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Subject: 6-Month Audit Recommendation Implementation Progress

The following describes the Department of Toxic Substances Control's (DTSC) 6-month 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, and look forward to continue evaluating and making progress on implementing the remaining recommendations to the extent feasible 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.

Partially Implemented: Description of DTSC Activities

The Audit Report identified 31 childcare facilities, parks, and schools as remaining to be cleaned. These included three parks, two schools, two publicly owned childcare centers, and 24 daycare facilities 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 daycare facilities for cleanup under their existing cleanup contract. To facilitate the cleanup, DTSC increased our outreach efforts by deploying our consultants to work concurrently with DTSC outreach staff. DTSC has completed field work at these 31 properties as described below:

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- **Parks (3 identified in the audit):** Field work was completed at the area in front of Bell City Hall and the area in front of Bell Library on December 11, 2020, and Benito Juarez Park on January 19, 2021.
- **Schools (2 identified in the audit):** Field work was completed at the St. Rose of Lima School on January 21, 2021, and at the Cristo Viene Christian School on March 29, 2021.
- **Childcare centers (2 identified in the audit):** Field work was completed at the Maywood Child Development Center on January 6, 2021, and Garcia Park Head Start on March 4, 2021.
- **Daycare Facilities (24 identified in the audit):** Field work was completed at 22 of the 24 residential daycare facilities, and the remaining two facilities are scheduled to be cleaned up by May 5, 2021.

Since the Audit report, we have implemented a procedure to request a list of all daycare facilities operating in the PIA from the California Department of Social Services Community Care Licensing Division on a semiannual basis. During the most recent request from this agency, DTSC identified 31 new additional daycare facilities within the cleanup area. All of the newly identified daycare facilities have been evaluated, and those that have a representative soil lead concentration above 80 ppm have been prioritized for cleanup. The status of the 31 additional daycare centers is below:

- 16 have completed clean up.
- 3 do not require cleanup.
- 12 require cleanup, and have been prioritized.

The status of the remaining daycare facilities 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.

Partially 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. 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 3,200 properties. DTSC has amended the existing cleanup contract to add 450 properties. Using our existing contractor allows DTSC to maximize efficiencies while effectively managing costs. The contract amendment 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

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with COVID-19 Stay-at-Home orders, unprecedented wildfires, and recent increases in COVID-19 cases in Southern California. Two more crews were added in mid-March 2021, bringing the total number of crews to 29.

The Governor's proposed 2021-22 Budget includes \$31.4 million as a General Fund loan to reach the goal of cleaning 3,200 properties. If this funding is approved by the Legislature, DTSC anticipates finalizing a new cleanup contract in early July 2021. DTSC will add language regarding the pace of cleanups to that contract.

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. DTSC's Exide Public website (<https://dtsc.ca.gov/residential-cleanup/>) is updated weekly, and includes all information related to the status of cleanup and contracts. Additionally, DTSC notes that the state is not legally responsible for lead contamination cleanup for these properties.

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

The Governor's Budget includes a Budget Change Proposal (BCP) for \$31.4 million to complete cleanup of the 3,200 properties. We also intend to use a portion of Lead-Acid Battery Recycling Facility Investigation and Cleanup (LABRIC) cleanup funds to continue residential cleanups in the preliminary investigation area (PIA).

- 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 used a revised cost estimation procedure to estimate the cost of cleaning up the remaining properties within the PIA that may require cleanup. This revised cost estimation incorporates the following factors:

- Inflation (3.5% annual)
- Increased Labor rates
- Sample storage
- Performance and Payment Bonds
- Project Management and Quality Assurance
- Financial Audit