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April 5, 2017

TO: Each Supervisor

FROM: Barbara Ferrer Ph.D., M.P.H., M.Ed.
Director 

SUBJECT: **UPDATE ON PROPOSED PERMIT EXPANSION OF QUEMETCO, INC. LEAD SMELTING FACILITY ("QUEMETCO")**

On December 20, 2016, your Board requested that the Department of Public Health (DPH) work with the California Department of Toxic Substances Control (DTSC) and the South Coast Air Quality Management District (SCAQMD) to ensure that the Quemetco, Inc. (Quemetco), which operates a battery recycling and lead smelting facility located in the City of Industry, is compliant with current permitting and corrective action requirements before regulatory agencies consider its application for expansion. Over the past four months, DPH has participated in a County workgroup with County Counsel, the Fire Department, and the Department of Public Works to monitor enforcement activities at the facility. This is to provide an update on the permitting and corrective action activities for Quemetco that the County workgroup is monitoring.

Background

With the closure of the Exide Facility in Vernon, CA, Quemetco is the sole remaining battery recycling and lead smelting facility in California. As a result, Quemetco is now seeking to increase its operations by 25%. The current permit limits allow Quemetco to feed 600 tons per day of material into its furnaces over a 20-hour period per day. Quemetco requested a Title V permit modification from SCAQMD to increase furnace feed to 750 tons per day. A request to increase operations of this facility, which is in close proximity to residential communities, requires close consideration of public health impacts. Therefore, the County has informed both agencies with regulatory authority over Quemetco, DTSC and SCAQMD, of its position that the facility must meet current standards before any permit expansion is considered.

Quemetco operates under several permits overseen by both DTSC and SCAQMD. DTSC requires Quemetco to first renew its current permit before it applies for a modification; this process can

take three to four years. SCAQMD requires an environmental assessment process with public participation for permit modification. Both DTSC and SQAQMD representatives report that they are coordinating in evaluating the applications, and that a permit expansion would not be granted unless Quemetco could demonstrate they are fully compliant with the current regulatory orders and enforcement actions. An update on permitting and enforcement activities for each of the two regulatory agencies is provided below.

DTSC Activities

Quemetco has a hazardous waste facility permit authorized under federal and state law that was issued in 2005. Hazardous waste facilities like Quemetco must renew their permits every 10 years. Quemetco filed a renewal application to DTSC in March 2015. After review, DTSC issued Quemetco a Notice of Deficiency (“NOD”) on March 3, 2017 for a series of compliance issues with its permit renewal application. The NOD included specific compliance issues with the Closure Plan Cost Estimate, Waste Analysis Plan, and Closure Plan, as well as requirements to conduct human health and ecological risk assessments. DTSC required Quemetco to respond to the NOD by May 3, 2017. Quemetco has not yet requested a modification to their DTSC permit that would allow the 25% increase in daily throughput.

In addition to monitoring deficiencies in the renewal application, DTSC is conducting an investigation to determine if Quemetco’s past emissions of airborne lead impacted the area surrounding the facility. DTSC has conducted limited soil sampling in the residential study area, which includes properties within one-quarter mile radius of Quemetco, and conducted a background study to represent areas not impacted by Quemetco industrial activities. DTSC sampled 50 properties in five surrounding areas (West Covina, Rowland Heights, Baldwin Park, Rosemead, and Whittier), and reported that lead concentrations in these surrounding areas are similar to those in the Quemetco-adjacent residential study area. DTSC has not yet released the final background study results.

SCAQMD Activities

Quemetco submitted a Risk Reduction Plan to SCAQMD in November 16, 2016. SCAQMD completed its review of the Risk Reduction Plan and rejected it on February 16, 2017 because it did not contain sufficient information to demonstrate reliability and effectiveness. Quemetco is required to re-submit a revised Risk Reduction Plan within 30 days addressing these issues. Ultimately, Quemetco must complete the Risk Reduction Plan as quickly as feasible, but no later than November 16, 2019.

Quemetco has also submitted a permit modification to SCAQMD to increase daily throughput, and SCAQMD is processing this request. The permit modification process requires an Environmental Impact Report (EIR) as promulgated by the California Environmental Quality Act (CEQA). The EIR will evaluate the potential environmental impacts of this proposed permit modification and will also consider the aforementioned risk reduction requirements as a component of the project. There will be multiple opportunities for the public to provide input into the EIR. The Final EIR will include responses to all comments received and must be certified before the permit modification request can be considered for approval.

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Both DTSC and SCAQMD are currently focusing their efforts on ensuring that Quemetco complies with health and safety regulations based on its current permit. DPH will continue to work with DTSC and SCAQMD to ensure that the permit modification request is not considered until Quemetco is in full compliance with current permits and ongoing corrective action requirements of both agencies.

We will continue to keep your Board updated on the work related to Quemetco as significant issues arise. If you have any questions or would like additional information, please let me know.

BF:ab

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