GM-38 Progress Meeting No. 19 on May 27, 2009

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

Attendees:

Navy Chris Shukis, Mech / Elec Supervisory Engineer (via phone)

Navy Greg Pearman, ROICC

NYSDEC Steve Scharf (via phone)

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 and gates around the Treatment Building is complete and the privacy slats are currently being installed. It is anticipated the fencing installation will be completed by the end of this week. Excess soil will be moved to another Navy property and then the permanent access road will be completed up to Broadway. The sanitary manhole drop pipe has been installed. The potable water line has been extended from the building to the dead end of N. Herman Ave.

Work anticipated by MUA over the next two week period includes: Begin installation of the potable water line within North Herman Ave., as part of the work being performed directly for the Bethpage Water District. Installation of the ceiling mounted HVAC units in the control room, and completion of control room bathroom. The delivery and start of installation of 100 white pine trees will begin this week. 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.

The mechanical subcontractor, WHM Plumbing and Heating (WHM) of East Setauket, NY Approximately 99% percent of the liquid phase piping is complete. WHM completed installation of the bollards around the injection well and recovery wells and installation of the mixer shaft in the equalization tank. The Jaeger tripack media (i.e. waffle balls) has been installed in the air stripper tower. The curbs and sidewalks on Broadway have been restored. The header piece for the air stripper tower has been delivered and will be scheduled for installation in the near future.

Work anticipated by WHM over the next two week period includes: Begin installation of the vapor phase piping and installation of the submersible pump in RW-1. Installation of the header piece on the air striper tower will take place after one additional piece is welded into place on-site.

Electrical contractor, JVR Electric (JVR) of Medford, NY continued work on the electrical and instrumentation systems in the treatment building. It is anticipated the transformer will be energized this week and has not yet this week due to weather.

NO CHANGE: Drilling mobilization is still to be determined. The driller Delta Well & Pump of Ronkonkoma, NY completed preparation of RW-1 and IW-1 for operations. RW-2 was not cleaned. 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.

BWD issued Notice of Award of the N. Herman Ave. water main installation to MUA, a current GM-38 contractor. MUA has submitted bonds and road opening permit application to TOB but a contract is not executed. MUA and BWD are currently resolving issues related insurance coverage and finalizing a TtEC PM plans to meet with the new BWD Superintendent Mike Boufis It is anticipated the installation of the water main will begin within the next week. Installation of this water main is a priority because approximately 40,000 gallons of potable water is needed for plant start-up and shakedown. Additionally, pressurized water is needed for the eye wash station and shower. Back-up plan is to use closest fire hydrant or to truck in potable Portable eye wash stations may be used in lieu of permanent eye wash stations until the water main is connected. Currently it is anticipated potable water will be available prior to the treatment plant startup anticipated by mid-June.

TtEC submitted a letter request NCDPW to decrease or eliminate discharge fees into the county stormwater basin. Letter includes basis for request including contractor clean-up of basin prior to discharge and last year's property transfer. TtEC has placed several calls into NCDPW's Jerry Ennis regarding the request letter but received no response. TtEC PM plans to visit NCDPW office to meet with Jerry. TtEC also needs to confirm if there are any contractor requirements such as bonds, insurance, etc. related to entering the basin to scarify the bottom of the basin.

The air permit application was submitted to Navy and Navy has determined an owner signature will not be provided. TtEC has submitted the air permit to the NYDEC. 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.

NO CHANGE: Site security services will be increased thru end of June 2009. Long term site security is a concern and plan of action must be determined prior to expiration of site security services. 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 research cost, effectiveness, and various options. 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. TtEC is looking into the feasibility of changing the current building door locks to accept Navy locksets and 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 is anticipated by mid to late June, the target is the week of June 22, 2009. 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. The existing six monitoring wells were sampled the week of May 25, 2009 in order to update the groundwater concentrations baseline. The last GM-38 groundwater sampling event occurred in June 2005.

TtEC will summarize meeting and distribute meeting notes prior to the next progress meeting scheduled for Wednesday, June 10th, 2009 at 11:30 a.m. A conference call in number will be established for those who cannot attend in person.



