

State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

NORTHWEST DISTRICT HEADQUARTERS

P.O. Box 309
STH 70 West & First Street
Spooner, Wisconsin 54801
TELEPHONE 715-635-2101
TELEFAX 715-635-4105

file

July 20, 1993

Mr. Ron Peterson, Superintendent
Fraser Shipyards, Inc.
Third Street and Clough Avenue
Superior, WI 54880

File Ref: 4190
FID #816047210
Case No. NWD-93-011

Dear Mr. Peterson:

RE: June 29, 1993 Enforcement Conference Summary - held at Northwest District Office, Spooner

As a result of the June 29th meeting with you and Al Rivord, we were pleased to hear that you had made arrangements for removal of liquid hazardous waste accumulations. We were also able to agree to a schedule of several actions relating to the removal and proper disposal of stored hazardous waste, further sampling to complete a hazardous waste determination of the sandblasting grit piles stored on the property, hiring an environmental consultant to submit a closure plan to the Department for approval, contingency plan for appropriately handling your hazardous waste generation (example enclosed), and preventing future waste accumulations from becoming your liability by contracting with your clients (the ship owners). This letter is being written to summarize the purpose of the meeting and the details we discussed.

- o You informed us at the meeting that all liquid wastes were containerized, labelled, and stored in your paint room and, a licensed contractor, Waste Research and Reclamation hired by your firm would be hauling out the material on July 2, 1993. You informed John Morris that the waste has been removed as planned. He is in receipt of a copy of the Hazardous Waste Manifest showing the disposal of 5400 pounds of paint and solvent related wastes.
- o We advised you that the sandblasting grit is a characteristic hazardous waste for lead (pb) based upon the results of tests conducted by the laboratories. We further advised you that if you are not in agreement with this determination your firm will need to submit for the department's approval a statistically sound sampling plan. The sampling plan is necessary to ensure that appropriate quality assurance and quality control measures have been addressed and that a representative composite sample will be obtained prior to performing the TCLP analysis for lead (pb) and any other metals of concern present in the sandblasting grit.

You did agree to provide us with the name of the contractor by August 2, 1993 who will provide acceptable storage and in accordance with the hazardous waste management law remove the waste sandblasting grit accumulations. You are not presently generating sandblasting grit but you plan to have containers available for future generation on site. As we said, the sandblasting grit piles must be containerized to be in compliance with the hazardous waste management law.

By August 2, 1993 Fraser Shipyards agreed to select a consultant and advise us of it's selection. The consultant will develop and submit a hazardous waste closure plan in accordance with Chapters NR 600-685, Wis. Adm. Code for the department's review and approval. Areas of concern which need to be addressed in the closure plan include, but are not limited to, the following:

1. The cleaning and closure of tanks used for hazardous waste storage;
2. A soil sampling work plan and schedule for the investigation of suspected and known hazardous substances and hazardous waste contaminated areas on Fraser property. Following completion of the site investigation, a report of the findings and proposed remedial options will need to be submitted to the department for review and approval;
3. A sediment sampling work plan and schedule for the investigation of Howard's Bay for lead (pb) and selected other heavy metals including the area surrounding the dry docks and slip. Following completion of the site investigation, a report of the findings and proposed remedial options will need to be submitted to the department for review and approval.

We were encouraged by your firm's plans to control the waste accumulations at your facility by specifying in contracts and tariffs what services you will provide for your customers and what your customers will be responsible for under the contract. Your firm will be paying special attention to any hazardous substances purchased and used at your facility and who is the responsible party to handle the waste properly. You told us you have provided warning information to your employees about not disposing of paint wastes into dumpsters. Waste oil generated by you or from ships is handled by OSI or Como Oil which, we believe is an acceptable practice.

You informed us that ship paints are much less toxic than in the past, but you are required by OSHA to sample the paint on shiphulls for total lead prior to sandblasting. In addition to total lead, a TCLP test for lead could also be used to determine if a ship's paint is toxic which would alert you to special handling and disposal requirements.

We asked you how you generated or accumulated the wastes observed by department staff on April 20, 1993. We were informed by your firm in 1987 that wastes were not generated as a result of your activities. You advised us that your firm tried to keep the waste on the ships and Fraser did not generate much because it was largely used up. Unused

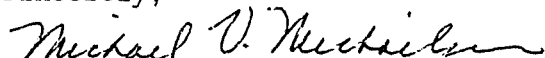
paints purchased for ships and waste solvents apparently were accumulated from a combination of your disposal activities or ship crews. In the past, you said Safety Kleen recycled your solvents, however you said it was too expensive; your firm is not currently recycling waste solvents. You informed us that there has been some movement of materials between the Rueben Johnson Construction property and Fraser Shipyards but you were not specific about what was moved.

- o Other issues were discussed at the meeting. Your fuel storage tanks have secondary containment but the installation is not roofed. To alleviate the accumulation of precipitation inside the containment area a siphon hose was used to draw off the water which was pumped on the ground. We advised you that the hose must be removed which you informed us has been done. You agreed to cover the tanks by October 1, 1993 and in the interim pump out any accumulation of water and contain it for pickup by your Waste oil hauler. You and I discussed the practicality of covering the tanks with a roof on June 30, 1993, I recommended that Fraser send us a letter explaining what other options are feasible to keep the secondary containment area dry. Fraser should also contact Mark Carlos, Petroleum Inspector, DILHR at 392-7892 to set up an inspection to determine if the containment area requires a roof and complies with DILHR rules.

We feel that the apparent hazardous waste violations observed are serious enough for the Department's Northwest District to recommend that this matter be referred to the Department of Justice for enforcement action.

By agreeing on the above-mentioned actions, we believe that movement toward resolution of the violations has been initiated. We urge you to act promptly on submitting the closure plan because each day of continued violation can result in a separate day of penalty. If you feel this is not an accurate summary of our meeting, please contact me at 715-635-4069. Please contact John Morris at 392-4765 if you have questions regarding the hazardous waste regulations.

Sincerely,



Michael V. Michaelson
Environmental Enforcement Coordinator

cc: John Morris - Superior
Pete Flaherty - LC/5
HW/3
Mark Carlos, DILHR, 1701 N. 4th Street, Superior, WI 54880
Sue Sutton (ENTRACK/HW file) - Spooner