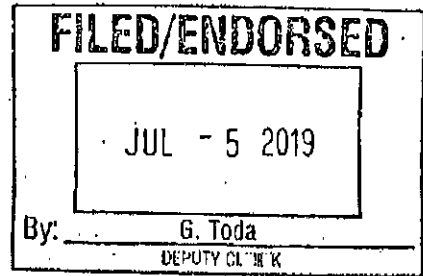


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Exempt from Fees Pursuant to  
Government Code section 6103



14 *Attorneys for People of the State of California, ex*  
15 *rel. Meredith J. Williams, Acting Director of the*  
16 *Department of Toxic Substances Control*

17 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
18 COUNTY OF SACRAMENTO

19 **PEOPLE OF THE STATE OF**  
20 **CALIFORNIA, ex rel. MEREDITH J.**  
21 **WILLIAMS, ACTING DIRECTOR OF**  
22 **THE DEPARTMENT OF TOXIC**  
23 **SUBSTANCES CONTROL,**

Plaintiff,

v.

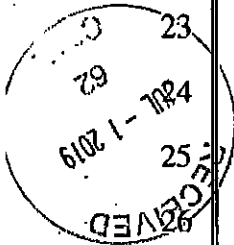
24 **STRATEGIC MATERIALS, INC., dba**  
25 **WESTERN STRATEGIC MATERIALS,**  
26 **INC., a Delaware corporation,**

Defendant.

Case No. 34,2019-00259384

~~(PROPOSED)~~ FINAL JUDGMENT AND  
PERMANENT INJUNCTION ON  
CONSENT

27 Having reviewed the Stipulation for Entry of Final Judgment and Permanent Injunction on  
28 Consent ("Stipulation") between Plaintiff, the People of the State of California, ex rel. Meredith J.  
Williams, Acting Director of the Department of Toxic Substances Control, and Defendant,



1 Strategic Materials, Inc. which is attached as Exhibit "A", and good cause appearing herein, the  
2 Court finds that the resolution set forth in the Stipulation is fair and in the public interest. The  
3 Stipulation is approved, and its terms are incorporated into this judgment by reference.  
4 Accordingly, final judgment is entered.  
5

6 **IT IS SO ORDERED, ADJUDGED AND DECREED THAT THE FINAL**  
7 **JUDGMENT AND PERMANENT INJUNCTION ON CONSENT BE ENTERED AS**  
8 **PROVIDED HEREIN.**

9 Dated: 7-5-, 2019



Original Signed by Christopher Krueger

JUDGE OF THE SACRAMENTO  
COUNTY SUPERIOR COURT

CHRISTOPHER E. KRUEGER

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27  
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**Proposed Final Judgment and Permanent  
Injunction on Consent**

**Exhibit A**

1 XAVIER BECERRA  
2 Attorney General of California  
3 MARGARITA PADILLA  
4 Supervising Deputy Attorney General  
5 REED SATO  
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*Exempt from Fees Pursuant to  
Government Code section 6103*

9 *Attorneys for People of the State of California, ex  
10 rel. Meredith J. Williams, Acting Director of the  
11 Department of Toxic Substances Control*

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
13 COUNTY OF SACRAMENTO

14  
15 **PEOPLE OF THE STATE OF  
16 CALIFORNIA, *ex rel.* MEREDITH J.  
17 WILLIAMS, ACTING DIRECTOR OF  
18 THE DEPARTMENT OF TOXIC  
19 SUBSTANCES CONTROL,**

Plaintiff,

20 v.

21 **STRATEGIC MATERIALS, INC., dba  
22 WESTERN STRATEGIC MATERIALS,  
23 INC., a Delaware corporation,**

Defendant.

Case No.

**STIPULATION FOR ENTRY OF FINAL  
JUDGMENT AND PERMANENT  
INJUNCTION ON CONSENT**

25 Plaintiff, the People of the State of California, *ex rel.* Meredith J. Williams, Acting  
26 Director of the Department of Toxic Substances Control ("Department"), and Defendant Strategic  
27 Materials, Inc., dba Western Strategic Materials, Inc., (collectively "SMI"), enter into this  
28 Stipulation for Entry of Final Judgment and Permanent Injunction on Consent ("Stipulation"), and

1 agree to entry of a Final Judgment on Consent ("Final Judgment") by this Court on the terms set  
2 forth in this Stipulation.

3 **1. COMPLAINT**

4 The Department filed a Complaint for Civil Penalties and Injunctive Relief ("Complaint")  
5 against SMI for alleged violations of the California Hazardous Waste Control Law, Health and  
6 Safety Code section 25100 *et seq.* ("HWCL"), and its implementing regulations, California Code  
7 of Regulations, title 22, Division 4.5, section 66260.1 *et seq.* ("Title 22"), in connection with  
8 SMI's management of Wastes (defined below), which DTSC alleges are Hazardous Wastes, at  
9 glass recycling facilities it owns and operates in California, including such a facility in  
10 Sacramento County. SMI does business in California as "Western Strategic Materials, Inc." SMI  
11 disputes the factual and legal allegations in the Complaint.

12 **2. JURISDICTION AND VENUE**

13 The Department and SMI (together, the "Parties" and individually, a "Party") agree that, for  
14 purposes of this action the Court has both subject matter jurisdiction over the allegations in the  
15 Complaint and personal jurisdiction over the Parties. The Parties also agree that venue is proper  
16 in this Court under Health and Safety Code section 25183.

17 **3. SETTLEMENT OF DISPUTED CLAIMS**

18 The Parties enter into this Stipulation pursuant to a compromise and settlement of disputed  
19 claims, and mutually consent to the entry by this Court of a Final Judgment on the terms agreed to  
20 by the Parties and the form of which is attached as Exhibit "A". In order to resolve the violations  
21 alleged by the Department, SMI has taken, or agrees to take, the actions set forth in this  
22 Stipulation. This Stipulation was negotiated and executed in good faith and at arms' length by  
23 each of the Parties, with their respective counsel, to avoid expensive and protracted litigation  
24 regarding SMI's alleged violations of the HWCL and Title 22 as stated by the Department in the  
25 Complaint. The Department enters into this Stipulation to further the public interest. Nothing  
26 herein shall inure to the benefit of any persons not Parties to this Stipulation.

1                   **4. WAIVER OF HEARING AND TRIAL**

2                   By signing and entering into this Stipulation, SMI waives its right to a hearing and trial on  
3 matters alleged in the Complaint and to appeal.

4                   **5. DEFINITIONS**

5                   Except where otherwise expressly defined in this Stipulation, all terms shall be interpreted  
6 as set forth in, and consistent with, the HWCL and Title 22. The following terms used in this  
7 Stipulation shall have the meaning(s) set forth below:

- 8                   a) "Battery" or "Batteries" means the term as defined in Code of California  
9 Regulations, title 22, section 66273.9, but excludes "spent dry cell batter[ies]  
10 containing zinc electrodes" as defined and managed in accordance with the  
11 requirements in Health and Safety Code section 25216.3.
- 12                   b) "Commingled Recyclable Mixture" means loads of post-consumer glass received  
13 from residential/commercial/industrial curbside recycling programs that are  
14 supplied to glass recycling facilities following sorting by Material Recovery  
15 Facilities and that contain a wide variety of non-glass materials that have been  
16 discarded into curbside residential, commercial, and industrial recycling bins and  
17 that pass through the separation processes at the upstream Material Recovery  
18 Facilities, such as miscellaneous paper, metal, and organic waste. Commingled  
19 Recyclable Mixture is also sometimes referred to as "Single stream", "curbside" or  
20 "3-mix."
- 21                   c) "Hazardous Waste" means the term as defined in Health and Safety Code section  
22 25117.
- 23                   d) "Hazardous Waste Management" or "Management" means the term as defined in  
24 Health and Safety Code section 25117.2.
- 25                   e) "Material Recovery Facility" or "MRF" means a facility that receives discarded  
26 materials for recycling and then uses a combination of equipment and manual  
27 labor to separate and prepare materials for shipment downstream to recyclers of  
28 materials recovered.

- 1 f) "Scrap Metal" means the term as defined in California Code of Regulations, title  
2 22, section 66260.10.
- 3 g) "Separated Metals" means a mixture of metals removed from a Commingled  
4 Recyclable Mixture that consists mostly of recyclable metals and that also may  
5 contain some Batteries.
- 6 h) "SMI Facility" means each facility that has been, is, or will be, owned and/or  
7 operated by SMI in California.
- 8 i) "Unified Program Agency" means the term as defined in Health and Safety Code  
9 section 25123.7, subdivision (a).
- 10 j) "Universal Waste" means the term as defined in Health and Safety Code section  
11 25123.8.

12 **6. APPLICABILITY**

13 Unless otherwise expressly provided herein, the terms of this Stipulation and the Final  
14 Judgment shall apply to and be binding on: (a) SMI, its successors, and its officers, directors,  
15 employees, and contractors; and (b) the Department and any successor agency of the Department.

16 **7. NO ADMISSIONS BY SMI**

17 SMI denies the allegations and legal interpretations in this Stipulation and the Final  
18 Judgment, as well as those in the Complaint, and any liability resulting from those allegations and  
19 legal interpretations. SMI enters this Stipulation solely for the purpose of settlement and  
20 resolution of this action with the Department; without waiving any defenses, unless expressly  
21 waived herein; and without prejudice in any future proceeding. SMI contends that many of the  
22 requirements set forth in Paragraph 8, go beyond the requirements of the HWCL and Title 22.

23 **8. INJUNCTION**

24 Pursuant to the provisions of Health and Safety Code, section 25181, as applicable, SMI  
25 agrees to the following as to all SMI Facilities that SMI owns or operates in California after entry  
26 of the Final Judgment:

- 27 a) SMI will follow its Load Checking Program, including procedures for identifying and  
28 handling Universal Waste in its incoming loads and the enhanced load rejection

1 criteria, approved by the Department (attached as Exhibit "B"). This Load Checking  
2 Program is designed to identify Universal Waste improperly sent to SMI by a Material  
3 Recovery Facility and others, and to reject incoming loads that exceed the criteria in  
4 SMI's Load Checking Program. Any material modifications to the rejection criteria  
5 for Universal Waste shall be mutually approved by the Department and SMI prior to  
6 implementation by SMI. If it is not possible to return a rejected load to the originating  
7 facility, SMI must properly manage the load in accordance with any applicable  
8 requirements in the HWCL or Title 22.

9 b) SMI will follow management requirements in Paragraph 8(b) and 8(c) for individual  
10 Batteries and Separated Metals produced from its processing of Commingled  
11 Recyclable Mixtures to segregate the glass from other materials, including metals.  
12 Based on process improvements to reduce the number of Batteries that SMI manages,  
13 SMI's representation that it is not feasible to remove all Batteries from Separated  
14 Metals, and on data SMI provided to the Department on September 1, 2017, the  
15 Department concurs that SMI's Separated Metals are considered Scrap Metal as  
16 defined in Paragraph 5(f). Pursuant to California Code of Regulations, title 22, section  
17 66261.6, subdivision (a)(3)(B), Scrap Metal is excluded from the HWCL and Title 22  
18 when recycled.

19 1) SMI is not required to manage Separated Metals as Universal Waste or as  
20 Hazardous Waste provided that they are not illegally disposed of. Separated Metals  
21 that are not recycled do not qualify as Scrap Metal and must be characterized before  
22 disposal in accordance with Paragraph 8(g).

23 2) If individual Batteries become separated or are removed from the Commingled  
24 Recyclable Mixture, SMI will manage such Batteries as a Universal Waste in  
25 accordance with applicable laws and regulations. Once removed, SMI will keep such  
26 Batteries segregated from and not comingle them with any other materials or wastes,  
27 including but not limited to: other Hazardous Waste, Universal Waste, or Separated  
28 Metals.



1 c) SMI shall manage all Separated Metals in such a manner as to: (1) store the Separated  
2 Metals in covered containers or in paved, covered areas protected from the elements  
3 that prevent release of any hazardous constituent to the environment; (2) ensure that  
4 the Separated Metals are sent to be recycled; (3) maintain onsite, beginning with the  
5 initial storage of the Separated Metals, documentation that supports SMI's claim that  
6 the Separated Metals will be recycled by demonstrating that there is a known market  
7 or disposition for the Separated Metals (such as contracts showing that metal smelters  
8 will recycle it); and, (4) retain this supporting documentation onsite continuing for  
9 three years from the date the Separated Metals physically leaves the SMI facility. SMI  
10 will produce the documentation required under this paragraph, upon request by the  
11 Department or the Unified Program Agency.

12 d) At each SMI Facility, SMI shall identify all waste at the facility intended, or sent, for  
13 disposal and shall comply with its waste determination obligations under the HWCL,  
14 and its implementing regulations.

15 e) SMI shall retain records supporting all waste determinations at each SMI Facility for a  
16 period of at least three years from the date of each determination, and make them  
17 available to the Department and to the Unified Program Agency upon request.

18 f) SMI will not dispose of any Hazardous Waste or Universal Waste in violation of  
19 either Health and Safety Code section 25203 or the Land Disposal Restrictions in  
20 California Code of Regulations, title 22, Division 4.5, Chapter 18. The recycling of  
21 Separated Metals does not constitute disposal if recycled in accordance with the  
22 HWCL and Title 22.

23 g) SMI shall manage waste identified and determined to be either Hazardous Waste, or  
24 Universal Waste, in accordance with the HWCL and Title 22 upon removal from any  
25 recycling stream.

26 h) Inspections:

27 1) SMI shall conduct monthly inspections, of not greater than thirty (30) day  
28 intervals, of all areas of each SMI Facility where Hazardous Waste is generated

1 and/or stored, including an inspection of all waste containers or piles and any  
2 Universal Waste containers, to inspect for improper Management of Hazardous  
3 Waste, including, but not limited to, labeling and accumulation times, in accordance  
4 with the applicable provisions of California Code of Regulations, title 22, section  
5 66265.15 (general inspection requirements), and sections 66273.31 through 66273.40  
6 (standards for universal waste handlers). This section does not apply to the  
7 Management of used oil.

8 2) SMI shall maintain a written or electronic log on-site at each SMI Facility of  
9 the inspections performed as part of each SMI Facility's records. The log shall be  
10 furnished upon the Department's or the Unified Program Agency's request, and shall  
11 be made available at all reasonable times, including at the time of an inspection, to  
12 any officer, employee or representative of the Department or the Unified Program  
13 Agency.

14 i) California Compliance School:

15 1) Any officer or employee of SMI assuming direct responsibility for, or direct  
16 oversight of, Hazardous Waste Management at SMI Facilities must attend and  
17 successfully complete Modules I-V relating to Hazardous Waste at California  
18 Compliance School within six (6) months of the Effective Date, or of their hire,  
19 promotion, or assumption of responsibility, unless they have attended the California  
20 Compliance School and passed the relevant modules within the last five (5) years  
21 before the date of their hiring, promotion, or assumption of responsibility.

22 2) For each SMI employee required to complete California Compliance School  
23 Modules I-V pursuant to this Stipulation, SMI will retain documentation of such  
24 attendance for three (3) years after termination of each person's employment and will  
25 make such documentation available for review upon the Department's request.

26 j) Training and Documentation:

27 1) SMI shall comply with employee training requirements pursuant to California  
28 Code of Regulations, title 22, sections 66265.16 and 66273.36, including the design of

1 a training plan, the implementation of specific training related to Universal Waste and  
2 any other Hazardous Waste managed onsite, and training specific to SMI Facility's  
3 Load Checking Program described above. Training shall be provided to all full-time,  
4 part-time, temporary, and contract employees who may reasonably come into contact  
5 with Hazardous Waste and/or Universal Waste at any SMI Facility, including, but not  
6 limited to, cullet pickers/sorters. Training shall also be provided to all managers  
7 responsible for SMI Facilities' personnel that may manage or otherwise come in  
8 contact with Hazardous Waste or Universal Waste in the scope of their work duties at  
9 any SMI Facility.

10 2) SMI shall maintain employee training records at each SMI Facility for each  
11 current employee receiving training and for each former employee who received  
12 Hazardous Waste and/or Universal Waste training for a period of at least three (3)  
13 years after each employee ended employment with SMI, and these records must: (a)  
14 include the position and employee names, and identify the types, dates and durations  
15 of trainings; and (b) be made available to the Department and to the local Unified  
16 Program Agency upon request.

## 17 **9. PENALTY PAYMENT AND LATE PAYMENTS**

18 9.1. SMI shall be liable for a civil penalty of ONE MILLION, TWO HUNDRED  
19 THOUSAND DOLLARS (\$1,200,000), comprised as follows:

- 20 a) Initial Civil Penalty Payment: An initial payment of \$900,000 to the Department  
21 within thirty (30) calendar days of the Effective Date (see Paragraph 23 below) of  
22 this Stipulation.
- 23 b) Credit Against Penalties for Above Compliance Environmental Expenditures:  
24 SMI shall receive a credit against civil penalties in the amount of THREE  
25 HUNDRED THOUSAND DOLLARS (\$300,000) for SMI expenditures on a  
26 dollar for dollar basis on "above compliance" environmental compliance  
27 measures (which are measures beyond those required by law or regulation)  
28 identified in, and implemented after entry of the Final Judgment. The following

1 activities qualify as "above compliance" work:

2  
3 1) Construction and/or installation of standalone storm-top covers over any stored  
4 Separated Metals, as further described below:

- 5 a. Three (3), or as many as necessary to house all Separated Metals, standalone  
6 storm-top covers and concrete mounting pads where necessary (that meets or  
7 exceeds the performance of the item in Exhibit "C", attached) constructed or  
8 installed at each of SMI's six (6) California facilities.  
9 b. Storm-top covers must be capable of protecting the contents from exposure to  
10 precipitation to prevent the release of stormwater containing constituents from  
11 these covered storage areas.

12 2) U.S. Department of Transportation (DOT) and HWCL training for SMI  
13 employees.

- 14 a. SMI shall provide initial or refresher HWCL and Title 22 training to employees  
15 from each of SMI's six (6) California facilities. The training must include, at a  
16 minimum, topics related to hazardous waste identification, on-site  
17 Management of Hazardous Waste, response to emergencies and/or releases of  
18 Hazardous Waste, and record keeping requirements and training requirements.  
19 b. SMI shall provide annual DOT hazardous materials training to employees from  
20 each of SMI's six (6) California facilities. The training must include, at a  
21 minimum, topics related to DOT shipping requirements, packaging  
22 requirements, marking and labeling requirements, and segregation and  
23 separation of incompatibles.

24 3) Supplemental Environmental Project. Within thirty (30) calendar days of the  
25 Effective Date, SMI shall pay \$47,000 to fund hazardous waste training program(s)  
26 development, e.g., the development of a Universal Waste Management Module by the  
27 California Compliance School Program at the Kern Community College District.  
28 SMI shall make its check payable to the "California Compliance School c/o KCCD",

1 and direct its payment to the following address:

2 Kern Community College District/CCS  
3 Attn: David Teasdale  
4 2100 Chester Avenue, Room 112  
5 Bakersfield, CA 93301

6 4) SMI's Cost Summary and Above Compliance Activity List ("Cost Summary")  
7 for these "above compliance" activities, as approved by the Department, is attached as  
8 Exhibit "D". SMI may amend or supplement its Cost Summary once with the  
9 Department's prior written approval.

10 c) Documenting "Above Compliance" Work.

11 1) No later than six (6) calendar months after the Effective Date, SMI shall submit  
12 to the Department a progress report summarizing all "above compliance" activities  
13 implemented and completed by SMI within the prior six-month period. SMI will submit  
14 to the Department another progress report each six (6) calendar months thereafter until  
15 completion of the "above compliance" activities identified in SMI's Department-approved  
16 Cost Summary.

17 2) No later than forty-two (42) months after the Effective Date, SMI shall  
18 document its expenditures on "above compliance" work by a submitting a completion  
19 report to the Department, which includes an accounting of such payments and amounts,  
20 certified by an SMI corporate officer under penalty of perjury under the laws of the State  
21 of California, detailing the performance of the "above compliance" work, the cost(s)  
22 incurred, payments made, and when each activity was successfully completed.

23 Within thirty (30) calendar days of receipt of a completion report from SMI, the  
24 Department shall review the report, determine if SMI implemented "above compliance"  
25 activities that amount to at least \$300,000 in total expenditures, and provide a written  
26 notice to SMI of its determination.

27 d) In the event that that SMI fails to implement "above compliance" activities that  
28 amount to at least \$300,000 in total expenditures, as provided above, SMI shall pay the  
remainder of the \$300,000 in civil penalties, as identified in the Department's written

1 notice concerning the completion report, within thirty (30) calendar days of receipt of the  
2 written notice from the Department. If SMI fails to make the payment, the Department  
3 may seek payment by noticed motion pursuant to Code of Civil Procedure section 1005.

4 e) SMI shall pay each penalty by cashier's check or wire transfer made payable to  
5 "California Department of Toxic Substances Control" and bearing the notation  
6 HWCA20167251, and shall send any check to:

7 Cashier  
8 Accounting Office, MS-21A  
9 Department of Toxic Substances Control  
P.O. Box 806  
Sacramento, CA 95812-0806

10 f) An electronic copy or paper photocopy of each penalty payment shall be sent, at the  
11 same time, to Department and Office of Attorney General personnel specified in  
12 Paragraph 11 ("Notices"), below. Upon request, the Department will provide its  
13 confidential wire transfer information to SMI.

14 9.2. SMI shall be liable for a penalty of \$10,000 (TEN THOUSAND dollars) for  
15 each calendar day that any payment required pursuant to the Stipulation and the Final  
16 Judgment entered thereon is late.

## 17 10. ENFORCEMENT

18 10.1. If SMI fails to comply with the terms of this Stipulation or the Final Judgment, the  
19 Department may pursue any available remedies, including but not limited to sanctions or  
20 additional penalties in this action for violations of the terms of the Final Judgment, as well as any  
21 separate enforcement action that may be brought for alleged violations of applicable statutes,  
22 regulations, and requirements.

23 10.2. If the Department determines that SMI has violated the terms of the Final Judgment,  
24 the Department will provide SMI with written notice of the violation to its representatives  
25 identified in Paragraph 11 ("Notices") below. The Department reserves its right to assert a claim,  
26 separate and independent of, and in addition to, any claim made to enforce the Final Judgment,  
27 for violations of the underlying statutory or regulatory requirements. If the Department files any  
28 motion pursuant to this paragraph or brings an independent enforcement action, SMI reserves and

1 retains all rights and defenses to oppose the Department's motion or independent enforcement  
2 action.

3 **11. NOTICES**

4 All notices under this Stipulation and the Final Judgment entered thereon shall be in  
5 writing and shall be sent to:

6 For the Department:

7 **Reed Sato**  
8 Deputy Attorney General  
9 1300 I Street, Suite 125  
10 P.O. Box 944255  
11 Sacramento, CA 94244-2550  
12 reed.sato@doj.ca.gov

13 **Denise Tsuji, Branch Chief**  
14 Enforcement and Emergency Response Division  
15 Department of Toxic Substances Control  
16 8800 Cal Center Drive  
17 Sacramento, CA 95826  
18 denise.tsuji@dtsc.ca.gov

19 **Vivian Murai, Senior Attorney**  
20 Office of Legal Counsel, MS-23A  
21 Department of Toxic Substances Control  
22 P.O. Box 806  
23 Sacramento, CA 95812-0806  
24 vivian.murai@dtsc.ca.gov

25 For SMI:

26 **Michael Hajost**  
27 Executive Vice President, Chief Financial Officer  
28 Strategic Materials, Inc.  
17220 Katy Freeway, Suite 150  
Houston, Texas 77094  
mjhajost@strategicmaterials.com

**Matthew J. Keresman**  
Senior Vice President, Operations  
17220 Katy Freeway, Suite 150  
Houston, Texas 77094  
MKeresman@strategicmaterials.com

**Thomas V. Erdos, Jr., P.C.**  
15056 Southwest Freeway, Suite 110  
Sugar Land, Texas 77478-3690  
TErdos@aol.com

1 Each Party may change its respective representative(s) for purposes of notice by providing  
2 the name and address of the new representative, in writing, to the other Party. Any such change  
3 will take effect within seven calendar days of the date of the written notice.

#### 4 **12. AUTHORITY TO ENTER STIPULATION**

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

#### 8 **13. EFFECT OF STIPULATION AND FINAL JUDGMENT**

9 Except as expressly provided in this Stipulation, nothing in this Stipulation or the Final  
10 Judgment is intended nor shall it be construed to preclude the Department, or any state, county, or  
11 local agency, department, board or entity from exercising its authority under any law, statute, or  
12 regulation.

#### 13 **14. NO WAIVER OF RIGHT TO ENFORCE**

14 Should the Department decline to enforce any provision of this Stipulation or the Final  
15 Judgment, that shall neither be deemed a waiver of such provision, nor in any way affect the  
16 validity of this Stipulation or the Final Judgment or the Department's enforcement authority, nor  
17 shall it preclude the Department from later enforcing the same or other provisions. No oral  
18 advice, guidance, suggestions, or comments by employees or officials of the Department, or  
19 conversations between employees or officials of the Department and employees or representatives  
20 of SMI, or people or entities acting on behalf of SMI, shall be construed to relieve SMI of its  
21 obligations under this Stipulation or the Final Judgment.

#### 22 **15. NO LIABILITY OF THE DEPARTMENT**

23 The Department shall not be liable for any injury or damage to persons or property  
24 resulting from acts or omissions by SMI or its agents, servants, employees, representatives, or  
25 other persons acting in concert or participating with SMI, in carrying out SMI's obligations  
26 pursuant to this Stipulation or the Final Judgment.



1           **16. FUTURE REGULATORY CHANGES**

2           Nothing in this Stipulation or the Final Judgment shall excuse SMI from meeting more  
3 stringent requirements that may be imposed by changes in the applicable law. It is the  
4 responsibility of SMI to remain informed as to any and all applicable statutory and/or regulatory  
5 changes, and to remain in compliance with all applicable statutory and regulatory provisions. If  
6 there is a change in the applicable law that imposes less stringent requirements than provided for  
7 in the Final Judgment, the Parties may agree in writing to stipulate to modify the Final Judgment  
8 to be consistent with any such changes, consistent with the provisions of Paragraph 20 below.

9           **17. INTEGRATION**

10           This Stipulation and the Final Judgment constitute the entire agreement between the  
11 Parties, and may not be amended or supplemented except as provided for in this Stipulation or in  
12 the Final Judgment. No oral representations have been made or relied on other than as expressly  
13 set forth herein.

14           **18. RETENTION OF JURISDICTION**

15           The Parties agree that the Court has continuing jurisdiction to interpret and enforce the  
16 provisions of this Stipulation and the Final Judgment. Except as provided in Paragraph 24 below  
17 (Termination of Injunction), the Parties shall meet and confer at least ten (10) days prior to the  
18 filing of any application or motion relating to the Final Judgment, and shall negotiate in good  
19 faith in an effort to resolve any dispute without judicial intervention. If the Parties are unable to  
20 resolve their dispute after meet-and-confer discussions, any Party may file a noticed motion in  
21 this Court, in accordance with the applicable California Rules of Civil Procedure, seeking an  
22 adjudication of the dispute.

23           **19. EQUAL AUTHORSHIP**

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

1           **20. AMENDMENTS TO THIS STIPULATION AND THE FINAL JUDGMENT**

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

5           **21. COUNTERPARTS**

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

8           **22. MATTERS COVERED**

9           Except as otherwise provided herein, and provided that SMI makes the payments required  
10 by this Stipulation and the Final Judgment, the Final Judgment is a final and binding resolution  
11 and settlement of all violations that the Department alleged in the Complaint against SMI  
12 (“Covered Matters”). Any claim, violation, or cause of action that is not a Covered Matter is a  
13 “Reserved Claim.” Further, “Covered Matters” do not include, without limitation, any claims  
14 under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C.,  
15 § 9601 et seq.), any corrective action claims to prevent or address an actual or threatened release  
16 of a hazardous constituent or Hazardous Waste, brought by Department pursuant to Health and  
17 Safety Code section 25187 subdivision (b), any claims under the California Hazardous  
18 Substances Account Act (Health & Saf. Code, § 25300 et seq.), and such claims are also  
19 “Reserved Claims.” Reserved Claims are not addressed or resolved by this Stipulation or the  
20 Final Judgment. SMI agrees that it will not assert that the Department’s failure to pursue any  
21 Reserved Claim as part of this action constitutes claim-splitting.

22           **23. ENTRY OF FINAL JUDGMENT AND EFFECTIVE DATE OF FINAL**  
23           **JUDGMENT**

24           The Parties further stipulate that, upon filing of this Stipulation with the Court, the Court  
25 may enter the Final Judgment in this matter. The “Effective Date” of the Final Judgment is the  
26 date the Final Judgment is entered by the Court. If the Court does not enter the Final Judgment as  
27 proposed by the Parties, each Party reserves the right to withdraw the Stipulation upon written  
28 notice to all Parties and the Court.

1                   **24. TERMINATION OF INJUNCTION**

2                   At any time after the Final Judgment has been in effect for four (4) years, and SMI has paid  
3 any and all amounts due under the Final Judgment, SMI may move the Court (following a forty-  
4 five (45) calendar day notice served on the Department by overnight mail) to terminate the  
5 injunctive provisions of the Final Judgment based on a showing of demonstrated substantial  
6 compliance with the injunctive terms of the Final Judgment. After SMI has served on the  
7 Department written notice of its intent to move to terminate the injunctive provisions of the Final  
8 Judgment, the Parties agree that they will meet and confer within fifteen (15) calendar days of  
9 such written notice, to discuss the proposed motion and SMI's supporting information to  
10 demonstrate substantial compliance with the terms of the Final Judgment, and to determine if a  
11 stipulation for termination can be reached. In the event that SMI proceeds to file a motion to  
12 terminate the injunctive provisions of the Final Judgment following the meet and confer  
13 discussion, none of the injunctive provisions of the Final Judgment will terminate pending the  
14 Court's final ruling on SMI's motion. The Department may file a response to such motion by  
15 SMI within forty-five (45) calendar days of receipt of SMI's noticed motion. SMI may file its  
16 reply within twenty-one (21) calendar days of service of any response by the Department. The  
17 Department's failure to oppose the motion shall not constitute a waiver or estoppel of the  
18 Department's authority to otherwise enforce any violation of law and shall have no evidentiary  
19 effect. The Parties agree that the Court may grant SMI's motion upon determining that SMI has  
20 substantially complied with the obligations set forth in the Final Judgment. In the event the  
21 injunction set forth herein is terminated by stipulation of the Parties or upon motion of SMI, the  
22 termination of the injunctive provisions of this Final Judgment shall have no effect on SMI's  
23 obligation to comply with all applicable requirements imposed by statute, regulation, ordinance,  
24 or law.

25                   **25. COSTS AND ATTORNEYS' FEES**

26                   Except as otherwise provided in this Stipulation and the Final Judgment, each Party to the  
27 Stipulation and the Final Judgment shall bear its own costs and attorneys' fees.  
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**IT IS SO STIPULATED.**

Dated: May 16, 2019 FOR THE DEPARTMENT OF TOXIC SUBSTANCES CONTROL

Original Signed by Keith Kihara

KEITH KIHARA  
Division Chief  
Enforcement and Emergency Response Division  
Department of Toxic Substances Control.

Dated: \_\_\_\_\_, 2019 FOR STRATEGIC MATERIALS, INC.

MATTHEW J. KHRESMAN  
Senior Vice President, Operations  
Strategic Materials, Inc.

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**IT IS SO STIPULATED.**

Dated: May 16, 2019 FOR THE DEPARTMENT OF TOXIC SUBSTANCES CONTROL

Original Signed by Keith Kihara

KEITH KIHARA  
Division Chief  
Enforcement and Emergency Response Division  
Department of Toxic Substances Control

Dated: May 18, 2019 FOR STRATEGIC MATERIALS, INC.

Original Signed by Matthew Keresman

MATTHEW J. KERESMAN  
Senior Vice President, Operations  
Strategic Materials, Inc.

1 **APPROVED AS TO FORM:**

2 Dated: May 16, 2019

3 XAVIER BECERRA  
4 Attorney General of California  
5 MARGARITA PADILLA  
6 Supervising Deputy Attorney General

7 Original Signed by Reed Sato

8 REED SATO  
9 Deputy Attorney General  
10 *Attorneys for Plaintiff People of the State of*  
11 *California, ex rel. Department of Toxic Substances*  
12 *Control*

13 Dated: \_\_\_\_\_, 2019

14 MARK C. HOLSCHER  
15 KIRKLAND & ELLIS LLP  
16 *Attorney for Defendant Strategic Materials, Inc.*

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**APPROVED AS TO FORM:**

Dated: May 16, 2019

XAVIER BECERRA  
Attorney General of California  
MARGARITA PADILLA  
Supervising Deputy Attorney General

Original Signed by Reed Sato

---

REED SATO  
Deputy Attorney General  
*Attorneys for Plaintiff People of the State of  
California, ex rel. Department of Toxic Substances  
Control*

Dated: May 21, 2019

Original Signed by Mark Holscher

---

MARK C. HOLSCHER  
KIRKLAND & ELLIS LLP  
*Attorney for Defendant Strategic Materials, Inc.*

# Exhibit A



1 XAVIER BECERRA  
Attorney General of California  
2 MARGARITA PADILLA  
Supervising Deputy Attorney General  
3 REED SATO  
4 Deputy Attorney General  
State Bar No. 87635  
5 1300 I Street, Suite 125  
6 P.O. Box 944255  
Sacramento, CA 94244-2550  
7 Telephone: (916) 210-7789  
Fax: (916) 322-5609  
8 E-mail: [reed.sato@doj.ca.gov](mailto:reed.sato@doj.ca.gov)

Exempt from Fees Pursuant to  
Government Code section 6103

9 *Attorneys for People of the State of California, ex.*  
10 *rel. Meredith J. Williams, Acting Director of the*  
11 *Department of Toxic Substances Control*

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
13 COUNTY OF SACRAMENTO

14  
15 **PEOPLE OF THE STATE OF**  
16 **CALIFORNIA, *ex rel.* MEREDITH J.**  
17 **WILLIAMS, ACTING DIRECTOR OF**  
18 **THE DEPARTMENT OF TOXIC**  
19 **SUBSTANCES CONTROL,**

Plaintiff,

20 v.

21 **STRATEGIC MATERIALS, INC., dba**  
22 **WESTERN STRATEGIC MATERIALS,**  
23 **INC., a Delaware corporation,**

Defendant.

Case No.

**[PROPOSED] FINAL JUDGMENT AND  
PERMANENT INJUNCTION ON  
CONSENT**

25 Having reviewed the Stipulation for Entry of Final Judgment and Permanent Injunction on  
26 Consent ("Stipulation") between Plaintiff, the People of the State of California, *ex rel.* Meredith J.  
27 Williams, Acting Director of the Department of Toxic Substances Control, and Defendant,  
28

1 Strategic Materials, Inc. which is attached as Exhibit "A", and good cause appearing herein, the  
2 Court finds that the resolution set forth in the Stipulation is fair and in the public interest. The  
3 Stipulation is approved, and its terms are incorporated into this judgment by reference.

4 Accordingly, final judgment is entered.

5  
6 **IT IS SO ORDERED, ADJUDGED AND DECREED THAT THE FINAL**  
7 **JUDGMENT AND PERMANENT INJUNCTION ON CONSENT BE ENTERED AS**  
8 **PROVIDED HEREIN.**

9  
10 Dated: \_\_\_\_\_, 2019.

\_\_\_\_\_  
11 JUDGE OF THE SACRAMENTO  
12 COUNTY SUPERIOR COURT

# Exhibit A

1 XAVIER BECERRA  
2 Attorney General of California  
3 MARGARITA PADILLA  
4 Supervising Deputy Attorney General  
5 REED SATO  
6 Deputy Attorney General  
7 State Bar No. 87635  
8 1300 I Street, Suite 125  
9 P.O. Box 944255  
10 Sacramento, CA 94244-2550  
11 Telephone: (916) 210-7789  
12 Fax: (916) 322-5609  
13 E-mail: [reed.sato@doj.ca.gov](mailto:reed.sato@doj.ca.gov)

Exempt from Fees Pursuant to  
Government Code section 6103

14 *Attorneys for People of the State of California, ex*  
15 *rel. Meredith J. Williams, Acting Director of the*  
16 *Department of Toxic Substances Control*

17 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
18 COUNTY OF SACRAMENTO

19 **PEOPLE OF THE STATE OF**  
20 **CALIFORNIA, ex rel. MEREDITH J.**  
21 **WILLIAMS, ACTING DIRECTOR OF**  
22 **THE DEPARTMENT OF TOXIC**  
23 **SUBSTANCES CONTROL,**

Plaintiff,

v.

24 **STRATEGIC MATERIALS, INC., dba**  
25 **WESTERN STRATEGIC MATERIALS,**  
26 **INC., a Delaware corporation,**

Defendant.

Case No.

**[PROPOSED] FINAL JUDGMENT AND  
PERMANENT INJUNCTION ON  
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27 Having reviewed the Stipulation for Entry of Final Judgment and Permanent Injunction on  
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Williams, Acting Director of the Department of Toxic Substances Control, and Defendant,

1 Strategic Materials, Inc. which is attached as Exhibit "A", and good cause appearing herein, the  
2 Court finds that the resolution set forth in the Stipulation is fair and in the public interest. The  
3 Stipulation is approved, and its terms are incorporated into this judgment by reference.  
4 Accordingly, final judgment is entered.

5  
6 **IT IS SO ORDERED, ADJUDGED AND DECREED THAT THE FINAL**  
7 **JUDGMENT AND PERMANENT INJUNCTION ON CONSENT BE ENTERED AS**  
8 **PROVIDED HEREIN.**

9  
10 Dated: \_\_\_\_\_, 2019

\_\_\_\_\_  
11 JUDGE OF THE SACRAMENTO  
12 COUNTY SUPERIOR COURT  
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# Exhibit B

LOAD CHECK PROGRAM

## 2-1 Incoming Supply Inspections

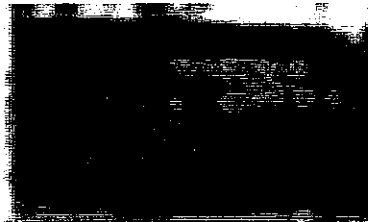
After a supplier has passed the certification testing, pricing and delivery schedules are agreed to, SMI performs inbound quality inspections and EVERY LOAD receives a rating. The regular and individual delivery inspection is either by:

**Visual inspection** - in the case of Mixed Window Plate (MWP), Clear Window Plate (CWP), "whole" or "3-dimensional" flint, amber, green or mixed color or

**Sample analysis** - in the case of 3Mix glass from a Material Recovery Facility (MRF)

**Equipment Needed** --- Process is facilitated by the use of:

- ☑ Inbound Inspection Device (IID) vibratory table with on-board blower w/ 2 chutes



- ☑ (4) standard 5 quart pails
- ☑ Metal sampling scoop (24 oz ideal)



- 4" Putty knife/ scraper
- 5,000 gram scale (1 gram readability ok - all weights to nearest gram)



### QM Procedure 2-3 – Incoming Supply Inspections

- ☑ Truck arrives from supplier and the QC technician is notified of its arrival.



- ☐ Quality technician records the name of supplier, hauler and glass type onto **QM Form 2-3A Inbound Data Only** and observes the unloading of the truck.
- If load contains anything other than the “expected” contamination it MAY be subject to rejection. If the load contains **GROSS CONTAMINATION**, or **HAZARDOUS WASTE**, medical waste, excessive battery contamination, chemical odor, body parts or anything else which would cause the technician to identify the load as rejectable, the plant manager should be notified immediately. Photographs should be taken, and a **QM Form 2-3B Notice of Downgrade or Rejection** should be filled out and supplier notified to determine disposition of the load.

### Rating the Material

- ☐ Using the **QM Form 2-3A Inbound Data Only** record the rating or data as follows:
- If the load is MWP, CWP, “whole” or “3-dimensional” bottle Flint, Amber, Green, or Mixed, a **visual** estimate of the percentage of usable glass is made and a rating is recorded using the following criteria:

Rating 100: >95% usable glass, generally clean glass w/ no visible contamination

Rating 90: 85% to 94% usable glass, generally clean glass w/ minimal amounts of NGR; no ceramic or rock

Rating 80: 75% to 84% usable glass, minimal amounts of NGR, ceramic, rock or excessive color contamination.

Rating 70: 65% to 74% usable glass: excessive amounts of NGR, ceramic, rock or color contamination

- ☐ If the load is MRF 3MIX the QC tech takes an empty 5 qt pail to the pile and takes sampling. Sampling gathering procedure -
  - Grab a minimum of 3 scoops from each side of the pile approximately half of the way up the side of the load to fill the pail. Approximately 5 to 10 lbs. is collected in this manner.
- ☐ After obtaining the tare weight (wgt. of the pail), weigh and record the Total Sample Wgt.
- ☐ Using the Inbound Inspection Device (IID), dump the entire sample on the perforated table top and turn on the blower and vibrator.
  - While the sample is being vibrated on the perforated table top and the minus 3/8” material is falling through, pull out all contaminates (trash, rocks, ceramics, milk glass, metals, etc.) and discard. If there is a label stuck to glass, keep the glass. If bottle caps contain glass, keep the glass.
- ☐ Continue to remove Non Glass Residual (NGR) from the table top until only glass remains.
  - Material < 3/8 glass is now in the collection bucket below the IID perforated plate chute
  - Material > 3/8” that is remaining on the perforated plate is now scraped off the end into the Usable Glass chute and falls into the collection bucket.

- Weigh the pail with all of the undersized material. Record weight of Minus 3/8".
- ☑ Weight the pail from under the end chute, record the weight of the Usable Glass.
- ☑ Periodically throughout the day (ie. Suggested Minimum: First break, lunch, second break), the information from the completed QM Form 2-3A is entered into the database, thus automatically assigning all rating information and pertinent data to all of the inbound tickets for the day. The entering of the data throughout the day eliminates the build-up of work at the end of the day which is typically already busy at the weighmaster station.

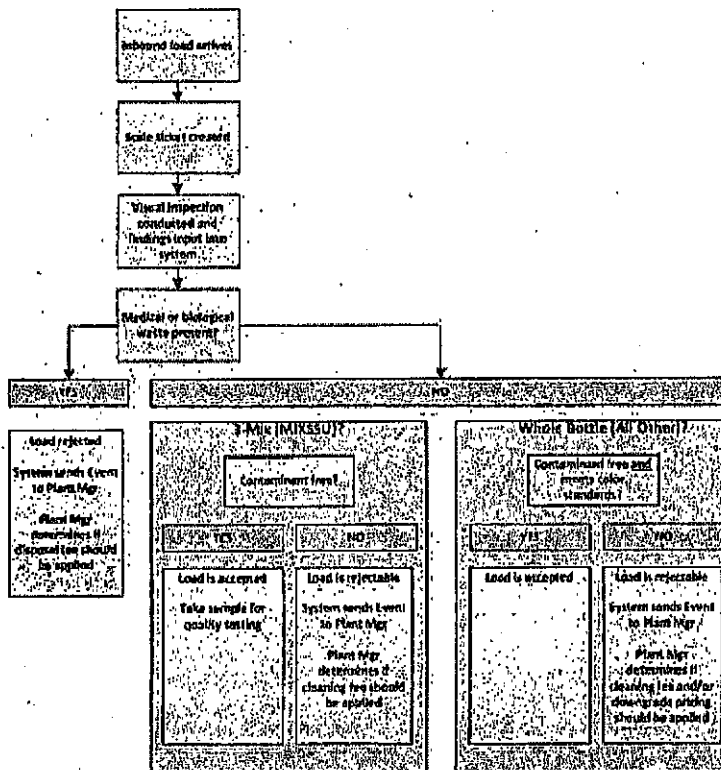
## Database Entry / Quality Ratings

By entering all Inbound data from the QM Form 2-3A into the ENWIS, all inbound weight tickets are assigned a rating. This rating is necessary to compare quality and pricing of inbound materials from individual suppliers. In addition to the load ratings, the database is capturing the actual percentages of NGR and Undersize material.

The diagram below shows the ENWIS Flow for a 3-Mix load



## Queue for Visual Inspections (VI)



### Key Highlights

- 100% of inbound loads to be visually inspected (currently 80%)
- Same process as in current but VI are now fully integrated with scale tickets and recorded in the system
- To be completed before finishing the scale ticket and inbound order
- Traceability of every incoming load from anywhere
- VI's will trigger "Events" (notifications) to plant managers when load criteria is not met
- Plant managers can monitor VI's that have not been completed
- Standard material downgrade prices and fees

## 2-2 Supplier Communications

Nothing is as critical to maintaining solid supplier relationships as consistent communications between our plants and our suppliers' plants. The better we communicate with our suppliers, the more smoothly the supply will continue to flow to us. Once the relationship is solid, it is very much easier to address the every-day trials of excess contamination, competitive activity, freight costs and any other issues which may arise.

With whole bottle Mix, Amber, Flint, Green, MWP and CWP **we do not expect to receive an inordinate amount of contamination.** When it happens, a phone call to the supplier generally clears up the issues at hand fairly quickly. If the loads do not improve, the issue needs to be escalated. Charges may be warranted to compensate for the excessive clean-up costs. Light loads drive up our landed cost if we do not address the issue with the supplier and work out a mutually agreeable solution in a timely manner.

An increasing number of our plants are having to adapt to accepting and processing 3MIX from Material Recovery Facilities (MRF's). In these loads we expect a small percentage of non-glass residual (NGR) and undersize material. These Accepted Quality Levels (AQL's) are 10% NGR and 15% undersize (measured as < 3/8").

### Handling Supplier Contamination Issues

Once a supplier is established in our system, inbound sampling is performed, data collected and ratings applied as outlined earlier, we are in a position to address with our suppliers the issue's of excessive contamination. The Area Manager, Plant Manager, and perhaps the National Account Manager may choose to address excessive contamination implementing a chargeback to compensate our plants for the excessive costs of cleaning and landfilling unusable products.

Two forms have been created to facilitate the communication of these programs to our suppliers. They are:

#### QM Form 2-4A Letter Supplier Chargeback / Price Adjustment

Used to confirm previous conversations between the SMI plant and its supplier relating to the chargeback or pricing adjustment agreed upon. Since these details vary from plant to plant, this is a WORD document which can be modified to fit circumstances.

#### QM Form 2-4B Chargeback/ Price Adjustment

Used by our Plant Manager to request invoicing from Houston Corporate Accounting to one or several suppliers. Since the costs involved in dealing with excessive trash and undersize varies from plant to plant, this is an EXCEL document which can be modified to fit circumstances. All excessive costs (ie landfill plus handling) are adjusted per agreement with Area Manager, Plant Manager and Supplier.

By using the database information, each of the SMI plants can and should communicate each supplier's performance to them on a weekly basis throughout the month.

Another form which should be utilized on a consistent basis by our plants is QM Form 2-4D Supplier Contact Log. This is merely a spreadsheet to keep track of individual contacts with each

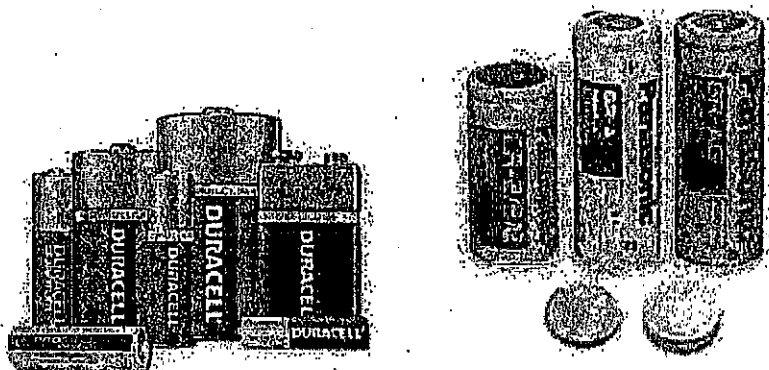
supplier. Phone conversations, dates, contact information, subjects discussed are all pieces of information which is useful to have recorded when discussing any aspect of the supplier relationship.

### Supplier periodic visits – survey

Depending on the volume and importance of supply coming into a particular SMI plant, periodic on-site visits should occur. Quarterly visits with SMI plants' largest suppliers is recommended. The personal visit is extremely important to maintaining the desired relationship with our suppliers. This should be a combination of SMI visiting the Supplier plant and the Suppliers visiting our plant. In addition to normal items of business being discussed, it is important to have the supplier fill out a **QM Form 2-4C Supplier Survey Form**. This will provide written documentation as to the perceived value of the service we provide to that supplier.

### Addendum 1 – Excessive Battery Contamination

- Batteries are not expected in inbound loads and are considered contamination. Generally, the battery contamination observed consists of batteries commonly found in households as seen below:



- **SAFETY NOTICE** – Always treat each battery as if it was damaged. Do NOT handle with bare hands, use approved safety gloves.
- To be safe, all household batteries will be treated as universal waste
- Following the procedure outlined in 2-1 & 2-2 above, count batteries in contaminates separated from the usable glass in the inbound sample. If there are 4 or more batteries within the sample, the inbound load is considered reject-able and QA must inform plant manager of the outcome of the sample. **Once sampling is complete, make sure to take batteries and dispose of in designated universal waste collection bucket.**
- Plant manager determines if cleaning or disposal fee should be applied.

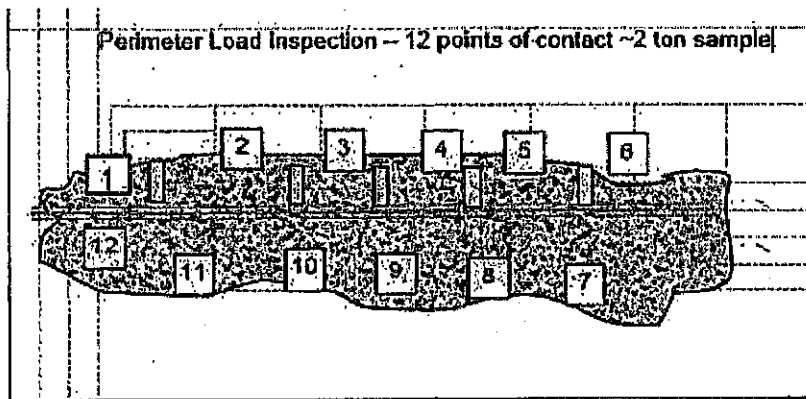
Employee Name	Trainer	Date

Incoming Supply - Battery Reject Criteria					
Battery Size	Avg Weight (g)	Avg Weight (lbs)	2lb per Ton Average Quantity (a)	3x Limit Rejection Quantity per Ton (b = 3 x a)	Perimeter 2 Ton Load Inspection Rejection Limit * (c = 2 x b)
AAAA	8.0	0.01763	113	340	681
AAA	12.5	0.02755	73	218	436
AA	25.5	0.05620	36	107	214
C	72.5	0.15979	13	38	75
D	147.5	0.32509	6	18	37



12 lbs in any combination  
(12/4,000 = 0.3%)

\*Standard perimeter load inspection = 2 tons



Incoming Supply - Other Universal Waste Reject Criteria					
	Avg Weight (g)	Avg Weight (lbs)	2lb per Ton Average Quantity (a)	3x Limit Rejection Quantity per Ton (b = 3 x a)	Perimeter 2 Ton Load Inspection Rejection Limit * (c = 2 x b)
Aerosol Cans	91.72	0.20215	10	30	59
Cell Phones & Remotes	96.64	0.21299	9	28	56
Bulbs	12.14	0.02676	75	224	448
e-Waste	18.94	0.04174	48	144	287

\*Standard perimeter load inspection = 2 tons

# Exhibit C

The S200K looks like this (Check out the Youtube video)

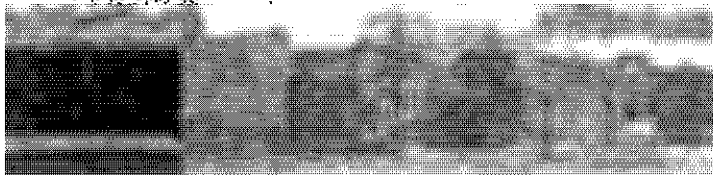
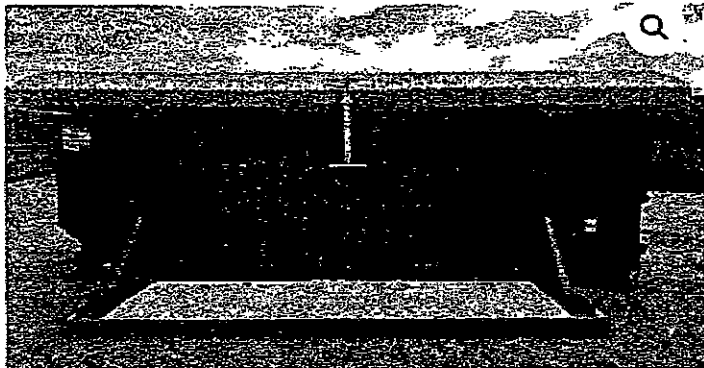
6 plants X 3 roll offs = 18 X (\$5,000) 1 Cover Ea (\$4,000) = 18 X \$9,000 = \$162K

The \$32K balance is for replacement covers in the 4 years at least 8 of these will get trashed.

The roll offs will be specially marked for this purpose

<https://www.youtube.com/watch?v=39jctZMMG1M#action=share>

<https://www.rolloffcovers.com/>



\$	162,000	1	COM
\$	32,000	2	VER
\$	194,000	3	MAD
		4	SAC
		5	FRF
		6	MOD

**STAND ALONE STORM-TOP COVER (ST-8200-SA)**

\$3,845.00

STORM-TOP cover with stand alone mount to anchor to concrete

For container 47" to 99" tall

Length Up to 23' (26' with available extension kit)

**PLEASE NOTE ON ORDER IF CONTAINER LENGTH IS LESS THAN 19.5'**

Ships as kit- assembly time approximately 3-4 hours



SKU: ST-8200-SA Category: Storm-Top Covers



# Exhibit D

Exhibit D



Owner:

Work Plans:  
Implementing the "Above Compliance" sections from the DTSC Settlement

Matt Karszman

Date: 9/9/19

Next Review:

Team:  
Paul Faherty, Sal Ramirez, Roger Wagner - COM, Margarito Garcia - YER, Humberto Pansa - FRF, Dan Moore - SAC, Nick Fisher - MAD, Doreal Burkard - MOD, Luis Lewis - EH&S CA, John Grene - EH&S Corp

Executive Summary: This work plan documents all of the Above Compliance sections SMI is taking in accordance with the DTSC Settlement

Implementation Costs

Step #	Action Step	Owner	Assist	2019												2020												2021												2022												2023												Implementation Costs												
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec													
<b>Section 1: Training Costs: Load Check</b>																																																																												\$ 252,600
a	Commerce Load Check Hourly	Roger	Luis/John													X												X												X												X												\$ 2,520												
b	Commerce Load Check Salary	Roger	Luis/John	X																								X												X																								\$ 180												
c	Fairfield Load Check Hourly	Humberto	Luis/John								X						X								X						X																		\$ 1,960																											
d	Fairfield Load Check Salary	Humberto	Luis/John								X						X								X						X																		\$ 180																											
e	Modesto Load Check Hourly	Daniel	Luis/John								X						X								X						X																		\$ 1,200																											
f	Modesto Load Check Salary	Daniel	Luis/John								X						X								X						X																		\$ 180																											
g	Sacramento Load Check Hourly	Dan	Luis/John								X						X								X						X																		\$ 520																											
h	Sacramento Load Check Salary	Dan	Luis/John								X						X								X						X																		\$ 180																											
i	Vernon Load Check Hourly	Margarito	Luis/John								X						X								X						X																		\$ 1,640																											
j	Vernon Load Check Salary	Margarito	Luis/John								X						X								X						X																		\$ 180																											
k	Madera Load Check Hourly	Nick	Luis/John								X						X								X						X																		\$ 880																											
l	Madera Load Check Salary	Nick	Luis/John								X						X								X						X																		\$ 180																											
m	West Dir Ops	Matt	Luis/John								X						X								X						X																		\$ 200																											
n	EH&S	Matt	Luis/John								X						X								X						X																		\$ 2,400																											
o	2020 Training	Matt	Luis/John								X						X																				\$ 13,400																																							
p	2021 Training	Matt	Luis/John								X																		\$ 12,400																																															
q	2022 Training	Matt	Luis/John								X																		\$ 12,400																																															
<b>Section 2: Training Costs: Universal Waste</b>																																																																												\$ 1,380,000
a	Commerce Universal Waste Hourly	Roger	Luis/John	X												X												X												X												X												\$ 875												
b	Commerce Universal Waste Salary	Roger	Luis/John	X												X												X												X												X												\$ 875												
c	Fairfield Universal Waste Hourly	Humberto	Luis/John	X												X												X												X												X												\$ 875												
d	Fairfield Universal Waste Salary	Humberto	Luis/John	X												X												X												X												X												\$ 875												
e	Modesto Universal Waste Hourly	Daniel	Luis/John	X												X												X												X												X												\$ 875												
f	Modesto Universal Waste Salary	Daniel	Luis/John	X												X												X												X												X												\$ 875												
g	Sacramento Universal Waste Hourly	Dan	Luis/John	X												X												X												X												X												\$ 875												
h	Sacramento Universal Waste Salary	Dan	Luis/John	X												X												X												X												X												\$ 875												
i	Vernon Universal Waste Hourly	Margarito	Luis/John	X												X												X												X												X												\$ 875												
j	Vernon Universal Waste Salary	Margarito	Luis/John	X												X												X												X												X												\$ 875												
k	Madera Universal Waste Hourly	Nick	Luis/John	X												X												X												X												X												\$ 875												
l	Madera Universal Waste Salary	Nick	Luis/John	X												X												X												X												X												\$ 875												
m	West Dir Ops	Matt	Luis/John	X												X												X												X												X												\$ 875												
n	EH&S	Matt	Luis/John	X												X												X												X												X												\$ 875												
<b>Section 3: Training Costs: DYSC training</b>																																																																												\$ 775,000
a	Commerce - Salary	Matt	Roger	X																																																												\$ 875												
b	Fairfield - Salary	Matt	Humberto	X																																																												\$ 875												
c	Modesto - Salary	Matt	Daniel	X																																																												\$ 875												
d	Sacramento - Salary	Matt	Dan	X																																																												\$ 875												
e	Vernon - Salary	Matt	Margarito	X																																																												\$ 875												
f	Madera - Salary	Matt	Nick	X																																																												\$ 875												
g	West Dir Ops	Matt	Luis	X																																																												\$ 875												
h	EH&S	Matt	John	X																																																												\$ 875												
<b>Section 4: Capital Costs</b>																																																																												\$ 198,000
a	Commerce	Matt	Roger	X																																																												\$ 27,000												
b	Fairfield	Matt	Humberto	X																																																												\$ 27,000												
c	Modesto	Matt	Daniel	X																																																												\$ 27,000												
d	Sacramento	Matt	Dan	X																																																												\$ 27,000												
e	Vernon	Matt	Margarito	X																																																												\$ 27,000												
f	Madera	Matt	Nick	X																																																												\$ 27,000												
g	Spares	Matt	Nick	X																								X																								X												\$ 36,000												

Exhibit D

**DTSC - SMI Future Compliance Costs**

Executive Summary

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total Future</b>
Future Training Costs	\$ 17,400	\$ 12,400	\$ 12,400	\$ 12,400	\$ 54,600
Future Capital Costs	\$ 198,000				\$ 198,000
<b>Total</b>	<b>\$ 215,400</b>	<b>\$ 12,400</b>	<b>\$ 12,400</b>	<b>\$ 12,400</b>	<b>\$ 252,600</b>

## Exhibit D

	Year 1	Year 2	Year 3	Year 4	Total
Future Training Costs	\$ 17,400	\$ 12,400	\$ 12,400	\$ 12,400	\$ 54,600

Hourly	FTE Head Count	\$/HR	Load Check		Universal Waste	
			Hours	Cost	Hours	Cost
Commerce - 1070	63	20.00	2.00	\$ 2,520.00	2.00	
Fairfield - 1075	49	20.00	2.00	\$ 1,960.00	2.00	
Modesto - 1063	30	20.00	2.00	\$ 1,200.00	2.00	
Sacramento - 1064	13	20.00	2.00	\$ 520.00	2.00	
Vernon - 1080	41	20.00	2.00	\$ 1,640.00	2.00	
Madera - 1068	22	20.00	2.00	\$ 880.00	2.00	
<b>Sub Total Hourly</b>	<b>218</b>			<b>\$ 8,720.00</b>		<b>\$ -</b>

Salary	FTE Head Count	\$/HR	Load Check			Universal Waste			DTSC Training			
			Hours	Cost	T&E	Hours	Cost	T&E	Hours	Cost	T&E	Fees
Commerce - 1070	1	90.00	2.00	180.00		2.00			24.00			875.00
Fairfield - 1075	1	90.00	2.00	180.00		2.00			24.00			875.00
Modesto - 1063	1	90.00	2.00	180.00		2.00			24.00			875.00
Sacramento - 1064	1	90.00	2.00	180.00		2.00			24.00			875.00
Vernon - 1080	1	90.00	2.00	180.00		2.00			24.00			875.00
Madera - 1068	1	90.00	2.00	180.00		2.00			24.00			876.00
West Dir Ops	1	100.00	2.00	200.00		2.00			24.00			875.00
EH&S	2	100.00	12.00	2,400.00		12.00			24.00			875.00
<b>Sub Total Salary</b>	<b>9</b>			<b>\$ 3,680.00</b>	<b>\$ -</b>							<b>7,001.00</b>
<b>Total Annual Costs</b>	<b>227</b>			<b>\$ 12,400.00</b>	<b>(Yr 1-4)</b>	<b>\$ -</b>	<b>(Yr 1-4)</b>					<b>NOT to EXCEED \$ 5,000.00</b>
<b>1 Time Cost per EE</b>												<b>(Year 1) 5,000.00</b>

Exhibit D

Future Capital Costs

	Plant	# Roll offs	Cost/ Roll- Off	Sub-Total Roll-offs	# Covers	Cost/ Covers	Sub-Total Covers	Total
1	Commerce - 1070	3	\$ 5,000	\$ 15,000	3	\$ 4,000	\$ 12,000	\$ 27,000
2	Fairfield - 1075	3	\$ 5,000	\$ 15,000	3	\$ 4,000	\$ 12,000	\$ 27,000
3	Modesto - 1063	3	\$ 5,000	\$ 15,000	3	\$ 4,000	\$ 12,000	\$ 27,000
4	Sacramento - 1064	3	\$ 5,000	\$ 15,000	3	\$ 4,000	\$ 12,000	\$ 27,000
5	Vernon - 1080	3	\$ 5,000	\$ 15,000	3	\$ 4,000	\$ 12,000	\$ 27,000
6	Madera - 1068	3	\$ 5,000	\$ 15,000	3	\$ 4,000	\$ 12,000	\$ 27,000
	Spares				9	\$ 4,000	\$ 36,000	\$ 36,000
								\$ 198,000