Dan Summers Conversation: MAY 7, 1996

- The number of 28M was a MDPC estimated number per Summers
- Tonko & Consultant

  - Groundwater Remediation: $18,837,000 — Extraction and remediation system as currently configured
    - 600,000 — To relocate the system
    - 100,000 — per additional extraction well
  - Soil Remediation $1,000,000 — Parcel A — Plug Estimate
  - Allowance for Asbestos Removal $4,000,000
  - No Plug Number for the Balance of the Project

    Nothing in the estimate for Parcels B & C

    No contingency for the expansion of the groundwater remediation system

    Some soils work in Parcel "C" based upon the foundations

    Great unknown is what is beneath Building #2

    Likely another $2.5M for Parcel C estimate — consideration for inflation

    No one can come up with reliable estimate until more is done — work

Suspect that more than the known remediation will be done

Montrose site impact: MDC's groundwater remediation chlorbenzene, etc from this site — but if discovered that the point of contamination is Building #2 then we have a much larger problem

but if the Govt can't reach Stoffer or Kris Craft then any of contamination is MDC's other than Montrose's then we have a real problem

Summers will be on the West Coast on May 21st

Likely will be available the May 22nd

(*) Summers wants Pomka involved in the conversation

— He has the details on the various areas of the Torrance facility

The $25 M was a number that was presented to Dan Summers

Motherway
Voeding
Overturf
} and maybe Cyburt

in the conversation

Long term what will be done with TCE coming onto MDC's property from the West

— don't know the source of the TCE from the northwest

— Summers thinks [illegible]

Someday

Either the Govt. / responsable party / or Someone

Tonko slipped the timetable of the installation of the groundwater system until 1997

DAC is deferring capital expeditures on all items

$3.6 M cash flow hit in the year that the system is built

This system will likely be a 30 year ground water project

(*) Does / has any replacement / maintenance been built into the $18.875 number

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Philosophy of the restoration of these aquifiers could change over the next 20 yrs.

- if LA needs more water - they could turn to these

Even though this is a 30yr pump & treat system project — ~~[illegible]~~ a planning number

- There is no accurate way to estimate the length on the aquifer remediation
- Does this mean we will or be required to pump from a long time frame

- Summers wants to avoid

Wednesday – will not be in the office until 10:00 am his time

Thursday – avoid anything until 11:00 am PST

Next Thursday -- avoid any until 11:00 am PST