

GM-38 Progress Meeting No. 20 on June 10, 2009

An on-site meeting was conducted at 11:30 a.m. eastern.

Attendees:

Navy Chris Shukis, Mech / Elec Supervisory Engineer (via phone)
NYSDEC Steve Scharf
Town Of Oyster Bay Pfaender
ECOR Al Taormina
TtEC PM Stavros Patselas
TtEC Construction Superintendent Ed Urbanek
TtEC Quality Control and Health and Safety Joseph Gray
TtEC System Start-up Supervisor Rich Goldbeck

The building subcontractor, Merrick Utility Association (MUA) of Farmingdale, NY completed the installation of the gravel around the Treatment Building, installation of the fence fabric, privacy slats and gates around the Treatment Building. Excess soil will possibly be moved to another Navy property and then the permanent access road will be completed from the treatment building entrance gate up to Broadway. The HVAC units have been mounted in the control room. The sealing of the plant floor will have to be delayed until after start-up and is anticipated to take at least a week between floor prep and the two part application. Installation of the 100 pine trees will be completed by the end of week. Water truck is on-site but weather has been providing the necessary watering.

Work anticipated by MUA over the next two week period includes: General plant clean-up, potable water line completion, final restoration stone layer on access road, and finishing bathroom.

The mechanical subcontractor, WHM Plumbing and Heating (WHM) of East Setauket, NY. Approximately 99% percent of the liquid phase piping is complete. The header piece for the air stripper tower has been delivered and will be scheduled for installation in the near future. The vapor phase piping has been delivered and installation started with approximately 20% complete. Installation of instrumentation is approximately 90% complete.

Work anticipated by WHM over the next two week period includes: Continue installation of the vapor phase piping, installation of the submersible pump in RW-1, and installation of the header piece on the air striper tower.

Electrical contractor, JVR Electric (JVR) of Medford, NY continued work on the electrical and instrumentation systems in the treatment building. The LIPA transformer has been energized and there is now permanent power in the treatment building.

NO CHANGE: Drilling mobilization is still to be determined, however it is anticipated to start in July. TtEC continues groundwater modeling tasks (instead of Arcadis) toward determination of RW-3 well design including depth and screened interval. TtEC submitted the technical memo detailing the results of the groundwater modeling effort to the Navy and NYDEC on May 19,

2009. Comments to the report were requested to be received within 2 weeks in order to address any comments and then proceed with mobilization. TtEC is keeping Delta informed with respect to progress and an early July timeframe is anticipated to begin the drilling program.

The potable water main has been installed in North Herman Avenue. The water main has been disinfected and samples have been collected. Merrick is currently awaiting sample result prior to proceeding to the next phase of the installation, three way valve onto Sophia Street main. Once approval is received from the Nassau County Health Department, Merrick will connect the North Herman water main to the existing water main at the intersection with Sophia Street. Next the laterals from each home will be connected to the new water main. This work is being performed directly for the Bethpage Water District. After installation of the laterals, Merrick will proceed with installation of the RPZ vault and water meter followed by connection of the water main to the water line for the treatment building. Work on the control room bathroom will continue over the next few weeks.

Jerry Ennis of the Nassau County Department of Public Works has indicated verbally and via email that the fee related to the discharge of treated effluent to basin #495 will be waived. There will be annual maintenance required, related to vegetation control and scarification of basin floor to allow continued infiltration. TtEC is also waiting any contractor requirements such as bonds, insurance, etc. related to entering the basin to scarify the bottom.

The NYDEC has provided comments and TtEC has revised and resubmitted the air permit.

NO CHANGE: TtEC will prepare a letter to clarify the SPDES permit primary discharge of the plant will be to the NCDPW basin located west of Broadway and secondary discharge will be to IW-1. This letter is in draft but not yet submitted.

NO CHANGE: Site security services have been increased thru end of July 2009. The TtEC site trailer will also be demobilized by the end of July. The response plan to all plant alarms including security needs to be established and incorporated into the O&M manual. Site security cameras are not part of installation but TtEC will has researched costs, effectiveness, and various options and has submitted alternative to the Navy for review. Discussed the installation of a lock box at the main gate that could be accessed by local police and fire in the event of plant emergency and contain gate and door keys, MSDS, and plant layout drawing. The Navy has provided several padlocks to use on the plant vehicular and man gates. It has been determined the Navy lock cylinders can replace the current door lock sets allowing the gates locks and door locks to be keyed with Navy keys.

NO CHANGE: TOB's Gary Blanchard is now assigned to this project and will not perform regularly scheduled TOB inspections as was initially set-up with TOB's Tim Zike at the construction kick-off meeting. TtEC will provide a letter documenting that the building was constructed in accordance to plan and code

as well as a copy of underwriters certificate for electrical. The underwriter's letter will be provided by certified third party electrical inspector and will not be available until final inspection is complete.

The required project documentation (such as daily reports, QC inspection reports, etc.) continues to be provided to Navy's Greg Pearman. Monthly report with updated schedule is also distributed to Progress Meeting attendees after the end of each month. Navy's Chris Shukis and / or Greg Pearman are to review w/ TtEC the redzone checklist (80% construction complete) and project turnover checklist before or after a progress meeting in June.

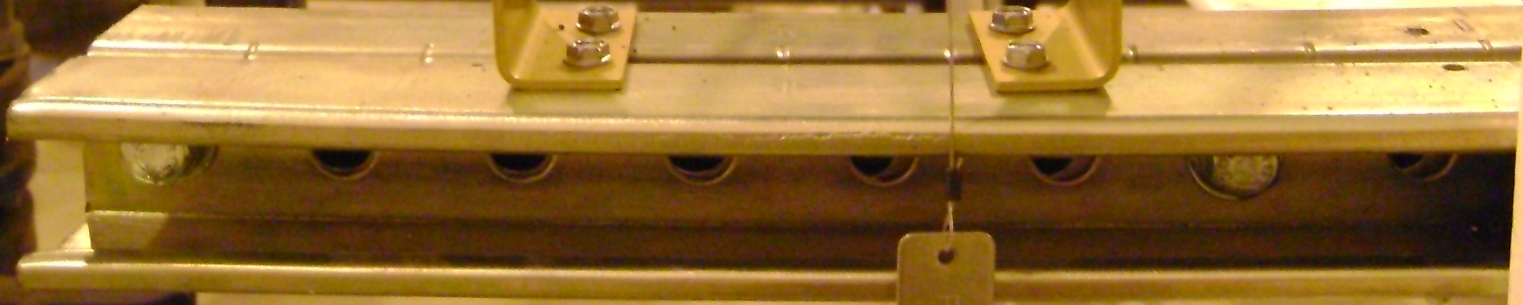
Start-up with potable water is anticipated by the week of June 22. Potable water connection status may impact start-up, however at this time it looks as if potable water will be available to the plant prior to start-up. Contaminated groundwater treatment is targeted by mid-July.

TtEC will summarize meeting and distribute meeting notes prior to the next progress meeting scheduled for Thursday, June 25th, 2009 at 11:30 a.m. A conference call in number will be established for those who cannot attend in person.



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