



Linda S. Adams
Secretary for
Environmental Protection



Department of Toxic Substances Control

Maziar Movassaghi
Acting Director
8800 Cal Center Drive
Sacramento, California 95826-3200



Arnold Schwarzenegger
Governor

December 17, 2010

Mr. Mark A. Rigau
Senior Trial Counsel
U. S. Department of Justice
Environmental Defense Section
301 Howard Street, Suite 1050
San Francisco, California 94105

FORMER BENICIA ARSENAL

Dear Mr. Rigau,

The Department of Toxic Substances Control (DTSC) received your letter dated December 8, 2010. DTSC appreciates that the parties that were present at the September 30, 2010 meeting have met and there appears to be progress toward resolution on how to address contamination issues on the former Benicia Arsenal (former Arsenal). DTSC is hopeful that agreements or settlements can be reached between the parties in a timely manner.

DTSC continues to have concerns about threats to human health and the environment on the former Arsenal, particularly regarding Munitions and Explosives of Concern (MEC), given that MEC was found during recent road construction activities conducted on the Valero property.

Your letter proposed that the parties involved in the September 30, 2010 meeting meet with DTSC counsel in March. However, given DTSC's MEC concern described above, and considering that a period of over two and a half months has already elapsed since the September 30, 2010 meeting, DTSC would like the parties to accomplish as much as possible in the two meetings dates discussed in your letter and schedule a meeting with DTSC to closely follow the February 10th meeting. DTSC proposes a meeting on either February 22nd or 23rd with the attorneys and one management person from each entity. DTSC is hopeful that tangible evidence that parties have reached or are close to reaching agreements or settlements to address the contamination issues at the former Arsenal will be presented at the meeting.

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Please contact Carolyn Tatoian Cain (916) 255-3771 with your proposed date for this meeting. If you would like to discuss this matter further, I can be reached at (916) 255 3582.

Sincerely,



Raymond Leclerc, P.E.
Assistant Deputy Director
Brownfields and Environmental Restoration
Department of Toxic Substances Control

cc: William J. Leady, P. E.
Colonel, U. S. Army
District Commander
U. S. Army Corps of Engineers Sacramento District
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cc: Continued on next page.

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cc: Continued

William Klesse, President and CEO
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cc: via e-mail only

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