



CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
Department of Toxic Substances Control

News Release

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DTSC ANNOUNCES ORDER TO CLOSE EXIDE FACILITY AND STEPS TO PROTECT COMMUNITY WITH ENHANCED CLEANUP

SACRAMENTO - The California Department of Toxic Substances Control (DTSC) announced it will issue an order today that will safely close the Exide Technologies battery recycling plant in Vernon and provide for enhanced cleanup of residential properties in the surrounding community.

Last month, DTSC initiated the process of denying the company's permit application. After a detailed review of the facility's record and its permit application, the department notified Exide that it had concluded that the facility cannot operate in compliance with California's safeguards to protect public health and the environment. The order to close the facility will become an amendment to a DTSC order issued November 2014.

A key concern in DTSC's discussions with the company over recent weeks has been Exide's ability to ensure adequate funding for safely closing the facility and the complete cleanup of lead contamination in the surrounding community. The company has been in Chapter 11 bankruptcy protection since June 2013.

An agreement with the U.S. Department of Justice, expected to be announced today, will help ensure that the company provides funding to meet its obligations. Under the settlement, Exide will avoid criminal charges related to its operation of the plant, in exchange for agreeing to close the facility in compliance with DTSC requirements.

"We have been working on a plan for closure for a number of weeks" said DTSC Director Barbara Lee. "In keeping with our commitment to the community, our priority now is to ensure the safe closure of the Exide plant and to complete the cleanup of contaminated yards in the surrounding neighborhoods."

DTSC's decision to close the plant was based on several factors, including the facility's incomplete application following several notices of deficiency, inability to meet safety standards, failure to certify the structural integrity of a containment building used to hold hundreds of tons of lead, and poor history of compliance with environmental and health protection laws.

"DTSC will use every tool and legal mechanism at its disposal to ensure that Exide's remaining resources are used to properly close the facility and clean up contamination in the residential

area,” DTSC Director Lee said. As demonstrated by recent cleanup work in the community and on the company’s property, DTSC has worked to hold Exide responsible for removing the contamination caused by the plant with no additional cost to taxpayers.

DTSC’s November 2014 order required Exide to set aside a total of \$38.6 million including an existing \$11 million surety bond for safely closing the plant, and a total of \$9 million for cleanup of the two neighborhoods. Under the order, Exide deposited \$2.75 million into a closure financial assurance fund, and \$3 million into a trust fund for residential cleanup. The order specified when additional funds would be deposited into those funds.

In the past two years, DTSC took several enforcement actions against the facility beginning with a suspension order in April 2013; a \$1.3 million fine in November 2014; and most recently a statement of violations, including illegal treatment of hazardous sludge, in January 2015.

The facility has not operated since March 2014. While the facility remains shut down, DTSC will continue to have its inspectors on-site when work is being performed as directed by the department’s orders.

In 2013, DTSC determined that the Exide facility was responsible for lead contamination in the yards of two residential neighborhoods that the South Coast Air Quality Management District determined were the most likely impacted from Exide’s operations. DTSC ordered Exide to sample and clean yards that exceeded California’s strict standards for lead contamination in soil. This sampling is occurring at 216 residential properties in two neighborhoods; several properties contain more than one residence. Sampling has been completed on 152 properties: three did not require cleanup; 38 have completed cleanup; 77 are awaiting cleanup; and data is being analyzed on the remaining 34. Owners of 64 properties have not yet agreed to sampling.

Under DTSC’s orders, Exide remains responsible for the cleanup of lead in the two residential neighborhoods, as well as the cleanup of contamination on its property at 2700 South Indiana Street in Vernon. Exide is also under orders to investigate and clean contamination in the industrial area adjacent to its facility.

The company is required under a 2002 order to clean up residential, industrial and other areas impacted by the facility. DTSC is currently overseeing an investigation to determine the extent of contamination on- and off-site. DTSC’s has ordered Exide to conduct a Corrective Measures Study to determine the best remedy for cleaning up all such contamination.

The Exide Technologies facility recycled lead from used automotive batteries and other sources. The Vernon plant typically recycled about 11 million batteries annually.

Exide operated under the Resource Conservation and Recovery Act (RCRA) as an interim status treatment and storage facility. DTSC’s predecessor, the Toxic Substances Control Program, a program within the California Department of Health Services (DHS), issued an Interim Status Document to a predecessor to Exide on Dec. 18, 1981. Exide acquired the facility in 2000.

Between 1990 and 2015, DTSC levied a total of about \$2 million in penalties against Exide and its predecessors in 10 separate enforcement actions, of which \$1.3 million came from the November 2014 order. These enforcement actions cited more than 100 violations of California’s hazardous waste laws.



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FOR GENERAL INQUIRIES: Contact the Department of Toxic Substances Control by phone at (800) 728-6942 or visit www.dtsc.ca.gov. To report illegal handling, discharge, or disposal of hazardous waste, call the Waste Alert Hotline at (800) 698-6942.

The Mission of DTSC is to protect California's people and environment from harmful effects of toxic substances by restoring contaminated properties, identifying and promoting safer ingredients in consumer products, and ensuring stewardship through enforcement, regulation and pollution prevention.