

**McCLELLAN AIR FORCE BASE
SACRAMENTO, CA
July 2006**

BACKGROUND

McClellan AFB is a 3000 acre facility located in Sacramento, California which was placed on the NPL in 1987. The FFA was signed by the Air Force, EPA, and the State of California in 1990. The Base was listed under the Base Realignment and Closure Act (BRAC) in 1995 and closed in 2001. Site cleanup is very complex and includes over 319 sites with soil and groundwater contamination. Cleanup costs are estimated between \$1-2 billion.

A 62 acre parcel on McClellan is currently planned for early transfer with a privatized cleanup. Nationally, this may be the first privatization deal ever completed and will likely set the stage for future deals at other military installations across the County and at McClellan. As part of the privatization, EPA will take over from the Air Force as the lead agency and will be selecting the remedy. On November 30, 2006, the Air Force is scheduled to transfer the 62 acre property to the County of Sacramento who will subsequently transfer the property to a developer, McClellan Park. McClellan Park will then implement the cleanup under an Administrative Order on Consent (AOC) signed with EPA and the State of California. It is anticipated that success of this parcel will lead to privatization of the entire 3000 acre facility.

STATUS OF SITE CLEANUP

The likely final remedies for groundwater cleanup are essentially in place and operating, including 13 separate soil vapor extractions systems. The final phase of soil contaminant investigations is underway around the former base. The first soil cleanup project was recently completed and the ROD for a second soil cleanup project is close to signature. Approximately 11% of the former base has been transferred by deed. About 80% of the acreage is in active reuse under leases and roughly 6,500 people are employed at the McClellan Business Park.

STATUS OF PRIVATIZATION

The Air Force, the County of Sacramento, and the developer, McClellan Park have reached an agreement on privatization of a 62 acre parcel at McClellan. The Air Force agreed to provide the County and McClellan Park with \$ 11.3 Million for the cleanup of the privatization parcel. The Air Force and McClellan Park are currently drafting the terms and conditions of the Environmental Services Cooperative Agreement (ESCA). EPA did receive additional resources from the Air Force in April 2006 and is currently drafting an Administrative Order on Consent (AOC) to be signed with McClellan Park and the State of California. The current schedule reflects a completion date of November 30, 2006 for all the documentation and property transfer.

CONGRESSIONAL INTEREST AND PRESS EVENT

The EPA has provided regular updates to Senator Feinstein and Congressman Lungren staff regarding the groundwater dispute and the status of privatization. A signing ceremony is currently planned for the November 30, 2006 62 acre privatization parcel transfer date. It is anticipated that the ceremony will be attended by Senator Feinstein or a member of her staff. The Senator has been very involved in this deal and has a vested interest in the transfer.