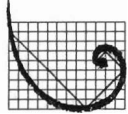


**Environmental
Resources
Management**

175 Froehlich Farm Blvd.
Woodbury, NY 11797
(516) 921-4300



ERM®

(516) 921-5637 (fax)

monthly CONSTRUCTION progress report
AUGUST, 2001

ACTIVE INDUSTRIAL UNIFORM SITE
NYSDEC SITE NO. 1-52-125

1. General Information

Report No.: 3
NYSDEC Contract No.: D004134
Facility Name: Active Industrial Uniform Site
Location: Lindenhurst, Suffolk County, New York

New York State Department of Environmental Conservation
Division of Environmental Remediation
Bureau of Program Management
NYSDEC Project Manager: Gerard Burke

Oversight Engineer: Environmental Resources Management, Inc. (ERM)
175 Froehlich Farm Blvd.
Woodbury, NY 11797
(516) 921-4300

Contractor: Blue Water Environmental, Inc. (BWE)
1610 New Highway
Farmingdale, NY 11735
(631) 752-2145

2. Status of Project :

a) Completed Activities:

- Air strippers were erected with guy wires and filled with packing.
- The interior concrete floor has been coated with an epoxy-based material.
- Installation of water supply piping.
- The pre-engineered building structure has been installed.

b) Activities in Progress:

- Internal work on panels of the pre-engineered building.
- Tower piping and connections.
- Interior piping and mechanical equipment installation.

c) Activities scheduled to be commenced in next month:

- Coating of interior concrete slab
- Mechanical equipment delivery and installation including the activated carbon units and the blowers.

d) Submittals

Review of shop drawings for materials, equipment and structures is on going. See ERM's shop drawing log (*filename: Submittal log.xls*) for the status of all submittals received to date.

3. Project Schedule:

BWE's schedule, last revised 9 June 2001, shows system start-up and testing activities commencing on 5 October 2001. The construction phase is anticipated to be complete by 25 October 2001. ERM requested that BWE provide an updated schedule.

4. Outstanding Issues:

- BWE and LawGibb submitted miscellaneous correspondence regarding unresolved issues and providing estimated costs for potential future change orders. The items include the elimination of AS/SVE system and impact on groundwater

treatment system.

5. CONSTRUCTION CONTRACT Cost Summary:

For Period Ending 31 July 2001 (*Note: August payment application not received yet*):

Original Bid Price	\$2,177,777.00
Change Orders Pending	\$0
Change Orders Approved	-\$ 10,277.00
Net Contract Amount	\$2,167,500.00

From BWE's Application for Payment No. 3, dated 27 July 2001:

Contract Work Performed	\$1,057,800.00
Change Orders	\$ 0
Value Earned to Date	\$1,340,500.00
Less Retainage	\$67,025.00
Value Earned to Date Less Retainage	\$1,273,475.00
Less Prior Requested Payments	\$696,207.50
Total Request for Payment No. 2	\$577,267.50

6. Documents Distributed:

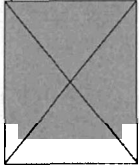
- Meeting minutes for construction progress meeting no. 9.
- LawGibb correspondence dated August 27, 2001 regarding anticipated increase in usage of activated carbon.

Monthly Report Prepared by: Brian P. Morrissey, P.E.,
ERM Project Manager

Date Prepared: September 6, 2001

**Environmental
Resources
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175 Froehlich Farm Blvd.
Woodbury, NY 11797
(516) 921-4300



(516) 921-5637 (fax)

monthly CONSTRUCTION progress report
SEPTEMBER, 2001

ACTIVE INDUSTRIAL UNIFORM SITE
NYSDEC SITE NO. 1-52-125

1. General Information

Report No.: 4
NYSDEC Contract No.: D004134
Facility Name: Active Industrial Uniform Site
Location: Lindenhurst, Suffolk County, New York

New York State Department of Environmental Conservation
Division of Environmental Remediation
Bureau of Program Management
NYSDEC Project Manager: Gerard Burke

Oversight Engineer: Environmental Resources Management, Inc. (ERM)
175 Froehlich Farm Blvd.
Woodbury, NY 11797
(516) 921-4300

Contractor: Blue Water Environmental, Inc. (BWE)
1610 New Highway
Farmingdale, NY 11735
(631) 752-2145

2. Status of Project :

a) *Completed Activities:*

- Installation of interior piping.
- The pre-engineered building structure has been fully installed.
- Carbon vessels and cartridge filter were delivered and installed.

b) *Activities in Progress:*

- Tower piping and connections.
- Installation of interior and exterior piping supports is on-going, as well as some minor insulation taping.
- Building heaters have been mounted and will be wired shortly.

c) *Activities scheduled to be commenced in next month:*

- Well pumps and piping will be installed.
- Carbon discharge stack will be installed.
- Installation and wiring of flow meters and control panels.
- Electrical work is scheduled to start October 3, 2001.

d) *Submittals*

Review of shop drawings for materials, equipment and structures is on-going. See ERM's shop drawing log (*filename: Submittal log.xls*) for the status of all submittals received to date.

3. Project Schedule:

At the progress meeting of September 26, 2001, BWE submitted a new schedule showing a 2-month delay for the targeted dates for system start-up and testing activities and construction completion. However, subsequent to the meeting, BWE informed NYSDEC and ERM that the original dates would be met. Therefore, system start-up and testing activities should commence on 5 October 2001. The construction phase is anticipated to be complete by 9 November 2001. ERM requested that BWE provide a new written schedule.

4. Outstanding Issues:

N/A

5. CONSTRUCTION CONTRACT Cost Summary:

For Period Ending 14 September:

Original Bid Price	\$2,177,777.00
Change Orders Pending	\$0
Change Orders Approved	-\$ 10,277.00
Net Contract Amount	\$2,167,500.00

From BWE's Application for Payment No. 4, dated 17 September 2001:

Contract Work Performed	\$1,277,150.00
Change Orders	\$282,700.00
Value Earned to Date	\$1,559,850.00
Less Retainage	\$77,992.50
Value Earned to Date Less Retainage	\$1,481,857.50
Less Prior Requested Payments	\$1,273,475.00
Total Request for Payment No. 3	\$208,382.50

6. Documents Distributed:

- Meeting minutes for construction progress meetings no. 10 and no. 11.
- ERM's approval, dated 17 September 2001, for BWE's Application for Payment No. 4.

Monthly Report Prepared by: Brian P. Morrissey, P.E.,
ERM Project Manager

Date Prepared: October 2, 2001