

2017

Environmental Compliance and Enforcement Report





*Office of the Secretary
California Air Resources Board
State Water Resources Control Board
Department of Toxic Substances Control
Department of Pesticide Regulation
Department of Resources Recycling and Recovery
Office of Environmental Health Hazard Assessment*

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Governor

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The mission of the California Environmental Protection Agency is to restore, protect, and enhance the environment to ensure public health, environmental quality, and economic vitality.

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This report provides agency-wide summary information on environmental enforcement and compliance programs for 2017. It highlights major program priorities, provides examples of enforcement cases, and summarizes cross-media enforcement and training efforts. This report also provides links to in-depth enforcement reports available on each program's website.

Cross-Media Enforcement & Environmental Justice



In California, the boards and departments within the California Environmental Protection Agency (CalEPA) enforce environmental laws that regulate air and water pollution, toxic substances, the use of pesticides and waste recycling and reduction. The Office of the Secretary of CalEPA is responsible for ensuring that this enforcement work is consistent, effective and coordinated across all programs. To do this, CalEPA manages a cross-media enforcement training program, coordinates a steering committee focused on multimedia environmental enforcement, runs a task force designed to promote environmental regulatory compliance in disadvantaged communities that suffer from disproportionate pollution burdens, and administers a grant program that provides funds to train environmental regulators and prosecutors. This report describes these efforts and compiles data from the 2017 calendar year to provide an overview of the enforcement activities within CalEPA. For more detailed information about ongoing CalEPA enforcement activities, please see the websites of the boards and departments referenced in this report.

Cross-Media Enforcement Training

CalEPA and its boards and departments provided training during 2017 to environmental inspectors from many environmental regulatory programs at the state and local level, including air, water, pesticide, hazardous waste, solid waste and environmental health programs.

CalEPA, regulatory staff from its boards and departments, and local environmental prosecutors trained 230 inspectors at nine Basic Inspector Academies held across the state

during 2017. The Basic Inspector Academy is a three-day class that provides environmental regulatory agency inspectors with the core knowledge and skills necessary to perform and document quality environmental inspections.

CalEPA also provided an online fundamental inspection course to 206 inspectors. The online fundamental inspection course provides an overview of CalEPA boards and departments and local environmental agencies, environmental law, environmental science and basic field health and safety.

FIGURE 1: INSPECTORS TRAINED BY THE BASIC INSPECTOR ACADEMY IN 2017



CalEPA's Environmental Justice Task Force

In 2013, CalEPA formed the Environmental Justice Enforcement and Compliance Working Group, later renamed the EJ Task Force. The EJ Task Force consists of regulatory agencies that implement and enforce environmental laws in California, including representatives from CalEPA, its boards and departments and representatives from regional and federal environmental protection agencies. The EJ Task Force identifies disadvantaged communities that suffer multiple pollution burdens and focuses enforcement and compliance efforts in those communities.

The EJ Task Force's goals are:

- To create opportunities for residents in disadvantaged communities to provide input regarding local environmental problems;
- To integrate input from community residents into environmental inspections and enforcement work; and
- To promote interagency coordination to ensure that pollution burdens in disadvantaged communities from multiple sources are effectively addressed.

The EJ Task Force completed an enforcement and compliance initiative in Fresno in 2014, in Boyle Heights and Pacoima in Los Angeles in 2015, and in East and West Oakland in 2016. In 2017, the EJ Task Force completed an enforcement and compliance initiative in Pomona. During the Pomona EJ Initiative, the EJ Task Force worked closely with United Voices of Pomona, Clean and Green Pomona and the Pomona Unified School District to identify local environmental problems. The community groups provided neighborhood bus tours for environmental regulators to highlight particular areas of concern. The concerns included heavy truck traffic and truck idling in residential neighborhoods, fire dangers from industrial and recycling facilities near residential neighborhoods, airborne sawdust and noxious odors from a wood recycling/debris facility, and overbearing noxious odors from industrial and recycling facilities. Based on input from the community,



the EJ Task Force conducted multi-agency inspections of various facilities in Pomona. At the conclusion of the inspections, businesses found to be in violation of environmental laws were cited and ordered to remediate their violations. The environmental violations identified during the Pomona EJ Initiative include:

- Operation of portions of the wood recycling/debris facility without the necessary permit, including unauthorized processing of green waste at the facility with associated odors from bacterial growth in the waste;
- Failure by multiple Pomona industrial facilities to obtain proper permits for stormwater management;
- Illegal truck idling, inadequate emissions controls on trucks, and illegal tampering with emissions controls on trucks in and around residential neighborhoods;
- Failure by multiple facilities to properly label, treat and transport hazardous waste;
- Unlicensed vehicle dismantling with improper disposal of hazardous chemicals associated with the dismantling; and
- Illegal pesticide residues on produce for sale in local markets.

The EJ Task Force also provided compliance assistance for businesses in Pomona in coordination with local regulatory agencies and prepared a guidebook of local and state environmental regulatory agencies for use by Pomona residents. More information about the Pomona EJ Initiative can be found on the CalEPA EJ Task Force webpage.

Environmental Enforcement Training Grant Program

CalEPA administers the Environmental Enforcement and Training Account Grant Program established by Penal Code sections 14300 through 14315. The grant program furthers CalEPA's work of coordinating and assuring uniform environmental law enforcement by providing financial assistance for training environmental regulators, law enforcement, peace officers, and prosecutors. Most of the funding for the program comes from the inclusion of Supplemental Environmental Projects (SEPs), in judgments in local, state and federal environmental law enforcement actions.

The Environmental Enforcement and Training Account grant funds are allocated according to the formula outlined in Penal Code section 14314:

- 25 percent to the Environmental Circuit Prosecutor Project run by the California District Attorneys Association (CDAA);
- 25 percent to CDAA to provide environmental enforcement training to prosecutors, investigators, and regulators;
- 25 percent to the Commission on Peace Officer Standards and Training (POST) for environmental training of peace officers, up to \$100,000; and
- The remaining for discretionary grants to be awarded to public agencies or private nonprofit organizations for the purpose of environmental enforcement training or to public agencies showing substantial need for funding for local environmental efforts.

2017 Environmental Enforcement Training Grant Distributions

In 2017, CalEPA distributed a total of \$570,804 in environmental enforcement training grants as follows:

Statutory disbursements:

- \$174,202 to CDAA's Environmental Circuit Prosecutor Project;
- \$174,202 to CDAA's Environmental Enforcement Training Project; and
- \$100,000 to POST, which used the funds for a peace officer training on environmental cannabis enforcement issues.

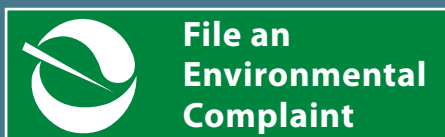
Discretionary disbursements:

- \$20,000 to the Del Amo Action Committee to partially fund the Los Angeles Environmental Justice Network's two EJ enforcement symposia in January and February 2018.
- \$74,850 to Greenaction for Health and Environmental Justice, in collaboration with Comite Civico Del Valle, West Oakland Environmental Indicators Project and the Environmental Justice Coalition for Water, to create an environmental justice training for regulators and to conduct environmental justice training tours for regulators.
- \$27,550 to CDAA for continued support of the Environmental Circuit Prosecutor Project and for costs associated with presenting a new water sampling techniques training.

CalEPA's Online Complaint System

CalEPA maintains an online complaint system that provides members of the public with a website to report environmental problems to CalEPA from anywhere in California. The system includes a process for reporting environmental concerns relating to air or water pollution, hazardous or solid waste, or pesticide use. The system is accessible from mobile devices, is able to capture location information of the person lodging the complaint, and allows the uploading of photos, videos, and other documentation of the problem. When a complaint is submitted, it is sent to the appropriate state or local regulatory agency for investigation and enforcement. If the person submitting the complaint includes an email address, he or she will receive a notification from the agency to which the complaint has been sent, along with that agency's contact information.

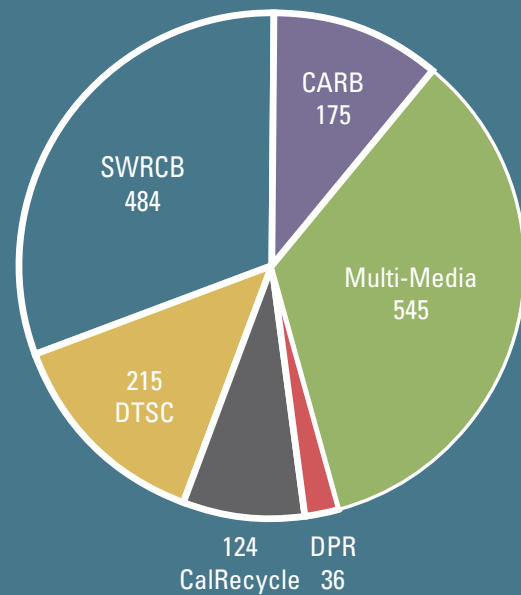
The CalEPA online complaint system serves as an early warning system. It alerts environmental enforcement agencies of potential violations and provides immediate witness accounts and documentation for investigations. This helps CalEPA and other environmental enforcement agencies address and resolve environmental problems. The online complaint system also supports state, federal and local environmental enforcement efforts by providing a statewide tool that ensures environmental reports reach the proper authority, regardless of the location or the type of pollution. Further, it assists communities and agencies that may not have the resources to build their own online environmental complaint systems.



In 2017, CalEPA received 1,579 complaints on its online system. Of those complaints

- 175 were air pollution complaints;
- 545 were multi-media complaints;
- 36 were pesticide complaints;
- 124 were recycling-related complaints;
- 215 were toxic substances complaints;
- 484 were water pollution complaints.

FIGURE 2: REPORTS OF ENVIRONMENTAL COMPLAINTS TO CALEPA IN 2017



171 of the complaints that CalEPA received in 2017 resulted in findings that there were environmental violations or compliance issues.

In 2017, CalEPA developed an external partner portal for its online complaint system. The external partner portal allows easier access to the complaint system by CalEPA's regulatory partner agencies and facilitates submission of their investigation findings to CalEPA for better tracking of the resolution of complaints.



California Air Resources Board

The California Air Resources Board (CARB) regulates mobile sources of air emissions, fuels, and consumer products, while the 35 local air pollution control and air quality management districts (air districts) regulate stationary sources of air emissions.

To carry out its responsibilities, CARB has undertaken a multifaceted program of planning, regulation development and implementation, compliance assistance and training, and enforcement. The final two components of CARB's work, compliance assistance and enforcement, help ensure achievement of emissions reductions and a level playing field for all regulated entities.

In 2017, CARB closed 1,650 enforcement actions (including obtaining 5 court judgments, 197 settlements, and resolving 1,448 citations), and assessed a total \$17,485,227 in penalties.

CARB Enforcement Case Highlights

CARB's enforcement efforts encompass a broad spectrum of programs, including certification requirements for vehicles, engines, aftermarket parts, consumer products, and fuels; in-use fleet requirements focused on diesel mobile sources; and greenhouse gas (GHG) standards for stationary sources. The cases below highlight the breadth of CARB's enforcement program.

British Petroleum West Coast Products (BP) (\$2,540,000 penalty)

CARB enforces reformulated gasoline regulations that are the cornerstone of efforts to reduce emissions of reactive organic gases

(ROG) from use of fuels, and to ensure clean combustion in vehicles. BP supplied 64 million gallons of fuel that did not meet regulatory requirements. When BP would not settle, CARB litigated the case. Ultimately the court upheld CARB's long-standing reformulated gasoline program and validated CARB's assessment of penalties for retail sales of noncompliant fuel.

JEGS Automotive, Inc. (JEGS) (\$1,700,000 penalty)

To ensure engine emission control devices certified by CARB maintain their certified emission limits, CARB enforces the sale of aftermarket engine parts that might impact the original emission controls certified by CARB. JEGS is a large aftermarket parts distributor that was caught distributing thousands of illegal aftermarket parts erroneously labeled as "For Racing Vehicles". By resolving this case, staff significantly reduced the number of illegal aftermarket parts sold in California, and assessed the largest monetary penalty to date in the aftermarket parts enforcement program.

Marten Transport (\$100,000 penalty)

Enforcing the broker requirements outlined in the Truck and Bus Regulation is important in reducing the roughly 300,000 noncompliant trucks that are currently operated in California. Brokers are required to check the compliance status of all trucks prior to dispatching them. Any broker who dispatches trucks into California, regardless of their physical address, is considered a California-based broker, and is

held accountable for dispatching non-compliant trucks. In 2017, CARB assessed a \$100,000 penalty against Marten Transport for violations of the Truck and Bus Regulation.

Union Pacific Railroad Company (UP) and BNSF Railway (\$1,245,000 penalty)

Under the Drayage Truck Regulation, California ports and Class I rail terminals must report noncompliant heavy-duty diesel trucks entering their facilities. For years, BNSF and UP failed to accurately report to CARB all the required information on noncompliant trucks entering their facilities, thus hampering CARB's ability to enforce the regulatory requirements. Settling this case resulted in UP turning away noncompliant trucks from their facilities and BNSF accurately reporting truck data to CARB for enforcement, thus reducing diesel emissions from heavy-duty diesel trucks around both UP and BNSF facilities.

2017 CARB Enforcement Developments

In addition to resolving enforcement cases, CARB staff made improvements to existing programs and procedures in 2017. The improvements include:

- Enforcement Division staff began implementing the recently revised CARB Supplemental Environmental Projects (SEP) policy. Under the SEP policy, violators funded eight new projects benefitting disadvantaged communities in a total amount of \$2.5 million. An additional \$1.1 million went to school bus clean-up and diesel training programs.
- CARB updated its Enforcement Policy through a public process with the goal of increasing transparency and accountability.
- CARB began using new procedures to enforce the Truck and Bus Regulation. These procedures greatly improve efficiency of CARB's enforcement efforts and should significantly expand the number of vehicles brought into compliance each year.
- CARB is focusing on improving the enforceability of regulations during their initial development. Enforcement staff are

working closely to improve enforceability in key programs, including At-Berth Ocean-Going Vessels, Cargo Handling Equipment, Transportation Refrigeration Units, and Commercial Harbor Craft.

CARB Environmental Justice Enforcement

Over the last year, CARB's Enforcement Division has continued to coordinate its efforts with federal, state, and local enforcement agencies, as well as with local community groups and activists, to improve the quality of life for people living in neighborhoods that are particularly vulnerable to air pollution.



Since 2015, CARB has designated a team to address concerns about a lack of enforcement in the most impacted disadvantaged communities. CARB's team works collaboratively with other environmental agencies to educate communities on regulatory issues. The time spent with communities encourages creative thinking by government regulators and exposes regulators to problems and potential solutions to problems that are not currently identified or addressed in policy or regulation. The team regularly attends community meetings across the state, including in Oakland, Bayview / Hunter's Point, Fresno, Hanford, Bakersfield, downtown Los Angeles, Wilmington, Boyle Heights, Jurupa Valley, Riverside, Coachella, and the Imperial Valley.

Ocean-Going Vessel Enforcement

Ocean-going vessels are one of the largest sources of emissions generated at California ports, which see approximately 8,000 ship visits per year. To address emissions generated from ocean-going vessels, CARB adopted two regulations – the Ocean-Going Vessel Fuel Sulfur Regulation adopted in 2008 and the Airborne Toxic Control Measure for Auxiliary Diesel Engines Operated on Ocean-Going Vessels At-Berth in a California Port (At-Berth Regulation) adopted in 2014. CARB adopted these regulations to address diesel PM, NO_x, and sulfur oxides emissions associated with these ships while berthed at port or operating in regulated California waters.

Fuel Sulfur Regulation

The Ocean-Going Vessel Fuel Sulfur Regulation requires ships to switch to cleaner burning distillate fuels containing no more than 0.1 percent sulfur prior to entering the 24 nautical mile regulated zone. CARB inspects ships, taking representative fuel samples from a sampling point closest to the main engine, evaluates ship fuel temperature logs, and reviews fuel switch over procedures. In 2017, CARB conducted 324 inspections, closed 10 cases for fuel failing to meet the 0.1 percent sulfur limit, and assessed \$87,500 in penalties. This represents a 97 percent compliance rate in ships inspected in 2017.

CARB is the world leader in ocean-going vessel fuel sulfur enforcement. Enforcement Division staff have provided training to staff in China and Mexico on conducting ocean-going vessel fuel inspections and work closely with federal partners, including the U.S. Environmental Protection Agency (US EPA) and Coast Guard.

At-Berth (Shore Power) Enforcement

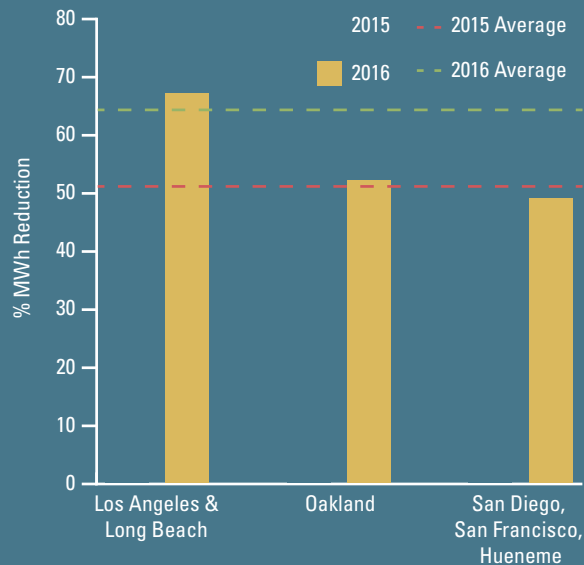
In 2014, CARB implemented the At-Berth Regulation to address diesel PM and NO_x emissions associated with certain ocean-going vessels while berthed at port. The regulation requires container ships, refrigerated-cargo ships, and cruise ships to reduce their fleet's total

onboard auxiliary engine power generation by connecting to shore power or an alternative technology when visiting a California port. The regulation increased in stringency from a 50% reduction requirement in 2014 to a 70% requirement in 2017.



CARB Enforcement staff conducts audits on every regulated vessel fleet to determine compliance with the regulation. Staff has conducted 128 fleet audits since 2014 consisting of more than 12,000 individual vessel visits. This includes 39 regulated fleets and 3,970 visits in 2016. The number of total fleets varies by year due to the minimum visit thresholds in the regulation. Fleets are required to submit annual visit information for each vessel in their fleets by March 1, demonstrating compliance for the previous year. CARB staff reviews each visit and cross-checks the data with visit information submitted by ports and terminals.

FIGURE 3: MEGAWATT HOUR (MWH) REDUCTIONS UNDER THE AT-BERTH REGULATION



2017 the stringency of the rule increased. Improving compliance rates to achieve the envisioned benefits will require ensuring that all parties involved in providing and using shore power do their part to meet regulatory requirements. CARB enforcement and regulatory staff are working together on concepts to help assure higher compliance rates as the regulation increases in stringency. Staff is also auditing 2017 compliance reporting data that only became available in 2018.

On average, the goal of the regulation has been achieved across all ports, as shown in the chart, where the average megawatt hour reduction exceeds 50 percent. The percentage increased from 51 percent in 2015 to 63 percent in 2016, demonstrating fleets are improving their shore power connection rates. In 2016, by using electricity instead of fuel while docked, fleets reduced 4.3 tons per day of NOx and 0.066 tons per day of PM10 emissions.

Audit results demonstrate, however, that some fleets are exceeding regulatory requirements, and compensating for other fleets that failed to meet regulatory requirements. Staff issued notices of violation to four fleets operating in Oakland and/or the Ports of Los Angeles and Long Beach that failed to comply and is in negotiations to resolve each case.

Through the audit process, staff determined the main reasons fleets were not able to comply with the regulation. The central causes delaying vessels from plugging in or out of shore power were labor and equipment malfunction/failure. The primary reason vessels were unable to plug into shore power at all while at port was due to insufficient infrastructure, which includes berthing position, port congestion, and availability of shore power at berth. Beginning in

Local Air District Compliance and Enforcement

A total of 35 local air pollution control districts (air districts) operate in California under State and federal oversight. These agencies were created by State law and their sizes vary from small (single-county) to large (multi-county). Each air district deals with air quality issues within its respective jurisdiction. A map that shows the jurisdictional boundaries of each of the 35 California air districts can be found at: capcoa.org/maps/

Air District Responsibilities

- Emissions control
- Monitoring
- Rule development
- Compliance & enforcement
- Permitting
- Complaints investigation
- Planning & research
- Outreach
- Climate protection
- Grants & incentives

In addition to the enforcement of applicable regulations, other relevant activities focused on improving air quality that are conducted by the air districts include: compliance assistance, outreach, community engagement, rule development, climate protection, and the provision of grants and other incentives.

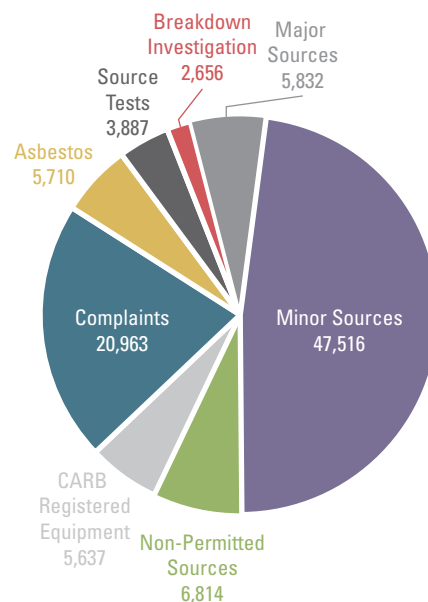
The California Air Pollution Control Officers Association (CAPCOA), a non-profit association formed in 1976, promotes clean air and provides a forum for the sharing of knowledge, experience, and information among the 35 air districts. As part of its work, CAPCOA compiles data from the air districts annually to measure statewide air quality enforcement efforts. As in previous years, the data collected for calendar year 2017 comprise 22 parameters from each participating air district. These parameters include budget allocations, number of regulated facilities, compliance and enforcement activity data, as well as total amounts of penalties resulting

from violations of applicable regulations. As an additional reference, CalEPA Environmental Compliance and Enforcement Reports for previous years can be found at: calepa.ca.gov/enforcement/enforcement-publications/

- > 95k Inspections
- > 10.8k Violations
- > \$25.8M in Penalties

Data for calendar year 2017 were collected from 19 air districts in which about 97% of the California inhabitants reside. The compiled data indicate that these air districts performed over 95,000 inspections and investigations, and detected over 10,800 violations of applicable air quality regulations. The respective penalties for these violations amounted to over \$25.8 million, in addition to non-cash settlement outcomes like supplemental environmental projects and other appropriate actions. The more than 95,000 inspections include a variety of permitted and non-permitted emission sources, registered equipment, investigations of breakdowns and complaints, as well as source tests. Almost half of the total number of inspections performed by the staff of the air districts correspond to the inspection of minor sources.

FIGURE 4: 2017 INSPECTIONS

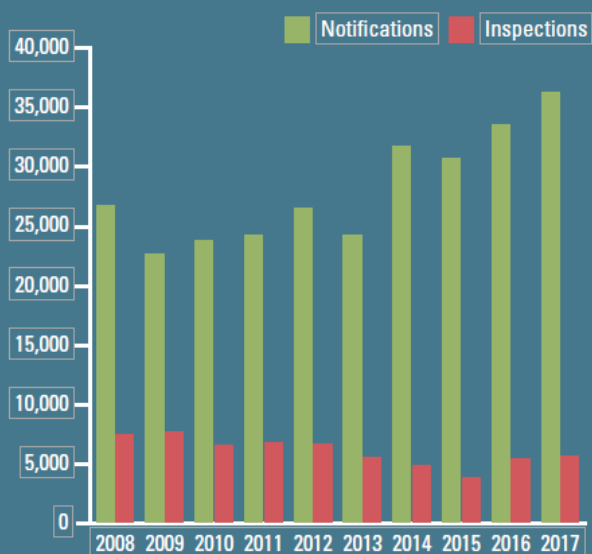




Air Quality – Asbestos

Asbestos is a naturally occurring mineral that, if inhaled even in small quantities, can have serious human health impacts. Although the use of asbestos in the construction industry has declined in the last five decades, many structures still contain asbestos in different forms. Due to the inherent health risks, asbestos is strictly regulated by the air districts both in its use as a building material and where it is present in its natural form.

FIGURE 5: ASBESTOS NOTIFICATION & INSPECTIONS



Most air districts control asbestos by issuing and enforcing their own asbestos rules or by implementing

the requirements of the Asbestos National Emissions Standards for Hazardous Air Pollutants (NESHAP) (Code of Federal Regulations Title 40, Part 61, Subpart M) or of the Airborne Toxic Control Measure (ATCM) for Construction, Grading, Quarrying, and Surface Mining Operations, as well as the ATCM for Surfacing Applications (California Code of Regulations Title 17, Sections 93105 and 93106). Typically, contractors or homeowners must notify the local air district, in advance, of any renovation or demolition subject to the applicable asbestos regulation. Air districts may then authorize the job and inspect the work site. In many cases, a survey is required to determine the presence of asbestos before a demolition or renovation is started. The survey must be done by an asbestos consultant certified by the California Division of Occupational Safety and Health (Cal/OSHA). Additional information on 'Asbestos in the Home' can be found at: www.cpsc.gov/safety-education/safety-guides/home/asbestos-home

The number of asbestos notifications has grown statewide in the last few years, fueled by the improvement of the economy. The calendar year 2017 compiled data show that over 36,000 asbestos notifications were received and over 5,700 asbestos inspections were performed by the air districts. In addition to performing inspections of construction sites subject to asbestos regulations, local air districts conduct related outreach to construction contractors, the public and building departments.

Solid Waste & Recycling



Department of Resources Recycling and Recovery

The Department of Resources Recycling and Recovery (CalRecycle) and local enforcement agencies protect public health, safety, and the environment by regulating solid waste facilities, including landfills, and promoting recycling of a variety of materials, including organics, beverage containers, electronic waste, waste tires, and used oil.

Compliance Assistance

Enforcement is an essential part of CalRecycle’s mission to protect the state’s public health, safety, environment, and fiscal integrity – important responsibilities shared with local and state agency partners. CalRecycle focuses on compliance assistance before taking formal enforcement action that would lead to penalties, restitution, or other legal remedies.

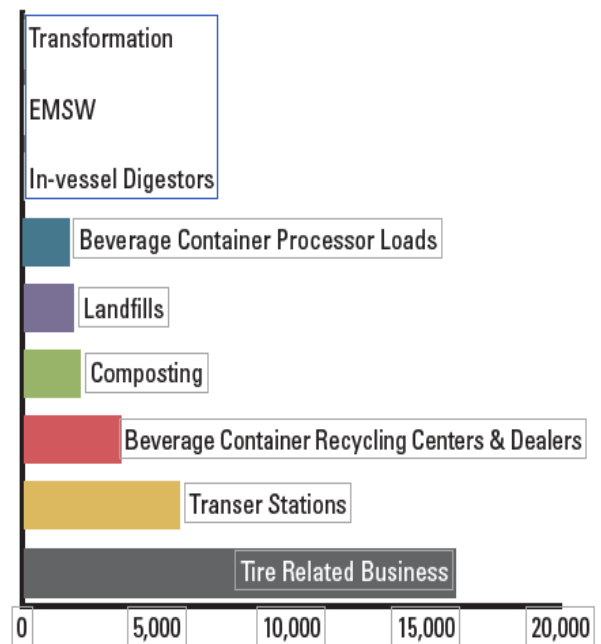
Compliance assistance can take many forms, including monitoring, technical support, outreach, and training. CalRecycle consistently provides the regulated community information and guidance regarding regulatory requirements to help them remain in compliance. CalRecycle frequently inspects recycling and waste disposal facilities to resolve compliance issues early. CalRecycle addresses violations through imposition of administrative remedies or civil penalties. In more egregious or fraudulent situations, CalRecycle pursues criminal prosecution in partnership with the California Department of Justice.

Enforcement Activity

Regular inspections ensure facilities, haulers, generators, recycling centers, recyclers,

processors, and distributors comply with applicable laws and permit conditions regarding disposal and recycling of solid waste. In many cases, inspection intervals are dictated by statute and range from monthly (solid waste facilities) to biennial probationary reviews (beverage containers recycling centers), depending upon the program and facility type. Facilities that have demonstrated greater difficulty complying with regulatory requirements are generally inspected more frequently.

FIGURE 6: INSPECTIONS BY FACILITY TYPE



Frequent inspections allow for early detection of noncompliance. If a permitted or certified facility is out of compliance or operating without a permit, the inspector can issue a notice of violation. In most cases, the operators correct the identified problem in a timely manner and no enforcement action is necessary. However, CalRecycle and local enforcement agencies can impose civil penalties, suspend permits or certifications, or seek other remedies if the operators do not correct violations.

FIGURE 7: VIOLATIONS BY FACILITY TYPE

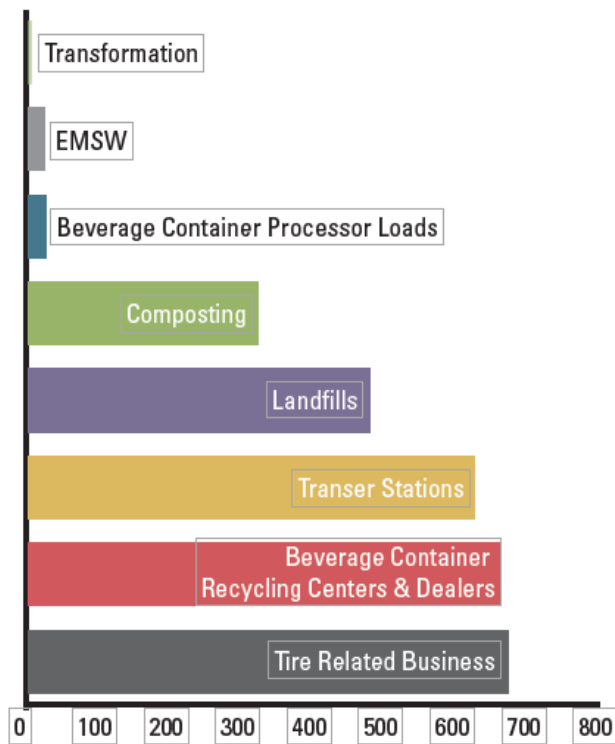


FIGURE 8: ENFORCEMENT ACTIONS BY PROGRAM



Figure 8 summarizes enforcement actions taken during 2017 in the solid waste and waste tire programs. Owing to early, frequent, and constructive engagement with operators, resulting in early resolution of compliance issues, the number of enforcement actions needed to force compliance is nominal. The percentages of inspections that resulted in enforcement actions are less than one percent for unpermitted tire facilities, just over two percent for tire hauler penalties, and 4.6% for solid waste facilities.

CalRecycle Enforcement Case Highlights

Mandatory Commercial Recycling

Over the past few years, the Legislature and Governor have set ambitious goals to increase recycling and reduce solid waste disposal, in part driven by associated greenhouse gas emission reduction goals. In 2011, the Legislature and Governor set a new goal of reducing landfill disposal by 75 percent by 2020 and established Mandatory Commercial Recycling (MCR) requirements. The purpose of MCR is to reduce greenhouse gas emissions by diverting

commercial solid waste to recycling efforts and to expand the opportunity for additional recycling services and recycling manufacturing facilities in California. Public Resources Code section 42649 requires that on and after July 1, 2012, each jurisdiction shall implement a commercial solid waste recycling program appropriate for that jurisdiction designed to divert commercial solid waste from businesses subject to Public Resources Code section 42649.2, whether or not the jurisdiction has met the requirements of Public Resources Code section 41780. Each jurisdiction is also required to report the progress achieved in implementing the MCR mandate, including education and outreach, identification, monitoring, and if applicable, enforcement efforts, by providing updates in the annual report required by Public Resources Code section 41821.

In 2017, CalRecycle completed the first formal review of jurisdictions' implementation of the MCR mandate. CalRecycle conducted 423 Jurisdiction Reviews. A Jurisdiction Review is CalRecycle's independent evaluation of all cities and counties (jurisdictions) to determine how well each jurisdiction is implementing the diversion programs associated with the jurisdiction's MCR efforts, Source Reduction and Recycling Element (SRRE), and Household Hazardous Waste Element (HHWE). CalRecycle found 387 jurisdictions to be compliant with the MCR mandate, SRRE, and HHWE requirements, however, it determined that 36 jurisdictions had significant program gaps. CalRecycle contacted the 36 jurisdictions to inform them of the program gaps and requested that they address the gaps. Ten jurisdictions were not responsive to CalRecycle's request and did not address their program gaps. This resulted in CalRecycle conducting a more in-depth independent investigation of the ten jurisdictions to verify that they had not addressed their program gaps.

At the close of 2017, CalRecycle had five public hearings to consider the issuance of Compliance Orders. The hearings resulted in issuance of three Compliance Orders and findings that three jurisdictions had met the "good faith" standards. Two of the jurisdiction investigations required the collection of further evidence to

determine whether the jurisdictions had met the MCR good faith requirements. As CalRecycle transitioned into 2018, it continued to engage in on-going scrutiny of all jurisdictions and their implementation of the MCR mandate to ensure that the mandates are being met.

Carpet Diversion Program

California established the first mandatory carpet diversion program in the country in 2011. The program sought to increase the amount of postconsumer carpet being diverted from landfills and recycled into secondary products or otherwise managed in a manner that is consistent with the state's hierarchy for waste management practices. The law mandates an extended producer responsibility (EPR) approach for the end-of-life management of carpet in California. EPR is a strategy to place a shared responsibility for end-of-life product management on the producers of the products, and all entities involved in the product chain, instead of on the general public and local governments. This approach provides flexibility for manufacturers, based on their expertise in designing products and the systems that bring these products to market, to design systems to capture those products at the end-of-life.

The carpet diversion law states it is the responsibility of carpet manufacturers who sell carpet in California to design and implement a California Carpet Stewardship Program, either individually or through a stewardship organization, to achieve "continuous meaningful improvement" (Public Resources Code § 42975) in landfill diversion and recycling of postconsumer carpet. To meet this requirement, all carpet manufacturers joined the Carpet America Recovery Effort (CARE) stewardship organization which developed and has been implementing the approved Carpet Stewardship Plan since 2011.

The carpet diversion law charges CalRecycle with enforcement responsibilities that fall into two main categories: ensuring development and implementation of a Carpet Stewardship Plan that achieves continuous meaningful improvement in landfill diversion and recycling of postconsumer carpet and conducting

investigations of regulated entities to ensure a level playing field. In 2017, CalRecycle took two significant enforcement actions pursuant to the carpet diversion law:

- Based on CARE's required annual reports for 2013, 2014, and 2015 and other supporting facts, CalRecycle found CARE out of compliance with the law for failing to make continuous meaningful improvement in landfill diversion of carpet. In March 2017, CalRecycle filed an administrative accusation against CARE. On February 13, 2018, following a hearing, an administrative law judge with the Office of Administrative Hearings determined that CalRecycle's charges in the accusation were substantiated and recommended that CARE pay a total of \$1,003,750 in civil penalties. Upon further review CalRecycle's Director reduced the total penalty, for the years 2013, 2014 and 2015, to \$821,250. CalRecycle was developing an accusation regarding CARE's non-compliance with the requirements of the carpet diversion law in 2016 at the time this report was finalized.
- In 2017, CalRecycle disapproved CARE's 2017-2021 California Carpet Stewardship Plan. With no plan in place, CalRecycle adopted an Enforcement Plan outlining how manufacturers could continue to offer carpet for sale in California without being subject to penalties until October 19, 2017. The Enforcement Plan also put a suspension on inspections of retailers until the adoption of a new California Carpet Stewardship Plan. In October, 2017, the Legislature adopted amendments to the law, which were signed into law by the Governor. In consideration of the legislative amendments, CalRecycle extended the Enforcement Plan deadline to March 16, 2018, to allow incorporation of the provisions of the amendments into CARE's new plan.

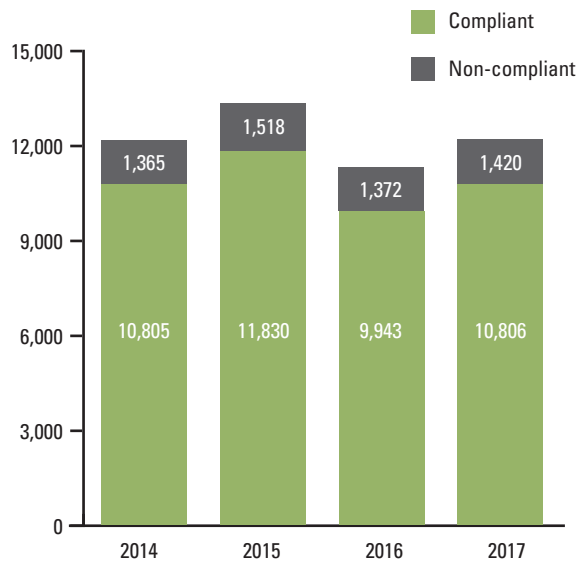
Pesticides



Department of Pesticide Regulation

The Department of Pesticide Regulation (DPR) works closely with the County Agricultural Commissioners (CACs) ensure the enforcement of laws and regulations related to pesticides. Under DPR's oversight and guidance, CACs inspect pesticide applicators, growers and businesses to ensure compliance with pertinent laws and regulations and protection of people and the environment. CACs also issue site-specific permits for restricted use pesticides that impose additional use restrictions for their application. When violations are found, CACs take appropriate enforcement actions following the state's enforcement response regulations.

FIGURE 9: AGRICULTURAL INSPECTION COMPLIANCE

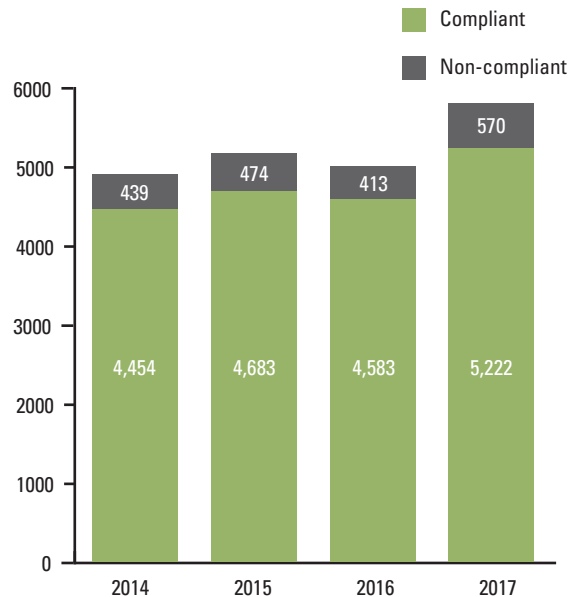


In 2017, CAC's conducted over 12,000 agricultural inspections in California as shown in Figure 1. Each inspection evaluates numerous criteria

to ensure compliance with legal requirements. In 2017, approximately 12% of the inspections documented at least one violation. The top-two compliance problems in agricultural inspections were failure to follow the pesticide label and/or permit conditions and failure to wear appropriate personal protective safety equipment.

The CAC's also conduct structural pest control inspections of applicators and businesses performing pest control in and around homes, and buildings. In 2017, CAC's conducted approximately 5,500 structural inspections as shown in Figure 10. CAC's documented violations in about 10% of the inspections. The top two areas of non-compliance were failure to follow product labeling and respiratory protection requirements.

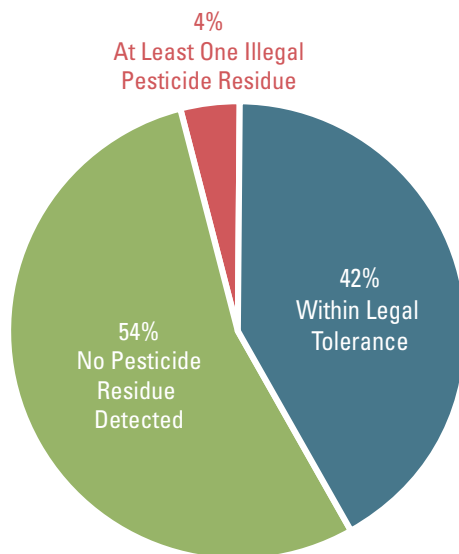
FIGURE 10: STRUCTURAL INSPECTION COMPLIANCE



Pesticide Residue Monitoring Program

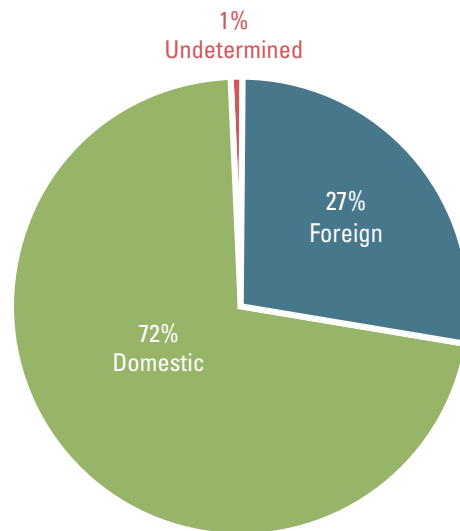
Under California law, it is illegal to pack, ship or sell produce carrying pesticide residue in excess of the permissible tolerance. DPR's Pesticide Residue Monitoring Program conducts inspections at wholesale markets, chain distribution centers, retail markets, farmers markets, and other businesses that sell produce in California. DPR randomly samples and tests both domestic and imported fresh fruits and vegetables to ensure they do not contain pesticide residues in excess of the permissible tolerance.

FIGURE 11: 2017 PESTICIDE RESIDUE MONITORING PROGRAM RESULTS



In 2017, DPR collected 3,695 produce samples. Testing results showed that 96% of the samples either did not contain any pesticide residues (41%) or had only pesticide residue levels below the permissible tolerance (55%). 4% of the samples had residue levels in excess of the permissible tolerances, or contained a pesticide not approved for that crop (Figure 11). Foreign produce imports accounted for the majority of the illegal residue samples (Figure 12).

FIGURE 12: ORIGINS OF ILLEGAL SAMPLES



For additional information about DPR's Pesticide Residue Program, please see: <http://www.cdpr.ca.gov/docs/enforce/residue/rsmonmnu.htm>.

Pesticide Sales Enforcement

All pesticide products must be registered by DPR before they can be sold in California. Prior to issuing a certificate of registration, DPR scientific and technical staff review data on the product to ensure that it is properly labeled and will not cause human health or environmental problems when used as directed. DPR inspectors conduct marketplace inspections at businesses that sell pesticides throughout the state. Inspections cover a full range of pesticide products, from those used in agriculture, to swimming pool chemicals, disinfectants used by industrial facilities and restaurants, insect repellents, and even insecticide treated clothing and apparel.

In 2017, DPR settled 49 cases with businesses and individuals that sold 156 unregistered or misbranded pesticide products in California (Table 1). A number of those cases involved products that are not typically thought of as pesticides:

- In one case, a company producing bedding was penalized \$101,612 for selling an unregistered product that made antimicrobial claims.

- In another case, a company that distributes water treatment chemicals was penalized \$200,000 for selling a misbranded product.

TABLE 1: PENALTIES FOR UNREGISTERED & MISBRANDED PRODUCTS

	2014	2015	2016	2017
Unregistered & Misbranded Products in Cases	309	220	333	156
Cases Against Companies	93	96	85	49
Penalties Collected	\$2,822,189	\$1,716,648	\$1,423,377	\$1,775,526

DPR staff also conducts inspections throughout California at US EPA registered producer establishments that manufacture and package pesticide products. Inspections focus on proper labeling, container safety standards, and verification that pesticide producers have designed and maintained storage facilities and dispensing equipment to mitigate any possible pesticide spills.

Toxics



Department of Toxic Substances Control

The Department of Toxic Substances Control (DTSC) and local Certified Program Agencies (CUPAs) enforce laws pertaining to hazardous materials and hazardous waste management.

DTSC oversees permitted hazardous waste facilities, hazardous waste generators, hazardous waste transporters, facilities that treat hazardous waste on site, transportable hazardous waste treatment units, and electronic waste recyclers, processors, and collectors. It inspects facilities for compliance with hazardous waste treatment, storage, transportation, and disposal requirements.

DTSC resolved several significant cases in 2017, including the following highlighted cases.

Department of Toxic Substances Control Enforcement Case Highlights

Gallo Glass Company, Stanislaus County

In March 2017, Gallo Glass Company, which manufactures glass bottles, agreed to pay a \$2 million settlement to resolve allegations that it violated California's hazardous waste laws. The Attorney General's Office, on behalf of DTSC, filed a complaint in February 2015, and amended it in April 2015, that alleged the company violated various provisions of the hazardous waste control law, including illegal management and disposal of dust containing lead, arsenic, cadmium and selenium at its facility. The contaminated dust was collected from air pollution control equipment used to capture regulated pollutants

that are emitted from the glass-making furnaces. The pollutants would otherwise have been released into the environment and should have been properly managed pursuant to California hazardous waste management requirements. The complaint also alleged that Gallo illegally stored, treated and disposed of hazardous waste at various areas in the facility, failed to minimize releases of hazardous waste to the environment, inadequately trained staff to handle hazardous waste at the facility and failed to notify DTSC of various fires that occurred at its facility between 2006 and 2011. \$1 million of the penalty was deposited into the Orphan Site Fund, which is to clean up abandoned toxic sites.

SA Recycling, Fresno County

As part of the CalEPA 2013 Fresno EJ Task Force Initiative, on November 20, 2013, DTSC scientists inspected SA Recycling in Fresno (SA Fresno). The facility is a scrap metal recycler. At the time of the inspection, SA Fresno was storing piles of contaminated soil on-site. DTSC sampled dirt, dust, debris and soil located throughout the property, and each sample exceeded hazardous waste regulatory limits for heavy metals. As a result of the inspection, SA Fresno was cited for multiple violations of the Hazardous Waste Control Law for mismanagement of hazardous waste. DTSC and SA Fresno entered into a voluntary cleanup agreement, and SA Fresno began to proactively address its contamination. SA Fresno spent over a million dollars to pave the facility and made corrections to manage hazardous waste appropriately including

ensuring that waste from the facility goes to authorized facilities for disposal. In 2017, DTSC settled its Hazardous Waste Control law penalty action against SA Fresno for a penalty of \$255,000.

ANK Metal Recycling, LLP., Los Angeles County

In May of 2017, the Office of Criminal Investigations (OCI) conducted an investigation that resulted in the Los Angeles City Attorney filing criminal charges against ANK Metal Recycling in Sun Valley, California. The investigation was part of DTSC's Metal Recyclers Initiative which focuses enforcement efforts on noncompliant metal recycling facilities located in disadvantaged communities such as Sun Valley. In response to a complaint, OCI conducted three separate inspections at ANK and found unlawful disposal of friable asbestos, releases of used oil, and unlawful hazardous waste levels of heavy metals including lead and cadmium in the soil. Additionally, hazardous materials that require special handling, such as mercury switches, refrigerants, and capacitors containing PCBs, were not being removed from waste appliances prior to the appliances being crushed and shredded. On October 6, 2017, ANK pled guilty to four misdemeanor charges based on these violations. The two owners of ANK were placed on three years summary probation, ordered to clean up the property, and pay penalties, as well as reimburse DTSC's investigative costs. ANK is no longer in business.

Illegal Auto Dismantlers, Assembly Bill 1858 (2016, Ch.449)

Assembly Bill 1858 (2016, Ch.449) requires the Department of Motor Vehicles to create the Vehicle Dismantler Industry Strike Team (Strike Team) to investigate unlicensed auto dismantlers. It is a collaborative task force with members from the California Department of Tax and Fee Administration, California Environmental Protection Agency, Department of Toxic Substances Control, State Water Resources Control Board, State Air Resources Board and the Department of Resources Recycling and Recovery. The Strike Team's objective is

to identify and investigate unlicensed auto dismantling operations throughout the state, including environmental violations associated with auto dismantling activities. The strike team coordinates inspections in various cities and counties to identify illegal business activities. DTSC investigators and scientists are part of the Strike Team and participate in these inspections as resources allow. In 2017, DTSC's Office of Criminal Investigation (OCI) participated in over 50 inspections of unlicensed auto dismantling operations. Based on these inspections, OCI cited five facilities for violations of hazardous waste laws and opened two criminal investigations. OCI also transferred thirty-three cases to Certified Unified Program Agencies for enforcement.

DTSC's 2017 Enforcement Efforts

525	Facilities Inspected
4,128	Vehicles inspected at California Ports of Entry for illegal toxic substances
32	Complaint investigations
37	Enforcement cases settled
10	Arrests based on DTSC Investigations
7	Criminal Convictions

\$6,164,915 Civil and Criminal penalties assessed.

CalEPA's Unified Hazardous Waste and Material Management Program

The Unified Hazardous Waste and Material Management Program, known as the Unified Program, consolidates six hazardous materials environmental programs, under the oversight of the Secretary for Environmental Protection. The goal of the Unified Program is to reduce the adverse impacts of hazardous materials and hazardous waste on public health and the environment by increasing the consistency and quality of statewide and cross-program regulatory oversight of sites that are subject to the program's regulatory requirements. The six consolidated regulatory programs that make up the Unified Program are:

- The Hazardous Waste Generator and Tiered Permitting Program;
- The Hazardous Materials Release Response Plans and Inventory Program;
- The Hazardous Materials Business Plan;
- The California Accidental Release Prevention Program;
- The Aboveground Petroleum Storage Act; and
- The Underground Storage Tank program.

Certified Unified Program Agencies, or CUPAs, are local agencies that have been certified by the Secretary for Environmental Protection to enforce Unified Program regulatory requirements. California CUPAs regulate over 160,000 businesses. The Secretary for Environmental Protection, and CalEPA staff, perform regular evaluations of CUPAs to ensure that they are properly carrying out their Unified Program responsibilities.

Unified Program Inspections, Violations and Penalties

CUPAs reported performing over 135,000 regulatory inspections during 2017, resulting in over 149,000 identified regulatory violations over all six program elements. The total penalty amount assessed by CUPAs in 2017 was \$1,153,238. CUPA enforcement settlements in 2017 included \$47,000 in funds directed to supplemental environmental projects.

Water



State Water Resources Control Board

The mission of the State Water Resources Control Board (Water Board) is to preserve, enhance, and restore the quality of California’s water resources for the protection of the environment, public health, and all beneficial uses, and to ensure proper water resource allocation and efficient use, for the benefit of present and future generations. There are nine regional water quality control boards. Their mission is to develop and enforce water quality objectives and implementation plans that will best protect the beneficial uses of the state’s water; while recognizing local differences in climate, topography, geology and hydrology.

The State Water Board and the nine regional water boards, collectively called the Water Boards, regulate water utilities that serve drinking water to the public, water rights to help ensure that the State’s limited water resources are put to the best possible use and the public interest is served, and industrial, commercial, agricultural, and public facilities that discharge, or potentially discharge, pollutants to water bodies. Where the Water Boards detect violations of regulatory requirements, they take enforcement actions that vary in types and levels of stringency. For the most serious violations, they impose penalties.

Under their water quality authorities, the Water Boards regulate over 100,000 facilities that potentially discharge pollutants to water bodies or groundwater or require cleanup. One of the Water Boards newest programs, the cannabis cultivation program, had

3,671 cultivators enrolled in waste discharge permits and the Water Boards will focus on efforts to enroll additional cultivators in the coming years.

The State Water Board’s Division of Drinking Water oversees 7,783 water utilities, while the Division of Water Rights administers 34,192 water rights.

The State Water Board also approved amendments to the Water Quality Enforcement Policy and Policy on Supplemental Environmental Projects (SEP). The Enforcement Policy describes how the Water Boards strive for transparent, fair, firm, and consistent enforcement actions. The SEP Policy allows violators to apply fines to environmentally beneficial projects.

For more information about the Water Boards’ enforcement activity, see their annual performance report at www.waterboards.ca.gov/water_issues/programs/enforcement/reports.html.

TABLE 2: WATER BOARD INSPECTIONS, VIOLATIONS AND ENFORCEMENT

Program	Facilities	Inspections	Violations	Enforcement Actions	Penalties
Water Quality	103,831	7,014	17,354	7,850	\$16,739,503
Drinking Water	7,783	2,221	2,683	2,528	\$70,022
Water Rights	34,192	769	16,902	769	\$206,500

Water Board Enforcement Case Highlights

Salinas Valley Drinking Water Replacement Program

Nitrate contamination of groundwater is one of the most serious water quality challenges facing rural communities in California. Over the last decade, the Central Coast Water Board has been at the forefront of identifying communities at-risk for nitrate contamination and working to ensure clean drinking water options are available.

During 2017-2018, the State Water Resources Control Board Office of Enforcement and the Central Coast Regional Water Quality Control Board worked collaboratively with the Salinas Basin Agricultural Stewardship Group, LLC (SBASG), an agricultural coalition that has agreed to supply free replacement drinking water to communities in the Salinas Valley whose drinking water is above the standard for nitrates. The temporary program, which started in mid-2017, will run for up to two years while the parties work toward permanent solutions to respond to the challenges of nitrate accumulation in Salinas basin groundwater.



State and Regional Water Board staff assisted with outreach throughout the impacted communities to ensure that replacement water is available to those in need.

The program covers small water systems and some domestic wells used by about 850 residents in the rural area. The Coalition for Urban/Rural Environmental Stewardship (CURES), which is coordinating the program for SBASG, is following up on initial outreach efforts conducted

by the State and Regional Water Boards and SBASG by contacting residents whose water sources have levels of nitrate above the drinking water standard. Delivery of the replacement water is well underway, and continued outreach efforts by CURES are continuing to expand the program.

The State Water Board's Office of Enforcement and the Central Coast Water Board have been able to suspend their current replacement water enforcement programs against parties that join SBASG for as long as two years while this new program is instituted. The state and regional water boards credited the stewardship group's leadership as one of the keys to creating the temporary drinking water program.

State and Regional Water Board staff assisted with outreach throughout the impacted communities to ensure that replacement water is available to those in need.

City of San Diego Agrees to \$3.2 Million Settlement on Erosion Control Case

In August 2017, the San Diego Regional Water Board adopted a \$3.2 million settlement agreement with the City of San Diego due to violations of its storm water permit. The City failed to ensure construction sites protected



local streams and coastal lagoons from loose sediment, including the Los Peñasquitos Lagoon and the Tijuana River Estuary. During inspections of construction sites, the Regional Water Board identified numerous sites that did not adequately implement erosion and sediment control practices required by the City's storm water permit. In 2017, the City paid half of the penalty, and under the agreement, the City can use the remaining half to complete four supplemental environmental projects. Also, the City has committed to make necessary changes to gain compliance with the permit.

work conducted by AAA, which resulted in an additional savings of more than \$19,000 to the Fund.

Settlement with U.S. Army Corp of Engineers Over Clean Water Act Violations

During 2017, the Los Angeles Regional Water Board and the U.S. Army Corps of Engineers reached a settlement agreement over Clean Water Act violations related to two dredge and fill operations conducted by the Corps in the Los Angeles River and its tributaries. These unpermitted activities resulted in sediment and pollutant discharges that impacted water quality, aquatic life, and wildlife habitat. As part of the settlement, the Regional Water Board and the Corps entered into a memorandum of understanding that is expected to improve communication between both parties to ensure the protection of water quality in the Region.

Consulting Firm Banned from Water Board Programs Due to Negligence and Fraud

In August 2017, the State Water Board settled a negligence and fraud claim against Ami Adini & Associates (AAA), an environmental consulting firm, for the ineffective and negligent cleanup of petroleum-contaminated underground storage tank (UST) sites throughout the state. AAA surrendered more than \$1 million in reimbursements it expected to receive as a result of its submission of false information to the State Water Board's Underground Storage Tank Cleanup Fund. The company and its owners are disqualified from working with any State Water Board program in the future. Also, the State Water Board settled with three UST site owners over costs that had been billed to the Fund for unreasonable or unnecessary cleanup

Environmental Health Hazard Assessment

The mission of the Office of Environmental Health Hazard Assessment (OEHHA) is to protect and enhance public health and the environment by scientific evaluation of risks posed by hazardous substances. OEHHA has no enforcement authority. Instead, OEHHA performs the scientific assessments used by CalEPA boards and departments and other regulatory agencies in the development of standards and regulatory decisions, including enforcement decisions.

Proposition 66 Implementation

As the lead agency for implementation of Proposition 65, the Safe Drinking Water and Toxic Enforcement Act of 1986, OEHHA evaluates and maintains the list of chemicals that cause cancer or reproductive toxicity. OEHHA also develops “safe harbor” levels of exposure to listed chemical. Exposures that are below these levels do not require Proposition 65 warnings. Although OEHHA has no direct Proposition 65 enforcement authority, OEHHA provides scientific expertise in cases brought by the state Attorney General to enforce the law’s requirements. In 2017, OEHHA added 11 chemicals to the Proposition 65 list of carcinogens and reproductive toxins. The Proposition 65 list can be found at <https://oehha.ca.gov/proposition-65/proposition-65-list>.

CalEnviroScreen

CalEnviroScreen, the nation’s first comprehensive statewide environmental health screening tool, uses existing environmental, health, and socioeconomic data to help identify California communities that are disproportionately burdened by multiple sources of pollution and

most vulnerable to the effects of pollution. The tool was developed and has been updated by OEHHA to assist CalEPA in carrying out its environmental justice mission to conduct its activities in a manner that ensures the fair treatment of all Californians, including low-income and minority populations. CalEPA has used CalEnviroScreen to identify disadvantaged communities that will be eligible for state funded projects and grants, and to inform its enforcement activities. The CalEPA EJ Task Force, discussed on page 3, uses CalEnviroScreen to assist with its cross-media enforcement initiatives in disadvantaged communities.

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