

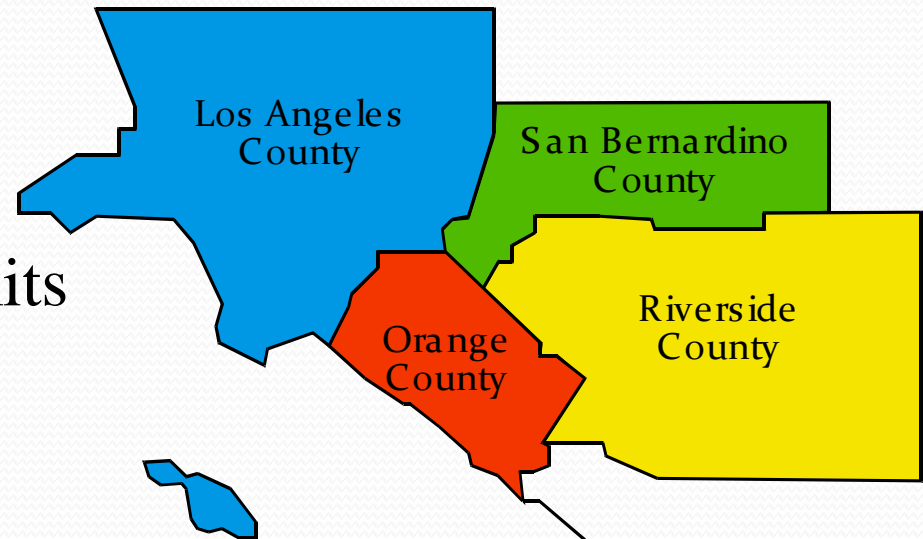
Hixson Metal Finishing Public Meeting

South Coast Air Quality Management District

6/18/2015

The SCAQMD

- Air pollution control agency for all of Orange, and the urban portions of Los Angeles, Riverside, and San Bernardino counties
- 16.8 million people
- Tens of thousands of businesses with air permits

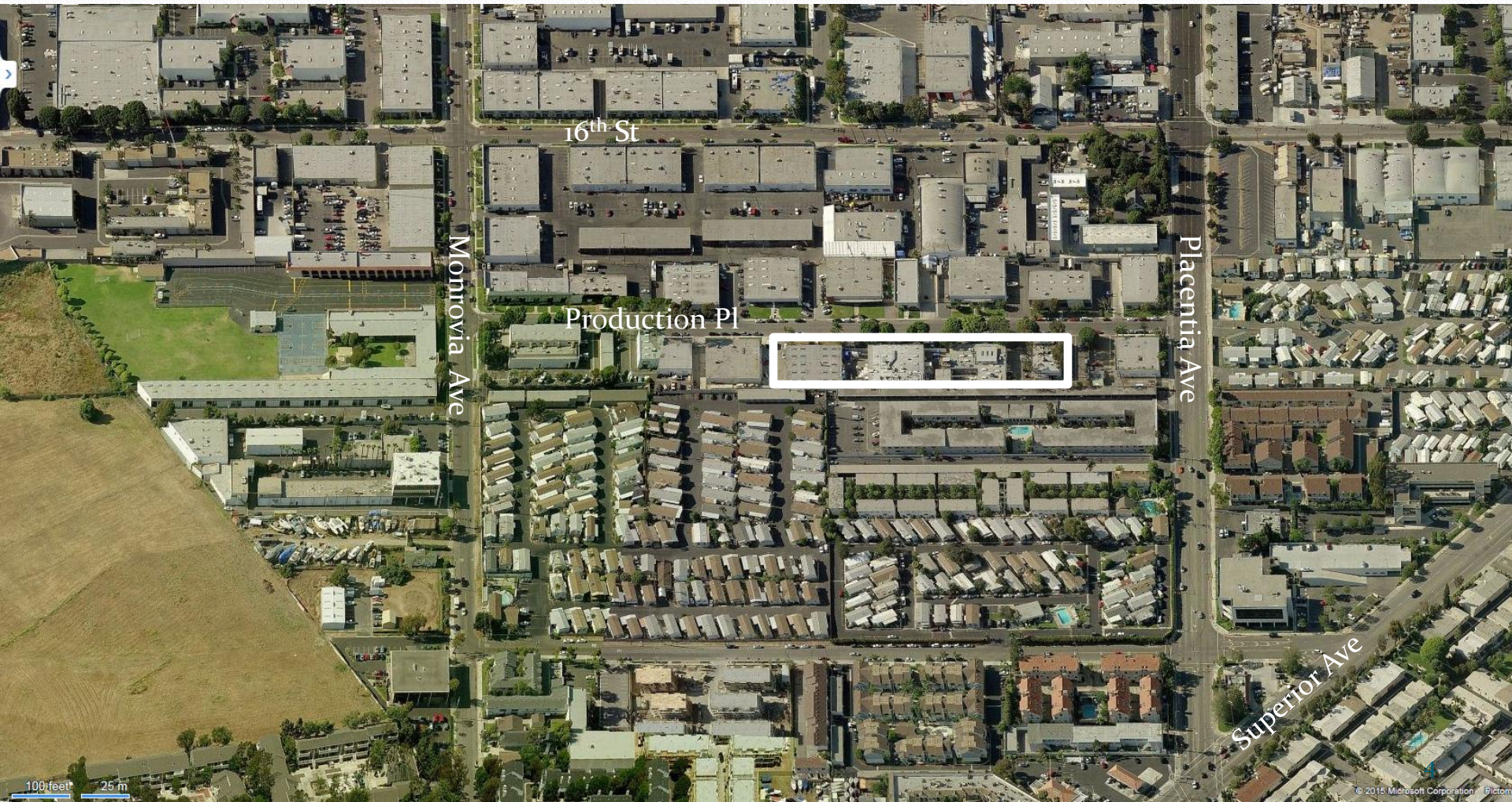


Hixson Metal Finishing

- Located at 817-853 Production Place, Newport Beach
- Conducts anodizing, plating, testing, coating, and painting of parts in the aerospace and defense industries
- Operates up to 24 hours per day, 7 days per week
- Business in operation since 1958



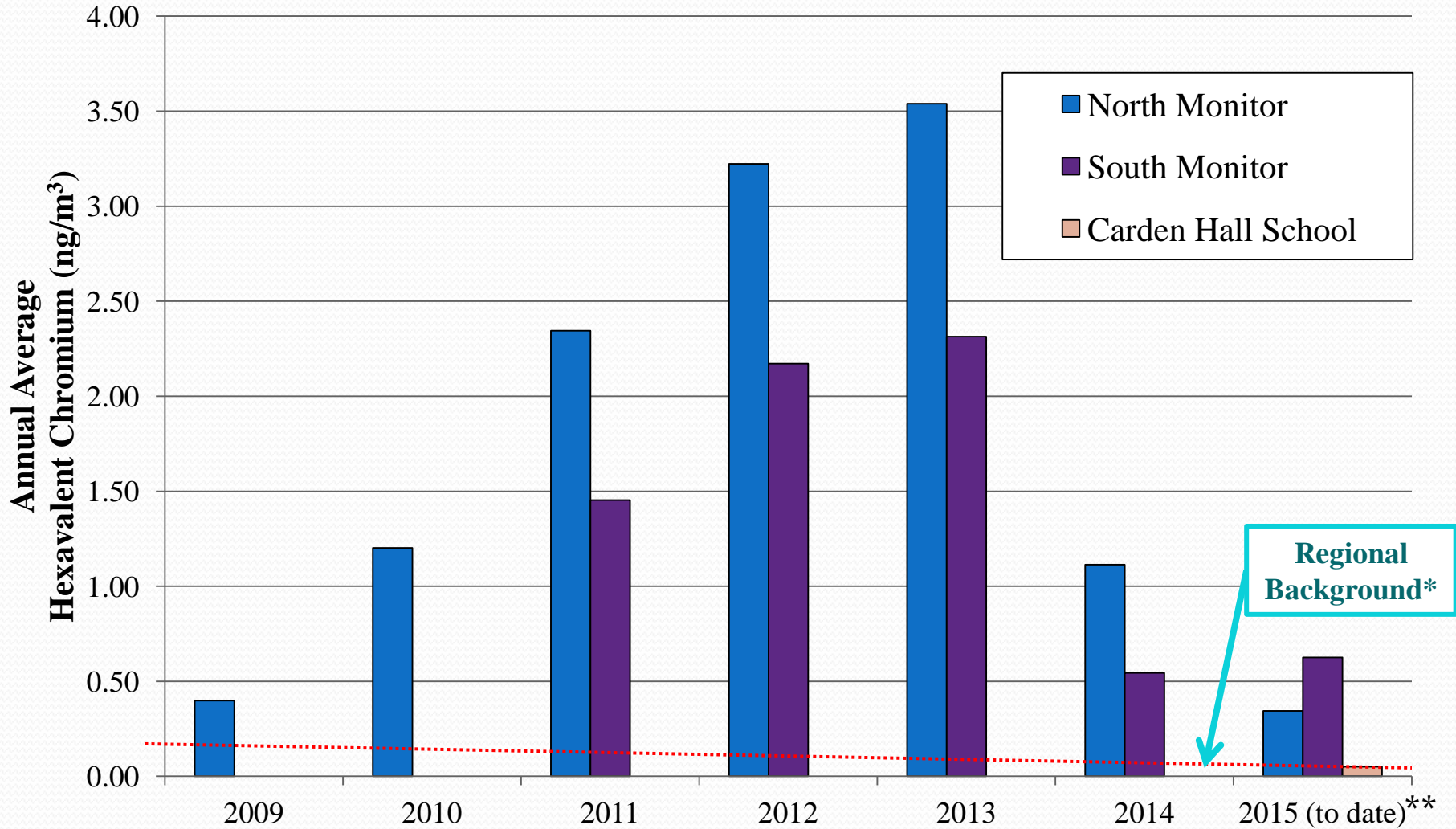
Hixson Metal Finishing



Hexavalent Chromium Emissions from Hixson

- Facility emits hexavalent chromium [Cr (VI)] from roof stacks and from facility-wide ‘fugitive’ emissions
 - ‘Fugitive’ emissions are not released through a defined stack; released instead from area-wide activities
- Cr (VI) is known to cause cancer and other non-cancer effects

SCAQMD Offsite Monitoring Data



*Based on 2012-2013 air toxics evaluation in MATES IV study

** Jan-May, North & South monitor, Mar-May, Carden Hall

SCAQMD Recent Activities

2010

- Air Monitoring (1)
- Inspections (5)

2012

- Air Monitoring (2)
- Inspections (32)
- Issue permit to control emissions from scuffing operation

2014

- Air Monitoring (7)
- Inspections (120)
- Notice of Violation (5)
- Source Tests (4)
- Prop. 65 Notice (1)
- Order for Abatement
- Modifications to equipment and operations
- AB2588 HRA

2011

- Air Monitoring (2)
- Inspections (46)
- Source Test (1)
- Prop. 65 Notices (2)

2013

- Air Monitoring (2)
- Inspections (16)
- Scuffing operations control equipment installed

2015

- Air Monitoring (8)
- Inspections (94)
- Notice of Violation (2)
- Draft Risk Reduction Plan (2)

Summary of SCAQMD Compliance Activities

- Over 300 inspections since 2009
- Since 2014, seven Notices of Violation have been issued to Hixson
- In April 2014, SCAQMD staff filed a petition with its independent Hearing Board seeking an Order of Abatement (OA) to control Cr (VI) emissions
 - Facility agreed to OA before Hearing Board decision
 - OA required modifications to facility equipment and operations
 - Monitored levels dropped immediately

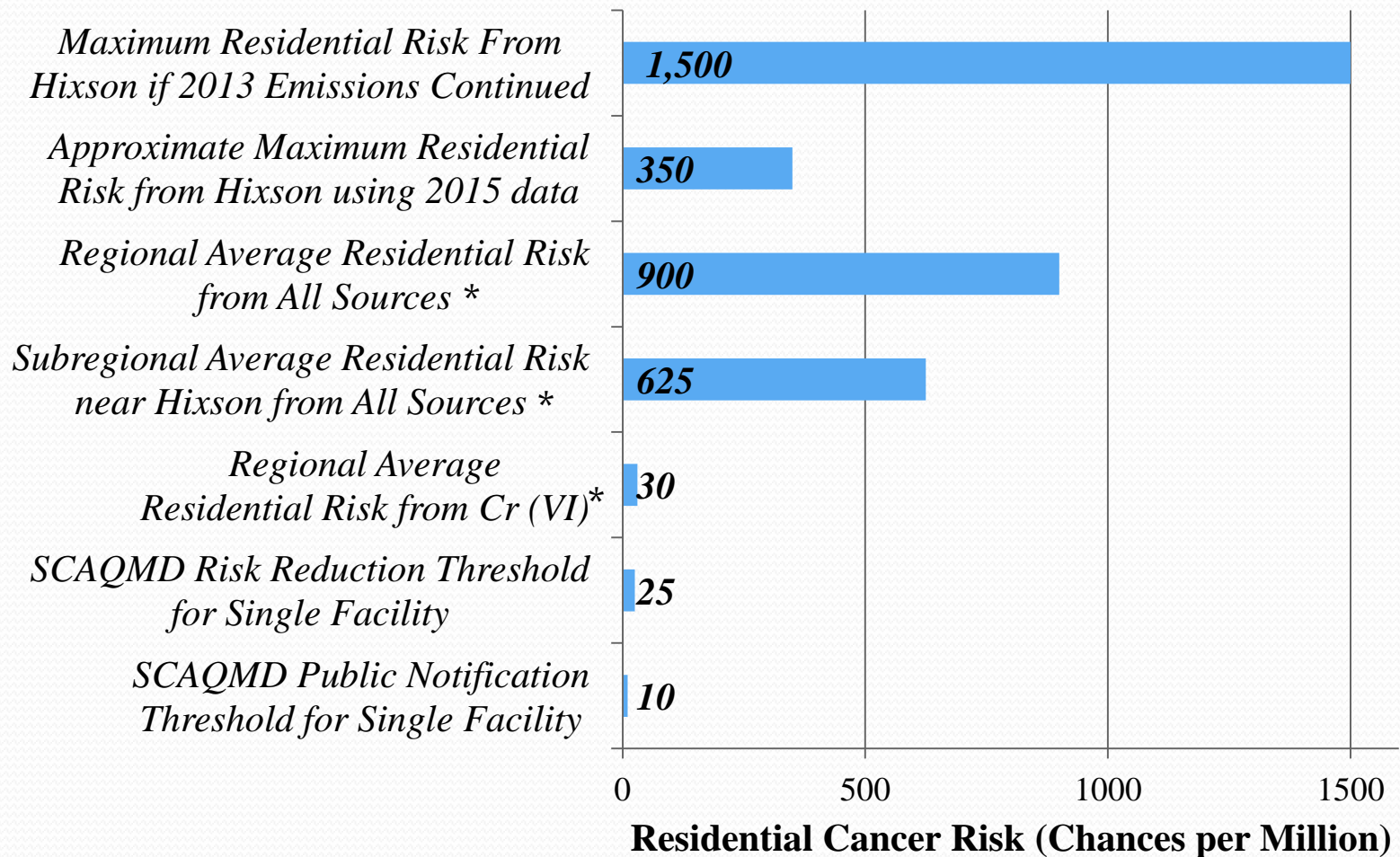
AB2588 Activities

- The AB2588 Toxic “Hot Spots” law requires permitted facilities to:
 - Report toxic emissions every 4 years
 - Prepare a Health Risk Assessment (HRA) if emissions are elevated
 - Notify public and reduce emissions if risks are elevated above thresholds
- In April 2014, SCAQMD required Hixson to prepare a HRA and Risk Reduction Plan
- Approved Hixson HRA used recent guidance from state OEHHA that takes into account greater risks to children from cancer-causing pollutants

Hixson HRA Results

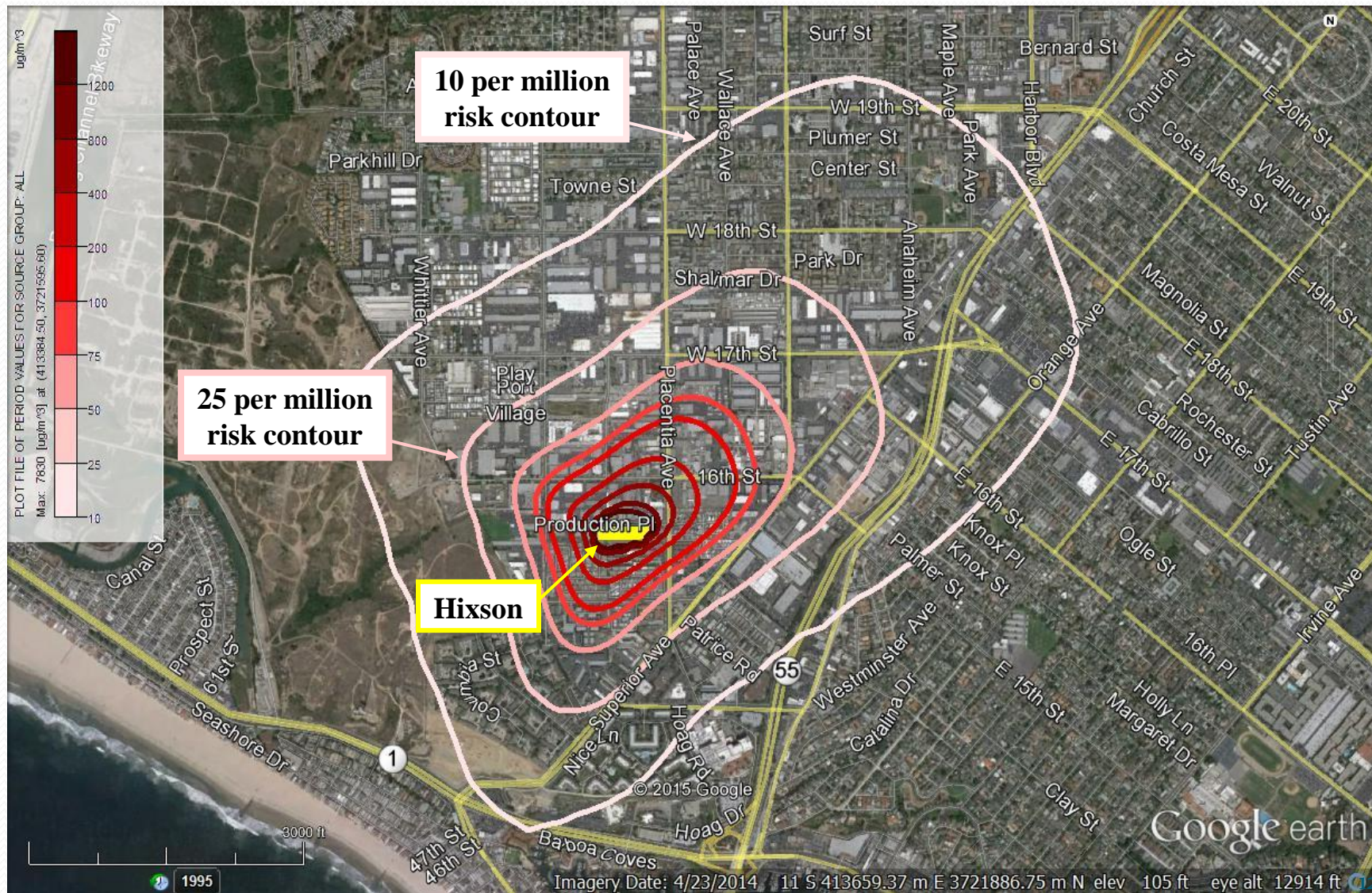
- Hixson HRA assumes 2013 emissions level for 30 years
- Maximum residential cancer risk 1,502 per million at residences adjacent to Hixson
- Maximum worker cancer risk 88 per million at business adjacent to Hixson
- Non-Cancer risks are all below thresholds
- Monitored levels of Cr (VI) offsite have dropped ~75% at the North Monitor & ~85% at the South Monitor since 2013
 - Residential risk likely ~350 per million at South Monitor based on today's emissions

Cancer Risk Comparisons



* From SCAQMD MATES IV Air Toxics Study

Residential Cancer Risk Based on 2013 Emissions



Public Notification Process

- Previous public notification outside of AB2588
 - Proposition 65 notices
 - Two issued in 2011 and one in 2014
 - Public notice issued for Order for Abatement
- AB2588 Notification
 - Letter sent to ~7700 addresses
 - Public meeting tonight
 - Annual public notification until risks below threshold
 - Website: <http://www.aqmd.gov/home/regulations/compliance/toxic-hot-spots-ab-2588/hixson-metal-finishing>

Commitments

- Risk Reduction Plan
 - SCAQMD Rule 1402 requires risks to be reduced below 25 per million as soon as possible
- SCAQMD will seek a modification of the existing Order for Abatement to incorporate the new Risk Reduction Plan and other measures on an expedited schedule
- Monitoring at adjacent properties and onsite will continue
- Website will be expanded to include updates and more data
- SCAQMD community meeting in six months to update Hixson's status