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Ms. Cindy Koepke, P.G.
Hydrogeologist, Remediation & Redevelopment Program
Wisconsin Department of Natural Resources
3911 Fish Hatchery Road
Fitchburg, WI 53711

July 31, 2018

Subject: Request for PECFA Cost Cap Adjustment
Mobil Oil McFarland Terminal, McFarland, Wisconsin
DSPS #: 53558-9448-00-A, BRRTS #: 02-13-000854

Dear Ms. Koepke,

Endpoint Solutions Corp. (Endpoint) is the consultant for U.S. Venture, Inc. (USV), who is the Responsible Party (RP) for the above referenced site (the "Site"). Please note that USV leases the Site from the property owner Buckeye Partners, LP (Buckeye).

In June 2014, representatives from Endpoint and USV met with Wisconsin Department of Natural Resources (WDNR) staff to discuss the next remediation steps for the Site. At that time, the WDNR project manager (Randy Maass) directed us to prepare a cost cap for remedial excavation of the source soils.

Subsequently, Endpoint requested bids from contractors for the proposed remedial excavation but was not successful in receiving three (3) competitive bids due to contractors unwilling to provide bids during the height of construction season. In March 2015, Endpoint re-bid the project and was able to secure four (4) competitive bids from earthwork contractors. Using the pricing from the apparent low bidder, in June 2015 Endpoint submitted a PECFA Cost Cap Adjustment Request for performing the remedial excavation activities suggested by WDNR and post-remediation groundwater monitoring.

On August 12, 2015 the WDNR approved a deferred cost cap adjustment of $306,104.50 and Endpoint began coordinating the field work for a September 2015 start. Unfortunately, the remedial excavation field work was not performed in 2015 because Buckeye would not give their permission until they did a thorough evaluation on how the proposed work would impact operations and long-term conditions at the Site.

In May 2016, Endpoint once again re-bid the project to obtain updated pricing from the firms that provided 2015 bid. The overall project pricing did not change significantly, so a revised Cost Cap Adjustment was not requested. The remedial excavation field work was tentatively scheduled for September 2016, however, in August 2016 USV informed Endpoint that Buckeye had still not approved the remedial excavation. In April 2017, USV informed Endpoint that Buckeye was likely not going to approve the proposed remedial excavation, so an alternate remedial approach would be required.

Subsequently, Endpoint contacted the WDNR in May 2017and learned that Mr. Maass had retired and that the new project manager for the Site would be John Mason. When Endpoint contacted Mr. Mason, he was in general agreement that a Remedial Action Options Report (RAOR) was warranted but requested two to three months to review the project file before authorizing any work. When Endpoint followed up with Mr. Mason in August 2017, he informed us that the project management of the Site had been transferred to Wendell Wojner.

After discussing the project with Mr. Wojner in August 2017, he requested that Endpoint submit a Cost Cap Adjustment request for a work scope consisting of two (2) rounds of groundwater monitoring and the subsequent preparation of a RAOR for the Site. On September 28, 2017 the WDNR approved a deferred cost cap adjustment of $16,610.00 for this work scope. Endpoint performed the two (2) rounds of groundwater monitoring in October 2017 and January 2018, and then submitted the results of the groundwater sampling to Mr. Wojner. After reviewing the groundwater results, Mr. Wojner authorized the preparation of the RAOR.

Endpoint began preparation of the RAOR but, prior to completion, was informed by USV that Buckeye had reversed its denial for the remedial excavation approach. Based on this development, Mr. Wojner instructed Endpoint to stop working on the RAOR and move forward with the previously approved remedial excavation. Since the approved deferred cost cap for the remedial excavation was three (3) years old, Mr. Wojner requested that Endpoint obtain updated pricing to verify that the approved cost cap was sufficient to cover remedial costs.

Subsequently, in May 2018 Endpoint contacted the landfill to obtain updated pricing for soil disposal and in June 2018 Endpoint requested updated bids for the remedial excavation work scope. Using the updated 2018 pricing, Endpoint is submitting this *Cost Cap Adjustment Request* to perform the previously approved remedial excavation activities and perform post-remediation quarterly groundwater monitoring. The following sections summarize Endpoint's recommended scope for this Site and associated costs.

DESCRIPTION OF PROPOSED SERVICES

The most recent groundwater sampling performed is consistent with historical sampling showing concentrations of volatile organic compounds (VOCs) in groundwater and shallow soils at the Site exceed the applicable suggested residual contaminant levels (RCLs). Contaminant concentrations do not appear to have decreased significantly over time and historical data is believed to still be relevant when determining the proposed excavation areas.

To address the presence of free product and the soil-to-groundwater pathway issues at the Site, WDNR staff has requested that source soil be excavated to a maximum depth of thirteen (13) feet in the areas indicated on the attached *Figure 1 – Proposed Remedial Excavation Areas*. During remedial excavation activities, Endpoint will perform contractor oversight, soil vapor screening and sampling, and documentation of remedial activities (to be summarized in a Letter Report). Taking into account excavation sloping requirements and other site encumbrances, the proposed total soil volume to be excavated has been reduced slightly from the previous approved cost cap.

Based on the proposed size of the excavation, approximately 36 soil samples will be tested for petroleum volatile organic compounds (PVOCs) and polycyclic aromatic hydrocarbons (PAHs). Bid

Variance (BV) pricing includes bidding activities, excavation, transport, disposal, and backfilling by an earthwork contractor (the lowest bid received is attached); excavation dewatering and water disposal; abandonment of the remaining components of the former remedial system; and consultant oversight. This assumes that no shoring or dewatering is required. A soil excavation report will be prepared and submitted following remedial activities.

Endpoint will perform an additional four (4) consecutive post-excavation quarterly groundwater sampling events from the ten (10) surviving groundwater monitoring wells and five (5) newly installed wells (replacing the wells to be abandoned due to excavation activities), as well as measurement of water levels from the other ten (10) wells at the Site. Free product will be measured and purged from the four (4) wells that have historically had free product present. Groundwater samples will be tested for PVOCs and PAHs. A Groundwater Monitoring Report will be submitted following the completion of the four (4) sampling rounds.

USUAL & CUSTOMARY AND VARIANCE PRICING

Utilizing *U&C Cost Schedule #24* (July 2018 through December 2018) and updated 2018 pricing for applicable BV items (landfill disposal and earthwork contractor), Endpoint has prepared updated overall project pricing for the proposed work scope summarized in the previous section (refer to attached *U&C RR-068A Form*). Landfill disposal costs, which constitute the largest line item in the work scope, have increased since the cost cap approval was approved in 2015. However, the reduction in total volume of soil to be disposed reduces the earthwork contractor's costs and brings the overall remedial costs in line with the previous approved total (2015 approved cost cap was $306,104.50). The 2018 updated remediation costs are **$303,816.72** and we request either a confirmation of the previously approved cost cap adjustment or a newly approved cost cap adjustment of $303,816.72.

CLOSING

USV and Buckeye have restricted any Site work from being performed prior to Labor Day 2018. Endpoint would appreciate an approval of the cost cap adjustment as soon as possible so we can start the project in September or October 2018. If you have any questions or comments regarding the scope of work or the associated cost estimate, please do not hesitate to contact me.

Sincerely,

Endpoint Solutions

Mark J.K. Penzkover, P.E.
Principal

Attachments: U&C RR-068A Form
Figure 1 – Proposed Remedial Excavation Areas
Applicable 2018 updated pricing information (landfill and apparent low bidder)

cc: Mr. David Fries, U.S. Venture, Inc.

ATTACHMENTS

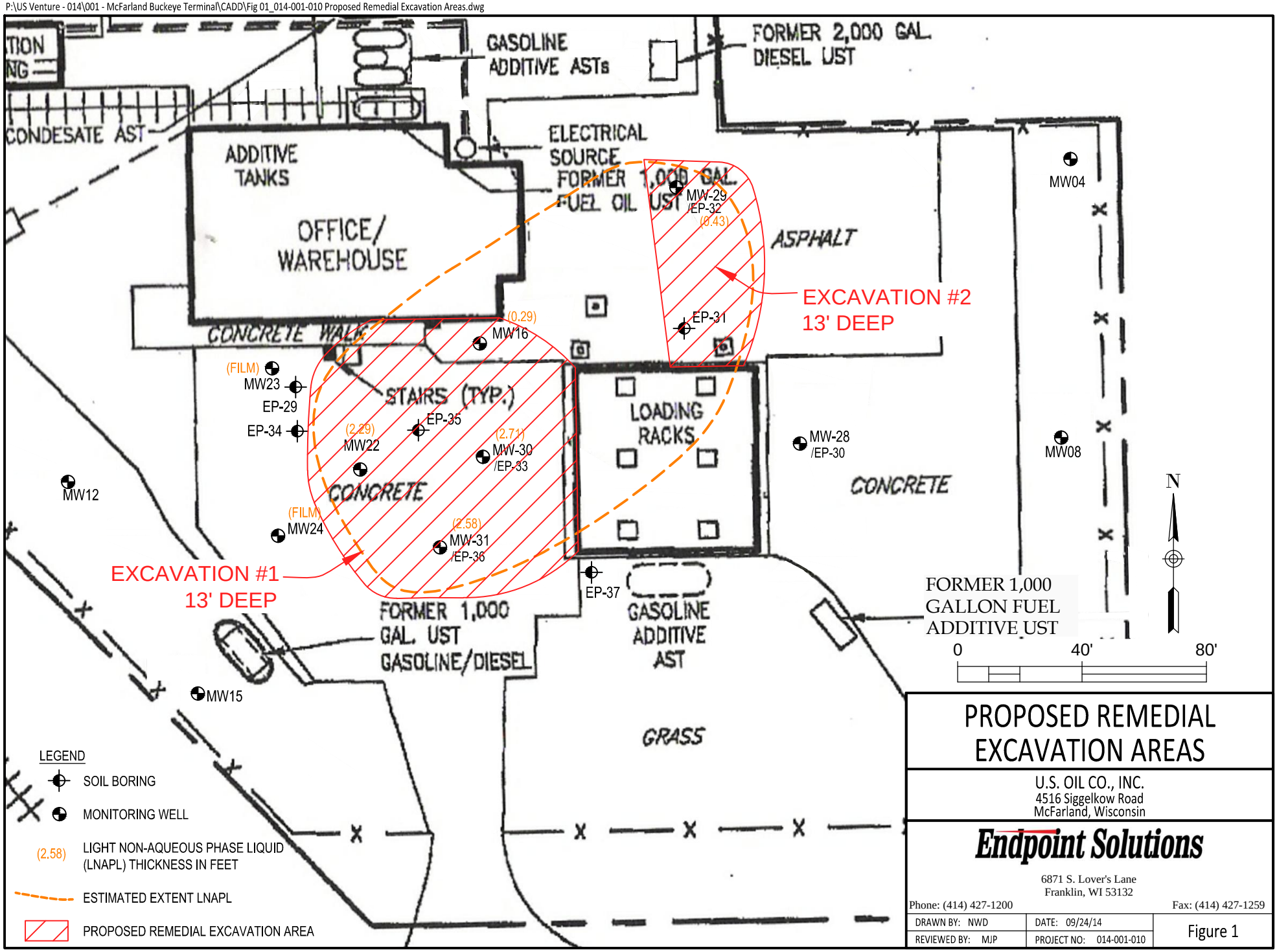
U&C RR-068 Form

Figure 1 – Proposed Remedial Excavation Areas

2018 Landfill Pricing from Waste Management

Bid Form from 2018 Apparent Low Bidder

P:\US Venture - 014\001 - McFarland Buckeye Terminal\CADD\Fig 01_014-001-010 Proposed Remedial Excavation Areas.dwg



PROPOSED REMEDIAL EXCAVATION AREAS

U.S. OIL CO., INC.
4516 Siggelkow Road
McFarland, Wisconsin

Endpoint Solutions

6871 S. Lover's Lane
Franklin, WI 53132
Phone: (414) 427-1200 Fax: (414) 427-1259

DRAWN BY: NWD	DATE: 09/24/14	Figure 1
REVIEWED BY: MJP	PROJECT NO: 014-001-010	

Bidder Contact Information for Bid/Project Communication	
Contact Name:	Tage George
Company:	Underground Power Corp
Address:	PO Box 373
City, State, Zip:	Franksville, WI 53126
Telephone:	414-788-2020
Fax:	
E-mail:	Tage.upc@gmail.com

QUOTE SUBMITTED BY:

Company: Underground Power Corp

Signature:

Name, Title: Tage George, Owner

Date: July 11, 2018

Industrial Waste & Disposal Services Agreement

Exhibit A

Profile number: BIO129350WI TSR: Zach Neumann Sales person: 442

A. GENERATOR

1. Name: US Oil Madison Buckeye Terminal
2. Address: 4516 Sigglekow Rd
   City: McFarland County:
   State: WI ZIP code: 53558

B. CUSTOMER BILLING INFORMATION

1. Name: US Venture Inc
2. Address: 425 Better Way
   City: Appleton
   State: WI ZIP code: 54915
3. Contact name: David Fries
4. Email: dfries@usventure.com
5. Phone: (920) 739-6101 6. Fax:
7. P.O. number:

C. FACILITY ❑ See Attached

1. Name(s): Madison Prairie Landfill

D. MATERIAL

1. Name: petroleum comtaminated soil
2. Anticipated volume: 3000 Tons

E. CHARGES ❑ See Attached

DESCRIPTION	RATE	MINIMUM
Madison Prairie Landfill		
Treatment Method Bioremediation	$22.25 / Ton	
Waste Approvals Standard	$100.00	
Fuel Fixed Fuel	$1.00 / Ton	
Environmental Fixed Environmental	$1.50 / Ton	

Other services not listed above will incur additional charges that vary by location and are subject to change without notice. Payment of invoice represents agreement of such charges.

PLEASE REVIEW SECTION F WHICH CONTAINS IMPORTANT COMMENTS REGARDING YOUR WASTE STREAM.

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Industrial Waste & Disposal Services Agreement

Exhibit A

F. COMMENTS ❑ See Attached

• Waste Management reserves the right to refuse any load or discontinue any waste stream should such waste pose a threat to human health or safety, prove to be operationally challenging, or is in violation of any WM permit.

• All loads must be accompanied by proper shipping paper.

• If Waste Management (WM) received authorization to make changes to your waste profile during the approval process, your acceptance and execution of this Exhibit A confirms the accuracy of the changes.

• If WM (or a WM contracted hauler) is not providing the transportation services, you must ensure that the transporter is licensed and approved to haul the Special Waste and/or Hazardous Waste. All Third Party Transporters must comply with WM Safety requirements and procedures (hard hat, safety glasses, steel-toe boots, and safety vest). If transporting to a CWM facility, a Tyvek suit and respirator are also required.

• Prices quoted herein are valid for 30 days. Unless Waste Management is hired for this project prior to the expiration of this 30 day period in which case pricing remains valid in accordance with the terms of the Service Agreement.

• Pricing is based on the information provided on your profile and the representative data previously submitted. Charges incurred for additional services not listed above will be subject to standard rates and payment of the invoice represents mutual agreement of those charges.

• The fuel surcharge percentage can fluctuate on a weekly basis; www.wm.com/fec.jsp provides the current Fuel Surcharge and DOE average. The actual percentage rate applied to the total project invoice will be determined on the date the load was received.

• Please see profile approval form for special handling instructions. Additional special terms and conditions may be defined on your original quotation.

The work contemplated by this Exhibit A is to be done in accordance with the terms and conditions of the Industrial Waste & Disposal Services Agreement or other contractual agreement between the parties dated: 11/30/-0001

YOUR ACCEPTANCE OF THESE TERMS CREATES A BINDING AGREEMENT AS FOLLOWS: (I) TYPE OR SIGN YOUR NAME AND TITLE WHERE INDICATED BELOW OR (II) YOUR TENDER OR DELIVERY TO COMPANY OF THE INDUSTRIAL WASTE DESCRIBED IN THE COMPANY APPROVED PROFILE SHEET AND (IF APPLICABLE) CONFIRMATION LETTER SHALL CONSTITUTE YOUR ACCEPTANCE OF THESE TERMS WITHOUT YOUR SIGNATURE.

COMPANY		**CUSTOMER**	
By: _____	Date: _____	Signature: _____	Date: _____
Name: _____		Name: _____	
Title: _____		Title: _____	

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