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9 Substances Control*

*EXEMPT FROM FILING FEES  
GOVERNMENT CODE § 6103*

10  
11 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
12 COUNTY OF SAN MATEO

13  
14 **PEOPLE OF THE STATE OF  
CALIFORNIA, ex rel. Miriam Barcellona  
15 Ingenito, Acting Director of the  
CALIFORNIA DEPARTMENT OF TOXIC  
16 SUBSTANCES CONTROL,**

17 Plaintiff,

18 v.

19  
20 **SIMS GROUP USA CORPORATION, a  
Delaware Corporation,**

21 Defendant.  
22

Case No.

**STIPULATION FOR ENTRY OF FINAL  
JUDGMENT AND ORDER**

(Code of Civ. Proc., § 664.6)

23 Plaintiff, the People of the State of California, ex rel. Miriam Barcellona Ingenito, Acting  
24 Director of the Department of Toxic Substances Control (“DTSC”) and Defendant, Sims Group  
25 USA Corporation (“Sims”) (together the “Parties”), enter into this Stipulation for Settlement and  
26 Entry of Judgment and Final Order (“Stipulation”), and stipulate as follows:  
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1                   **1. THE COMPLAINT AND INTRODUCTION**

2                   DTSC has filed a complaint for Civil Penalties and Injunctive Relief (“Complaint”) under  
3 the California Hazardous Waste Control Law (“HWCL”) (Health & Saf. Code, § 25100 et seq.)  
4 and its implementing regulations, against Sims, which operates a scrap metal recycling and  
5 shredding facility located at 699 Seaport Boulevard, Redwood City, California 94063 (the “Sims  
6 Facility”).

7                   As set out more fully in the Complaint, DTSC alleges that operations at the Sims Facility  
8 have resulted in the release, migration, deposition, and accumulation of light fibrous material  
9 (“LFM”) onto public and private properties. DTSC alleges that LFM is generated during the  
10 shredding operations and downstream metal separation processes at the Sims Facility, some  
11 portion of which becomes airborne. DTSC further alleges that airborne LFM migrates off of the  
12 Sims Facility and is deposited onto public and private properties, where it then accumulates.  
13 Testing of LFM samples collected outside the Sims Facility have shown that most of the LFM  
14 sampled contains concentrations of certain metals – specifically copper, lead, and zinc – that  
15 exceed the hazardous waste regulatory thresholds for such metals. DTSC alleges that Sims has  
16 conducted operations at the Sims Facility in a manner that fails to minimize the possibility of  
17 release of hazardous waste or hazardous waste constituents into the environment and that the  
18 release, migration, deposition, and accumulation of LFM constitutes unlawful disposal of  
19 hazardous waste or hazardous waste constituents, which are violations of the HWCL and its  
20 implementing regulations.

21                   Sims contends that LFM is an in-process material (not a waste) and that fugitive emissions  
22 of LFM are regulated by the Bay Area Air Quality Management District and are not within  
23 DTSC’s regulatory authority. Sims disputes DTSC’s allegation that LFM is a hazardous waste  
24 and denies that it has disposed of a hazardous waste at unauthorized locations, as alleged by  
25 DTSC. Sims asserts that it has already taken steps, including the implementation of numerous  
26 Best Management Practices, to reduce the potential for LFM to be released and has removed and  
27 lawfully disposed of past accumulations of LFM that have been identified on private and public  
28 properties outside the Sims Facility. However, DTSC and Sims agree that additional measures

1 are needed to reduce the potential for future releases, migrations, depositions, and accumulations  
2 of LFM.

### 3 **2. AGREEMENT TO SETTLE DISPUTE**

4 The Parties enter into this Stipulation pursuant to a compromise and settlement of disputed  
5 claims and mutually consent to the entry by this Court of the agreed upon Final Judgment and  
6 Order on Consent (“Final Judgment”), which is the form attached as Exhibit 1. The Parties are  
7 each represented by counsel. The Office of the Attorney General represents DTSC, and Margaret  
8 Rosegay of Pillsbury Winthrop Shaw Pittman LLP represents Sims. This Stipulation and the  
9 Final Judgment were negotiated in good faith and at arms’ length by the Parties to avoid  
10 expensive and protracted litigation regarding the alleged violations of the HWCL and to further  
11 the public interest.

### 12 **3. DEFINITIONS**

13 Except where otherwise expressly defined in this Stipulation, all terms shall be interpreted  
14 consistent with the HWCL and its implementing regulations.

15 “Air Handling System” means the system of ducting, fans, and other equipment used to  
16 draw air from the Shredder and related equipment into a permitted air pollution control system  
17 consisting of equipment (e.g., cyclones and air scrubber) used to control and/or remove  
18 particulate matter from the air.

19 “Effective Date” is the date the Final Judgment is entered by the Court.

20 “Metal Recovery Plant” means Buildings B, C, D, and E located at the Sims Facility and  
21 the equipment located therein. Buildings B, C, and D house equipment used to separate non-  
22 ferrous metals from aggregate (e.g., screening unit, eddy currents, air knives). Building E is used  
23 for temporary storage of aggregate prior to its introduction into the downstream Metal Recovery  
24 Plant. Aggregate is conveyed by covered conveyors into Buildings B, C, and D where non-  
25 ferrous metals are separated and removed for sale as commodities. Following completion of  
26 these separation operations, the residual non-metallic material (“shredder residue”) is conveyed  
27 by covered conveyor to the treatment system in Building A.

28

1           “Screening Unit” means equipment used to separate material by size by means of a  
2 driving mechanism that creates vibratory movements in which flexible panels are alternatively  
3 expanded and compressed.

4           “Shredder” means the electrically-driven hammermill at the Sims Facility used to reduce  
5 end-of-life vehicles, appliances, and other metal into fist-sized or smaller pieces that are then  
6 separated into ferrous (e.g., steel) and non-ferrous (e.g., copper or aluminum) metals by a series  
7 of magnets and other metal separation equipment.

#### 8           **4. JURISDICTION AND VENUE**

9           The Parties agree and hereby stipulate that for purposes of this Stipulation this Court has  
10 subject matter jurisdiction over the matters alleged in the Complaint, personal jurisdiction over  
11 Sims, and that venue in this Court is proper under Health and Safety Code section 25183.

#### 12           **5. WAIVER OF HEARING AND TRIAL AND ENTRY OF JUDGMENT**

13           By signing and entering into this Stipulation, Sims waives its right to a hearing and a trial  
14 on the matters alleged in the Complaint.

#### 15           **6. APPLICABILITY**

16           Unless otherwise expressly provided herein, the provisions of this Stipulation and the  
17 Final Judgment entered by this Court shall apply to and be binding on Sims and its agents,  
18 servants, employees, representatives, successor, and all persons, as that term is defined in Health  
19 and Safety Code section 25118, acting in concert or participating with Sims regarding the Sims  
20 Facility, and DTSC and any successor agency that may have responsibility for and jurisdiction  
21 over the subject matter of the Final Judgment entered in this matter.

#### 22           **7. SETTLEMENT**

23           The Parties enter into this Stipulation as a compromise and settlement of disputed claims  
24 for the purpose of avoiding prolonged and complicated litigation and in furtherance of the public  
25 interest. The Parties agree that there has been no adjudication of any fact or law. Sims does not  
26 admit any fact, liability, or violation of law, and specifically disputes that LFM as produced by  
27 Sims’ scrap metal shredding and recycling operations at the Sims Facility, constitutes a hazardous  
28

1 waste, or that the off-site dispersal and accumulation of LFM constitutes the unlawful disposal of  
2 a hazardous waste.

### 3 **8. MATTERS COVERED**

4 Except as otherwise provided in this Stipulation, this Stipulation is a full, final, and  
5 binding resolution and settlement of the HWCL claims, violations, or causes of action specifically  
6 alleged by DTSC in the Complaint through the filing date of the Complaint. Except as expressly  
7 provided in this Stipulation, nothing in this Stipulation or in the Final Judgment entered by this  
8 Court is intended nor shall it be construed to preclude DTSC, or any federal, state, or local  
9 agency, department, board, or entity, from exercising its authority or rights under any federal,  
10 state, or local law, statute, or regulation, nor shall it limit the liability of Sims for the removal or  
11 remediation of any release or threatened release of hazardous substances from the Sims Facility,  
12 including but not limited to disposal caused by the release, migration, deposition, and  
13 accumulation of LFM from the Sims Facility. In any subsequent action that may be brought by  
14 DTSC based on any claim, violation, or cause of action not covered by this Stipulation, Sims  
15 agrees that it will not assert that failing to pursue such claim, violation, or cause of action as part  
16 of this action constitutes claim-splitting.

### 17 **9. INJUNCTIVE PROVISIONS**

18 Pursuant to the provisions of Health and Safety Code sections 25181 and 25184, Sims  
19 shall comply with Chapter 6.5 of Division 20 of the Health and Safety Code, and the regulations  
20 promulgated thereunder in Division 4.5 of Title 22 of the California Code of Regulations, in its  
21 operation of the Sims Facility.

### 22 **10. UPGRADES TO SIMS FACILITY AND INTERIM MEASURES**

23 a. Upgrades Completed. As of the date that this Stipulation has been signed by the  
24 Parties, Sims has completed the following upgrades at the Sims Facility to reduce the potential for  
25 LFM to be released outside the boundaries of the Sims Facility:

26 i. Construction of an additional 150 feet of fencing around the ferrous stacking  
27 conveyor;

1           ii.    Enclosure of Buildings B and D, which are located in the Metal Recovery Plant.  
2 Sims completed the enclosure by extending the existing buildings walls to ground level;

3           iii.   Modification of the trommel feed conveyors by lengthening, repositioning, and  
4 enclosing the conveyors; and

5           iv.    Upgraded the Air Handling System by replacing fans, plumbing, duct work,  
6 and steel structural components.

7           b.    Upgrades Required to be Completed. By June 30, 2015, Sims agrees to and shall  
8 complete all of the actions set forth below:

9           i.    Sims shall install additional windscreen at the southeast corner of the Sims  
10 Facility to close the small gap in the windscreen that currently exists.

11           ii.   Sims shall erect a structure to enclose the Shredder. The air inside the  
12 enclosure will be vented to a new cyclone that removes particulates before the air is vented to the  
13 existing scrubber. The new cyclone has already been installed. The enclosure will also trap  
14 water vapor produced by the shredding process.

15           iii.   Sims shall erect a structure to enclose the Screening Unit and associated  
16 magnets (new Building F). Building F features shall include fire protection, electrical, lighting,  
17 and dust control measures inside the building for worker health and safety. New Building F shall  
18 be joined to existing Building B in the Metal Recovery Plant at the Sims Facility. Material  
19 exiting the Screening Unit (aggregate) is conveyed by covered conveyor into Building D.

20           iv.    Sims shall timely apply for all building and other permits needed for the  
21 construction of the Shredder and Screening Unit enclosures.

22           v.    As part of the enclosure of the Shredder, the "take-off" point(s) for air  
23 collection shall be repositioned or modified as necessary to optimize collection of air from the  
24 new enclosure. The air will be vented from the enclosure through ducting and routed to the  
25 permitted air pollution control system.

26           vi.    Within five (5) days of completing all of the actions set forth in Paragraph 10,  
27 subsections b.i. through b.v., Sims shall notify those persons identified in Paragraph 13 that such  
28 actions have been completed.

1           vii. Upon written request submitted to DTSC and for good cause shown, DTSC  
2 may grant Sims an extension of the June 30, 2015, deadline to complete the Sims Facility  
3 Upgrades Required to be Completed set forth in Paragraph 10, subsection b., without need for  
4 written approval by or order of the Court.

5           viii. Any event that is beyond the control of Sims and that prevents timely  
6 performance of any obligation under Paragraph 10, subsection b., despite Sims' best efforts to  
7 fulfill that obligation, is a *force majeure* event. In exercising its best efforts, Sims must anticipate  
8 any potential *force majeure* event and address the effects of such event as it is occurring and,  
9 following such event, minimize any delay to the greatest feasible extent. *Force majeure* does not  
10 include financial inability to fund or complete the obligation.

11           c. Interim Measures. Beginning on the Effective Date and continuing for a period of  
12 three months after DTSC has received notice of the completion of all Facility Upgrades set forth  
13 in Paragraph 10, subsection b., Sims agrees to and shall perform the following:

14           i. On a weekly basis inspect the areas identified in Exhibit 2 of this Stipulation  
15 ("Inspection Areas") for visible accumulations of LFM. Sims shall remove visible accumulations  
16 of LFM using the methods described in Exhibit 2 and shall return the collected material to the  
17 Sims Facility to be characterized for disposal at an authorized location. The material shall be  
18 characterized pursuant to California Code of Regulations, title 22, section 66262.11, subdivision  
19 (b), and managed in accordance with all applicable laws and regulations. Sims shall keep a log of  
20 these inspections, including the dates and times of the inspections; whether any visible  
21 accumulation of LFM was observed; photographs depicting any such accumulation and the area  
22 where it was observed; the amount (i.e., weight and volume) of LFM that was removed; the  
23 characteristic(s) of the LFM; and the disposition of the removed LFM. The log shall also specify  
24 the manner of transport and the name and location of the disposal facility. On a monthly basis, an  
25 electronic copy of the inspection logs shall be sent via e-mail or U.S. mail to DTSC to those  
26 persons identified in Paragraph 13.

27           ii. If Sims removes LFM from any surface(s) in the Inspection Area that are  
28 technically susceptible to wipe sampling as described in Exhibit 2, Sims must show that, after the

1 removal, such surface(s) contain concentrations of lead below four hundred micrograms per  
2 square foot ( $400 \mu\text{g}/\text{ft}^2$ )<sup>1</sup>. This shall be shown by conducting wipe samples of the surface(s) from  
3 which the LFM was removed immediately after such removal. Wipe samples shall be taken in  
4 accordance with the sampling and analysis protocol set forth in Exhibit 2 of this Stipulation. The  
5 results of the wipe sample(s) shall be kept as part of the log required by Paragraph 10,  
6 subsection c.i. Sims shall not be required to collect wipe samples from any soil surface or other  
7 surface that is not technically susceptible to wipe sampling.

## 8 **11. MONETARY SETTLEMENT REQUIREMENTS**

9 a. Sims agrees to and shall expend funds in the amount of two million three hundred and  
10 ninety-three thousand eight hundred and fourteen dollars (\$2,393,814.00), as follows:

11 i. Sims shall expend funds of one million four hundred and forty-three thousand  
12 eight hundred and fourteen dollars (\$1,443,814.00) to complete the Facility Upgrades identified  
13 in Paragraph 10, subsections a. and b. Under penalty of perjury under the laws of the State of  
14 California, Sims shall submit proof to DTSC of the expenditure of funds to complete the Facility  
15 Upgrades, including any related invoices, contracts, and payments, via e-mail or U.S. mail to  
16 those DTSC representatives identified in Paragraph 13. If Sims spent less than \$1,443,814.00 to  
17 complete the Facility Upgrades required pursuant to this Stipulation, then the difference shall be  
18 paid to DTSC as an additional civil penalty in this case, which shall be paid within thirty (30)  
19 days of submitting proof to DTSC of the expenditure of funds to complete the Sims Facility  
20 Upgrades identified in Paragraph 10, subsections a. and b.

21 ii. One hundred and twenty-five thousand dollars (\$125,000) shall be paid by Sims  
22 as a Supplemental Environmental Project to the "Secretary for the California Environmental  
23 Protection Agency" for deposit in the Environmental Enforcement and Training Account Program  
24 (Cal. Code Regs., tit. 27, § 10014, et seq.) for purposes consistent with the mission of the  
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26 \_\_\_\_\_  
27 <sup>1</sup>  $400 \mu\text{g}/\text{ft}^2$  is the threshold for lead-contaminated dust for exterior floor and exterior  
28 horizontal surfaces, as set forth in California Code of Regulations, title 17, section 35035,  
subdivision (c).



1 Environmental Enforcement and Training Act of 2002. This sum shall be payable within thirty  
2 (30) days of the Effective Date and sent to:

3 Alice Busching Reynolds  
4 Deputy Secretary for Law Enforcement and Counsel  
5 California Environmental Protection Agency  
6 1001 I Street, 25<sup>th</sup> Floor  
7 P.O. Box 2815  
8 Sacramento, California 95814

9 iii. The remaining eight hundred and twenty-five thousand dollars (\$825,000) shall  
10 be payable to DTSC within thirty (30) days of the Effective Date. Of that amount, three hundred  
11 and seventy five thousand dollars (\$375,000) shall be paid as a civil penalty and four hundred and  
12 fifty thousand dollars (\$450,000) shall be considered payment for DTSC's costs in investigating  
13 this matter and the allegations contained in the Complaint.

14 Sims shall pay all monies owed to DTSC pursuant to this Stipulation and Final Judgment  
15 entered by the Court by cashier's check, made payable to the "California Department of Toxic  
16 Substances Control" and bearing the notation "Sims Group USA Corporation," sent to:

17 Cashier  
18 Accounting Office, MS-21 A  
19 Department of Toxic Substances Control  
20 P.O. Box 806  
21 Sacramento, California 95 812-0806

22 An electronic (i.e., Adobe PDF) copy or paper photocopy of each cashier's check shall be  
23 sent, at the same time, to those persons identified in Paragraph 13.

## 24 **12. ENFORCEMENT**

25 If DTSC determines that Sims has violated any term(s) of this Stipulation or the Final  
26 Judgment entered by this Court, DTSC will provide Sims with written notice of the default. Such  
27 written notice constitutes Sims' notice of its reasonable opportunity to come into compliance. If  
28 Sims fails to come into compliance within fourteen (14) calendar days of the date of the DTSC's  
notice or another time frame specified by DTSC (whichever is later), DTSC may proceed to  
pursue all its rights and remedies to enforce this Stipulation and the Final Judgment.

Notwithstanding the foregoing, nothing herein is intended or to be construed as limiting or  
precluding DTSC from seeking injunctive relief or penalties for the period of time Sims violated

1 the terms of the Stipulation or Final Judgment; or from initiating an enforcement action against  
2 Sims for any violations of the HWCL or its implementing regulations not alleged to date by  
3 DTSC, including, but not limited to violations of the injunctive terms of this Stipulation.

4 **13. NOTICES**

5 All notices under this Stipulation and the Final Judgment entered by this Court shall be in  
6 writing and shall be sent to:

7 Enrique Baeza, Supervising Criminal Investigator II  
8 Office of Criminal Investigations, MS-23A  
9 Department of Toxic Substances Control  
10 P.O. Box 806  
11 Sacramento, California  
12 Enrique.Baeza@dtsc.ca.gov

13 Ann Carroll, Senior Staff Counsel  
14 Office of Legal Counsel, MS-23A  
15 Department of Toxic Substances Control  
16 P.O. Box 806  
17 Sacramento, California 95812-0806  
18 Ann.Carroll@dtsc.ca.gov

19 Dennis L. Beck, Jr.  
20 Deputy Attorney General  
21 Office of the Attorney General  
22 1300 I Street, Suite 125  
23 P.O. Box 944244  
24 Sacramento, CA 94244-2550  
25 Dennis.Beck@doj.ca.gov

26 **14. NO WAIVER OF RIGHT TO ENFORCE**

27 The failure of DTSC to enforce any provision of this Stipulation or the Final Judgment  
28 shall neither be deemed a waiver of such provision, nor in any way affect the validity of this  
Stipulation, the Final Judgment entered by this Court, or DTSC's enforcement authority. The  
failure of DTSC to enforce any such provision of this Stipulation or the Final Judgment shall not  
preclude it from later enforcing the same or other provisions. No oral advice, guidance,  
suggestions, or comments by employees or officials of DTSC or Sims, or people or entities acting  
on behalf of Sims, regarding matters covered in this Stipulation or the Final Judgment entered by  
this Court, shall be construed to relieve Sims of its obligations under this Stipulation or the Final  
Judgment.

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**15. EFFECT OF STIPULATION AND FINAL JUDGMENT**

Except as expressly provided in this Stipulation or the Final Judgment, nothing herein is intended nor shall it be construed to preclude DTSC, or any state, county, or local agency, department, board or entity from exercising its authority under any law, statute, or regulation. Except as expressly provided in this Stipulation or the Final Judgment, Sims retains all of its defenses to the exercise of the aforementioned authority.

**16. NO LIABILITY OF DTSC**

DTSC shall not be liable for any injury or damage to persons or property resulting from acts or omissions by Sims or its agents, servants, employees, representatives, or other persons acting in concert or participating with Sims, in carrying out activities pursuant to this Stipulation or the Final Judgment entered by the Court in this matter, nor shall DTSC be held as a party to or guarantor of any contract entered into by Sims or its agents, servants, employees, representatives, or other persons acting in concert or participating with Sims, in carrying out the requirements of this Stipulation or the Final Judgment entered by the Court in this matter.

**17. FUTURE REGULATORY CHANGES**

Nothing in this Stipulation or the Final Judgment entered by the Court in this matter shall excuse Sims from meeting any more stringent requirements that may be imposed by applicable law or by changes in the applicable law. To the extent future statutory and regulatory changes make Sims's obligations less stringent than those provided for in this Stipulation or the Final Judgment entered by the Court in this matter, Sims (a) may stipulate with DTSC to modify Sims' obligations and submit such stipulation to this Court for review and approval or (b) may apply to this Court by noticed motion to modify Sims' obligations.

**18. INTEGRATION**

This Stipulation constitutes the entire agreement between the Parties and may not be amended or supplemented except as provided for in this Stipulation. No oral representations have been made or relied on other than as expressly set forth herein.

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**19. RETENTION OF JURISDICTION**

The Parties agree that the Court has continuing jurisdiction to interpret and enforce the provisions of this Stipulation and the Final Judgment thereon to be entered by this Court.

**20. EQUAL AUTHORSHIP**

This Stipulation shall be deemed to have been drafted equally by the Parties hereto. The Parties agree that the rule of construction holding that ambiguity is construed against the drafting party shall not apply to the interpretation of this Stipulation.

**21. AMENDMENTS TO THIS STIPULATION AND THE JUDGMENT**

This Stipulation and the Final Judgment may be amended only pursuant to a written agreement signed by all the Parties, followed by written approval by the Court, or by order of the Court following the filing of a duly noticed motion.

**22. AUTHORITY TO ENTER STIPULATION**

Each signatory to this Stipulation certifies that he or she is fully authorized by the Party he or she represents to enter into this Stipulation, to execute it on behalf of the party represented, and to legally bind that Party.

**23. COUNTERPARTS**

This Stipulation may be executed in several counterpart originals, all of which taken together shall constitute an integrated document.

**24. ENTRY OF FINAL JUDGMENT PURSUANT TO STIPULATION**

The Parties further stipulate that upon approval of this Stipulation by the Court, the Court may enter Final Judgment in this matter in the form set forth in the attached Exhibit 1. If the Court does not approve this Stipulation and the agreed upon Final Judgment in the form and substance proposed in Exhibit 1 hereto, each Party reserves the right to withdraw both the Stipulation and the proposed Final Judgment, upon written notice to all Parties and the Court.

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**IT IS SO STIPULATED.**

Dated: November 21, 2014

FOR THE CALIFORNIA DEPARTMENT OF  
TOXIC SUBSTANCES CONTROL

REED SATO  
Chief Counsel, Office of Legal Affairs  
Department of Toxic Substances Control

Dated: November 20, 2014

FOR SIMS GROUP USA CORPORATION

L Steven Shinn  
2014.11.20  
13:16:34 -08'00'

L. STEVEN SHINN \_  
PRESIDENT \_

**APPROVED AS TO FORM.**

Dated: November 21, 2014

KAMALA D. HARRIS  
Attorney General of California  
MARGARITA PADILLA  
Supervising Deputy Attorney General

DENNIS L. BECK, JR.  
Deputy Attorney General  
*Attorneys for Plaintiff People of the State of  
California, ex rel. Department of Toxic  
Substances Control*

Dated: November 20, 2014

PILLSBURY WINTHROP SHAW PITTMAN LLP

MARGARET ROSEGAY  
*Attorney for Defendant Sims Group USA  
Corporation*

# Exhibit 1

1 KAMALA D. HARRIS  
Attorney General of California  
2 MARGARITA PADILLA, State Bar No. 99966  
Supervising Deputy Attorney General  
3 DENNIS L. BECK, JR., State Bar No. 179492  
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7 *Attorneys for Plaintiff, People of the State of*  
*California, ex rel. Miriam Barcellona Ingenito,*  
8 *Acting Director, California Department of Toxic*  
9 *Substances Control*

*EXEMPT FROM FILING FEES*  
*GOVERNMENT CODE § 6103*

10  
11 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
12 COUNTY OF SAN MATEO  
13

14 **PEOPLE OF THE STATE OF**  
15 **CALIFORNIA, ex rel. Miriam Barcellona**  
16 **Ingenito, Acting Director of the**  
17 **CALIFORNIA DEPARTMENT OF TOXIC**  
**SUBSTANCES CONTROL,**  
18 **Plaintiff,**  
19 **v.**  
20 **SIMS GROUP USA CORPORATION, a**  
**Delaware Corporation,**  
21 **Defendant.**

Case No.  
**[DRAFT] FINAL JUDGMENT AND**  
**ORDER ON CONSENT**

22  
23  
24 Having reviewed the Stipulation for Entry of Final Judgment and Order executed by the  
25 Plaintiff, People of the State of California, ex rel. Miriam Barcellona Ingenito, Acting Director of  
26 the California Department of Toxic Substances Control and the Defendant, Sims Group USA  
27 Corporation, and good cause appearing herein, the Court finds that the settlement between the  
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1 Plaintiff and the Defendant is fair and in the public interest. Accordingly, the Court enters the  
2 Final Judgment and Order on Consent filed herewith.

3 **IT IS SO ORDERED.**

4  
5 Dated: \_\_\_\_\_

\_\_\_\_\_  
6 Hon. Judge of the Superior Court

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# Exhibit 2



# Memorandum

**To:** Melisa Cohen; Sims Metal Management  
**From:** Peter Zawislanski, PG, CHG; Terraphase Engineering Inc.  
**Date:** September 30, 2014  
**Subject:** Inspection and Wipe Sampling Plan for Light Fibrous Material, Sims Metal Management, Redwood City, California - Revised

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Terraphase Engineering Inc. (Terraphase), on behalf of Sims Metal Management (SMM), has prepared this plan for the inspection and wipe sampling of light fibrous material (LFM) near the SMM facility in Redwood City, California ("the SMM facility").

The Inspection and Wipe Sampling Plan consists of three components:

- Weekly visual inspection of areas adjacent to and downwind of the SMM facility, as depicted on Figure 1, to identify locations where LFM may be present in visible accumulations. Inspection areas will include:
  - Public roadways
  - Sidewalks, including the adjacent planter areas
  - Pacific Shores Center parking lot (northwestern edge)
  - Port of Redwood City parking lot
  - Seaport Environmental yard
  - Railroad easement along Seaport Blvd, including the ditch.
- Removal of accumulated LFM as needed.
- Wipe sampling of dust from hard, relatively smooth, nonporous surfaces (i.e., concrete sidewalk, paved parking lot) to confirm effectiveness of the LFM removal procedure. Primary focus areas for sampling are listed above and identified on Figure 1. However, sampling locations will vary depending on the location of observed LFM.

## Visual Inspection

A weekly inspection will be conducted by SMM personnel to evaluate the potential presence and need for removal of LFM from areas near the SMM facility. The inspection will follow a route that will cover areas adjacent to and downwind of the SMM facility, to the northeast, east, southeast, and south of the facility (Figure 1). The route covers areas where LFM has been observed during previous inspections.

An SMM technician will start the weekly inspection at the facility entrance. The technician will then proceed across Seaport Blvd. to the parking lot in the Pacific Shores complex. The route will include the

northwestern edge of the parking lot and then continue to the south along the sidewalk/bicycle path along the eastern side of Seaport Blvd., to the entrance to the Cargill facility. The technician will then cross over Seaport Blvd., to the Frontage Rd., and head north along rail road tracks on the west side of Frontage Rd., back to the SMM facility entrance. The technician will note their observations on the Light Fibrous Material Inspection and Cleaning Log ("inspection log;" Attachment A), including the date and time of the inspection, whether any visible accumulation of LFM was observed, digital photographs depicting any such accumulation and the area where it was observed; and the amount (i.e., weight and volume) of LFM that was removed.

If LFM is present at a given location, the inspection area will be extended as necessary, until the extent of the LFM present on the ground is defined. The technician will carry with them small hand tools, including a backpack vacuum with a high-efficiency particulate air (HEPA) filter, which can be used to collect LFM observed during the weekly inspection, as needed. The LFM will be placed in garbage bags, double-bagged, and returned to the SMM facility, where it will be characterized for disposal. The material shall be characterized pursuant to California Code of Regulations title 22, section 66262.11, subdivision (b), and sent off-site for disposal in accordance with all applicable laws and regulations. Where necessary for proper characterization, analytical testing of the material will be conducted in accordance with section 66262.11, subdivision (b)(1), by an analytical laboratory certified for hazardous waste analysis by the California Department of Health Services through the Environmental Laboratory Accreditation Program. The technician will note whether the accumulation is sufficient to require further removal efforts and will use the inspection log to document completed removal activities. Following characterization of the collected LFM, the inspection log will be updated to include the characteristic(s) of the LFM, the disposition of the material, the manner of transport and the name and location of the disposal facility.

### **Wipe Sampling**

Wipe sampling will be conducted to document the effectiveness of LFM removal actions. Sampling will be conducted at two or more discrete locations, following removal of the accumulated material. Based on previous field observations by SMM personnel and by Terraphase staff, three general areas where LFM is most likely to be observed have been identified, as shown on Figure 1. Wipe samples will typically be collected from these locations, assuming LFM is present in a given week. Wipe sampling areas may be adjusted based on observations made during future inspections.

The wipe sampling procedure is described in the attached NIOSH Method 9100 for Lead in Surface Wipe Samples. Wipe samples will only be collected from hard, relatively smooth, nonporous surfaces (i.e., concrete sidewalk, paved parking lot). Wipe samples cannot be collected from soil, plants, or non-horizontal surfaces. Terraphase staff will train SMM personnel in the wipe sampling procedures.

Wipe samples will be submitted to a California certified hazardous waste testing laboratory for the analysis of lead, using the NIOSH 7105 sample preparation method and EPA Method 6010. The results of the analysis will be screened against the California Department of Public Health (CDPH) lead screening level for exterior floors and exterior horizontal surfaces of 400 micrograms per square foot (*Title 17, California Code Of Regulations, Division 1, Chapter 8 §35035 Accreditation, Certification, and Work Practices For Lead-Based Paint and Lead Hazards*).

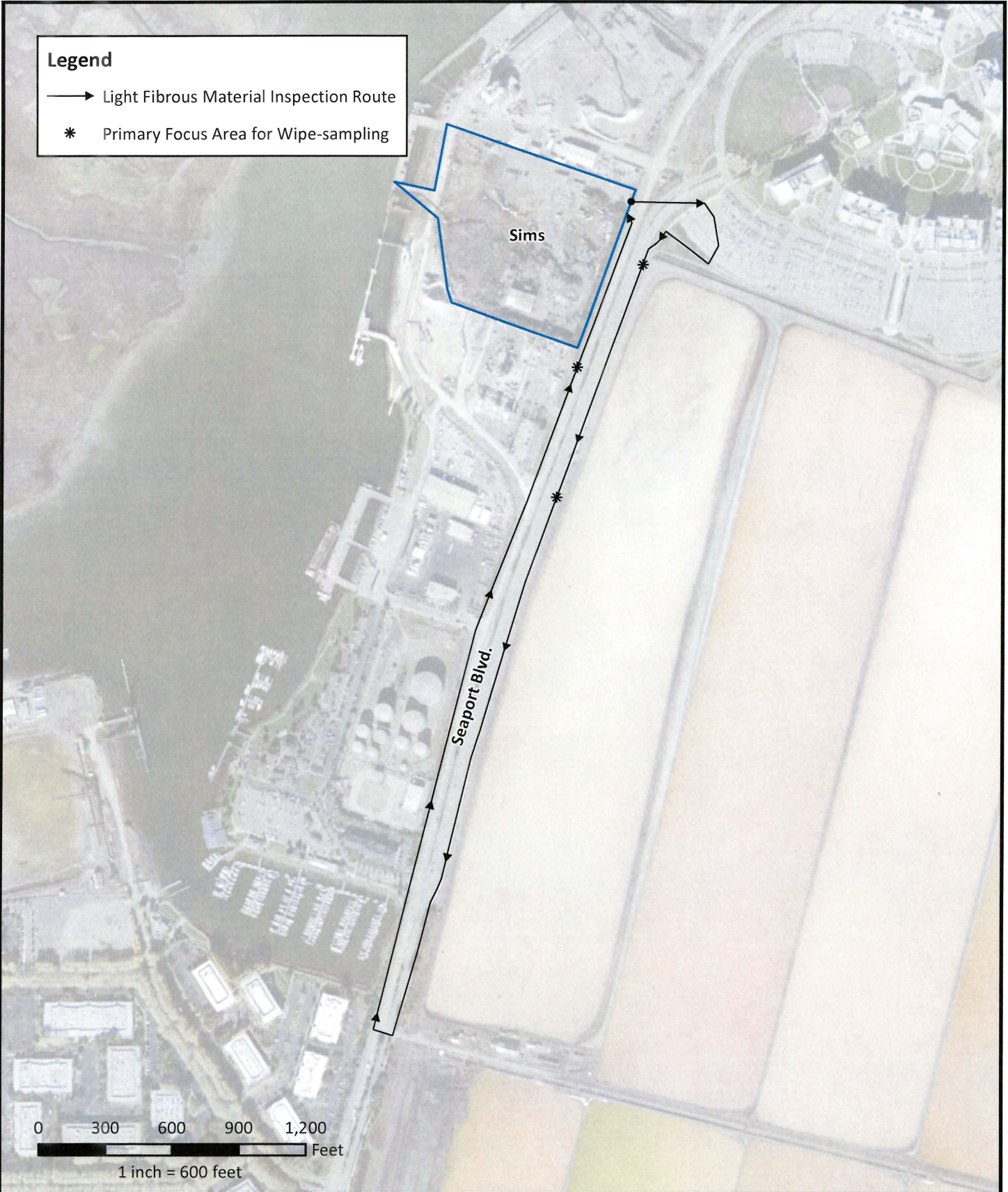
***Attachments***

Figure 1 - Light Fibrous Material Inspection Route  
Attachment A - Light Fibrous Material Inspection and Cleaning Log  
NIOSH Method 9100 for Lead in Surface Wipe Samples

**Figure 1**

**Legend**

- Light Fibrous Material Inspection Route
- \* Primary Focus Area for Wipe-sampling



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engineering

CLIENT:	Sims Metal Management
PROJECT:	Redwood City, California
PROJECT NUMBER:	0012.001.002

**Light Fibrous Material  
Inspection Route**

**FIGURE 1**

# Attachment A

**Sims Metal Management**  
**Redwood City, CA**  
**Weekly Light Fibrous Material (LFM) Inspection and Cleaning Log**

Week of: \_\_\_\_\_ 20\_\_  
 Light Fibrous Material (LFM) Inspection and Cleaning Log

Inspector's Name: \_\_\_\_\_

Location	Date of Inspection		Conditions Observed (e.g., Accumulation of Light Fibrous Material)	Action Required	Action Taken	Date Action Completed	Wipe Sample Taken Yes/No	Initials (responsible person)
	Date/Time	Circle One						
SMM Driveway		AM	<input type="checkbox"/> Accumulation of LFM	YES	<input type="checkbox"/> Clean LFM			
		PM	<input type="checkbox"/> OK	NO	<input type="checkbox"/> None			
Pacific Shores Parking Lot		AM	<input type="checkbox"/> Accumulation of LFM	YES	<input type="checkbox"/> Clean LFM			
		PM	<input type="checkbox"/> OK	NO	<input type="checkbox"/> None			
Seaport Blvd Eastside Sidewalk		AM	<input type="checkbox"/> Accumulation of LFM	YES	<input type="checkbox"/> Clean LFM			
		PM	<input type="checkbox"/> OK	NO	<input type="checkbox"/> None			
Frontage Road Railroad Tracks		AM	<input type="checkbox"/> Accumulation of LFM	YES	<input type="checkbox"/> Clean LFM			
		PM	<input type="checkbox"/> OK	NO	<input type="checkbox"/> None			
Port of RWC Parking Lot		AM	<input type="checkbox"/> Accumulation of LFM	YES	<input type="checkbox"/> Clean LFM			
		PM	<input type="checkbox"/> OK	NO	<input type="checkbox"/> None			
Seaport Environmental		AM	<input type="checkbox"/> Accumulation of LFM	YES	<input type="checkbox"/> Clean LFM			
		PM	<input type="checkbox"/> OK	NO	<input type="checkbox"/> None			

Comments: \_\_\_\_\_



# LEAD in Surface Wipe Samples

9100

Pb

MW: 207.19

CAS: 7439-92-1

RTECS: OF7525000

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**METHOD:** 9100, Issue 1  
1994

**EVALUATION:** PARTIAL

**ISSUE 1:** 15 August

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**PURPOSE:** Determination of surface contamination by lead and its compounds.

**LIMIT OF DETECTION:** 2 µg Pb per sample (0.02 µg/cm<sup>2</sup> for 100-cm<sup>2</sup> area) by **flame AAS** or **ICP**;  
0.1 µg Pb per sample (0.001 µg/cm<sup>2</sup> for 100-cm<sup>2</sup> area) by **graphite furnace AAS**.

**FIELD EQUIPMENT:**

1. Bags, plastic, sealable (e.g., with attached wire, tape or "zip"-type seal).
2. Sample pads, 2" x 2", sterile cotton gauze (Curity™, Johnson & Johnson™, or equivalent), or ashless quantitative filter paper.  
NOTE: Wash'n Dri™ wipes may also be used. Other wipes may not ash properly, or may have a significant lead blank value.
3. Gloves, latex, disposable.
4. Template, plastic, 10 cm x 10 cm, or other standard size.
5. Water, distilled, in plastic squeeze bottle.

**SAMPLING:**

1. Using a new pair of gloves, remove a gauze pad from its protective package. Moisten the gauze pad with approximately 1 to 2 mL of distilled water.  
NOTE 1: Apply no more distilled water than that necessary to moisten approximately the central 80% of the area of the gauze pad. Excess distilled water may cause sample loss due to dripping from the gauze pad.  
NOTE 2: If using the premoistened Wash'n Dri™, omit the distilled water.
2. Place the template over the area to be sampled. Wipe the surface to be sampled with firm pressure, using 3 to 4 vertical S-strokes. Fold the exposed side of the pad in and wipe the area with 3 to 4 horizontal S-strokes. Fold the pad once more and wipe the area with 3 to 4 vertical S-strokes.
3. Fold the pad, exposed side in, and place it in a new plastic bag. Seal and label the bag clearly. Discard the gloves.
4. Clean the template in preparation for the next wipe sample.
5. Include two blank pads (moistened and placed in bags) with each sample set.

**SAMPLE PREP:** Use the procedure of NIOSH Method 7105, including final sample dilution to 10 mL.  
NOTE: Additional portions of nitric acid may be needed for complete digestion of the sample, including the pad. Include appropriate media and reagent blanks.

**MEASUREMENT:** Screening of all samples by flame AAS or ICP, followed by graphite furnace AAS for those samples giving "Not Detected" is an efficient scheme. Use the procedures of NIOSH Methods 7082 (Lead by flame AAS), 7300 (Elements by ICP), 7105 (Lead by graphite furnace AAS), or other appropriate methods.

**METHOD WRITTEN**

**WRITTEN BY:** Peter M. Eller, Ph.D., QASA/DPSE