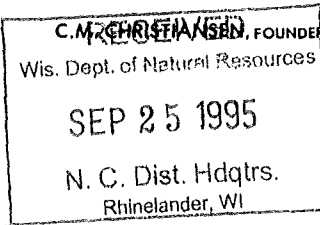


C.M. CHRISTIANSEN CO.

MANUFACTURERS & DISTRIBUTORS
(715)545-2333
• VILAS COUNTY •
P.O. Box 100
PHELPS • WISCONSIN 54554



September 22, 1995

Mr. M. Scott Watson
Environmental Repair Coordinator
STATE OF WISCONSIN
Dept. of Natural Resources
P.O. Box 818
Rhinelander, WI 54501-0818

Dear Mr. Watson:

I am pleased to respond to your sincere, cooperative letter dated 11 September 1995. I have awaited the receipt of the 73 page epistle to which you referred in the above letter. Same has been received from White Water Associates, Inc. and contents noted.

This material, all being out of my ball park, required some technical advice, so we invested (again) in legal counsel. Where else? I shall be as brief as the situation permits, but when it comes to costs, I'll try to do my part. Very admittedly, I am technically and completely uninformed in your field of livelihood. Be that a "given".

Upon costly counsel advice, I offer you these considerations:

- 1) This (semi-retired) Company should not agree to fund all of the proposed analytical costs of something which we consider a legally "dead horse".
- 2) We will endorse a partial funding (only) of that which we find not to be in the best interests of of the environment as the same directly relates to the immediate area of our previous treating activities. We now (all of us) have the advantage of 20/20 hindsight. Isn't that wonderful! One hundred fifty to even fifteen years ago that was not the case.
- 3) The Company's environmental consultants proposed a site investigation work plan to WDNR which included an investigation of surface water and stream sediments for Military Creek. The scope of this two-fold investigation is presented at page 6 of the April, 1995, Site Investigation Work Plan. (A copy

of page 6 is attached hereto.) WDNR did not request and amendments to this portion of the work plan. The work plan was designed to assess the impact on the environment from the Company's past pole dipping operation: it required five surface water and five sediment samples.

- 4) The WDNR investigation is broader than appears necessary to assess the impact of the Company's activities at the Site. Specifically, the sampling program involves a total of 17 samples (not counting a "reference" or background sample) taken in four (4) "areas:" one, the reference sample; two, stream analysis for surface water and subsurface sediments; three, subsurface and surface analysis of the floodplain; and four, surface and subsurface analysis for the upper reaches of North Twin Lake. The stream analysis appears to be essentially above (north of) County E; the floodplain and North Twin Lake sampling points are south of County E.
- 5) Your very rough estimate of the analytical estimates of costs range between \$8,000 and \$17,000 to \$18,000, based upon your internal memo from one "Jim" to another.
- 6) The rationale which WDNR offers for the voluntary payment of the analytical costs of their study is "a savings" to the Company. Since WDNR wants more samples than CE/WWA proposed, the only savings that would occur relates to the labor by the Company's consultants. (In this case, all labor costs of WDNR's study will be borne by the Department.) Otherwise, the Company is being asked to pay for more than ten samples and for more target analytes than the Company's consultants proposed, e.g., pesticides were not proposed by CE/WWA.
- 7) If one were to accept the WDNR's rationale for voluntary payment by the Company of all analytical costs, the costs the Company might be willing to bear are the analytical costs from the stream/sediment study which was proposed by Coleman Engineering/White Water, plus the labor costs. To exceed that amount would be contrary to the rationale which WDNR is providing.

Using the criterion above and examining, the general study outlining, it makes some sense for us to fund only that part of your study that relates to the stream and sediment samples upstream from the culvert under County Trunk "E". This would include approximately 10 of the 17 samples which WDNR would undertake. The result would be that the WDNR will bear the costs of the sampling in the floodplain and in North Twin Lake as well as all of the labor costs of the study. (We also think drawing the line at County E can be justified on the grounds that the only study objective specified by its designer which tracks the Company's obligations under the work plan is objective #1, which corresponds to the reach of the Creek north of County E.)

In addition to assessing WDNR's request against their own rationale, we believe it is also helpful to consider whether the WDNR is justified in requiring our financial participation in the study at all. This consideration is based on the fact that the WDNR's preliminary studies indicate low concentrations of PCP in the sediments and essentially no measurable impacts on fish life. (Thus, WDNR's expansion of the study to sediment bound species (macroinvertebrates) may not be justified either since there is no apparent effect of sediment contamination on either the water column above the sediments or the fish population which would be most immediately affected [minnows].)

Also, your study appears not only to be concerned with chemicals that could be associated with the wood preserving operation at the site (PCP, diesel fuels [as poly-aromatic hydrocarbons (PAH's) and other petroleum fractions], but also the pesticides. It seems to us that the analysis for pesticides has no direct connection to the site: the WDNR study description seems to admit as much. Therefore, this Company should not shoulder analytical costs of a study effort that is not directly connected to the Company's operation at the site of the actual operation.

Furthermore, we do believe it is entirely appropriate to limit the study to sampling upstream from County E and essentially to those costs of the study that would have been absorbed by this Company had the work plan proposed by our consultants been the basis for costs incurred.

We are not responsible for potential natural resources damages beyond a point of our actual treating activities (of the past). We believe any such damages are also collectible under the "Superfund".

Finally, we feel it only fair and reasonable we should commit to less than the full analytical costs.

This most recent cost projection to us completely destroys our budget and could cause another business failure (after 93 years) in our Northwoods. This shouldn't and must not be the case in this little town of Phelps.

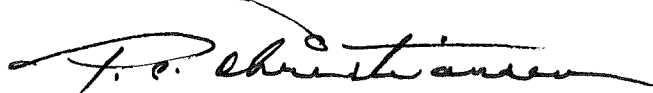
Perhaps, WDNR could cut back on their costs or make certain analytical costs subject to delay, pending the outcome of the initial study. It would appear your ability to preserve the samples would be exceeded if you were to conduct the study in stages. That, of course, would be your prerogative and be within your budget.

This is the best I can do in response to your timely offer. I want to remain cooperative at all times, but money is money and that appears to be my charge on the part of this old, well established and highly respected Company in Vilas County. Please try to understand our position!

Again, thank you for your respected attitude.

Sincerely,

C. M. CHRISTIANSEN CO.



P. C. Christiansen
President & CEO

PCC/ms

Encl: Site Investigation Work Plan (page 6) copy



basis of the field evaluation there is no apparent "worst" case location the grab sample will be collected from the approximate center of the area. No more than five (5) suspect areas of apparent similar origin will be composited. Additionally, only samples revealing similar field method evaluations will be composited. That is, samples revealing high apparent impact will not be composited with samples having apparent low impact.

The laboratory results of the analysis of these samples will indicate the need for further investigation or will assist in the determination as to how to best manage the material. Additionally, if the laboratory results of these analyses do not indicate environmental impact at a level of concern, the results will be used as a basis to eliminate the area/material from further investigation.

Chemical analysis of these samples will be based upon information gathered during the historical review process and on the basis of the pole dipping investigation activities.'

3) Military Creek

a) Surface Water

Water samples from Military Creek will be collected and analyzed for bulk water concentrations of the analytes as indicated in Section III (I) of this Work Plan. Unless the laboratory results of the pole treatment dipping area indicate that the analysis regime can be revised. Bulk water analyses will comprise unfiltered water extractions so that analytes dissolved in the water and analytes sorbed onto suspended particulates will not be separated but extracted together. Five stream water sampling stations will be designated beginning at the mouth of the creek to one quarter mile upstream. A diagram indicating the sampling stations is provided in Appendix A. These stations approximate the sampling sites of the WDNR. One additional sampling station will be included, further upstream from the WDNR station #1. Surface water samples from these stations will provide information about the dissolved, particulate transport and bioavailability of substances from the potentially impacted area to North Twin Lake via Military Creek. Surface water grab samples will be collected for analysis. Detailed sampling procedures are described later in the Work Plan.

b) Stream Sediments

Stream sediment samples will be collected from the same five sampling stations as the surface water sampling stations. Refer to Appendix A for review of sampling stations. Although preliminary creek sediment data (Preliminary Assessment; C.M.C. Co. Pole Dipping Operation) for pentachlorophenol and total organic carbon are available, a limited number of analytes were analyzed from the sediment samples. Pentachlorophenol was not found in the most upstream sediment sample, however, other analytes of concern may have been present (i.e. Amoco #2 fuel oil residues). These analyses will provide further information about the bioavailability of the site substances and their potential transport to North Twin Lake. Detailed sampling procedures are described later in Section III (H). Stream sediment grab samples will be collected for laboratory analysis as outlined in Section III (I), unless the laboratory results of the pole treatment dipping area indicate that the analysis regime can be revised.



ATTN: RAY RODER

State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCESGeorge E. Meyer
Secretary107 Sutliff Avenue
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TELEPHONE 715-365-8961
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Internet: watsom@dnr.state.wi.us

September 11, 1995

P. C. Christiansen
P.O. Box 100
Phelps Wisconsin 54554

Subject: Military Creek Sampling Plan

Dear Mr. Christiansen:

I have just forwarded a draft copy of the Department's Military Creek Sampling Plan to White Water Associates. If you would like a copy of the entire plan I would be happy to provide you with one. I am requesting your quick approval of the plan so that we can proceed with sampling during the week of October 9, 1995.

I believe there are significant advantages to you in accepting this work plan. It is clear that the work in Military Creek will need to be done either under this proposal or one prepared by your consultant. The advantage of this proposal is that the Department has prepared the work plan and will conduct all field work at no cost to you. We estimate that this cooperative proposal could save you approximately \$14,000, maybe even more.

The plan proposes a cooperative field effort between yourself and the Department. Our staff will donate the time to prepare the work plan and conduct the field sampling. We are asking that you finance the laboratory analysis estimated to be \$8,000 to \$17,000. The cost difference reflects our plan to run samples from North Twin Lake only if the samples from Military Creek indicate that the Lake samples should be run. This approach could provide you with an additional cost savings.

I would be happy to talk with you further about this work plan. I truly believe it is in your best interest to take advantage of this joint work effort.

Sincerely,

A handwritten signature in cursive script, appearing to read 'M. Scott Watson'.

M. Scott Watson
Environmental Repair Coordinatorcc: Connie Antonuk, NCD
Raymond M. Roder, Counsel

Scot

I had a conf. call with Liebnstein, Jauisch and Amrhein concerning military Creek. We discussed the monitoring plan / cost / responsibility etc.

WRM would ask C.M. Christenson to pay for the cost of the sediment analysis. This would consist of 17 samples (5 from stream to include surface + subsurface = 10 minus 1 for reference site = 9) (2 from Flood Plain (Sur & Sub surface) = 4), (2 from Lake = 4). We will request that Flood plain samples be run first. IF P.A.H.'s or other components do not show up in these samples we would not require these to be analysed for in stream or Lake samples. This should reduce cost. Anyway the best guess cost for C.M. would be between 8000 + 18,000 depending on required analyses. Jauisch will provide a list of LABS & QA/QC (detect. limits) that are acceptable. We are not requesting Dioxin Analysis at this time.

We will provide the following: ~~PAH~~

1. Macroinvertebrate analysis = 5 samples 5 reps = 25 samples. $\sim 4,000$
 2. Toxicity testing at Biomonitoring LAB $\sim 5,000$
 3. Field work (collection of sediment samples) $\sim 4-5,000$
- Our share would be $\sim \$4,000$ which is about 50/50 cost share. (over)