



DEPARTMENT OF THE NAVY
SOUTHWEST DIVISION
NAVAL FACILITIES ENGINEERING COMMAND
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HUNTERS POINT
SSIC NO. 5090.3

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Ser 06CH.RM/473
20 Jun 00

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Dear BCT members:

Enclosure (1) is provided for your files regarding the early transfer cost to complete meeting for Hunters Point Shipyard held on May 18, 2000.

Should you have any questions concerning this information, please contact the undersigned at (619) 532-0913.

Sincerely,

RICHARD G. MACH JR., P.E.
BRAC Environmental Coordinator
By direction of the Commander

Enclosure: ✓ 1. Final Cost To Complete Analysis In Support Early Transfer, Meeting Minutes, May 18, 2000

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**COST TO COMPLETE ANALYSIS
IN SUPPORT OF EARLY TRANSFER
HUNTERS POINT SHIPYARD
MEETING MINUTES
May 18, 2000**

These minutes summarize the discussions regarding the cost to complete (CTC) analyses in support of early transfer meeting for Hunters Point Shipyard (HPS). The meeting was held on May 18, 2000, at Tetra Tech EM Inc.'s (TtEMI) office in San Francisco, California. The meeting was attended by members of the HPS Base Realignment and Closure (BRAC) Cleanup Team (BCT), composed of the Navy, U.S. Environmental Protection Agency (EPA), the California Department of Toxic Substances Control (DTSC), and the California Regional Water Quality Control Board (RWQCB). The City of San Francisco (City), its consultants, and a representative of the Lennar/BVHP development team also attended the meeting. A list of attendees is included as an attachment to these minutes. These minutes discuss the key points, decisions, and action items agreed to at the meeting.

OBJECTIVE

The group agreed that the objective and goal for the meeting were to come to resolution regarding technical assumptions associated with Navy and City CTC estimates for Parcels B, C, and D, as discussed previously at a HPS meeting on April 25, 2000. The City noted that its goal also included coming to consensus on baseline objectives, and to the extent possible, receiving concurrence from the BCT on preferred remedies.

AGENDA

The group agreed to the following agenda:

- 10:15 to 11:15 Navy CTC estimate and assumptions
- 11:15 to 12:00 Discussion regarding fixed-price bid early transfer alternative
- 13:00 to 16:00 Discussion of Navy and City CTC comparison matrices

The BCT agreed that if the afternoon discussion of Navy and City matrices ended prior to 16:00, they would discuss additional BCT items or schedule the next monthly BCT meeting.

NAVY CTC ESTIMATE AND ASSUMPTIONS

The Navy conducted a presentation outlining the strategies, rationale, and justification supporting its May 11, 2000, CTC estimate and assumptions. A handout of the Navy's presentation was distributed at the meeting. The information presented below summarizes specific questions and comments raised during the presentation.

Parcel B

- Soil. No specific comments or concerns were raised regarding technical assumptions for Parcel B soils.
- Groundwater. The Navy clarified that their estimated costs represent 5 years of monitoring on a quarterly basis, however, if reduced monitoring is approved over the next 5 years, as anticipated by the Navy based on review of current data, the estimated costs adequately address additional monitoring for years 5 through 30.

- Utilities. No specific comments or concerns were raised regarding technical assumptions for Parcel B utilities. The Navy stated that the infiltration study results were indicating that there may be less remediation required for the storm lines.

Parcel C

- Pre-Record of Decision (ROD). The Navy noted that all pre-ROD costs represent contractor costs only; Navy management and oversight costs are not included (this is the same for Parcel D as well). The City requested a breakdown of the Navy costs for the pre-ROD activities. The Navy stated that these costs include completion of the RMR, FS, treatability studies, proposed plan, and ROD.
- Soil. The EPA suggested that the same soil model be applied to all parcels - currently Parcel B has different assumptions for soil costs (larger soil volume multiplying factors and larger soil unit cost contingency). The Navy responded that it feels the current model for Parcels C and D represents the most accurate assumptions. The Navy acknowledges that Parcel B is not consistent with the other parcels. However, since the funding for Parcel B has already been programmed, they prefer not to change (reduce) the Parcel B cost model assumptions.

The Navy clarified that the costs for pre-confirmation sampling and closure report preparation are included in the unit costs for soil excavation costs for all parcels. The Navy stated that its unit cost for Parcel C soil is \$200/cy and this includes sampling, excavation, transportation, disposal, and document preparation activities.

- Groundwater. There was discussion regarding whether or not the Navy's assumptions of the level of effort to remediate groundwater are sufficient. The Navy further explained how their assumptions assume treatment of the hot spots with monitored natural attenuation (MNA) as a polishing treatment. Further, the Navy has added 115% contingency for additional treatment, if necessary. No additional specific comments or concerns were raised regarding technical assumptions for Parcel C groundwater.
- Dry Dock No. 4. The Navy CTC estimate includes addressing the sediment in the remaining culverts of Dry Dock 4. The Navy will address why the previous activities stopped, and if their CTC estimate will be adequate to complete the proposed level of effort. The Navy clarified that this is a cost issue, not a technical assumption (therefore, not critical to discussions at this meeting). EPA stated they understood the Navy stopped because the technology had difficulty removing some of the sediment.

The Navy did not include costs for investigation or remedial actions that relate to possible contamination resulting from the Astoria Metals Company (AMC). The Navy noted that if contamination is present as a result of AMC activities, the Navy would pursue cleanup costs from AMC consistent with enforcement provisions in its lease.

- Utilities. There was discussion regarding the assumptions for the lengths of stormwater lines to be investigated as part of the groundwater infiltrations study, specifically regarding stormwater lines beneath groundwater, infiltration routes (i.e. into storm lines or preferential flow around exterior of lines), and possible solutions if infiltration is occurring (i.e. storm line removal, replacement, or refurbishment).

Parcel D

- Pre-ROD. No specific comments or concerns were raised regarding technical assumptions for Parcel D pre-ROD costs.

- Soil. No specific comments or concerns were raised regarding technical assumptions for Parcel D soils.
- Groundwater. The Navy clarified that MNA is included in the cost to complete assumptions. The EPA noted that it currently considers portions of Parcel D to be potential drinking water sources; therefore, it cannot concur with a monitored-only selection of remedy. EPA did not eliminate MNA as a possible alternative, but clarified that if selected, it would require contingencies such as trigger levels and a groundwater protection plan. The RWQCB requested that a remedial system be included as a contingency under the scenario that there are trigger level exceedances, or if MNA is not considered effective. The RWQCB noted that monitoring only should not be considered as the sole or best choice remedy. The Navy clarified that soil remedial actions will be conducted that may have impacts to reduce potential source areas contributing to groundwater contamination.
- Utilities. No specific comments or concerns were raised regarding technical assumptions for Parcel D utilities (already discussed above under Parcel C).

Sensitivity/Uncertainty Analysis

DTSC noted that if the City and Navy based their estimates on the suggested remedial areas identified in the feasibility studies (FS), that those areas may not represent current site recommendations. DTSC also noted that the FS areas did not include contingencies; therefore, total volume estimates may be underestimated. The Navy noted that its volume estimates were not based on the FS areas, but instead, based on the most current risk management review recommendations, and that soil volume contingencies are included for all three Parcels. The City noted that its estimate also accounted for the RMR process and included contingencies to account for potential volume increases.

EPA noted that it is not confident that a cost savings should be anticipated for cleanup of the steam line system based on the uncertainties of historical activities and possible unknown contamination.

RWQCB commented that the uncertainty analysis does not sufficiently address potential cost growth for the groundwater remedial systems. In regards to the soil vapor extraction system uncertainty, the RWQCB commented that extended rebound periods might force additional treatment or monitoring, which is not currently included as additional costs.

FIXED-PRICE BID TRANSFER ALTERNATIVE

The Navy has been exploring additional early transfer options and has proposed evaluation of a fixed-price, competitive solicitation contract as a potential alternative for the remediation of Parcels C and D. The City noted that it considers the Navy's proposal a viable option to be further evaluated for an early transfer of HPS to the City.

Mr. Harry Zimmerman (Navy) provided a synopsis of the Navy's intents and objectives relating to the future of pursuing integrating cleanups and redevelopment. Mr. Zimmerman stated that a similar contract mechanism has been successful at Fleet Industrial Supply Center, Oakland and at Naval Shipyard, Charleston. The Navy acknowledged that site conditions and situations at these Naval installations are different than at HPS, and that a contract specifically tailored to conditions at HPS would be considered.

EPA raised questions regarding how a contract scope could be adequately prepared prior to the selection of remedy. EPA also noted that the probable schedule allotted for discussions with potential contractors and the BCT may not meet the transfer schedule requested by the City. The City noted that their objective is to

achieve a timely cleanup and that the fixed price competitive solicitation approach is a viable alternative to be explored.

The City noted that it agrees in principle with EPA and that completion of RODs would assist in preparing a contract, but that assumptions about the remedial outcome and cleanup objectives could be included in the scope of work. The City also noted that under a post-ROD contract, ample details would still be required in order to allow contractors to successfully bid on cleanup costs. The Navy stated that it may be infeasible to complete the Risk Management Review (RMR) process, FS, Proposed Plans, and RODs (with regulatory reviews and public comment period requirements) to meet an early transfer date of September 2000.

EPA requested clarification regarding the future relationship between the Navy, BCT, and a selected contractor under the fixed-price scenario. The Navy clarified that the agreements in the HPS Federal Facility Agreement (FFA) would not change based on a fixed-price agreement, and that conditions of the FFA would be incorporated into the fixed-price contract.

EPA stated they are committed to working with the Navy and City to achieve a mutually agreeable early transfer deal. They noted several concerns with the fixed-price option at this time, but would continue to work with the Navy and City if this option is pursued further. EPA also noted that they feel the new Navy team is doing a very good job moving the cleanup forward, and stressed that they do not want this progress to be slowed through additional lengthy reviews of many early transfer alternatives.

The group concurred to continue discussions regarding the fixed-price contract bid scenario during the next several weeks.

DISCUSSION REGARDING NAVY AND CITY MATRICES

The Navy and City provided overviews of their matrices and background as to how they were created; handouts were distributed. The Navy's matrix was an attempt to compare the Navy's and City's assumptions and associated costs (ranges) per Parcel and media. The Navy noted several difficulties extracting individual costs from the City's probabilistic cost model. The City's matrix demonstrated where the City and Navy were in agreement and asked the regulators for guidance on areas where the City and Navy had different assumptions. The City proceeded with discussing their matrix with the BCT. Specific comments and concerns identified at the meeting are presented below.

- Total petroleum hydrocarbons (TPH). The City asked for assistance from the RWQCB regarding the TPH assumptions for cleanup proposed by the City and the Navy. The RWQCB responded that the Navy's assumptions were very conservative and should meet the cleanup objectives of the RWQCB. The Navy has requested consistency regarding application of TPH cleanup levels in bay-area wide, and that the current strategy includes cleanup levels that are calculated from the shoreline inland. The RWQCB is evaluating this proposal and feels that this approach is reasonable.
- The City ask for input from the BCT as to whether the Parcel B ROD and TPH cleanup levels would be protective of the wetlands at the site. There was discussion regarding the flow of groundwater to the Bay and potential constructed wetlands. The BCT agreed that the cleanup levels in the Parcel B ROD and the TPH cleanup objectives (discussed above) are protective of human health. However, there was not an ecological evaluation conducted to ensure protection of the potential wetlands. The BCT felt that the current cleanup levels would likely be protective for the wetlands, however, that issue may require further evaluation.
- Technical issue resolution. The City requested that the regulatory agencies review their matrix and provide input regarding the appropriateness of the Navy versus the City assumptions listed in

the matrix. EPA stated that it is not appropriate to pre-select preferred alternatives at this stage of the process and that these decisions would be made during the FS and ROD stages.

- **Mixed-use areas.** The City asked if the regulatory agencies have a perspective on a site-by-site analysis of the mixed-use areas. EPA responded that it might be efficient to evaluate the primary areas of contaminants to determine practicability of cleanup. EPA's primary focus of concern is volatiles in soil and or groundwater in terms of future exposure. The Navy noted that minor revisions or clarifications to the redevelopment plan would greatly improve on the effectiveness of the Navy's cleanup; EPA concurred, specifically identifying areas within Parcel C. The City responded that it couldn't comment on whether or not it can propose a change to the reuse plan and suggested that the many years of development of the plan would make it difficult to change, if the justification is simply cost savings. The RWQCB stated that especially for recalcitrant compounds, they believe that it is generally appropriate to attempt to remediate groundwater to a level that supports the planned reuse of the site, and that the planned reuse be changed only after it has been shown that it is technically and /or economically impracticable to remediate to a sufficiently protective level.

The group agreed that a next step includes meeting to discuss technical limitations to ensuring health and safety in selected areas of Parcel C for residential and live-work exposures. The Navy clarified that it is committed to meeting the reuse plan, where practicable.

- **Soil unit costs.** The City asked for a more detailed breakdown regarding activities included in the Navy's soil remediation unit costs. The Navy clarified that the unit costs for Parcels B, C, and D include pre-confirmation sampling, remedial design, remedial action reports, and the specific items already identified in its May 11, 2000 submittal.
- **Uncertainties and fixed-price contract options.** The City noted that resolution pursuing a competitively bid contract must be answered in the next few weeks. The City suggested that a primary component of the decision lies within the regulatory agencies input on preferred solutions and technical issue resolution. The regulatory agencies responded that they do not see their roles as commenting on the City's matrix at this time. The City asked the regulatory agencies to provide input to their matrix in terms of what the agencies can, or cannot comment on. The agencies responded that it was not clear how this effort would impact other priorities at HPS. The City proposed a follow-up meeting to go through their matrix. Mr. Jessie Blout (City) agreed to contact the BCT to identify a date for a follow-up meeting.

The Navy distributed its matrix and another table of questions and concerns related to the City's May 10, 2000 CTC submittal package. However, these were not discussed in detail. The Navy agreed that if an early transfer with the City completing the remediation is considered further, additional discussion of these handouts would be appropriate. However, if either the Navy continues the cleanup under the traditional path or through a fixed price contract option, these additional reviews may not be the most efficient use of the BCT's time. The City discussed the possibility of a follow-up meeting to further review their matrix. Mr. Blout agreed to contact the BCT to identify a date for a follow-up meeting, if necessary.

ACTION ITEMS IDENTIFIED DURING THIS MEETING

The following action items were identified during this meeting:

- Mr. Jessie Blout (City) will contact the BCT to identify a date for a follow-up meeting to discuss regulatory input to resolution of technical issues identified in the City matrix, if necessary.

BCT MEETING SCHEDULE

The BCT mutually agreed to conduct the May and June BCT meetings on June 8, 2000. All other BCT meetings will remain as scheduled (third Tuesday of each month). There may need to be additional discussions regarding this schedule and a conflict with the Alameda BCT, which is on the same schedule (the same RWQCB representative must attend both meetings).

LIST OF ATTENDEES

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