The diagram in the upper right corner is to try and orient you. In this particular case, the large concrete structure in the middle of the photograph is the dry well. And if you look at the diagram you'll see something called the entrance hatch at the dry well, that's where all the pumps and electric motors and that sort of thing was located. In the foreground of the photograph you can see a small pipe in the bottom of the excavation, and that was the wet well where the liquids from the pump, from the industrial wastewater pipeline system would collect and then be pumped out to wherever it went. So that's kind of the big picture. If you have any questions, I'd be happy to answer them.

MR. GRIBBLE: Steve, I have a question.

MR. FARLEY: Shoot.

MR. GRIBBLE: The dust that you're going to pick up in building 84, are you going to analyze the dust for constituents?

MR. FARLEY: Yes, it's part of the disposal process.

MR. GRIBBLE: Thank you.

MR. FARLEY: My pleasure.

CO-CHAIR HAYES: I'll tell you what. When Jerry goes to Mexico next time, you guys are running the RAB.

MR. FARLEY: Chip's running it now.

CO-CHAIR HAYES: That's right, he's the regulator. Okay. Thank you. Thank you very much, thank you. Thank you. Cris Jespersen, Weston update.

f) Weston Update (Cris Jespersen)

MR. JESPERSEN: Thank you, Myrna. Dwight passed around a handout at break, so --

MR. HOLLINGSWORTH: Take Chip's.

MR. JESPERSEN: Try this, there we go. I believe Dwight handed out our August update during the break. A couple things to talk about. First is the significant milestone that the Navy received a draft biological opinion from the Fish and Wildlife Service earlier this month, which is something that's been long in the works, so that's going to be helpful to us to get finalized for early September. So that will allow us to go out and do some trapping and relocation for the salt marsh harvest mouse for wetlands X that may be impacted by the future area H1 containment.

You can see that a number of different plans submitted, they are updated here in the month of August. Most significantly the, we received all the final regulatory comments on the final remedial investigation document, so that's another major milestone again behind us. As part of that we've also put together some human health and ecological risk maps that have been generated for some hot spots and contaminants that are beyond the slurry wall, containment wall installed last year.

And those are important for us to finally move forward with the draft final feasibility study and the draft remedial action plan that will be going out later this year. Myrna mentioned that there's a RAB focus meeting either late September, early October, depending on when you select the final date, to discuss the issues pertaining to the area H1 landfill cap design. And there's a number of issues that the folks will be taking a look at in terms of the physical design, the portions to cap.

And if any of you guys are interested, we've brought some samples of some of the types of material we may be using, that you can put your hands on here after the meeting. We'll also bring things like that to the focus group meeting as well. And there's also some issues pertaining to the extended nature of the design that may impact future public access to portions of that area. So if you all are interested in that part of Mare Island, we certainly encourage you to attend that focus group meeting.

Again, you can see some additional documents that have been submitted to the regulatory agencies that pertain to the ultimate landfill cap design that will help us when we're trying to finalize the RAP later this year. We've briefed you for several months now of the groundwater extraction system. Again, the slurry wall is doing its job and we've depressed the shallow groundwater table four to twelve feet within the slurry wall containment trench, and have pumped almost six and a half million gallons of water out of the containment trench, analyzed it, and discharged it to Vallejo San and Flood.

And finally, we've been doing another project on Mare Island under separate contract with the Navy, and that involves remediating some areas of the former Marine Corps firing range, both some portions of the pistol rifle range there, as well as a historic outfall dredge pond 4S. Today we pulled out about 8,000 yards of soil and debris from the 4S levee outfall. We've screened it and transported the screens soil and stockpiles over in area H1. And again, we have been finding some munitions and radiological items. You'll see a listing there, and that's the types of material we've been pulling out. And there's your requisite photo of what's been going on last month.

CO-CHAIR HAYES: Questions?

UNIDENTIFIED SPEAKER: Did you say 80,000 or 8,000?

MR. JESPERSEN: 8,000.

CO-CHAIR HAYES: You know, I have a question for you. This says the groundwater elevations within the containment area are four to twelve feet lower than the groundwater levels outside the slurry wall. What do you think accounts for that range of from four to twelve feet lower? Do you have some gradient that, or some -- I thought it was a big bathtub. The bathtub tipped?

MR. GEMAR: Myrna, it mainly has to do with just the topography. Some of the sumps are located on levee tops which are about elevation twenty feet above sea level, and then some sumps are located down on the flatter areas, lower areas, elevation eleven, and so that's what accounts for the difference mostly. The biggest drop is from the top of the levees because they're higher.

CO-CHAIR HAYES: That's the amazing thing about coming to this meeting. The people like Dwight just have this information that's right on the tip of their tongue, and that's pretty sophisticated kind of answers, I think. Well, especially cause it's Dwight. He always has a good answer. Okay. Regulatory agency update. And we actually have all three representatives of all three agencies here tonight, and so you get to choose who goes first, as is your custom.

g) Regulatory Agency Update

MR. GRIBBLE: Well, I'm only speaking on the Navy and Lennar and Navy and Weston stuff, so anyway for that. Yeah, we're busy.

CO-CHAIR HAYES: What he means to say is that he doesn't have anything to do with Henry Chui's presentation tonight, since Henry isn't here and he didn't tell him what to say. What? Are you speechless without a prepared statement?

MR. HOLLINGSWORTH: I am not now nor ever have been speechless.

MR. GRIBBLE: Speak for yourself.

MR. KARR: On a lighter note.

MR. GRIBBLE: We have a lot of documents right now from Weston, in particular on the landfill. It's the busy season for the landfill. It will be interesting to see how closely we can keep to the schedule with all of the debate that is, that we are entering into in discussion with, not, I'm not just talking about the RAB, but the Navy, Weston, everybody wants to talk about.

And these discussions although they're an important part of the process, at some point if they continue on and get intensive enough or challenging enough, that it has the potential to affect

the schedule. So I think that's something to keep our eyes on. Let's see. With the RI report, which we commented on, and this would be a big milestone, we're almost there to get an approved RI report. There were two parts to that which we consider not complete. And I think it's an oversight of a degree that we got to this part and then these two details weren't taken care of.

The PCB program sites have not been addressed, and the UST sites have not been addressed, UST, underground storage tank sites. They're supposed to be completed, investigated, documented, and then summarized in the RI report to say all the USTs, for example, all the UST sites have been investigated, these are the documents that, that, where this is reported, and they've been closed by the Water Board. We have no further concerns that this need be carried forward.

That kind of final statement needs to be, the presentation should be prior to or made in the RI reports, and we didn't, haven't done that yet for the H1 tank. So in the interest of trying to get that RI report completed and finalized, we're working with Weston and the Water Board and DTSC to get that done in a matter of weeks for the UST sites. Pull together the existing documents for the UST sites and PCB sites, so hopefully we can have this RI report finalized by the end of September or sometime before then.

And I finally have just one more comment on the, Bruce's presentation about sites. At the beginning he talked about a study of sites that were a certain percentage of sites that were not, that didn't have the IC's executed properly, and then had no controls in practice and so forth. And I asked him about that at the break. Did that study look, assess the probability of sites that have simply been lost to time? And Bruce said that that was not part of the study. But I think, it's my personal opinion, I have no doubt that there are more than a few of those that have been lost to time. And in fact, just here at Mare Island alone, as somebody said today, give me a list of all the sites for all the institutional controls that are use restrictions that have been generated for Mare Island alone, I think that would even be a challenge for us to pull that all together. Some of that would be, have to be a struggle. So it is true that that's something that gets lost very quickly as things currently are, and I think we're much more, we're in a much better organizational state for this site than others. So I think that's a real, real concern. And in effect what it, the equivalent statement, what that amounts to is, you know, there's, well, what does that say about IC's, that maybe they really aren't worth much. We're --

MR. RESHEN: I don't think that's true. I think what it says is that great care has to be exercised and there has to be institutional oversight. I would point out that the statistics I was quoting are the Federal EPA. And that I would think, given the care with which DTSC has constructed their model easements and so forth, there's probably a greater probability that you're capturing all of the sites. You've gone about it much more thoroughly and methodically, though a little bit slower than on the federal level. I think you're also probably right that the Feds in that study intentionally didn't look at the issue of who was left out, because it's kind of, "What I don't know, I don't know." If they've been left out, they weren't included in the study because they're lost. And what you really need to do is start off when something comes into the system, put it into the system, and then track everything. But remember, that wasn't done for a decade or two, and so I'm sure things are lost. In fairness, the EPA has made great strides currently, and they are slowly being bled to death by budget

cuts and can't do anything except the most egregious cleanups. They basically have no money.

CO-CHAIR HAYES: Well, in California's case some of ours just erode out into the ocean and disappear that way. And on your comment on the schedule. December of 2004, December 2 we requested a meeting with your agency, so I think you've already had a new schedule, round of schedules created since that time. And with that piece of information you should have been able to project the additional time it would take to meet with, at least with the stakeholders, the public. And so I, you know, I understand that you are concerned that we might be delaying something by having a meeting but, in fact, we plead over and over and over again, countless times and wasted hours and hours of our late evenings here pleading with the agency to meet with us. So we can't, you know, then be told, "Oh, well, now you're going to screw up the plan." That's hardly fair. But we do know we are, and so that's what the urgency has been. And I'm happy that the agency did present us with two dates today.

MR. GRIBBLE: I think all that debate is part of the process and it's important, but it kind of depends on how, how controversial things become. And that there was some consideration given to that in terms of laying out the schedule. But that's just, there's just an uncertainty in how that can play into the schedule, and I think that always happens.

CO-CHAIR HAYES: Well, we'll try not to be controversial, we'll try to just keep with what we've been saying for a few months and there won't be any new surprises, I hope. Carolyn? Gary? Take the microphone, please.

MS. D'ALMEIDA: Well, this month we got comment letters out on two documents having to do with the offshore ecological risk assessment, the conceptual site model document, and the watershed source document. And I've just received comments from our contractor on the remedial investigation report for the ordnance manufacturing area. I'm finalizing my comments and should have a letter out sometime in the next month on that one. We've, I've got five PCB approval letters in the signature, submitted for signature. Two of 'em are the cleanup plans that you just submitted, so hopefully they will be coming. I'm going to be off next week, so I won't be able to check if there's typos or anything, but they're coming.

Also this week I got another e-mail from our division director asking for volunteers because China has submitted a request that they're looking for some technical assistance or expertise or mentoring from our regional office, and they're going to be sending a delegation sometime, I think in the November timeframe. They're particularly interested in cleanup programs, brownfields, and also, I guess a big problem that they have, that's a high priority for them is PCBs. And so since we did this for Vietnam already and Korea as well, they were not able to come last summer. But I have submitted Mare Island as a hot ecotourism spot. So it's probably going to be well known throughout Asia, and everybody will know you, Myrna, all throughout Asia.

CO-CHAIR HAYES: As long as they take me to as good a Chinese restaurant as the Vietnamese restaurant was.

MS. D'ALMEIDA: I don't have a date yet, but we'll let you know.

CO-CHAIR HAYES: Thank you, Carolyn. Gary.

MR. RILEY: Just a couple of issues. Well, my colleague that is involved in the landfill oversight for us did submit comments on the latest version of the EIR report, as well as our wetlands expert's comments on the mitigation plan for the filling of wetland X that a number of agencies are interested in. And I know I will be looking at underground storage tank reports to help meet Chip's concern, and our concern too, that those sites be wrapped up in a timely manner and not hold up anything along the way for the landfill completion. And with Lennar we've worked on a few things including, this will be, I think, a first at Mare Island, which is a soil gas survey for a gasoline underground storage tank site where there's some, a lot of contaminated soil has been removed. But there is some residual groundwater contamination that Lennar doesn't believe will be a problem for people or any kind of exposure, but they're going to collect soil gas samples from above the groundwater below the surface of the ground to make sure that we won't have any intrusion into indoor air once buildings are put there. So that work should be going forward relatively soon. It's a high priority site in area H2. That's it.

V. CO-CHAIR REPORTS

CO-CHAIR HAYES: Well, Jerry has handed out his co-chair's report, his Navy report, and I'm just going to expect you to read that rather than me trying to muddle through it. And I don't believe I have a report except to follow up on Jerry's Flyway Festival planning to tell you that that is January 27th through 29th, 2006. That's the last weekend in January. And that will be our 10th anniversary. So we'll be expecting the best RAB booth ever, right, from the Navy and Weston, and Lennar can even get involved this time, and CH2M Hill. You've been big supporters of the festival, but I'm sure people would like to know about your work on Mare Island.

With that, unless, does -- do any members of the public visiting us tonight, joining us, have any questions? Or does any RAB member have anything they want to bring to our attention that isn't on our agenda? Well then, let's adjourn this meeting, and we'll see you all at the focus group meeting either -- no, we'll see you at a RAB meeting with new carpet, how's that?

(Thereupon the foregoing was concluded at 9:11 p.m.)

LIST OF HANDOUTS

The following handouts were provided during the RAB meeting:

- Presentation Handout – The Guardian Trust – Long Term Stewardship Program for Land Use and Engineering Controls.
- Weston Solutions Mare Island RAB Update July 2005
- Lennar Mare Island Mare Island RAB Update July 2005
- Navy Monthly Progress Report Former Mare Island Naval Shipyard July 2005