

MODIFICATION TO THE PROJECT AGREEMENT
BETWEEN
THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
AND
THE STATE OF WISCONSIN DEPARTMENT OF NATURAL RESOURCES
AND
FRASER SHIPYARDS, INC.
FOR
FOCUSED FEASIBILITY STUDY AND REMEDIAL DESIGN
OF
HOWARDS BAY

The Modification to the Project Agreement between the United States Environmental Protection Agency, represented by the Great Lakes National Program Office (GLNPO), and the Wisconsin Department of Natural Resources and Fraser Shipyards, Inc. (the Non-Federal Sponsors), to conduct a Focused Feasibility Study and Remedial Design for Howards Bay, which is part of the St Louis River Area of Concern (AOC), which was effective on May 19, 2014 (Project Agreement). The purpose of this Modification to the Project Agreement is to amend the Project Agreement to increase the Total Project Costs by \$690,000, to allow GLNPO and the Non-Federal Sponsor to complete the Remedial Design. The Project Agreement is modified as follows:

1. GLNPO and the Non-Federal Sponsors acknowledge that the Estimated Total Project Costs under the Project Agreement was \$710,000. GLNPO and the Non-Federal Sponsors agree that the second full paragraph on page 2 of the Project Agreement is replaced with the following:

The Estimated Total Project Costs of the Project is \$1,400,000. The Non-Federal Sponsors' share of the costs of the Project is 35% (and shall not exceed the total sum of \$490,000, except by mutual agreement of the Parties pursuant to Paragraph 21 of this Agreement), and GLNPO's share of the costs of the Project is 65%.

2. Paragraph 1.b of the Project Agreement is replaced with the following:

b. "Estimated Total Project Costs" means \$1,400,000.

3. Paragraph 1.j of the Project Agreement is replaced with the following:

j. "Total Project Costs" means all costs incurred by the Non-Federal Sponsor and/or GLNPO according to this Agreement that are directly related to the work on the Project prior to any operation and maintenance costs. Subject to this Agreement, the term includes, but is not limited to: the value of the Non-Federal Sponsor's in-kind contributions; GLNPO's engineering and design costs during the Project; investigation costs to identify the existence and extent of hazardous substances; actual Project costs;

GLNPO's costs of contract dispute settlements or awards; and audit costs pursuant to Paragraphs 33 and 34 of this Agreement. This term also does not include GLNPO's direct labor and indirect costs because Congress has directed EPA "to exercise maximum flexibility to minimize non-Federal match requirements." H.R. Rep. No. 112-151 at 65 (2011)

4. Paragraph 4.(5) of the Project Agreement is replaced with the following:

(5) Allowable cost. The parties agree that the regulations at 2 CFR Part 200 and the terms of this Agreement will govern in determining the reasonableness, allowability, and allocability of costs.

5. Paragraph 5.d of the Project Agreement is replaced with the following:

d. If the amount of the in-kind contributions which the Non-Federal Sponsors provide to the Project is less than 35% of the Total Project Costs, The Non-Federal Sponsors shall provide an additional cash contribution, pursuant to Paragraph 20, in the amount necessary to make the Non-Federal Sponsors' total contribution equal to 35% of Estimated Total Project Costs, subject to a cap of not more than \$490,000 as described in the preamble to this Agreement and Paragraph 19.

6. Paragraph 19. of the Project Agreement is replaced with the following:

19. As of the effective date of this Agreement, the Estimated Total Project Costs are \$1,400,000, and the Non-Federal Sponsors' contribution required under Paragraph 5 shall not exceed \$490,000, with such sum to be divided between Fraser and WDNR as follows; Fraser contribution of \$359,537.50 and WDNR contribution of \$130,462.50. If the Non-Federal Sponsors contribute more than 35% of the Total Project Costs, the amount of the contribution above 35% will be applied to the Non-Federal Share of the cost of any other project carried out by the Non-Federal Sponsors to this Agreement within the same area of concern to the extent allowed by Section 118(c)(12)(E)(iii) of the GLLA.

7. Paragraph 33. Of the Project Agreement is replaced with the following:

33. The parties agree that the Non-Federal Sponsor is responsible for complying with the Single Audit Act Amendments of 1996, 31 U.S.C. §§ 7501-7507, as implemented by Office of Management and Budget (OMB) Circular No. A-133. The Non-Federal Sponsor shall provide to GLNPO Single Audit Act reports for each year during which work was performed under this Project Agreement within 30 days of the availability of that report. Upon request of the Non-Federal Sponsor and to the extent permitted under applicable federal laws and regulations, GLNPO shall give the Non-

Federal Sponsor and independent auditors any information necessary to enable an audit of the Non-Federal Sponsor's activities under this Agreement. The costs of any non-federal audits performed pursuant to this Paragraph before GLNPO furnishes the Non-Federal Sponsors with the results of the final accounting shall be allocated according to the provisions of 2 CFR Part 200, and the costs that are allocated to the Project shall be included in Total Project Costs and shared according to the provisions of this Agreement.

This Modification to the Project Agreement will become effective on the date the GLNPO representative signs this Modification to the Project Agreement, provided that the Non-Federal Sponsors' representative each have previously signed this Modification to the Project Agreement.

Each undersigned representative of the Non-Federal Sponsors and GLNPO certifies that he or she is fully authorized to enter into the terms of this Modification to the Project Agreement and to execute and legally bind such Party to the Project Agreement.

This Modification to the Project Agreement may be executed in one or more counterparts and by facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

All other terms and conditions of the Project Agreement dated May 19, 2014 shall remain in full force and effect and are unchanged by this Modification to the Project Agreement.

By: 
Robert A. Kaplan
Acting Regional Administrator
U.S. Environmental Protection Agency, Region 5

Date: 3-15-14

**Modification to the Project Agreement Between
The United States Environmental Protection Agency
And the State of Wisconsin Department of Natural Resources
And Fraser Shipyards, Inc.
For Focused Feasibility Study and Remedial Design
Of Howards Bay, St Louis River Area of Concern**

By: _____
Wisconsin Department of Natural Resources

Date: _____

By: _____
Fraser Shipyards, Inc.

Date: _____

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By: Ed Eberle
Wisconsin Department of Natural Resources

Date: 2-1-16

By: _____
Fraser Shipyards, Inc.

Date: _____

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By: _____
Wisconsin Department of Natural Resources

Date: _____

By:  _____
Fraser Shipyards, Inc.

Date: 12-18-15