

## Owner moving 100 jobs over dispute with city

By HILLARY GAVAN Senior staff writer | Posted: Thursday, July 21, 2016 4:00 pm

BELOIT — IPM Foods owner Pawel Marciniak said he's taking 100 Beloit jobs to Janesville because he's tired of enduring what he considers to be an abuse of power and relentless retaliation by the City of Beloit's water resources division.

Marciniak's company has been fined a total of \$145,594 in Beloit. He's currently contesting fines in municipal court regarding a discharge from IPM Foods, and is scheduled to return to municipal court in September to contest fines related to alleged pH violations and failure to report.

Marciniak told the Beloit Daily News he has spent more than \$50,000 in attorney fees and more than \$30,000 for an engineering consultant during his fight with the city.

A 1986 refugee from Poland who came to the United States in 2002, Marciniak opened IPM Foods, 1126 Harvey St., in 2007. The business packages organic soups, sauces, gravies and pumpkin and employs up to 100 people in Beloit.

But Marciniak is in the process of moving IPM's equipment to 4260 Capital Drive in Janesville, where he has signed a contract for lease. Before the end of the year, all employees will be moved to work at the Janesville location where Marciniak says he anticipates a better working relationship with city officials.

Marciniak tells his side of the dispute, saying matters went smoothly in Beloit until 2013, when he said a relentless cycle of fines and retaliation began.

That's when Director of Water Resources Harry Mathos said the city's water resources division became aware the scale of production and processes used at IPM Foods and required additional oversight. IPM was reclassified from commercial user to a significant industrial use, requiring a higher level of monitoring.

Marciniak counters that he had been packaging soups since the day he opened in 2007 and never was contacted by the department about being a significant industrial user until 2013. Marciniak



### Moving IPM Foods to Janesville

Iwona and Pawel Marciniak sit on the steps of their business, IPM Foods. The couple is moving their business to Janesville after what they consider to be relentless pressure from the City of Beloit's Water Resource Division.

accuses the water resources division of seeking more significant industrial users to generate additional revenue.

As a significant industrial user, IPM needed to spend \$50,000 on a non-contact cooling water system and equipment requested by the city such as a discharge meter, sampling devices and pH monitoring systems to comply with all regulations.

At the time, Marciniak said he didn't realize being a significant industrial user would occupy one person full-time, devoted to meeting the new requirements. Because IPM used one of its existing employees, he said, a required report was six days late resulting in a \$1,321 fine in August 2014.

Marciniak says he complained to the former city manager and city councilors about the incident and, in his reckoning, that triggered ongoing retaliation.

He said IPM Foods kept within acceptable pH limits from August 2014 to April of 2016, then received multiple fines for the pH level being under and over official limits in May of 2016. He also was upset when operations had to be shut down for an entire day as employees were trained by the city water office.

In September, Marciniak is going to municipal court to contest the alleged violations of his permit regarding pH and failure to report. He contends the city's meters were getting different pH readings than his own monitoring system, noting IPM's equipment is certified by a third party.

Marciniak also has contested fines assessed for an incident in June 2015 for a discharge onto a neighboring railway property. On July 7, 2016 a trial was held in Beloit municipal court. A decision is pending.

Marciniak said he didn't find out about the discharge problem until June 18 when the state DNR contacted IPM. But he claims the city's water resources division took photos and videos of the discharge for several days without notifying him. What could have been immediately corrected, Marciniak said, continued for days resulting in increased fees.

"When we finally found out, within 20 minutes the leak was fixed," Marciniak said.

Marciniak said the discharge event stemmed from vandalism, which he discovered after the DNR notified him. A vent pipe had been broken off which created a situation allowing non-contact cooling water and rainwater to be discharged at the back of the building.

Because the pipe had already been fixed when police arrived, they were unable to gather any photos of the incident so the vandalism case was closed due the lack of evidence, according to a police report.

Marciniak charges his business has been scrutinized more closely than other food processors. Marciniak provided the Beloit Daily News with an email from Richard Douglas,

environmental specialist for the water resources division, to city staff in June 2015 with what he considers unprofessional and disparaging remarks about Marciniak to the DNR. Marciniak believes similar business owners wouldn't be described in such negative terms to the DNR, showing the city's bias against him.

In the email, Douglas said when a violation has been found Marciniak has "...either been extremely recalcitrant and belligerent, or downright disingenuous."

"I can guarantee that after you have spoken to him, the obvious discharge will cease, but it is our concern that like prior incidents, the practice will continue in a less obvious fashion, either direct to the storm sewer or even some more clever and less detectable direction..." the email stated.

"My supervisor, Harry Mathos, and myself feel it may be in your best interest to briefly review our information and interactions with IPM Foods, LLC prior to contacting them in person. We understand that you are restricted in your actions by the law, just like we are. In my fifteen years of dealing with SIUs and networking with other pretreatment professionals both locally and nationally, I have heard of no industries with a demeanor more severe than that of IPM Foods LLC. "

Marciniak said he's never felt welcome in Beloit and claims the city has shown no interest in working with the company or keeping the 100 jobs in Beloit. He said he's repeatedly tried to set up a meeting with City Manager Lori Curtis Luther, but she has not returned phone calls or emails.

"Everyone knows there are two sides of the story. And the city manager never asked me mine," Marciniak said.