



Jared Blumenfeld
Secretary for
Environmental Protection



Department of Toxic Substances Control

Meredith Williams, Ph.D., Director
1001 "I" Street
P.O. Box 806
Sacramento, California 95812-0806



Gavin Newsom
Governor

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Elaine M. Howle, CPA
California State Auditor
621 Capitol Mall Suite 1200
Sacramento, California 95814

Subject: 60 Day Audit Recommendation Implementation Progress

The following describes the Department of Toxic Substances Control's (DTSC) 60-day progress report to the California State Auditor on the recommendations contained in Report 2020-107 (Release Date: October 2020). In this report, DTSC has reproduced and numbered the Auditor's recommendations. We then describe the status of our implementation of the recommendations. We look forward to implementing recommendations and continuing to protect people who live in the communities around the former Exide Facility in Vernon, California.

1. To ensure that it minimizes the exposure of children and other at-risk individuals to lead contamination, DTSC should immediately solicit a contractor to clean the 31 remaining childcare centers, parks, and schools. It should use the TCRA process to expedite this cleanup if necessary.

Fully Implemented: Description of DTSC Activities

Audit report identified 31 childcare centers, parks, and schools as remaining to be cleaned. These included three parks, two schools, two publicly owned childcare centers and 24 daycares operating out of residential properties. In response to the audit findings, DTSC executed a contract with National Engineering and Consulting Group Inc. (NEC) on October 28, 2020, to implement Time Critical Removal Actions (TCRA) at the three parks, two schools, and two publicly owned childcare centers.

In addition, DTSC directed NEC to prioritize the 24 residential daycares for cleanup under their existing cleanup contract. To facilitate their cleanup, DTSC increased our outreach efforts by deploying our consultants to work concurrently with DTSC outreach staff. DTSC anticipates completing field work at these 31 properties by the end of March 2021, as described below:

- **Parks (3 identified in the audit):** Field work was completed on two parks, one in front of Bell City Hall and the other in front of Bell Library as of December 11, 2020. Field work began on December 18, 2020, at the Benito Juarez Park and is anticipated to be completed on December 30, 2020.

- **Schools (2 identified in the audit):** Field work began on December 9, 2020, at the St. Rose of Lima School and is anticipated to be completed on December 30, 2020. Outreach continues for the Cristo Viene Christian School although the operator has withdrawn their school operation license and the school is locked with no activities onsite. DTSC has reviewed the facility sampling results and inspected the site. This site is mostly covered with concrete and the reported contamination is in a single tree well. This facility is anticipated to be used as a women's shelter and hence we have continued our outreach. As of December 18, 2020, DTSC has not been able to acquire an access agreement for this property.
- **Childcare centers (2 identified in the audit):** Field work began at the Maywood Child Development Center on December 19, 2020 and is anticipated to be completed on December 30, 2020. Garcia Park Head Start has requested DTSC to start field activities in early January 2021.
- **Daycares (24 identified in the audit):** As of December 18, 2020, following is the status of the 24 residential daycares identified in the audit report:
 - 14 daycares field work has been completed,
 - 1 daycare field work is in progress and is anticipated to be completed by January 2, 2021,
 - 2 daycares are on the cleanup schedule and anticipated to be completed by end of January 2021,
 - 4 daycares with property owners' negotiating a cleanup start date in spring 2021, and
 - 3 daycares with property owners who have declined cleanup due to various reasons.

Since the Audit report we have implemented a procedure to request a list of all daycares in the area undergoing cleanup activities from the California Department of Social Services (CDSS) Community Care Licensing Division (CCLD) on a semiannual basis. During the most recent request from these agencies, DTSC identified 31 additional daycares within the cleanup area. All the newly identified daycares have been evaluated and those that have a representative soil lead concentration above 80 ppm have been prioritized for cleanup. Please see status of the 31 additional daycares below:

- 9 were already cleaned up,
- 2 do not require cleanup,
- 17 requiring cleanup have been prioritized, and
- 3 have not provided DTSC access for initial sampling.

The status for all daycares prioritized for cleanup is updated weekly on DTSC's website - <https://dtsc.ca.gov/Exide-audit/>

2. To ensure its ability to clean as many lead-contaminated properties as possible in a timely manner, DTSC should immediately begin soliciting an additional contractor to

clean properties within the cleanup site. It should include performance standards for the pace of cleanup in its existing and future cleanup contracts.

Fully Implemented: Description of DTSC Activities

DTSC remains committed and focused on the expeditious cleanup of as many lead-contaminated properties as possible with the already appropriated funds. In response to the audit finding, DTSC has deployed our consultants to conduct additional outreach to increase the number of properties signed up for cleanup to get to our initial goal of up to 3,200 properties. DTSC has amended the existing cleanup contract for 450 properties. Using our existing contractor allows DTSC to maximize efficiencies while effectively managing costs. Contract amendment in progress includes performance standards requiring a minimum number of crews to be provided by the contractor.

DTSC has also continued to steadily increase the number of cleanup crews. NEC has employed 25 cleanup crews every week in the field since September 14, 2020, even with Stay-at-Home orders due to COVID-19, unprecedented wildfires, and the most recent increases in the COVID-19 cases in Southern California. We are working within the Administration to identify additional funds DTSC needs to get to our initial goal of up to 3,200 properties.

3. To ensure that the public and policy makers have the information they need to make informed decisions, DTSC should, by no later than April 2021, identify and publicize a date by which it expects to complete cleanup for all properties that meet or exceed the standard for lead contamination of 80 ppm identified in DTSC's cleanup plan. It should post this information on its website and, at least every six months, publish an update that indicates whether it is on track to meet that expected completion date based on its rate of progress.

Not Fully Implemented: Description of DTSC Activities

New appropriations of state funding for additional cleanups would be part of future budgetary discussions.

4. To ensure that it has sufficient funding to clean up all lead-contaminated properties in the cleanup site, DTSC should do the following:
 - a. Identify the full amount of funding it needs to complete the cleanup of the 3,200 most contaminated properties and the remaining 4,600 contaminated properties. It should submit a request for funding in time for spring 2021 budget discussions that includes a range of funding options that spans from funding for the full cleanup to funding for only a portion of the remaining contaminated properties.

Not Fully Implemented: Description of DTSC Activities

New appropriations of state funding for additional cleanups would be part of future budgetary discussions.

- b. Immediately revise its cost estimation methods to encompass the factors that it now knows will affect its overall costs. If needed, it should contract for expertise in determining accurate and complete estimates of the remaining cleanup cost.

Fully Implemented: Description of DTSC Activities

DTSC has revised our cost estimation methods to include the following:

- Inflation
- Project Labor Agreement wage increase
- Sample storage
- Performance and Payment Bonds
- Project Management and Quality Assurance
- Financial Audit

DTSC will use this revised methodology for cleanup cost going forward.

5. To protect against the unsustainably high costs it has incurred thus far in the cleanup project, DTSC should structure its future cleanup contracts to at least partially incorporate fixed prices.

Fully Implemented: Description of DTSC Activities

DTSC has amended the existing cleanup contract, which already contains fixed price elements as recommended in the audit findings, for 450 properties. DTSC will seek to incorporate fixed pricing where possible in all future cleanup contracts.

Following are the fixed price elements in the current cleanup contract:

- Project management costs per property,
- Mobilization, permit application and fees per property,
- Pre-excavation confirmation sampling costs per property,
- Property-specific Design Plan per property,
- Vehicle and equipment cost per property,
- Field management costs per property,
- Air and dust monitoring cost per property, and
- Letters of completion cost per property.

Performance standards requiring a minimum number of crews to be provided by the contractor were added to the amendment.