

DTSC Quarterly Public Meeting

September 10, 2014 • 9:00am – Noon

Byron Sher Auditorium, Cal/EPA Headquarters



Department of Toxic Substances Control



Cal/EPA

Today's Agenda:

Progress on DTSC Initiatives

- Cost Recovery
- Permitting Workplan
- Hazardous Waste Tracking
- Building Strong Systems
- Legislative Update

To Comment

- In the auditorium:
 - Fill in Comment Card
- On-line:
 - DTSCPublicMeeting@dtsc.ca.gov

DTSC Cost Recovery Process

September 10, 2014

Terri Hardy, Special Assistant for Program Review



Department of Toxic Substances Control



Cal/EPA

DTSC has spent more than

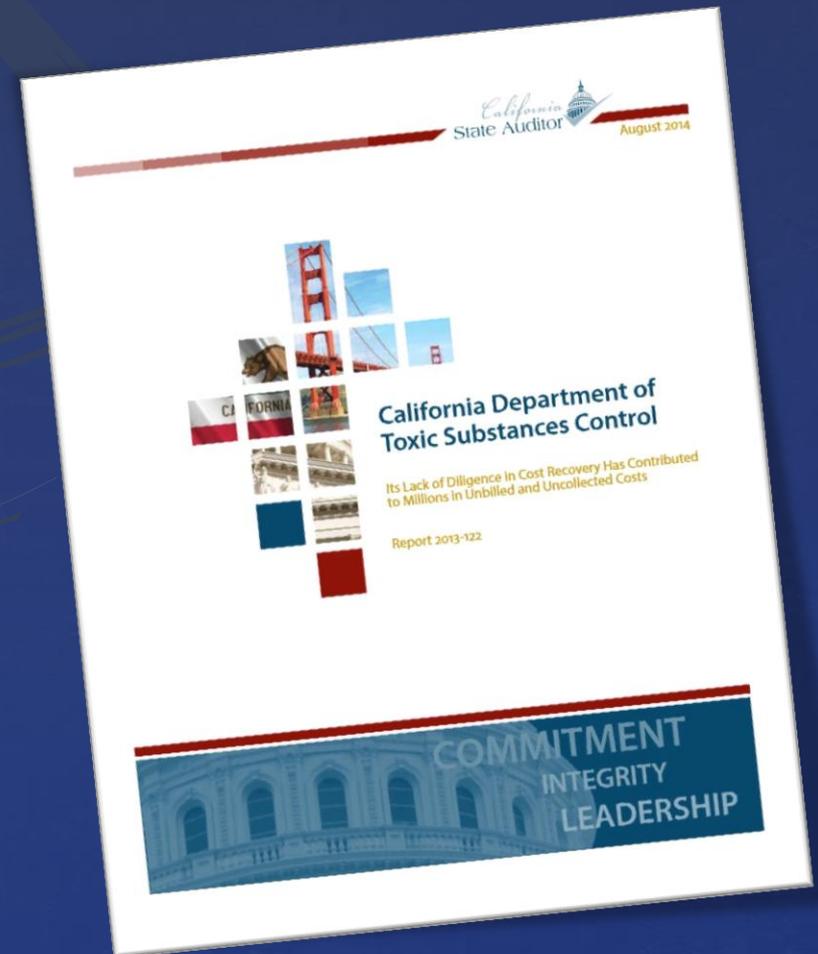
\$1.9 billion

over the past 26 years to protect
the public health and environment.



State Auditor's Report:

- \$194 million not collected at 2700 sites between 1987 and 2013
- Progress made, department heading in right direction



Progress Made



40%
REDUCTION

Amount reduced:

\$ 24 MILLION

- Antiquated billing system prevents accurate figures
- Prohibited from making changes to billing system

More than

\$2.1 MILLION

collected since March

Past Issues

- No standardized procedures
- Computer system not linked
- Technical staff used as bill collectors

Frontier Fertilizer



- Illegal dumping in unlined basin
- Drinking water threatened

Frontier Fertilizer



- Today: Vital community assets
- But \$4.3 million still owed to DTSC

Timeline

- **May 2013:** Unrecovered cost total of \$184.5 million disclosed to public ('87-'12)

Cost recovery team begins to tackle backlog

- **November 2013:** DTSC issues sweeping procedure changes, clarifies roles

A Fundamental Change in the way we do business

- Standardized Written Process
- Clear Rules and Responsibilities

Timeline

- **January 2014:** B.C.P. submitted requesting \$1.6+ million and 14 limited-term positions
- Governor appoints Special Assistant for Program Review
- Audit Team begins
- **February – March 2014:** 400 employees receive cost recovery training

Timeline

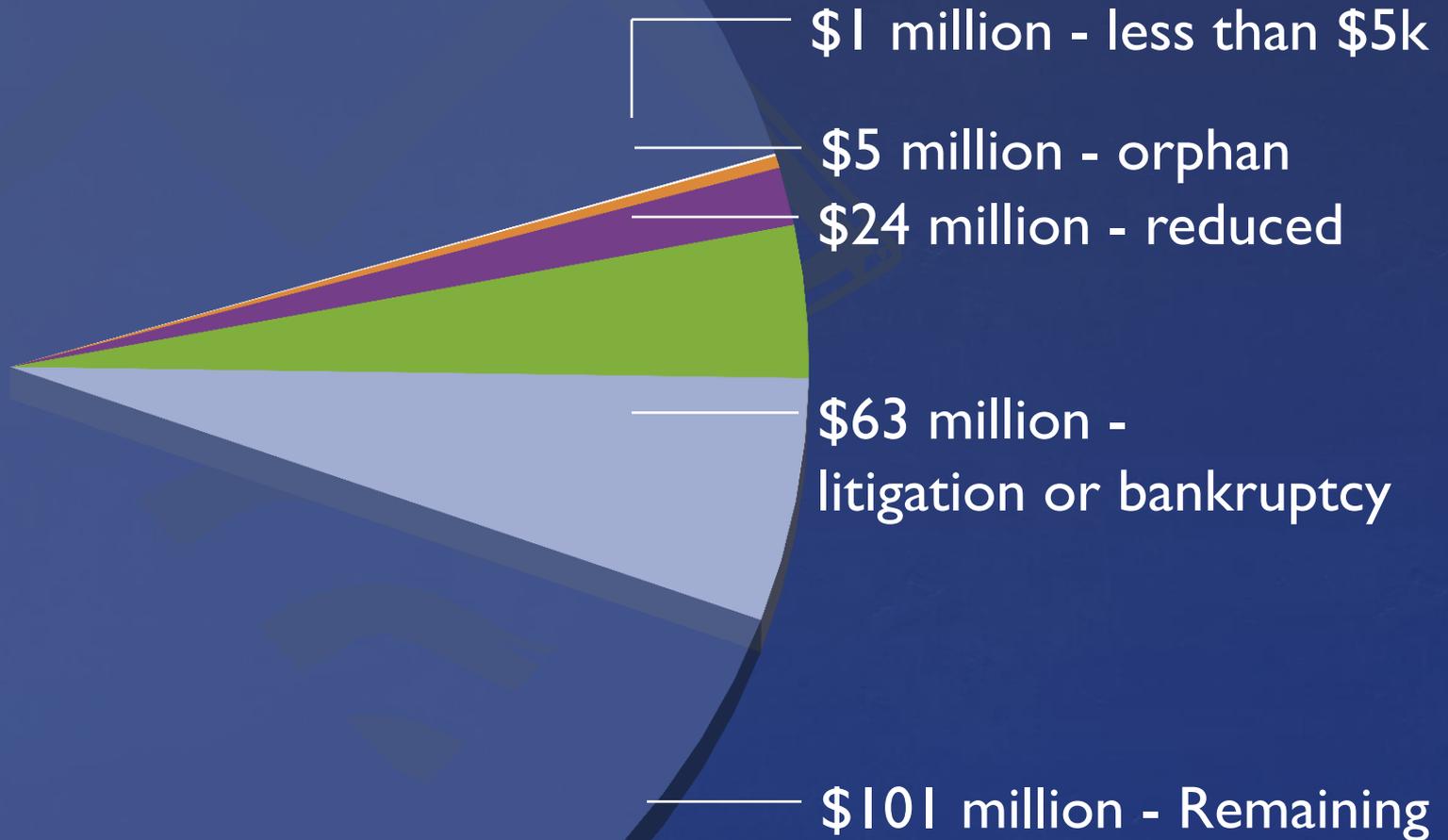
- **Spring 2014:** Audit Team completes field work
- **July 2014:** More than \$1.6 million and 14 limited-term positions take effect.
- **August 2014:** Auditors office releases report; total adjusted to \$194 million (includes 2013 figures)

Spent vs. Uncollected: 1987-2013

\$1.9 Billion
spent on cleanups

\$194 million
– uncollected

Uncollected



What Remains

- \$101 million of \$194 million
- 459 of 2700 sites

Priorities

Identified 52 top priority cases based on:

- Balances of more than \$1 million
- Pending statute of limitations

Costs unlikely to be recovered

- Orphan Sites
- Mistakes = data clean-up
- Settle for less than full cost

Response to Audit

- Progress reports at 60 days, 6 months, 1 year
- Establish responsible party search/approval process
- Revise collection letter log process
- Establish Statute of Limitations tracking mechanism

We won't repeat the
mistakes of the past.

I: Professionalizing Procedures

- New cost recovery policies and procedures – 27 scenarios covered
- 2015 – comprehensive cost recovery policy

2: Training on New Procedures

- Trained 400 employees with cost recovery responsibilities
- Employees with significant cost recovery responsibilities to receive additional targeted, intensive training

3: Accountability and Transparency

- Performance metrics, progress reports
- October Progress report to cover new accomplishments

DTSC is committed to the creation and adoption of a transparent and accountable Cost Recovery program that will earn the trust of California taxpayers.

Permit Process Enhancement

September 10, 2014

Terri Hardy, Special Assistant for Program Review

Wayne Lorentzen, Senior Engineer



Department of Toxic Substances Control



Cal/EPA

Overview

- Program Review
- Fixing the Foundation
- Stakeholder Input

Permitting Enhancement

- Overview
 - Vision for program
 - Work plan developed

Permitting Enhancement Work Plan

- Key Goals:
 - Reduce processing time
 - Clear metrics
 - Increase Standards
- Improve Safety
- Enhanced enforcement
- Enhanced public participation

Permitting Enhancement

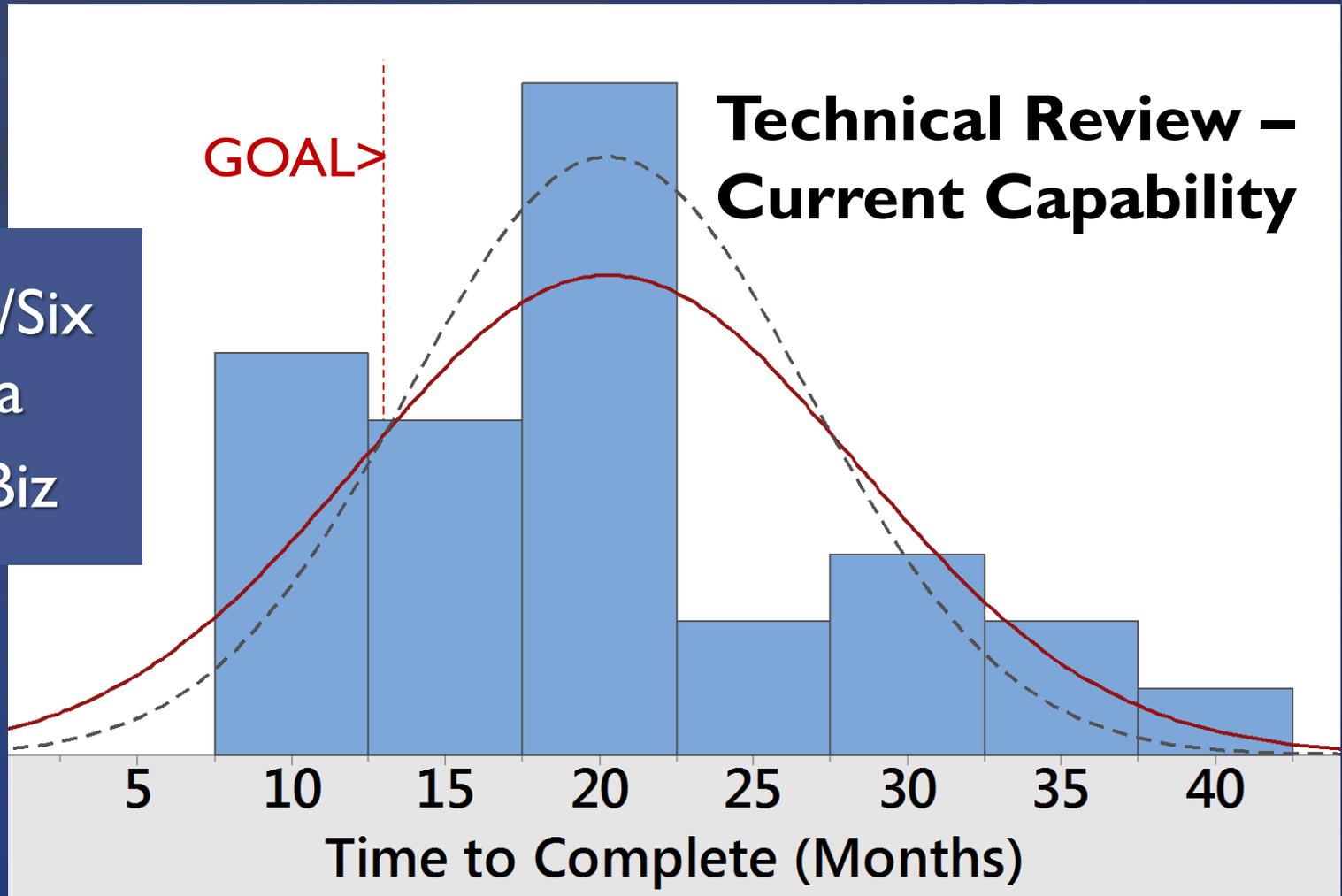
- Budget Change Proposal
 - \$699,000
 - Five Limited-Term Positions
 - Two-Year Deadline

Work Plan

- What's been done
 - Process evaluation/improvement
 - Decision-making flow chart

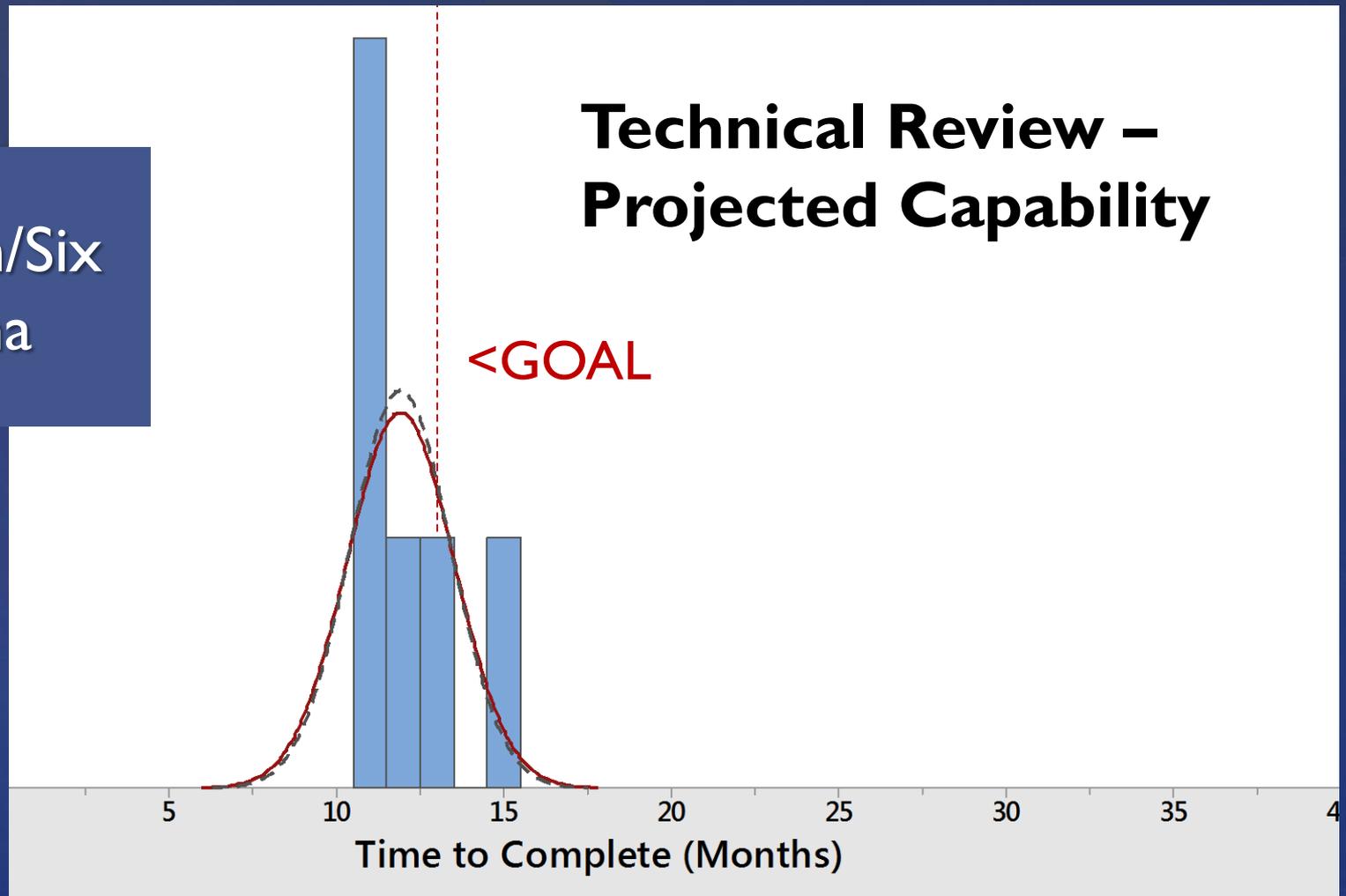
Process Evaluation/Improvement

- Lean/Six Sigma
- Go-Biz

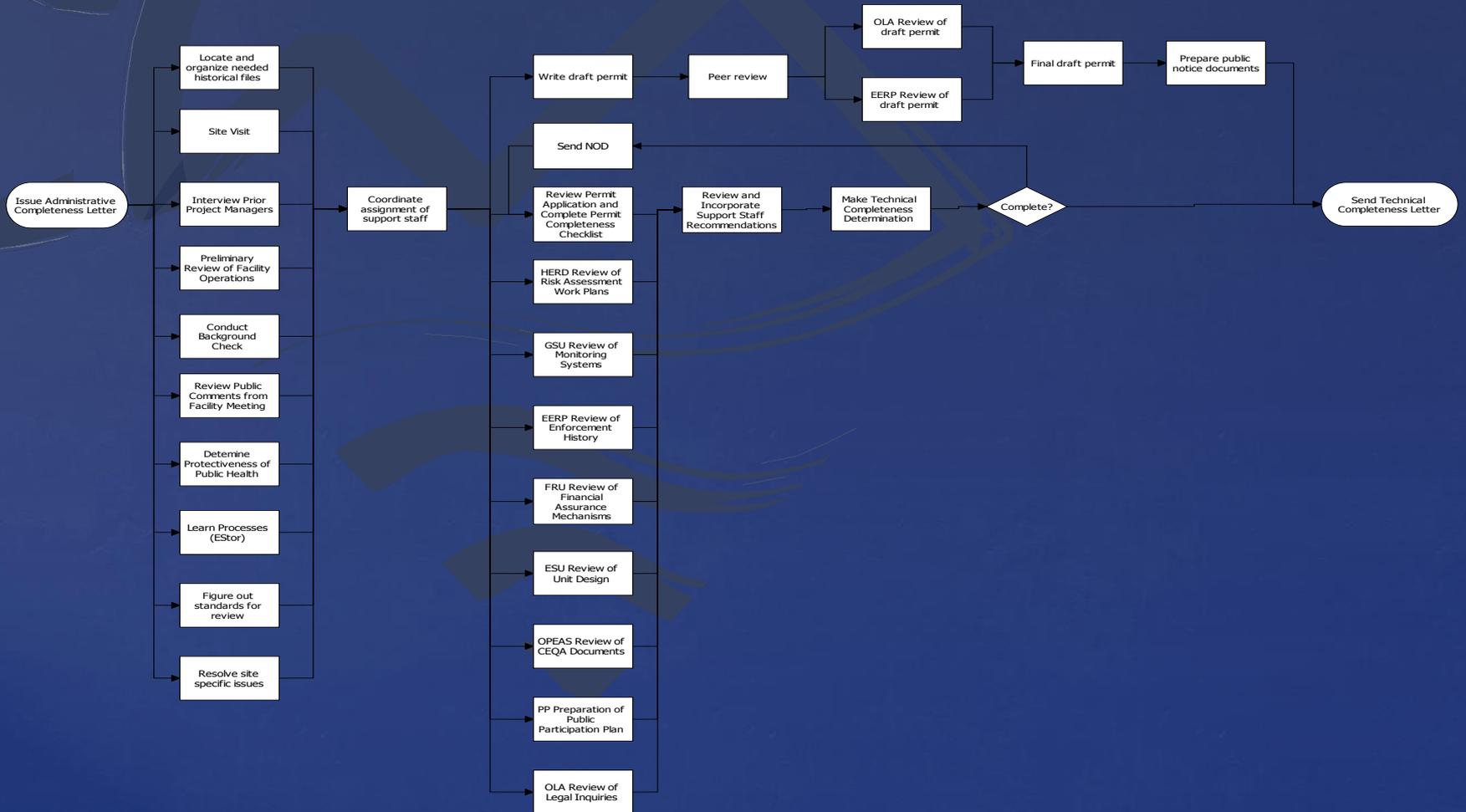


Process Evaluation/Improvement

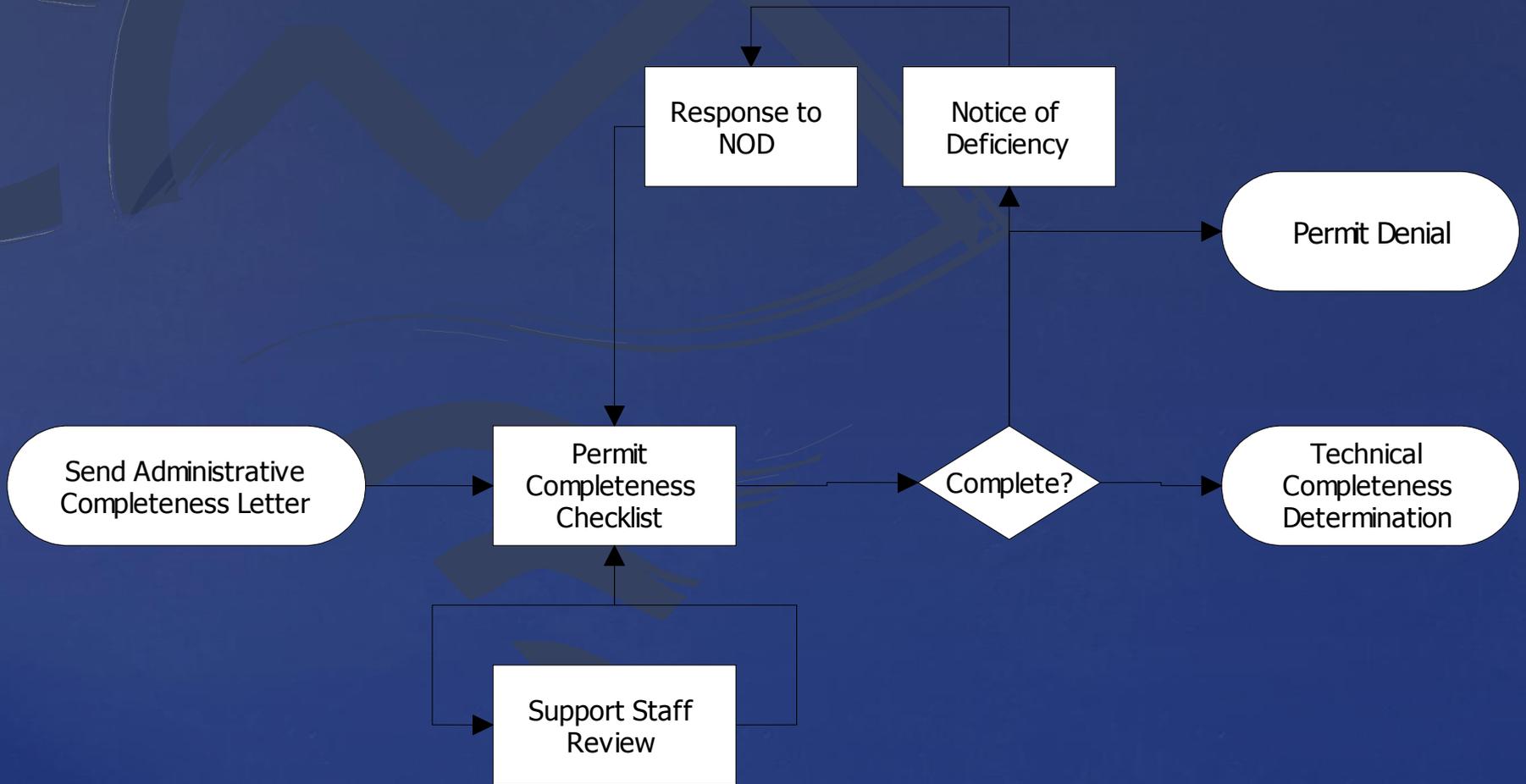
- Lean/Six Sigma



Flowchart – Technical Review

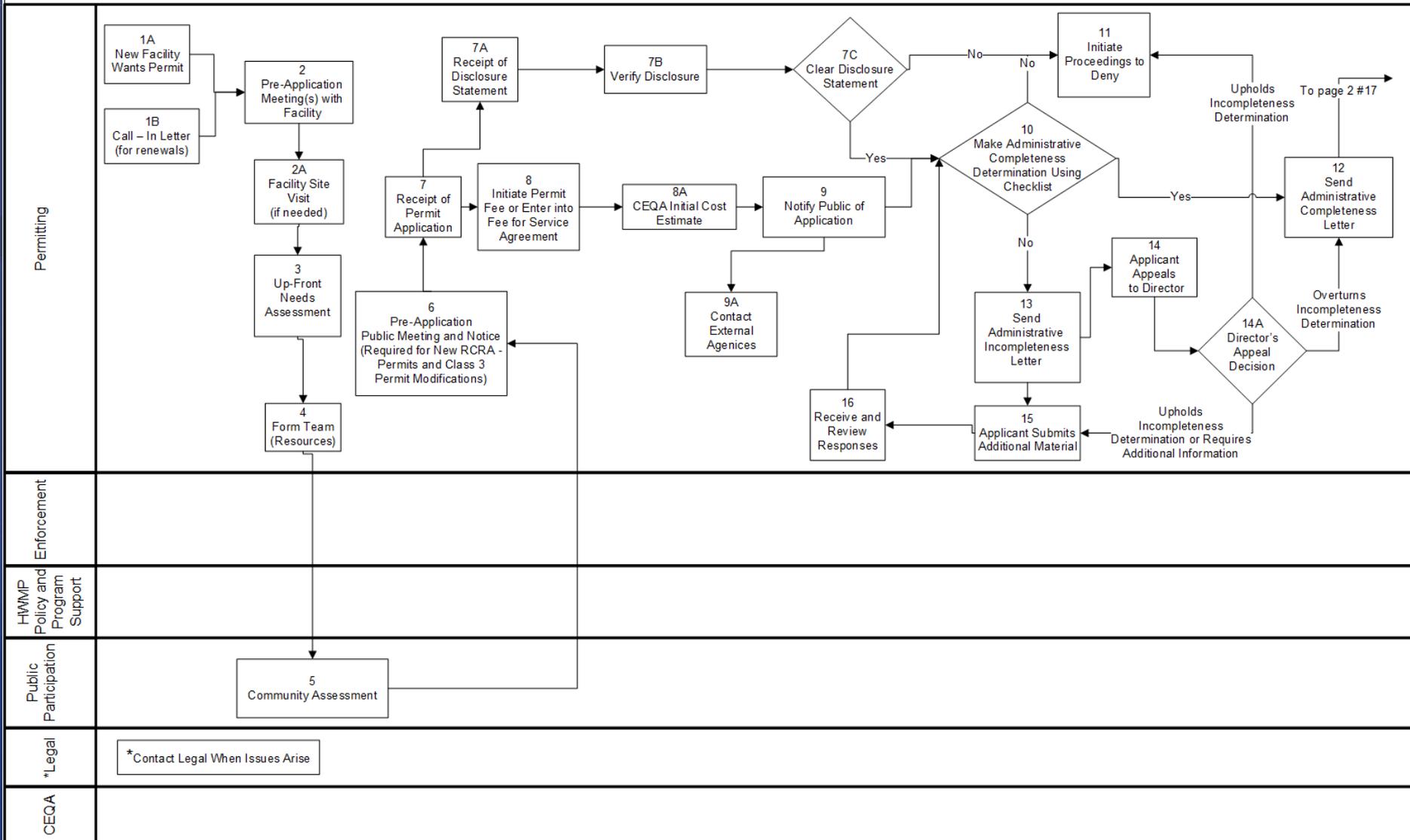


Flowchart – Technical Review



Flowchart – Entire Permitting Process

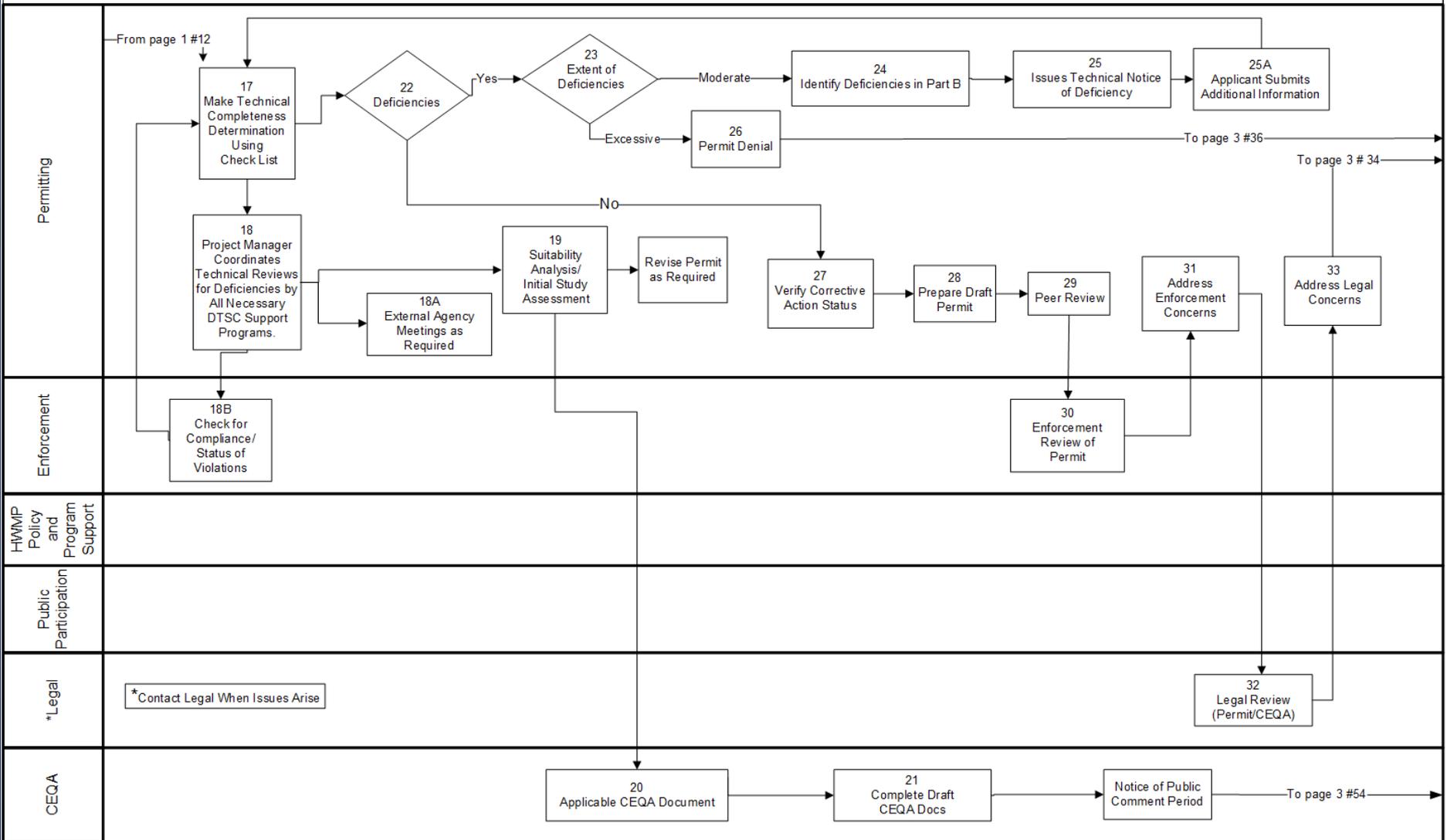
Permit Process Page 1 of 3
8/26/14_Without Appeals Process



*Contact Legal When Issues Arise

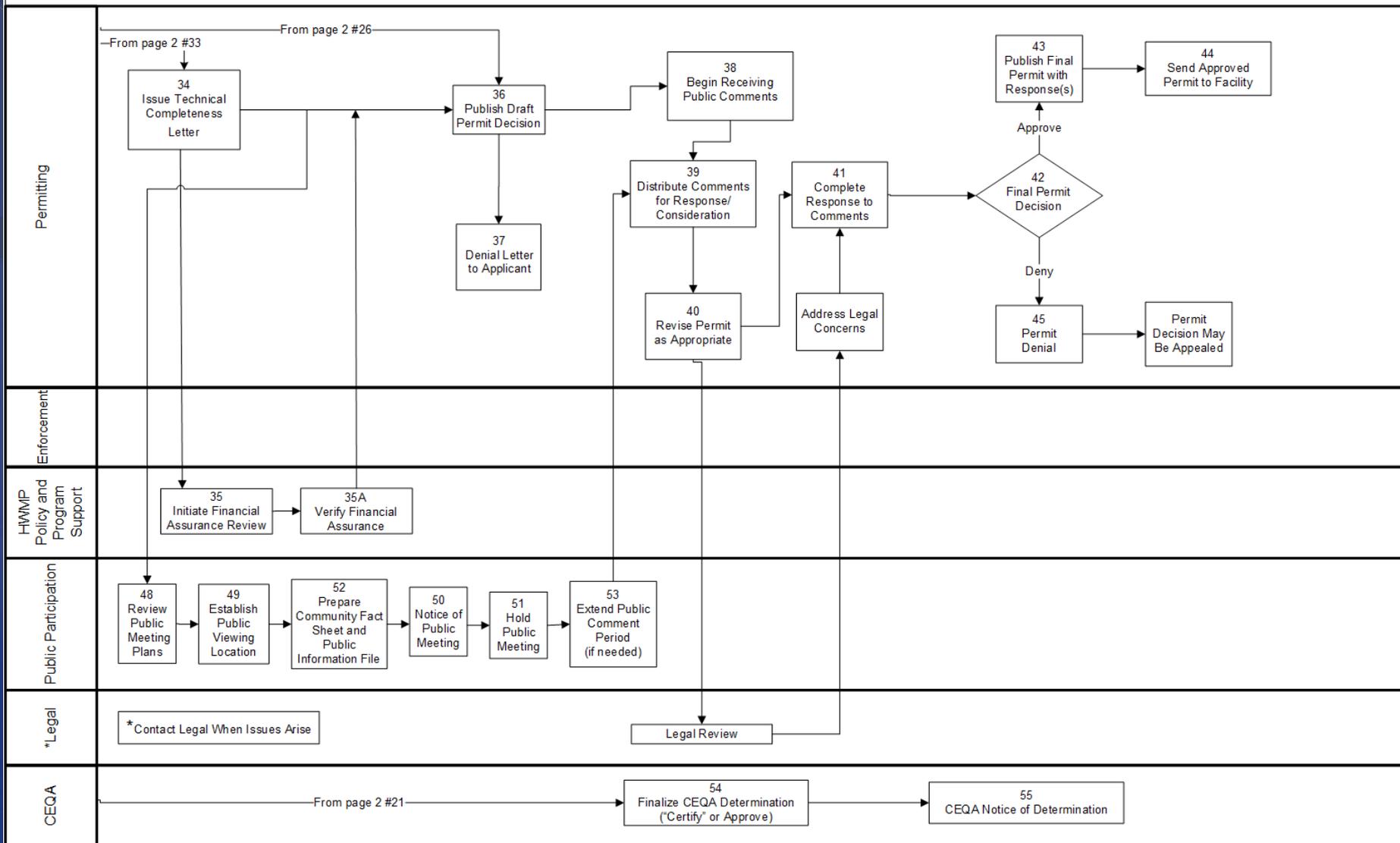
Flowchart – Entire Permitting Process

Permit Process Page 2 of 3
8/26/14_Without Appeals Process



Flowchart – Entire Permitting Process

Permit Process Page 3 of 3
8/26/14_Without Appeals Process



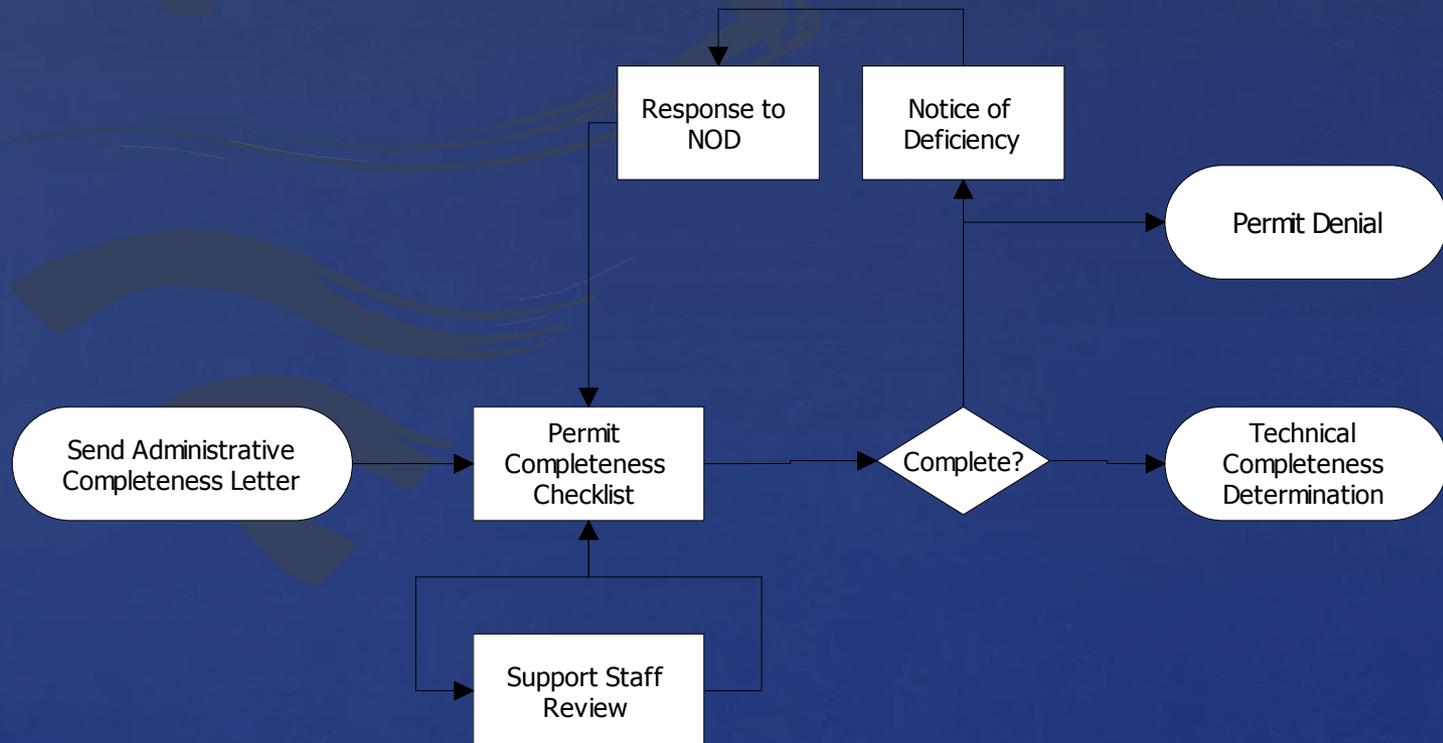
Next Steps

- Lean/Six Sigma Phase II
- Go-Biz



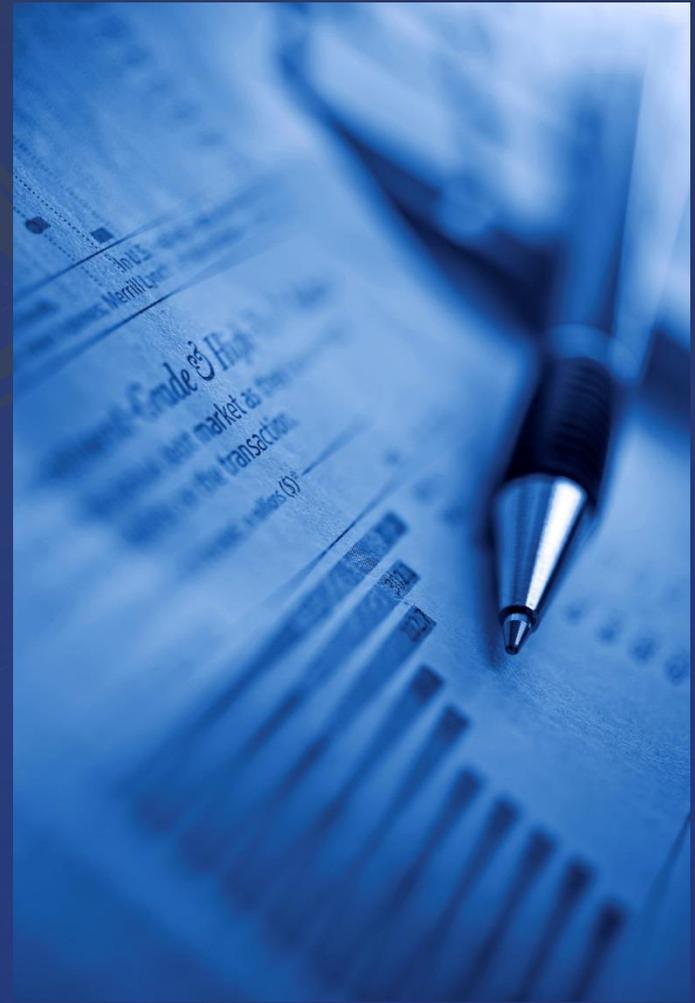
Next Steps

- Notice of Deficiency Guidance
- Permit Denial Guidance



Next Steps

- Financial Assurance
- Use of Enforcement
- Data



Next Steps

- Public Involvement
- Feedback



Hazardous Waste Tracking System

September 10, 2014

Rick Brausch

Policy and Program Support Division Chief
Hazardous Waste Management Program



Department of Toxic Substances Control



Cal/EPA

What is the Hazardous Waste Tracking System (HWTS)?

An information system that houses information related to hazardous waste handlers and shipments of hazardous waste in California.

What's in HWTS?

- Manifest Information
- Generator Information
- Transporter Information
- Facility Information

What is a Manifest?

Form Approved OMB No. 2050-0039

Please print or type. (Form designed for use on elite (12-pitch) typewriter.)

2. Page 1 of 3. Emergency Response Phone

4. Manifest Tracking Number

1. Generator ID Number
 5. Generator's Name and Mailing Address
 Generator's Site Address (if different than mailing address)

6. Generator's Phone
 U.S. EPA ID Number

7. Transporter 1 Company Name
 U.S. EPA ID Number

7. Transporter 2 Company Name
 U.S. EPA ID Number

8. Designated Facility Name and Site Address
 Facility's Phone

9a. HWM	9b. U.S. DOT Description (including Proper Shipping Name, Hazard Class, ID Number, and Packing Group (if any))	10. Containers		11. Total Quantity	12. Unit We. Awt.	13. Waste Codes		
		No.	Type					
1.								
2.								
3.								
4.								

14. Special Handling Instructions and Additional Information

15. GENERATOR/SHOFFER'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by the proper shipping name, and are classified, packaged, marked and labeled/placarded, and are in all respects in proper condition for transport according to applicable international and national governmental regulations. If export shipment and I am the Primary Exporter, I certify that the contents of this consignment conform to the terms of the attached EPA Acknowledgment of Consent. I certify that the waste minimization statement identified in 40 CFR 262.27(a) (if I am a large quantity generator) or (b) (if I am a small quantity generator) is true.
 Generator or Shipper's Printed/Typed Name _____ Signature _____ Month _____ Day _____ Year _____

16. International Shipments Import to U.S. Export from U.S. Port of entry/leaving U.S. _____
 Date leaving U.S. _____ Month _____ Day _____ Year _____
 Transporter signature (for exports only) _____ Signature _____
 17. Transporter Acknowledgment of Receipt of Materials
 Transporter 1 Printed/Typed Name _____ Signature _____ Month _____ Day _____ Year _____
 Transporter 2 Printed/Typed Name _____ Signature _____

18. Discrepancy Residue Partial Rejection Full Rejection
 18a. Discrepancy Indication Space: Quantity Type Manifest Reference Number _____ U.S. EPA ID Number _____
 18b. Alternate Facility (for Generator) _____ Month _____ Day _____ Year _____
 Facility's Phone _____
 18c. Signature of Alternate Facility (for Generator) _____

19. Hazardous Waste Report Management Method Codes (i.e., codes for hazardous waste treatment, disposal, and recycling systems)
 1 _____ 2 _____ 3 _____ 4 _____ Month _____ Day _____ Year _____

20. Designated Facility Owner or Operator: Certification of receipt of hazardous materials covered by the manifest except as noted in item 18a.
 Printed/Typed Name _____ Signature _____ Month _____ Day _____ Year _____

DESIGNATED FACILITY TO DESTINATION STATE (IF REQUIRED)

EPA Form 8700-22 (Rev. 3-05) Previous editions are obsolete.

Manifest Copies DTSC Receives

- CA generator sends a copy to DTSC (“G Copy”)
- Destination facility sends a copy to DTSC (“D Copy”)

HWTS - What Is It Used For?

- Enforcement
- Fees
- Research

HWTS Challenges

- System is aging
- Data quality/Data Errors

HWTS Fixes/Improvements Underway

- Manifest Enforcement Coordinator
- 2013 HWMP Reorganization

HWTS Fixes/Improvements

- **2013**

- Improvements to existing system

- **2014**

- System Rebuild
- Correct errors

HWTS Fixes/Improvements

- 2014-2015 BCPs
 - HWTS System Rebuild
 - Manifest error corrections

BCP Implementation

- HWTS Rebuild
 - Hired new Project Manager
 - Next six months
 - Request for Offer for Systems Integrator
 - Award Contract
 - Expected Completion December 2015

BCP Implementation

- Error Correction
 - Recruitment underway
 - Automated correction letter process
- Efforts to reduce errors
 - Notifications to generators
- Full scale underway November 2014

Other HWTS Improvements

- Automation – create efficiencies
- Already in place:
 - On-line Temporary Identification numbers
 - On-line Generator Verification (limited scale)

Planned Improvements

- More automation
 - Expand On-line Verification Questionnaire
 - On-line payment capability
 - On-line Permanent ID number issuance
 - On-line Transporter registration
 - On-line Generator biennial reports

On the Horizon

- Federal e-manifesting
 - National system
 - Manifest users input directly
 - Projected to be available in 2015 (funding dependent)
- HWTS will still be needed

Fixing the Foundation and 6- and 12-Month Work Plans

September 10, 2014

Nikita Koraddi, Permitting Work Plan Team



Department of Toxic Substances Control



Cal/EPA

Fixing the Foundation

- Strong, repeatable, and measurable systems and processes

Fixing the Foundation: Restoring Public Trust in DTSC



Department of Toxic
Substances Control

In early 2012, DTSC launched the "Fixing the Foundation" initiative to address issues that threatened DTSC's ability to achieve its mission and to ensure accountability. The following Work Plans cover the period from April 2013 to April 2014. Black indicates completed action items; grey indicates ongoing work. [Click here](#) for a summary report on actions taken from April 2013 to April 2014. Work Plans for the next six and 12 months will be posted in August 2014. The process for rebuilding DTSC will continue to be transparent.

WHAT WILL WE DO?	Phase 1	Phase 2	Phase 3
(1) Staff Engagement			
(1.a) Implement sustainable solutions that promote accountability and encourage frank and open internal discussion at DTSC.	●	●	
(2) Cost Recovery			
(2.a) Develop a set of comprehensive procedures to maximize DTSC's recovery of past, present and future cleanup costs.	●	●	●
(2.b) Evaluate unbilled and uncollected costs, and pursue collection of cleanup costs to the maximum extent possible.	●	●	●

- Public Work Plans
- Tracked progress on website
- One-year status report

Fundamentals (3.c): Site Cleanup Institutional Controls Tracking

Ensure that long term monitoring and tracking of cleanup and corrective action projects effectively protects the public and the environment.

Goal: Improve our long-term stewardship monitoring and tracking on cleanup and corrective action projects.

The final cleanup often allows residual contamination to remain on-site requiring long-term stewardship (LTS). LTS refer to the activities used to control and manage this residual contamination and to ensure the protection of public health and the environment over the long term. These controls are either engineered or legal. Engineered controls may include physical barriers like caps or the ongoing treatment facilities. The engineered controls require operation and maintenance (O&M) monitoring, evaluation, repairs, and sometimes upgrades or replacements of systems. Legal controls or "institutional" controls (IC) refer to administrative or legal activities. The most common is land use covenants that limit what can happen on the property. Terradex is a DTSC statewide contract that monitors over 125 data sources alerting DTSC project managers in advance of planned activities which could impact the integrity of the LTS activities.

Some factors hampering stewardship activities include: outdated policy and procedures; no performance system; funding mechanisms to recoup our costs; and the value of the system.

Timeline:

April – June 2013

- Update the maintenance
- Convene to manage

July – Sept

- Update
- W
- n
- y

Octo

Fixing DTSC's Foundation

April 2013 – April 2014

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 DEPARTMENT OF TOXIC SUBSTANCES CONTROL

- Internal and administrative improvements
- 6- and 12-month work plans

- **Consistency**

- **Transparency**

- **Accountability**

Cost Recovery

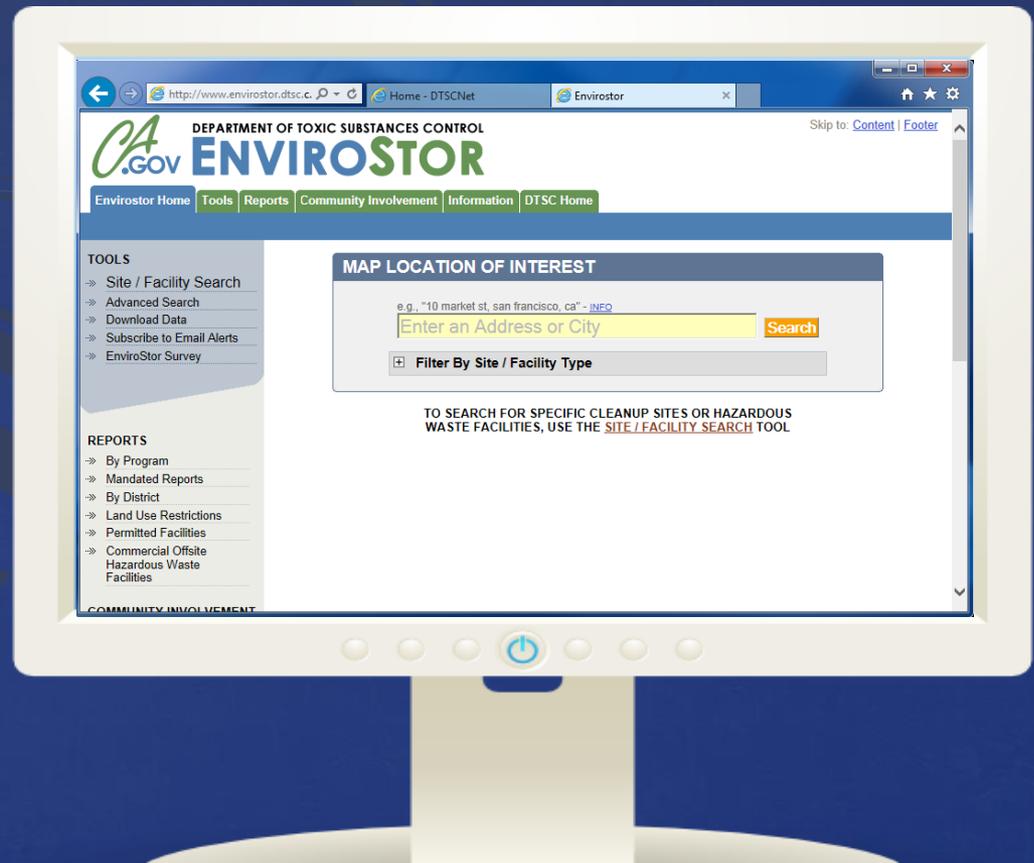
Strong, sustainable,
and transparent
cost recovery systems

Enforcement and Emergency Response Division

- Regular inspections to ensure compliance
- Timely and appropriate enforcement
- Emergency response



- April 2014 - Inspection and enforcement data on EnviroStor
- Public comment on proposed settlements



- Emergency response planning
- Identify and train multi-disciplinary teams



Site Cleanup

- Long-term monitoring and land use covenants
- Strengthening financial assurance
- Quick and effective enforcement actions



Permitting

- Quarterly summaries of permit activity
- Community workshop process





- Reflecting community feedback
- Early public involvement
- Enhanced review procedure in environmental justice communities

Administrative Services

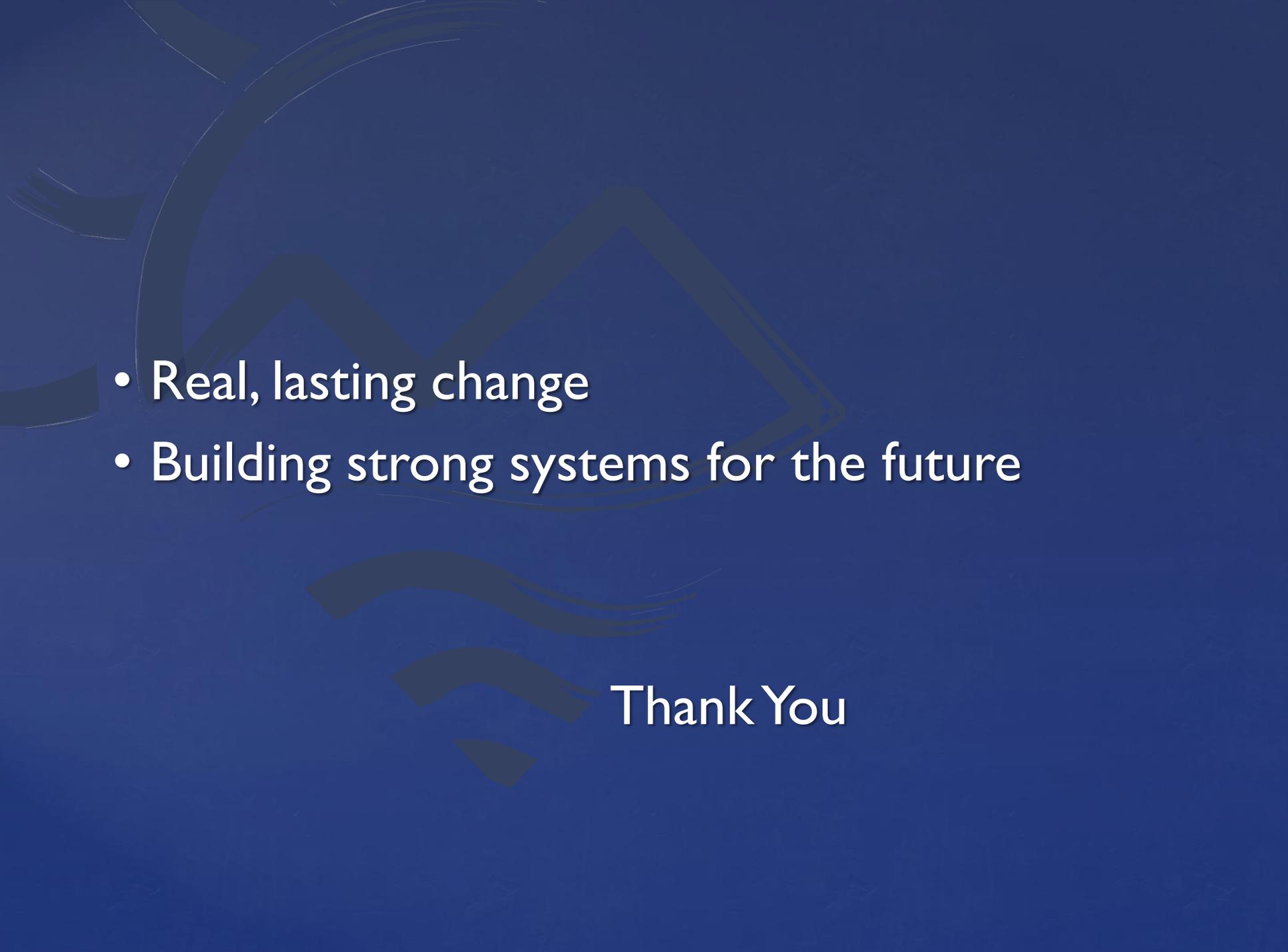
- Replacing aging financial systems with Fi\$Cal.



Safer Products and Workplaces

- Successful implementation of Safer Consumer Products program
- Alternatives Analysis guidance document
- Three-year work plan for priority products



- 
- Real, lasting change
 - Building strong systems for the future

Thank You

DTSC Legislative Update

September 10, 2014

Josh Tooker, Deputy Director

Office of Legislation



Department of Toxic Substances Control



Cal/EPA

Legislative Session Ended August 31

Governor has until September 30
to sign or veto bills

SB 712 (Lara) Hazardous waste facility: permitting: interim status

- Requires DTSC to issue a final permit decision on an application for interim status by December 31, 2015.

SB 812 (De Leon) Hazardous waste

- Makes a number of changes to DTSC's hazardous waste facility permitting process and other departmental practices.

SB 1019 (Leno) Upholstered furniture: Flame Retardant Chemicals

- Requires manufacturers of upholstered furniture to indicate on a label whether or not the product contains added flame retardants.
- Requires DTSC to perform testing for products selected by the Bureau of Home Furnishings.

SB 1249 (Hill) Hazardous Waste: Shredder Waste

- Requires DTSC to evaluate hazardous waste management activities at metal shredding facilities and authorizes DTSC to adopt regulations establishing alternative management standards for hazardous waste management activities at metal shredding facilities.