



STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



JENNIFER M. GRANHOLM
GOVERNOR

STEVEN E. CHESTER
DIRECTOR

February 11, 2008

The Honorable Alan R. Lambert
Mayor of Romulus
11111 Wayne Road
Romulus, Michigan 48174

The Honorable Cameron G. Priebe
Mayor of Taylor
Taylor City Hall
23555 Goddard Road
Taylor, Michigan 48180

Mr. Kurt Heise, Director
Wayne County Department of Environment
415 Clifford, 7th Floor
Detroit, Michigan 48226

Dear Mayors Lambert and Priebe and Mr. Heise:

SUBJECT: 2007 Annual Report on Environmental Disposal Systems, Inc. (EDS)

Enclosed for your information is the annual report being submitted to you in accordance with Part 2, Section 803, of 2006 PA 343, which requires the Department of Environmental Quality (DEQ) to annually provide a report on the EDS facility, located at 28470 Citrin Drive in Romulus (Facility), to the cities of Romulus and Taylor and Wayne County. This report is being provided for fiscal year 2007 (October 1, 2006, through September 30, 2007).

If you have any questions, please contact Mr. George W. Bruchmann, Chief, Waste and Hazardous Materials Division, at 517-373-9523, or you may contact me.

Sincerely,

Steven E. Chester
Director
517-373-7917

Enclosure

The Honorable Alan R. Lambert
The Honorable Cameron G. Priebe
Mr. Kurt Heise

2

February 11, 2008

cc/enc: Senator Raymond E. Basham
Senator Valde Garcia
Representative George Cushingberry Jr.
Representative Hoon-Yung Hopgood
Mr. Nathaniel Lake, Governor's Office
Ms. Jessica Runnels, Senate Fiscal Agency
Dr. Kirk Lindquist, House Fiscal Agency
Mr. Jim Sygo, Deputy Director, DEQ
Ms. JoAnn Merrick, Chief of Staff, DEQ
Ms. Carol Linteau, Legislative Liaison, DEQ
Mr. Robert McCann, Press Secretary, DEQ
Mr. George W. Bruchmann, DEQ
Mr. Harold R. Fitch, DEQ
Mr. James Kasprzak, DEQ

DEPARTMENT OF ENVIRONMENTAL QUALITY

**Annual Report on
Environmental Disposal Systems, Inc.
28470 Citrin Drive, Romulus
for
Fiscal Year 2007
(October 1, 2006, through September 30, 2007)**

February 11, 2008

Environmental Disposal Systems, Inc. (EDS), has a hazardous waste management facility operating license (License) under Part 111, Hazardous Waste Management, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. The License, issued December 27, 2005, governs aboveground hazardous waste treatment and storage operations at the facility. On or about November 7, 2006, EDS transferred its interests in the facility to RDD Investment Corp. (RDD Investment), a subsidiary of the Police and Fire Retirement System of the city of Detroit. Since that date, RDD Operations, LLC (RDD Operations), has served as caretaker of the facility. RDD Investment is the owner of the land upon which the facility is located. However, EDS remains the facility owner and operator of record and the Licensee as the License has not been properly transferred to RDD Operations. EDS dissolved itself as a corporation under Michigan law on April 25, 2007. It merits pointing out that the former president of EDS, Mr. Douglas F. Wicklund, still maintains other business interests in the state. In an effort to keep all parties informed, the Department of Environment Quality (DEQ) has been directing correspondence regarding the facility to both EDS and RDD Operations. The information required by 2006 PA 343 is provided below:

- (a) *Information concerning the release or discharge of any hazardous waste or hazardous waste constituent that may endanger public drinking water supplies or the environment.*

As was stated in the *Annual Report on EDS for Fiscal Year 2006*, DEQ staff observed leakage from the wellhead assemblies associated with underground injection wells EDS 1-12 and EDS 2-12 while conducting planned oversight and routine inspections on October 23, 2006, and October 26, 2006, respectively. DEQ correspondence to EDS on October 25, 2006, and October 27, 2006, documented the observations, requested additional information, and notified the facility that injection well EDS 1-12 should not be used until it was repaired and that use of injection well EDS 2-12 may be suspended.

Based on the referenced observations and correspondence, EDS informed the DEQ that on October 29, 2006, the facility had ceased injection activities, pending successful completion of wellhead repairs and DEQ approvals. The DEQ issued a Letter of Warning (LOW) and Suspension of Operations to EDS on November 2, 2006, informing the facility that in light of specified violations and the fact that the authorization to accept delivery of waste for treatment and storage under the

License is contingent upon an authorized disposal well on-site, the facility's ability to accept, process, or transmit waste to the point of discharge to the wells was suspended until the DEQ provides express written authorization to do so. The suspension of hazardous waste operations, both receipt of waste and injection into the disposal wells, remains in effect as of the date of this report.

With operations ceased, EDS focused on investigating the reason for, and impact of, the referenced leaks. Information provided from the facility indicated that the leaks were the result of gasket failures in the surface portion of the injection wells following the completion of well integrity tests. The facility purported that the leaked material consisted of the liquids used as part of the pressure testing associated with the integrity tests, which were primarily "rinse water" and not waste. The DEQ directed EDS to perform various stormwater and soil sampling activities. Between November 30, 2006, and January 30, 2007, soil samples were taken in the identified spill areas, stormwater samples were collected from the facility's stormwater collection vault (for runoff from the spill area) and pond, and various analyses were conducted at the request of the DEQ for hazardous constituents found in the waste that EDS was licensed to handle. Analyses included metals, volatile organic compounds (VOCs), semi-volatile organics, and cyanide. The analytical results associated with the samples indicated that the surface leaks did not result in contamination of the soil or groundwater. Therefore, on May 8, 2007, the DEQ issued a no further action letter in regard to the October 2006 releases.

Subsequent to the aforementioned releases and follow-up sampling and oversight activities, the DEQ conducted periodic routine site visits to the facility. Under the oversight of staff of the DEQ, Office of Geological Survey (OGS), underground injection wells EDS 1-12 and EDS 2-12 were "killed" on August 2, 2007. Well killing is a pressure control procedure whereby the liquid in a well is displaced with a brine of sufficient density to force static fluid level below the ground level in the well. This procedure should not be confused with plugging of the wells or otherwise making the wells no longer usable for injection. The wells remain in this stable state pending the outcome of an appeal to the Environmental Appeals Board (EAB) of the United States Environmental Protection Agency's October 22, 2007, decision to terminate the underground injection control permits for injection wells EDS 1-12 and 2-12. Additionally, pursuant to the DEQ's request, the facility reported to the DEQ that all hazardous waste being stored on-site had been removed and disposed of off-site effective October 12, 2007.

- (b) *Information concerning the fire, explosion, or other release or discharge of any hazardous waste or hazardous waste constituent that could threaten human health or the environment or a spill that has reached surface water or groundwater.*

As noted in Item (a), above, there was a release from the facility that could have reached surface water or groundwater. However, confirmation soil sampling indicated that the release did not reach surface water or groundwater.

- (c) *A summary of groundwater quality data, data graphs, data tables, statistical analyses to date, and identification of any statistically significant increases.*

During the first three quarters of fiscal year (FY) 2007, the groundwater monitoring required by the License was not completed by EDS or RDD Operations, the company that took over management of the site in November 2006. However, samples were taken in the fourth quarter of FY 2007 (September 2007). These sample results showed that low levels of VOCs were found in four of the five monitoring wells sampled, and several of the same compounds were found in the trip blank associated with the sampling event (taken to test cleanliness of sampling equipment, procedures, and bottles). The data suggests that the detections of VOCs may be due to laboratory contamination or issues with the sampling process. It should be noted that the DEQ sent an LOW regarding the missing environmental data and detection of VOCs in monitor well samples to RDD Operations in FY 2008. Resampling of the monitor wells, as required in the License and requested in the LOW, was conducted on December 13, 2007. The DEQ was present for the resampling to verify sampling procedures and collected a split sample for analyses at the DEQ laboratory. The analytical results for the DEQ's split sample were received on January 10, 2008, and indicated that no VOCs were present in the sample. The company responded to the LOW in a letter dated December 14, 2007. Regarding the three quarters of groundwater environmental monitoring data required by Part V of the License that was not submitted; the letter states that the data requested was not obtained due to circumstances surrounding the transfer of control of the facility from EDS to RDD Operations, sampling efforts related to releases from leaks in the wellheads, and higher priority actions taken to manage waste already in storage and properly dispose of it. RDD Operations has committed to complete all future monitoring and reporting required by the License.

Data from the stormwater collection pond discharges has been collected and submitted to the DEQ. Six sampling events were completed in FY 2007, and one has been done so far in FY 2008.

- (d) *With respect to the information described in subdivisions (a) to (c), a description of any noncompliance and its cause; the periods of noncompliance, including exact dates and times; whether the noncompliance has been corrected and, if not, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance and when those activities occurred or will occur.*

The DEQ assigned a number of violations to the EDS facility during FY 2007 and determined the facility to be operating out of compliance with both state and federal hazardous waste statutory and regulatory requirements, and the License. In addition to the November 2, 2006, LOW referenced above, the DEQ issued a second LOW on November 28, 2006, in response to the identified October 2006

release incidents and a follow-up joint inspection conducted by the DEQ, Waste and Hazardous Materials Division (WHMD), and OGS on November 22, 2006.

The DEQ also issued LOWs on August 24, 2007, November 16, 2007, and December 7, 2007, to address site observations regarding waste removal activities at the facility, lapses in the performance of environmental monitoring, and violations of the financial capability requirements of Part 111 with the LOWs citing License violations. The financial capability requirements were fully met by January 2, 2008.

The various compliance and enforcement actions taken by the DEQ with regard to the facility and the violations included as part of these actions that remain in varying stages of review and/or resolution aside, the killing of the wells, the removal of all hazardous waste from on-site, and the continued suspension of operations pending action on the EAB appeal and DEQ follow-up actions have resulted in the facility being returned to a state that poses a minimal threat of potential endangerment of public drinking water supplies, human health, or the environment.

A brief chronology of the WHMD inspections is attached. Information regarding the facility's compliance monitoring and enforcement history with respect to Part 111, along with other information, is publicly available on the Internet through the DEQ's Waste Data System Web Inquiry Web site at:
<http://www.deq.state.mi.us/WDSPI/SitePage.aspx?s=410821>.

Attachment