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State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

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June 9, 2003

Greg Schrab
Koch Pipeline Company, LP
PO Box 64596
Saint Paul, MN 55164

Subject: Liability Exemption for the mixed gasoline and fuel oil product in shallow groundwater and gasoline constituents in deep groundwater on the western edge of the Koch facility at 4505 Terminal Drive in McFarland

Dear Mr. Schrab:

Purpose

The Department of Natural Resources ("the Department") has reviewed your request for an off-site exemption letter for the property located at 4505 Terminal Drive, which will be referred to in this letter as the "Property." You have requested that the Department determine whether Koch Pipeline Company, LP, is exempt from sec. 292.11(3), (4) and (7)(b) and (c), Wis. Stats. (commonly known as the "Hazardous Substance Spill Law"), with respect to the existence of a hazardous substance in the groundwater that you believe is migrating onto the Property from an off-site source.

Determination

As you are aware, s. 292.13(2), Wis. Stats., requires the Department to issue, upon request, a written determination regarding a liability exemption for a person who possesses or controls property that is contaminated by an off-site source, when certain conditions are met. Specifically, the Department has reviewed the groundwater and soil sampling data for the Property provided by Maxim Technologies in order to make this determination. Based upon this information and in accordance with section 292.13(2), Wis. Stats., the Department makes the following determination regarding 1) the presence of mixed petroleum product contamination in shallow groundwater at monitoring well MW-DNR-1 and recovery wells RW-1A and RW-3A on the Property and 2) gasoline contamination in deep groundwater at piezometer PZ-9:

1. The mixed petroleum product in shallow groundwater and the gasoline contamination in deep groundwater both appear to have originated from an off-site source on property that is not possessed or controlled by Koch.
2. Koch did not possess or control the hazardous substance on the property where the discharge originated.
3. Koch did not cause the discharge.



4. Koch will not have liability under the Hazardous Substance Spill Law for investigation or remediation of the soil or groundwater contamination originating from off-site onto the Property, provided that Koch does not take possession or control of the hazardous substance of the property on which the discharge originated.

Exemption Conditions

The Department's determination, as set forth in this letter, are subject to the following conditions being complied with, as specified in s. 292.13(1) and (1m), Wis. Stats:

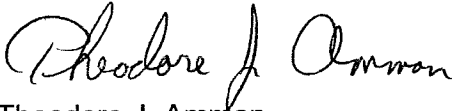
1. The facts upon which the Department based its determination are accurate and do not change.
2. Koch agrees to allow the following parties to enter the Property to take action to respond to the discharge: the Department and its authorized representatives; any party that possessed or controlled the hazardous substance or caused the discharge; and any consultant or contractor of such a party.
3. Koch agrees to avoid any interference with action undertaken to respond to the discharge and to avoid actions that worsen the discharge.
4. Koch agrees to any other condition that the Department determines is reasonable and necessary to ensure that the Department and any other authorized party can adequately respond to the discharge.

The Department may revoke the determinations made in this letter if it determines that any of the requirements under sections 292.13(1) or (1m), Wis. Stats., cease to be met.

Future property owners are eligible for the exemption under section 292.13, Wis. Stats., if they meet the requirements listed in that statute section. The determinations in this letter regarding a liability exemption, however, only apply to Koch, and may not be transferred or assigned to other parties. The Department will provide a written determination to future owners of this property, if such a determination is requested in accordance with the requirements of section 292.13(2), Wis. Stats.

If you have any questions or concerns regarding this letter, please contact me at (608) 275-3332.

Sincerely,



Theodore J. Amman
Project Manager

CC: Pat McCutcheon – Willy Blount