State of Wisconsin

DEPARTMENT OF NATURAL RESOURCES
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January 27, 2020

Waupaca County BRRTS# 02-69-552218 EMAILED

Paul Zuege, Owner ZECO LLC (Dry Cleaners Etc.) PO Box 560 New London, WI 54961

Subject: <u>ENFORCEMENT TELECONFERENCE SUMMARY</u>

Dear Mr. Zuege:

Thank you for attending the enforcement conference held on Wednesday, January 6, 2021 at 8:00 am by teleconference to discuss the alleged violations of state hazardous substance spill law at the Dry Cleaners Etc./ZECO (ZECO) property located at 102 East Cook Street, New London, Waupaca County, Wisconsin (the Site) as alleged in the December 10, 2020 notice of violation (NOV).

You provided background on the company and the property history.

- The Site was originally a gas station from the 1930's through 1960.
- Around 1960, Jerold Pietz opened and operated the first dry cleaning business called One Hour Martinizing (a franchise).
- One Hour Martinizing continued to operate as a dry cleaner, however the ownership changed to Herb Vice and then to Don and Darrel Hudson.
- Around 1980 ZECO purchased the Site and operated it as a dry cleaner with the name Dry Cleaners Etc. for approximately 25 years.
- Around 2005 ZECO sold the equipment to Richard Goslin; Goslin continued to operate the dry-cleaning business under the Dry Cleaners Etc. name. ZECO maintained ownership of the property.
- Around 2015 Mr. Goslin removed the dry-cleaning equipment and closed the dry-cleaning business.
- ZECO now rents the building on a yearly lease to Shyler Crud who operates a video game rental store called The Pad.

ZECO has no other locations operating as a dry-cleaning business. You retired about 5 years ago and are now living in Thailand.

When you purchased the dry-cleaning business in 1980, all the previous dry-cleaning equipment (wet process) was still in place and operational. The older wet process included moving the wet solvent-soaked clothes from the washer to the dryer – when the clothes were moved from the washer to the dryer, there was some drippage, but was mopped up by ZECOs employees. There were floor drains near the dry-cleaner equipment and water from the cooling coils went into the floor drain. There was also an outside storage tank (approximately 60-gallons in size) for the storage of new dry-cleaning solvent on the east side of the building. A hose connected to the tank outside, went through the building wall to the dry-cleaning equipment area. When solvent was needed, a spigot



was turned on to fill the dry-cleaning machines. This solvent tank was removed by ZECO, and storage of the solvents was brought indoors. You were not aware of any spills from the tank, during your ownership.

After a few years you installed new "dry to dry" dry-cleaning equipment with containment pans beneath them. These new machines were placed in the same location as the previous dry-cleaning machines. Dry-cleaning chemicals/solvents came from Wausau Chemical who also disposed of the dry cleaner filters and other wastes. These wastes were placed in sealed drums and stored outside.

Discussions then centered on the circumstances that gave rise to the NOV and actions taken to date to resolve the alleged violations. Forfeitures and orders were discussed as was referral to the Wisconsin Department of Justice. ZECO was issued a responsible party letter on August 29, 2008 and hired a consultant (Terracon) to prepare a site investigation workplan (SIWP). You identified that you did not know where the contamination came from. ZECO did apply for funding through the department's Dry Cleaner Environmental Repair Fund (DERF) and utilized that money until 2020 when a notice was sent from the department that reimbursements from that fund would likely take 10 years due to high reimbursement requests around the state. You stated that when that money ran out that you had no other funds to continue the required work. Terracon had assisted you in researching business liability insurance both for yourself and for the previous dry-cleaning operators but have not found any additional information to date. Previous operators of One Hour Martinizing are either deceased or in a nursing home and none of them kept insurance records. ZECO had insurance with Hartford Insurance and Century Insurance for a few years. These insurance records are located with family members in New London, and you will research this funding potential a bit more. ZECO was also aware that the property was acquired in the early 1980's before the 1986 environmental pollution insurance policy exclusions.

To date, ZECO has performed some investigation work at the site, however the last report was submitted to the department on March 16, 2020. This report identified there is vapor intrusion in the Site building and off-site at the City of New London Library to the north across the street. Due to the elevated levels it is imperative that indoor air samples be collected in a timely manner. Installation of a vapor mitigation system(s) would need to be evaluated based on the results of the data. Current groundwater contamination data has identified that there are other buildings/homes southeast of the Site which also need to be evaluated for vapor intrusion.

Dry-cleaner solvents like Perchloroethylene (PCE) and Trichloroethylene (TCE) are a health concern and can migrate into businesses/homes through building foundations and utility lines. The City of New London Library had completed their own indoor air sampling and at this time is not causing an indoor air issue, but additional sampling is needed for confirmation. No indoor air sampling has been completed at the Site and should be completed as soon as possible. Your renter should also be notified of this concern.

The department discussed that ZECO should do the following:

- 1. Within the next 14 days, provide documentation to the DNR that a consultant has been hired.
- 2. Within the next 14 days, sample the indoor air at the Site and the Library and design/implement vapor mitigation systems for these two locations.
- 3. Initiate the vapor investigation of the off-site buildings.
- 4. Continue to move forward with additional site investigation activities including groundwater sampling and defining the degree and extent related to the chlorinated solvent release per ch. NR 716, Wis. Adm. Code.
- 5. Pursue potential for environmental pollution insurance policy coverage.

By no later than February 5, 2021, please provide to me your written commitment to returning to and remaining in compliance for each of the alleged violations. Provide an update of the items listed above.

If you have any technical questions, please contact Gwen Saliares at (920)510-4343. If you have questions regarding this letter or the department's stepped enforcement process, please contact me at (920) 808-0045.

Sincerely, Jennifer Pelcycol

Jennifer Pelczar

Environmental Enforcement Specialist

ecc:Gwen Saliares – <u>gwen.saliares@wisconsin.gov</u> Roxanne Chronert – <u>roxanne.chronert@wisconsin.gov</u>

Meeting attendees:

Paul Zuege, Dry Cleaners Etc./ZECO LLC. Company Owner, Thailand phone 01166992760707, zigjigs@gmail.com Gwen Saliares, WDNR Hydrogeologist, 920-510-4343, gwen.saliares@wisconsin.gov

Roxanne Chronert – WDNR Northeast Region Remediation and Redevelopment Program Supervisor, 920-362-3981, Roxanne.chronert@wisconsin.gov

Jennifer Pelczar, WDNR Environmental Enforcement Specialist, 920-808-0045, jennifer.pelczar@wisconsin.gov