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Summary of Action Items and Discussions September 12, 2006 Eastern Kentucky University Richmond, Kentucky

September 12, 2006, Chemical Destruction Community Advisory Board (CDCAB) Meeting Synopsis

The September 12, 2006, CDCAB meeting was designed to provide an update on the following:

- Blue Grass Chemical Agent-Destruction Pilot Plant (BGCAPP) Site
- Phase II Construction
- CDCAB Working Groups

Meeting Summary Structure

This meeting summary is not intended to be a verbatim record of conversations, but instead is meant to provide an overview of the discussions and next steps committed to by the government and various members of the CDCAB. Key action items identified in the meeting and a synopsis of the major questions and comments discussed during the various updates are noted below. Copies of slides and handouts presented during the meeting can be obtained from the Blue Grass Chemical Stockpile Outreach Office at 859-626-8944 or bgoutreach@bah.com.

Action Items

Action Item: Determine Washington Group International's (WGI) level of corporate sponsorship for economic development.

Responsible Entity: Chris Haynes

Timeline: December 12 CDCAB meeting.

Action Item: Provide CDCAB feedback on the Economic Development Working Group (EDWG) goals and actions draft document to members of the EDWG.

Responsible Entity: Jeanne Hibberd

Timeline: The next Economic Development Working Group meeting.

Outline of Key Issues and Discussions

Welcome and Introductions – Rebecca Toy, Community Outreach Specialist, Blue Grass Chemical Stockpile Outreach Office

Toy welcomed the attendees and reviewed the meeting agenda. She stated that the Citizens' Advisory Commission (CAC) meeting would follow the CDCAB meeting.

Toy noted that during the June 14 meeting, Craig Williams requested contact information for business and employment opportunities related to the project. The outreach office developed an employment matrix and provided the document to Williams; it will be posted to the Assembled Chemical Weapons Alternatives (ACWA) Web site.

Opening Remarks – Craig Williams, CDCAB Co-Chair

Williams opened the meeting by thanking meeting attendees for their participation. Williams also extended thanks to the outreach office staff for the employment matrix. He stated that he was unsure if others were getting inquiries regarding employment and business opportunities; however, he noted that the matrix has been extraordinarily helpful in his office.

Williams expressed appreciation for Michael Parker's attendance. Williams noted that he was closely following the Defense Acquisition Board (DAB) review process and explained the DAB's role as the organization in the Pentagon that makes decisions regarding the ACWA program in terms of budget and schedule. He explained that because the DAB process is ongoing, Parker would be precluded from discussing certain details and might not be able to respond to all questions.

Williams also welcomed Lt. Col. Thomas Closs, Commander of Blue Grass Chemical Activity. Closs is a non-voting member of the CDCAB who replaced Lt. Col. George Shuplinkov.

Opening Remarks – Mike Parker, Program Manager, Assembled Chemical Weapons Alternatives and Director, U.S. Army Chemical Materials Agency (CMA), Aberdeen Proving Ground, Md.

Parker stated that the DAB, chaired by the honorable Kenneth Krieg, Under Secretary of Defense for Acquisition, Technology and Logistics, met on Aug. 22 to conduct the ACWA program review. He provided background information on the DAB, noting that it is the senior body in the Department of Defense (DoD) that advises Krieg on all

acquisition-related matters. Parker explained that ACWA is working to formalize a program baseline for the Pueblo and Blue Grass projects and the process needs to continue. He noted that a decision outlining the details of an approved program baseline will be offered at the end of the calendar year and that Krieg will make the final decision.

Parker noted that ACWA could expect to proceed with approximately \$300 million across the full life cycle of the program and that this figure would adjust to reflect inflation. Parker said that this ensures the program will move forward at an executable level, rather than on caretaker status.

However, Parker explained that the project could be accelerated with additional funding and that off-site treatment of hydrolysate could be an opportunity to save \$150 - 200 million. If this is implemented soon, \$100 million in cost savings could be used to accelerate the construction schedule. He reinforced that continued communication and dialogue with community members will be needed to capitalize on cost-saving opportunities. Parker also emphasized that in the current program baselining process, ACWA is moving forward with plans for on-site treatment.

Parker stated a need for the re-baselining process to result in an executable program. For off-site treatment to be incorporated into this process now, a lot of things would have to fall into place quickly.

Bob Miller asked Parker to identify the areas of the project that are restricted by funds. Parker replied that ACWA is trying to establish a baseline for program costs and that the program is executable with \$300 million in funding. He noted that the program can move faster with more money and continue on an appropriate schedule. Miller also inquired if accelerated construction would reduce project funding in other areas. Parker responded that this would not be the case should there be additional dollars.

Williams inquired whether ACWA was incorporating on-site or off site treatment of hydrolysate into the program's baselining process. Parker explained that current plans are for on-site treatment. Williams then confirmed with Parker that regardless of the funding profile that emerges from the DAB, budgets still need to be submitted and approved by Congress each year. Parker responded that Williams was accurate and reinforced that ACWA must undergo the annual appropriation process that determines funding. Parker noted that each year there is always the potential that funding could be more or less than originally anticipated.

Williams asked about the program schedule, questioning when it would be available and how it would parallel funding. Williams asked if the community could assume that a different schedule would be released. Parker stated that there is a current schedule in the public domain; however, the schedule being developed for the program review process will be more accurate as part of the formal baseline of the program.

Key Updates

BGCAPP Site Update – Jim Fritsche, Site Project Manager

Jim Fritsche provided updates on project mission, status, stakeholder involvement, and public outreach. He discussed the need to safely destroy the weapons, reviewed the Blue Grass Chemical Activity inventory and described the two-step process of neutralization followed by supercritical water oxidation (SCWO).

Fritsche presented slides of the Munitions Demilitarization building (MDB) site location. He explained that the MDB site is two football fields long and has seismic requirements that must be considered. The dense grade aggregate fill is 8 - 22 feet deep.

Fritsche reported on the construction of the access road, commenting that 100 percent of the rock removal, 90 percent of the earth work, and 90 percent of MDB fill are complete. He discussed new utilities and relocation of existing utilities, stating that in a few months all utilities on the north end of the site would be complete.

He stated that the site safety plan for Phase I was complete and submitted to the DoD. It includes the access control building and technical center for explosive safety.

Fritsche referred to the most recent National Research Council (NRC) letter report. He explained that although the report requested more testing, the overall tone was positive, and it noted that the use of SCWO is a viable technology.

Fritsche provided a summary of the monitoring meeting held on Aug. 8, 2006, and noted that CMA's Director of Risk Management, Greg St. Pierre, discussed CMA's approach to storage and stockpile monitoring during main plant construction with stakeholders. The consensus was that currently monitoring is adequate and that monitoring frequency is the real issue.

Fritsche stated that the BGCAPP team briefed Blue Grass Army Depot and Kentucky Department for Environmental Protection on the static detonation chamber (SDC) on July 17-18, 2006. Group discussion focused on methods used internationally, looking specifically at Japanese and German facilities as an example. Fritsche stated that the BGCAPP team discussed disposal options for non-contaminated rockets motors with KDEP and BGAD. He noted that the SDC has potential applications in the conventional mission of BGAD.

Fritsche also announced that the BGCAPP Groundbreaking Open House would take place on Oct. 28, 2006. He explained that the actual groundbreaking shoveling would take place on-site in advance of the public event due to depot security restrictions.

Workforce Profile for Blue Grass Chemical Agent-Destruction Pilot Plant – Chris Haynes, Bechtel Parsons Blue Grass (BPBG) Project Manager

Chris Haynes provided a summary and updates on Phase I and Phase II construction, access control building, first-of-a-kind equipment fabrication and testing. Haynes added that the subcontractor, the Allen Company, owns all equipment, and he praised their efforts thus far.

Haynes showed a visual diagram of the MDB and access control building. He also provided visuals of the MDB foundation. Haynes added that local contractors are the first to do this type of federal work on a first-of-a-kind facility.

Haynes added that crushed rock now covers the fault line that runs across the site. The rock will reinforce the clay ground. He noted that clay, which is elastic, could act as a spring and cause damage to the facility in the event of any seismic changes. The layer of crushed rock will mitigate this risk. Haynes showed photos of trucks bringing in rock and sand to the MDB foundation pad. He stated that there is an excellent transportation route on Highway 52, which allows trucks to bypass downtown Richmond, and thanked Judge Clark and others for the access to the road.

Haynes described the access control building to be a small canopied building located near Highway 52 that will function as a guard station. He also discussed fencing, stating the fences will be up soon, along with cable installation and pop-up barriers. He discussed the expansion of the statement of work and the start of construction in 2007.

Haynes noted that the BPBG Web site has information regarding business opportunities and that Diane Osbourne is Bechtel's point of contact for subcontracting. He reminded meeting attendees that requirements for federal contracts are different than those for commercial requirements and that BPBG's goal is to help local businesses understand opportunities.

Haynes discussed details regarding first-of-a-kind equipment testing including the rocket cutter machine (RCM) and the metal parts treater (MPT).

He explained that the RCM was developed to improve efficiencies and that all data indicates a low risk of auto ignition (fire). The RCM can also process conventional rocket motors and will be used to disassemble all rockets stored at BGAD; it is a good example of the technology development that makes the BGCAPP design state-of-the-art. The first round of testing on the machine will take place in FY 2008.

In the metal parts treater, drained projectiles will soak for two hours. Analytical models can simulate and help determine the soak time for munitions.

Haynes discussed the following first-of-a-kind testing including the following:

- Technical Risk Reduction Project (TRRP) - Prototype construction, proof of concept, and integrated product team review.
- First Article Fabrication Shop Testing - Production model serial number one through full-scale testing.
- Simulated munitions and feeds, shop testing and shake-down.
- Pilot plant systemization testing - Fully integrated into plant systems, operation personnel perform pre-commissioning, and full demonstration before agent operations.

Miller inquired about security, asking about the significance of the removal of the barriers. Col. Mason replied that the security level had been decreased from FP Charlie to Alpha in the administrative area only; this does not affect security otherwise.

Status on Economic Development Working Group – Presented by Jeanne Hibberd on behalf of Rob Rumpke – EDWG, Chair

Jeanne Hibberd presented the EDWG draft goals and actions document on behalf of Rob Rumpke, who is the chair of the EDWG. Hibberd pointed out that the group has held two meetings and have done extensive information gathering regarding economic issues in Madison County.

Hibberd stated that the EDWG has developed a draft document that outlines goals and actions for the group. She acknowledged the group has focused on defining its purpose and plans to explore potential economic opportunities to further advise the CDCAB. The group also plans to ensure that the local industrial workforce is prepared to staff the plant, eliminating the need to recruit plant workers from other chemical weapons disposal facilities.

Hibberd stated that the role of the EDWG is to provide recommendations to the CDCAB and to serve as a catalyst of activities.

Hibberd stated that the EDWG draft goals and actions document was fairly preliminary. The EDWG is assessing needs and resources to ensure that 900-1,000 local workers are qualified to fill the pilot plant jobs, without negatively impacting the local industry resource pool.

Hibberd discussed identifying development partners, developing a skills assessment, and reaching out to surrounding communities including Rockcastle and Estill counties. She also discussed the economic viability of depot and entrepreneurship opportunities relating to homeland security. Hibberd encouraged input from CDCAB members.

Parker inquired if there was a clear charter for the EDWG to examine the post-demilitarization of workforce. Hindman stated that the point of the EDWG is to avoid a

boom and bust when demilitarization is over. The goal is to attract other businesses to the area with the skills of the workforce left behind.

Parker stated the BGCAPP is a manufacturing-based project and presents opportunities that go beyond homeland security. According to Parker, there will be opportunities for workers after demilitarization due to the extraordinarily disciplined workforce. The workforce will be trained in repetitive and precise tasks and will already have background clearances.

Parker also stated that WGI needs to provide job requirements. Haynes replied that WGI was active in providing details on job requirements. Parker asked if WGI had provided corporate sponsorship to support workforce development. Haynes stated that as a Bechtel employee, he did not know, but he would make the inquiry and report back to the CDCAB.

Williams asked Parker to clarify what he meant by an EDWG charter and the CDCAB's role in economic development. Williams stated his concern with broadening the scope of the CDCAB regarding economic development plans to attract businesses to the area and also in avoid base realignment and closure (BRAC) of the depot. BRAC-proofing is a strategic process of reviewing the needs of the Department of Defense and making sure that the depot has functional ability to meet DoD needs; therefore, making the depot indispensable.

Parker stated that the CDCAB is an excellent organization and that other organizations involved in the chemical demilitarization project should support the community; the community has supported the government in storing these munitions for all these years. According to Parker, the question is how to support the economy and quality of life in the community for future generations. Parker suggested that maybe it is a timing issue; the EDWG should study the front end and perhaps a sub-group should study economic development at the back end of chemical demilitarization.

Williams proposed that the Chemical Weapons Working Group (CWWG) be involved in facilitating economic development on the back end of the project. Parker replied that this seemed like a logical extension. Parker stated that there are restrictions associated with Congressional funding. There is little money that Parker can spend on sustainability; however, money can be made available for preparing the workforce. Parker stated that BGCAPP is a multimillion dollar undertaking and that money can be spent to get demilitarization done in ways that will also benefit the community. It is about how spending is allocated – leaving behind infrastructure for the depot and a trained workforce for the community. These factors fall within the mission of the DoD. The CDCAB is the vehicle to shape and maximize the benefit to community.

Hibberd stated she would take comments back to the EDWG and would continue focusing on these issues. Hindman added that Rumpke serves as executive director for

the Richmond Chamber of Commerce, and he deserves credit for the EDWG document and his activities. Hibberd added that EDWG meetings were open to the public.

Status on Secondary Waste Working Group (SWWG) – Craig Williams, CDCAB Co-Chair

Williams informed the CDCAB that the last SWWG meeting was held on Aug. 17, 2006, and attendance at the meeting was good.

He discussed the SCWO report, reviewing the five findings in the document. Williams noted that SCWO was not an immature technology; he emphasized the question of scale and production levels, rather than operability. He expressed confidence in the SCWO process. Williams noted that full-scale testing would take place at General Atomics.

Williams stated that the KDEP had expressed concern regarding the research, development and demonstration (RD&D) permit in relation to elimination of SCWO. KDEP has notified BPBG and BGAD that this would be such a significant modification and could impact proceeding with construction, without a full part B Resource Conservation and Recovery Act (RCRA) permit.

He stated that as a result, BGAD and BPBG communicated to KDEP that the BGCAPP baseline still includes SCWO. Williams noted that he was pleased with KDEP's response to Parker.

Williams stated that off-site treatment of hydrolysate is directly connected to SCWO. If hydrolysate is shipped off-site, there will be no need for SCWO. Elimination of SCWO is directly related to the RD&D permit. Williams noted that the DAB had not rendered a decision; however, the CDCAB has officially stated a preference for on-site treatment. Williams stated that he did not have confidence regarding cost savings numbers related to off-site shipment of hydrolysate. Williams stated that he does not believe the cost savings is as high as it has been articulated and that he doesn't anticipate change in CDCAB and CAC recommendations for on-site treatment of hydrolysate.

Williams discussed de-listing of secondary waste streams. He described the de-listing process, using the brine from the BGCAPP water recovery system as an example. He stated that if the waste could be de-listed, this would result in cost savings and simplify the disposal process. Williams noted that a legislative action is required to de-list a waste stream in Kentucky. He stated that the CDCAB and CAC would have to be in agreement to move the process along. Williams also stated that the CDCAB has informed ACWA and BPBG of their willingness to assist by supporting de-listing, adding that this will save taxpayer dollars.

Williams stated that gas stream analysis is ongoing. A large part of the gas stream comes from the metal parts treater. The objective is to volatilize off any agent that remains so it becomes a gas stream. Williams stated that ACWA and BPBG have been very transparent in offering information on the approach, and the SWWG is close to providing recommendations on this issue.

Williams discussed carbon processing, explaining that the air that moves through the entire plant passes through a carbon filter bay. He stated that filter removal would happen during the closure phase and that filter change-outs would not be required during plant operation. Williams posed the question of whether the carbon filters would be sent off-site to a treatment, storage and disposal facility or if there were other alternatives.

He discussed secondary waste and community outreach at reception sites. Williams acknowledged the need to inform potential secondary waste reception facilities and to engage with communities to avoid controversies and schedule impacts that have affected other sites. He stated a need to be proactive when considering shipment of carbon filters to other communities.

Next CDCAB Meeting

The next CDCAB meeting is scheduled for December 12, 2006, at the Eastern Kentucky University's Carl D. Perkins Building, Quads A and B.

Proposed Meeting Dates for CDCAB Meetings in 2007

Toy proposed the following dates: March 13, June 11, September 11, and December 11. There were no objections.

CDCAB Suggestions for Future Meetings (Round Robin)

Toy asked CDCAB members to provide suggestions for future CDCAB meetings.

Fritsche stated that he would like to see more involvement from all CDCAB members. He noted that while some members were heavily involved, others were not. He stated that the group has good intentions and comments, but some people are reserved with their comments.

Lt. Col. Closs stated that re-palletting efforts would be complete soon; he plans to brief the CDCAB on this topic and the importance of destroying the weapons during the December meeting.

Parker discussed coordinating with CMA on the Personnel Reliability Program (PRP) requirements to help workers proceed through the clearance process faster and that

this would benefit the EDWG. Fritsche added that there is a need for greater communication on specific PRP requirements, referencing a Blue Grass *Exchange* newsletter article on the PRP.

Williams added that PRP requirements have been a significant focus although the process had not been identified completely.

Tim Thomas stated that he was looking forward to Closs' presentation in December.

Miller discussed future issues such as post-chemical demilitarization, stating that it is not too soon to form groups to address closure issues. He identified a need to formalize the discussion.

Col. Mason stated that addressing economic welfare beyond chemical demilitarization is a positive message.

Williams reinforced Fritsche's statement; he noted a need for more participation by CDCAB members. He stated that his confidence in BPBG and ACWA continues to rise. He praised Haynes' presentation of first-of-a-kind equipment and the testing process. He reiterated that this is a good example of transparency and openness, building community confidence in the project.

Hibberd stated that CDCAB meetings are invaluable; referencing a need to get information out to the community. She discussed educating local media on more in-depth topics including workforce development. Hibberd stated that it would be helpful if the community was provided a job matrix that includes qualifications. Hibberd identified a need to use more popular media as a vehicle for information.

Tom Kurkly stated that an update to the RD&D permit would be submitted to KDEP during the month of September. He plans to brief the CDCAB and/or SWWG on the permitting changes.

Closing Remarks – Craig Williams, Judge Kent Clark, Co-Chairs

Judge Clark expressed his confidence in the BGCAPP project and thanked Parker for taking time to address the topics. He thanked Haynes for a successful working partnership. He stated that public confidence in the project is high. He discussed economic sustainability, commenting that it is a priority for the cities of Berea and Richmond and Madison County. He noted that a timeframe has been established and communication can begin with industry on specifics regarding expectations. He identified the need for a plan to increase the mission of BGAD, by increasing the workload.

Williams commented on Haynes' slides depicting people moving dirt on the construction site. He was pleased to see a tangible construction effort underway, with funding. Williams noted that this is the beginning of program execution.