



**Supplemental Environmental
Project (SEP)
Recycling Plastic Tails and Scrap
at
Canyon Plastics, Inc.
◆
Submitted to USEPA – Region 9**

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Executive Summary & Fact Sheet

Name of Organization:	Canyon Plastics, Inc. (CPI) 28455 Livingston Avenue Valencia, CA 91355 (661)257-4239 http://www.canyonplastics.com
Contact Person:	Mr. B. J. Atkins, Environmental Consultant (bj@environmentalhelp.net) Mr. Kirit Gajera, Owner and President (kirit@canyonplastics.com)
Name of Project:	Recycling Plastic Tails and Scrap
Location of Project:	28455 Livingston Avenue, Valencia, CA 91355
SEP Category:	Pollution Prevention / Pollution Reduction / Environmental Protection
SEP relevance:	Plastic Resin Bead Delivery and Handling Reduction + Diesel Emission Reductions
Project Description:	<p>The Canyon Plastics, Inc. headquarters in Valencia California demonstrates clearly the company's firm commitment to the environment by contemplating installation of an onsite plastic tail and scrap recycling plant which will:</p> <ol style="list-style-type: none">1. Reduce the total number of resin bead deliveries,2. Reduce the volume of resin beads requiring transfer from trucks into onsite silos for further handling,3. Reducing the ability for resin beads as raw materials to be deposited exterior to the building,4. Reduce total resin bead exposure to storm water,5. Reduce greenhouse gas emissions by reducing the number of truck deliveries to this facility,6. Eliminate a significant waste stream destined for the local landfill,7. Make a tangible investment in far more robust recycling at this facility, converting what would otherwise be treated as waste into replacement raw materials through the application of innovative technologies,
Minimum Cost of project:	\$292,621.38



I. INTRODUCTION

A. Background

A Supplemental Environmental Project (SEP) is an environmentally beneficial project or activity which is not required by law. Canyon Plastics, Inc. is not required to agree to undertake as part of the settlement agreement in this enforcement action (USEPA Docket No. CWA-309(a)-16-004). Under United States Environmental Protection (USEPA) policy SEPs are projects or activities which go beyond what could be required legally in order for an alleged violator to return to compliance, and secure environmental and / or public health benefits in addition to those achieved by compliance with applicable laws. In settlements of environmental enforcement cases, the USEPA requires alleged violators to achieve and maintain compliance with federal environmental laws and regulations, take action to remedy the harm or risk caused by past violations, and / or to pay a civil penalty. SEPs may be included in such a settlement.

In 1998, the USEPA issued the Supplemental Environmental Projects Policy which sets forth the types of projects permissible as SEPs, the terms and conditions under which a SEP may become part of a settlement, including an appropriate way for USEPA to calculate a final penalty in light of the inclusion of a SEP in a settlement. The primary purpose of the SEP Policy is to encourage and obtain environmental and public health protection and benefits which may not have otherwise occurred in the settlement of an enforcement action. According to USEPA policy SEPs are an important component of the USEPA's enforcement program.

This case relates to resin beads being released as pollutants allegedly into the nearby riparian habitat. Release is presumed to occur during transfer operations from the delivery truck to the onsite storage silos. Beads released during this process have the potential to be discharged in stormwater leaving the site. USEPA has alleged this act of resin bead release in storm water discharge is a violation of the Clean Water Act.

If beads are being allowed to escape the site, they can then be confused as a food source by fauna in the nearby Santa Clara River drainage, which is known endangered species habitat. The purchase and installation of plastic trim and scrap recycling equipment represents a direct nexus to the underlying alleged violation as it will result in an immediate and significant reduction in the need to deliver / transfer resin beads from delivery trucks into storage silos at CPI. This will result in a direct and substantial lowering of the volume of beads being handled. This translates to a similar decrease in the potential for fugitive bead release in storm water discharge from this site.



II. SUPPORTING USEPA'S MISSION

SEPs can help to further USEPA's mission to protect public health and the environment, which includes, but is not limited to, protecting children's health, ensuring environmental justice, promoting pollution prevention and encouraging the development of innovative technologies. All of these have the potential to protect human health and the environment, reduce greenhouse gas emissions which can help to address concerns regarding climate change.

This SEP addresses the following components of USEPA's mission:

Children's Health

Protecting children's health from environmental risks is fundamental to USEPA's mission. Executive Order No. 13045, *Protection of Children from Environmental Health Risks and Safety Risks*, 62 Fed. Reg. 19,885 (Apr. 23, 1997), directs each federal USEPA to "identify and assess environmental health risks and safety risks which may disproportionately affect children . . ." This Executive Order recognizes the significant body of scientific knowledge demonstrating children may suffer from environmental health risks and safety risks. Children are at increased risk because their neurological, immunological, and other systems are still developing. They eat, drink, and breathe more air in proportion to their body weight.

Their smaller size and weight may diminish their protection from standard safety features, and their behavior patterns may make them more susceptible to exposure to environmental risks. Projects which reduce children's exposure to, or health impacts from, pollutants, and / or reduce environmental risks to children in the community impacted by a violation are actively sought and encouraged.

Environmental Justice

The USEPA defines "environmental justice" (EJ) as the fair treatment and meaningful involvement of all people, regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations and policies. Executive Order No. 12898, *Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations*, 59 Fed. Reg. 7,629 (Feb. 16, 1994), acknowledges certain segments of the nation's population are unreasonably burdened by pollutant exposure. This Executive Order requires achieving environmental justice part of USEPA's mission by identifying and addressing, as appropriate, excessively high and adverse human health or environmental impacts of its programs, policies, and activities on minority and low income populations in the United States and its territories. Further, the USEPA has stated the term "EJ concern" indicates "the actual or potential lack of fair treatment or meaningful involvement of minority, low-income, or indigenous populations or tribes in the development, implementation, and enforcement of environmental laws, regulations, and policies."

SEPs can help ensure residents who spend significant portions of their time in, or depend on food and water sources located near the areas affected by violations will be protected. It is recognized there are legal constraints on the information the USEPA can share during settlement negotiations, discussed in Section VII below. In some situations, members of a community impacted by an environmental violation may feel they lack meaningful involvement in the enforcement process, including the selection of a SEP. While members of an impacted community would not be part of settlement negotiations ordinarily, the USEPA encourages defendants to reach out strongly to the community for SEP ideas and prefers SEP proposals which have been developed with input from the impacted community. During the public comment period required for certain judicial and administrative settlements, community members are afforded an opportunity to review and comment on any of the settlement's terms, including any SEPs which may become part of the resolution.

Because many different types of projects could benefit communities with EJ concerns, and are not limited to specific techniques, processes or activities, they have not been confined to a particular SEP category. Rather, because promoting environmental justice through a variety of projects is an overarching goal, EJ is one of the six critical factors on which SEP proposals are evaluated (see Section VIII).



Pollution Prevention

The Pollution Prevention Act of 1990 (42 U.S.C. §§ 13101-13109) identifies an environmental management hierarchy in which pollution “should be prevented or reduced at the source whenever feasible; pollution which cannot be prevented should be recycled in an environmentally safe manner, whenever feasible; and disposal or other release into the environment should be employed only as a last resort. . . .” SEP selection should be conducted in accordance with this hierarchy of environmental management (e.g., SEPs which utilize techniques or approaches to prevent the generation of pollution are preferred over other types of pollution reduction or control strategies). Projects which prevent the generation of pollution often provide the chance to utilize new and innovative technologies.

Pollution prevention is one of the listed SEP categories. Effectiveness in developing and implementing pollution prevention techniques and practices is also a factor in evaluating a SEP. It is gratifying to know when a compliance solution prevents pollution; such can be reflected in the degree of consideration accorded in the calculation of the final settlement. Such projects are sought and encouraged actively.

Innovative Technology

SEPs can also provide an opportunity to develop and demonstrate new technologies which may prove more protective of human health and the environment than existing processes and procedures. SEPs can also provide the USEPA with a unique opportunity to observe and evaluate new technologies which might, should they prove effective and efficient, lead to better standard industry practices. Technology innovations may also be a means to assure future industry and other commercial practices are sustainable, reflect the best available technology, lead to continued long-term pollution reductions and improve public / environmental health. Innovative technology can take a variety of forms and may be applied broadly across environmental media, commercial, industrial, municipal activities; processes and practices.

Pollution reduction and prevention projects often utilize innovative technologies, methodologies, and / or practices. Because of this wide-ranging potential for significant environmental and public health benefits, “innovation” is one of the six critical factors used to evaluate SEP proposals. SEPs which employ innovative technologies are also sought and encouraged enthusiastically.

Climate Change

There is much debate over whether the Earth’s climate is changing. Shifting precipitation (snow and rainfall patterns), and news reports of extraordinary temperature extremes, and extreme climate events – such as increased floods and droughts, coastal storms – are reported now more than before seemingly. These observed changes may be linked to the climbing levels of carbon dioxide and other greenhouse gases in the Earth’s atmosphere. Reducing greenhouse gas emissions through energy efficiency projects which reduce emissions by reducing energy demand will benefit the Earth and its’ inhabitants in several ways including the potential for decreased exposure to air pollution. If taken collectively such projects reduce CO₂ (among other criteria pollutants) and will result in an undeniable environmental benefit. It is understood projects which reduce or prevent emissions of climate change related pollutants and greenhouse gases, such as carbon dioxide, may qualify as SEPs.

Already in many regions community members are taking action to make their communities more resilient in the face of climate impacts. Preparing infrastructure and natural ecosystems for the changes which may occur can help communities adapt and be more resilient in avoiding or recovering from extreme weather events. For example, in some areas where increased rainfall is expected, increased runoff can lead to greater stress on water infrastructure and degradation of water quality. Anticipating potential impacts, planning ahead to limit the potential negative impacts is prudent (nexus established). Projects which address these impacts and help increase a community’s resilience in the face of these impacts on ecosystems or infrastructure, may qualify as SEPs.



III. KEY CHARACTERISTICS OF THIS SEP

Supplemental environmental projects are defined as **environmentally beneficial projects** which are offered in lieu of penalties **in settlement of an enforcement action**, but are **not otherwise legally required**. The three bolded key parts of this definition are described in more detail below.

A. “Environmentally Beneficial”

“**Environmentally beneficial**” means a SEP must improve, protect, or reduce risks to public health or the environment. While in some cases a SEP may provide the alleged violator with certain benefits, there must be no doubt the project benefits public health and / or the environment primarily.

B. “In Settlement of an Enforcement Action”

“**In settlement of an enforcement action**” means:

1. The commitment to perform the SEP is included in a legally enforceable settlement document;
2. The USEPA has the opportunity to review and comment on the scope of the project before it is implemented; and
3. The project is not commenced until after the USEPA has identified a violation (e.g., issued a notice of violation, administrative order, or complaint).

C. “Not Otherwise Legally Required to Perform”

“**Not otherwise legally required to perform**” means the project or activity is not required by any federal, state, or local law or regulation or achievable under applicable environmental and other federal laws. SEPs cannot include actions which the alleged violator, or any other third party, is likely to be required to perform: Because the primary purpose of this Policy is to obtain environmental and / or public health benefits which would not have occurred “but for” the settlement. Projects which the alleged violator has committed previously to perform or has begun implementing before the settlement is final are not eligible as SEPs.

1. As injunctive relief, including as a mitigation project, in the instant case;
2. As injunctive relief in another legal action the USEPA, or another regulatory agency, could bring;
3. As part of an existing settlement or order in another legal action; or
4. By any other federal, state or local requirement.

The performance of a SEP reduces neither the stringency nor the timeliness requirements of federal environmental statutes and regulations. Performance of a SEP does not alter the obligation to remedy a violation expeditiously and return to compliance. Projects or actions which are not required, but reflect standard industry practices, are not acceptable as SEPs generally, but should be considered.



IV. LEGAL GUIDELINES

The USEPA has broad discretion to settle cases, including the discretion to include SEPs as an appropriate part of a settlement. The evaluation of whether a proposed SEP is within the USEPA's authority and consistent with all statutory and Constitutional requirements may be a complex task. The following legal guidelines were reviewed and are applied here with the intent to ensure this SEP is within the USEPA's and a federal court's authority, and does not run afoul of any constitutional or statutory requirements. These legal guidelines may not be waived, and are described in more detail below.

A. Nexus

1. CPI understands an acceptable SEP project must have sufficient nexus, which can be described as the relationship between the underlying alleged violation and the proposed project. Nexus ensures the proper exercise of the USEPA's prosecutorial discretion and enables appropriate penalty mitigation for including the SEP in the settlement. The environmental statutes the USEPA administers provide a court with broad authority to order the alleged violator to take necessary steps to prevent future violations, and remediate any harm caused by the documented violations.
2. A project may not be inconsistent with any provision of the underlying statutes which are the basis of the enforcement action.
3. All projects must advance at least one of the objectives of the environmental statutes serving as the basis of the enforcement action (i.e. the Clean Water Act).
4. This SEP project relates directly to the underlying violation(s) at issue in this enforcement action, because it is designed and will demonstrate a reduction in:
 - a. The likelihood similar violations will occur in the future;
 - b. Adverse impact to public health and / or the environment. The potential for such impact – to which the alleged violation contributes will be reduced,
 - c. The overall risk to public health and / or the environment (potentially) affected by this alleged violation will be reduced. USEPA policy allows SEPs to enjoy a nexus even if they address a different pollutant in a different medium, provided the project relates to the underlying violation(s).

CPI Comment:

*This case relates to resin beads as pollutants being released during transfer operations from the delivery truck to the storage silos at CPI. Beads released during this process have the potential to be discharged in stormwater leaving the site. This is recognized by USEPA as a violation of the Clean Water Act. If beads are allowed to escape the site, they can then be confused as a food source by fauna in the nearby Santa Clara River drainage. **The advent of plastic trim and scrap recycling will result in a significant reduction in the need to deliver and then transfer resin beads as raw material from delivery trucks into storage silos. This SEP relates to the underlying violation directly as it lowers overall pollutant load, namely fugitive resin beads being released to the environment via storm water discharge. Put another way this project demonstrates strong nexus as it is will decrease the volume of resin beads delivered to this site as raw materials.** In this way it is designed to reduce the overall risk to the environment affected by the violation at issue. It lowers the likelihood of similar violations in the future, adverse impact and overall risk to the environment.*





5. It is understood SEPs may not be agreements to spend a certain amount on a project to be defined later. The USEPA case team must evaluate a SEP's characteristics properly (the "what, where & when" of the SEP), establishing a connection to the underlying violation being resolved. The type and scope of each project must be described and defined specifically. Without a well-defined project with clear environmental or public health benefit, the USEPA will be left in the position of not being able to demonstrate nexus.

B. Augmentation and Other Issues

1. USEPA Management or Control of SEPs
 - a. It is understood the USEPA may not play any role in managing or controlling funds to be set aside or escrowed for performance of a SEP. Nor may the USEPA retain authority to manage or administer the SEP. In some cases, a project may be performed at a facility or site not owned by the alleged violator, provided there is a relationship between the violation and the SEP. The immediate geographic area USEPA defines as the area within a 50-mile radius of the site on which the violations occurred generally.

Nexus is easier to establish if the primary impact is at the same facility, or in the same ecosystem, or within the immediate geographic area as the violations. Global SEPs (where the alleged violator proposes to perform the same activity at multiple locations – including facilities without violations) may be acceptable so long as at least part of the SEP is executed at one of these locations. It is understood the USEPA must be allowed to perform oversight to ensure a project is implemented pursuant to the provisions of any proposed settlement and have legal recourse if the SEP is not performed adequately.

- b. The USEPA may not direct, recommend, or propose the hiring of a particular contractor or consultant to carry out the SEP (the "SEP implementer"). Similarly, the USEPA may not direct, recommend or propose a specific organization to be the recipient of a SEP (the "SEP recipient"). The USEPA may retain the right to disapprove contractors, consultants or organizations the proposed for consideration, provided the USEPA's decision is based on objective criteria for assessing the entity's qualifications (e.g., experience, capacity, technical expertise) and fitness. The USEPA may also specify the type of organization to be the SEP recipient.



C. Augmentation: Reasonable Inquiry and Certification

1. Reasonable Inquiry:

Canyon Plastics has performed a reasonable inquiry to ensure this SEP does not augment federal appropriations inadvertently. To this end the following is offered:

Canyon Plastics, Inc. certifies:

- a. *It is not a party to any open federal financial assistance transaction that is funding or could fund the same activity as the SEP described in paragraph X; and*
- b. *Canyon Plastics, Inc. as this SEP implementer is not a party to an open federal prohibition on projects which were described in an unsuccessful federal financial assistance transaction proposal submitted to the USEPA within two years of the date of this SEP, unless the USEPA had rejected the proposal as ineligible statutorily. This does not apply to SEPs in which a federal court or USEPA expends appropriated funds on the project under a settlement of a federal facility enforcement case, or when a federal court or USEPA has statutory authority to accept funds or other items of value from a non-federal entity. A financial assistance transaction which is funding or could fund the same activity as this SEP will prompt the USEPA to be informed by the SEP implementer Canyon Plastics, Inc., it is not a party to such a transaction.*



V. CATEGORIES OF SEPS

The USEPA has identified seven specific categories of projects which may qualify as SEPs. Many SEPs may fall into more than one category. In addition, there is an eighth category for “Other” projects which meet all conditions of the SEP Policy but do not readily fit in one of the seven specific categories. The categories applicable to this SEP include:

1 **Public Health**

Public health projects provide diagnostic, preventative and / or health care treatment related to the actual or potential harm to human health caused by the violation. This includes, but is not limited to, epidemiological data collection and analysis, medical examinations of potentially affected persons, collection and analysis of blood / fluid / tissue samples, medical treatment and rehabilitation therapy. Examples of public health SEPs include blood lead level testing, asthma screening and treatment, plus mobile health clinics. Public health SEPs may also include projects such as mosquito eradication programs or donation of antimicrobial products to assist in natural disaster situations. Public health SEPs are acceptable only where the primary beneficiary of the project is the population harmed or put at risk by the violations.

2 **Pollution Prevention**

A pollution prevention project prevents pollution at its source, before it is generated. It includes any practice which reduces the quantity and / or toxicity of pollutants entering a waste stream prior to recycling, treatment, or disposal. After the pollutant or waste stream has been generated pollution prevention is no longer possible, and the waste must be handled by appropriate recycling, treatment, containment, or disposal methods (i.e., pollution reduction).

Source reduction projects may include equipment or technology modifications, process or procedure modifications, reformulation or redesign of products, substitution of raw materials, and improvements in housekeeping, maintenance, training, inventory control, or other operation and maintenance procedures. Pollution prevention also includes any project which protects natural resources through conservation or increased efficiency in the use of energy, water, or other materials, as well as “in-process recycling” wherein waste materials produced during a manufacturing process are returned directly to production as raw materials on-site.

Projects which replace or reduce the use of traditional energy sources with alternative energy sources or implement energy efficiency activities with the potential to reduce air pollutants associated with electric power generation and greenhouse gas emissions, may qualify as pollution prevention SEPs. Where such a proposed SEP addresses the same pollutant(s) or same health effect(s) caused by the pollutant(s) at issue, and will be implemented within a fifty-mile radius of the site of the violation, the SEP should satisfy the nexus requirement and confer the required environmental benefits. In all cases, for a project to meet the definition of pollution prevention, there must be an overall decrease in the amount and / or toxicity of pollution produced and released into the environment.

3 **Pollution Reduction**

If the pollutant or waste stream already has been generated or released, a pollution reduction approach which employs recycling, treatment, containment or disposal techniques may be appropriate. A pollution reduction project is one which results in a decrease in the amount and / or toxicity of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise being released into the environment by an operating business or facility through a means which does not qualify as “pollution prevention.” This type of SEP may include the installation of a more effective end-of-process control or treatment technology, improved containment, or safer disposal of an existing pollutant source. Pollution reduction also includes “out-of-process recycling,” wherein industrial waste collected after the manufacturing process and / or consumer waste materials are used as raw materials for off-site production.



4 **Environmental Restoration and Protection**

An environmental restoration and protection project is one which enhances the condition of the ecosystem or immediate geographic area adversely affected by the violation.

These projects may be used to restore or protect natural environments and address environmental contamination and similar issues in man-made environments. SEPs may include any project which protects the ecosystem from actual or potential damage resulting from the violation or improves the overall condition of the ecosystem. Examples of such projects include: restoration of a wetland in the same ecosystem, i.e. along the same avian flyway in which the facility is located, or purchase and management of a watershed area to protect a drinking water supply where the violation (e.g., a reporting violation) did not directly damage the watershed but could lead to damage potentially due to unreported discharges. This category also includes projects which provide for the protection of endangered species (e.g., developing conservation programs or protecting habitat critical to the well-being of a species endangered by the violation).

Some projects involve agreements to restore and then protect certain lands. The SEP may, under certain circumstances, include the creation or maintenance of certain recreational improvements, such as hiking and bicycle trails. The costs associated with such recreational improvements may be included in the total SEP cost provided they do not impair the beneficial purposes of the project environmentally and they constitute only an incidental portion of the total resources spent on the project. Pollution reduction purposes of the land are maintained in perpetuity; the alleged violator may sell or transfer the land to another party with the established resources and expertise to perform this function, such as a state park authority. For example, in some cases the U.S. Fish and Wildlife Service or the National Park Service may be able to perform this function.

With regard to man-made environments, such projects may involve the environmental remediation of facilities and buildings, provided such activities are not otherwise required legally. This includes the removal / mitigation of contaminated materials, such as soils, asbestos and lead-based paint, which are a continuing source of releases and / or threat to individuals.

5 **Assessments and Audits**

There are three types of projects in the assessments and audits category: (1) pollution prevention assessments; (2) environmental quality assessments; and (3) compliance audits. These assessments and audits are only acceptable as SEPs when the defendant agrees to provide the USEPA with a copy of the report and the results are made available to the public, except to the extent they constitute confidential business information (CBI) pursuant to 40 C.F.R. Section 2, Subpart B.

Pollution prevention assessments are systematic, internal reviews of specific processes and operations designed to identify and provide information about opportunities to reduce the use, production and generation of toxic or hazardous materials and other wastes. To be eligible as SEPs, such assessments must be conducted using a recognized pollution prevention assessment or waste minimization procedure. Pollution prevention assessments are acceptable as SEPs without an implementation commitment by the defendant where the USEPA case team determines the SEP delivers other benefits worthy of SEP credit. Pollution prevention measures may be difficult to draft before the results of an assessment are known, and many of the implementation recommendations may constitute activities which are in the defendant's own economic interest and would not warrant SEP credit.

Environmental quality assessments are investigations of: the condition of the environment at a site not owned or operated by the defendant; the environment impacted by a site or a facility regardless of whether the site or facility is owned or operated by the defendant; or threats to human health or the environment relating to a site or a facility regardless of whether the site or facility is owned or operated by the defendant. Environmental quality assessments include, but are not limited to, investigations of levels or sources of contamination in any environmental media at a site and monitoring of the air, soil, or water quality surrounding a site or facility.

Environmental compliance audits are independent evaluations of a defendant's compliance status with environmental requirements at a given point in time. Credit can only be given for the costs associated with conducting the audit. While the SEP should require all violations discovered by the audit to be corrected promptly, no credit is given for remedying the violation since there is already a



requirement to achieve and maintain compliance with environmental regulations. As most large companies conduct compliance audits routinely, mitigating penalties for such audits would reward alleged violators for performing an activity most companies already perform. Audits may be completed less often at small businesses or state or local government facilities, perhaps in part due to cost. In general, compliance audits are acceptable a SEPs only when the alleged violator is a small business or small community.

6 **Environmental Compliance Promotion**

An environmental compliance promotion project provides training or technical support to other members of the regulated community in order to: (1) identify, achieve, and maintain compliance with applicable statutory and regulatory requirements or (2) go beyond compliance by reducing the generation, release, or disposal of pollutants beyond legal requirements. For these types of projects, the alleged violator may lack the experience, knowledge, or ability to implement the project itself and, if so, should be required to contract with an appropriate expert to develop and implement the compliance promotion project. Acceptable projects may include, for example, producing a seminar related directly to correcting widespread or prevalent violations within the particular economic sector. Environmental compliance promotion SEPs are acceptable only where the primary impact of the project is focused on the same regulatory program requirements violated, and where the USEPA has reason to believe compliance in the sector would be advanced significantly by the proposed project. For example, if the alleged violations involved Clean Water Act (CWA) pretreatment violations, the compliance promotion SEP must be directed at ensuring compliance with pretreatment requirements. Environmental compliance promotion SEPs require the special approvals described in Section XII.A.4 of the USEPA SEP policy document.

7 **Emergency Planning and Preparedness**

An emergency planning and preparedness project provides assistance, such as computers and software, communication systems, chemical emission detection and inactivation equipment, HAZMAT equipment, or training, to a responsible state or local emergency response or planning entity. This assistance enables these organizations to fulfill their obligations under the Emergency Planning and Community Right-to-Know Act (EPCRA); to collect information to assess the dangers of hazardous chemicals present at facilities within their jurisdiction, to develop emergency response plans, to train emergency response personnel and to better respond to chemical spills.

EPCRA requires regulated sources to provide information on chemical production, storage and use to State Emergency Response Commissions, Local Emergency Planning Committees, and Local Consolidated Unified Program Agencies (Fire Departments typically - in California known as CUPAs).

EPCRA's reporting requirements enable states and local communities to plan for and respond effectively to chemical accidents and inform citizens with the potential to be affected of the risks posed by chemicals present in their communities. This enables them to protect the environment and people which could be harmed by a chemical release event or accident. Failure to comply with EPCRA impairs the ability of states and local communities to meet their obligations and places emergency response personnel, the public and the environment at risk during and unauthorized chemical release.

Emergency planning and preparedness SEPs are acceptable where the primary impact of the project is within the same emergency planning district or state affected by the violations and there is no current federal financial assistance transaction which could fund the SEP. Further, this type of SEP is allowable only where the following violations are alleged in the complaint: violations of EPCRA; reporting violations under CERCLA Sections 103, 104(e) or 120.

8 **Other Types of Projects**

Projects which do not fit within one of the seven categories above, but have environmental and / or public health benefits and are otherwise consistent fully with all other provisions of USEPAs SEP Policy, are allowable as SEPs subject to the Regional Director's approval requirements outlined in Section XII.A.4.



VI. EVALUATION CRITERIA

The USEPA has identified several critical factors on which to evaluate proposed projects. SEP proposals should demonstrate the project will achieve or promote one or more of these overarching goals effectively. The better the performance of the SEP under each of these factors, the higher the appropriate mitigation credit should be. It is understood appropriate mitigation of any proposed civil penalty for implementation of a SEP will be determined by the USEPA based on these factors and other case specific considerations.

A. Significant, Quantifiable Benefits to Public Health and / or the Environment

While all SEPs must benefit public health and / or the environment, SEPs which perform well on this factor will result in significant, quantifiable reduction in discharges of pollutants to the environment and reduction in risk to public health. SEPs will perform well on this factor if they result in substantial and measurable progress in protecting and restoring ecosystems (including wetlands and endangered species habitats), promoting more resilient communities, infrastructure and ecosystems.

CPI Response:

The contemplated SEP or onsite Plastic Tail and Scrap Recycling Installation at CPI's Valencia, CA facility will result in quite significant environmental benefit including:

- **Reduced need for purchase and delivery of resin beads by as much as 15%!!**
(~540,000 annually)
- *A reduction by the same amount in the requirement to transfer and handle resin beads at CPI's exterior silos,*
- *A reduction in the generation of plastic trim / flash and scrap as a waste stream destined for nearby landfill by as much as 15%,*
- *Up to 15% fewer resin bead delivery trucks = 89 tons of diesel CO₂ reduced over the 25 year service life of the contemplated onsite plastic recycling plant,*
- *This amount of CO₂ is estimated to be equivalent to having planted 13,740 trees over the 25 year service life of the contemplated onsite plastic recycling plant, or*
- *Removing an estimated 15,333 cars from the road over the same 25 years.*

Ref: "Improving Vehicle Fleet, Activity and Emissions Data for On-Road Mobile Sources Emissions Inventories" (Federal Highway Administration; Figures 5-10 & 5-11 (extrapolated values), plus "Putting Solar Savings into Numbers"; www.solarenergy.net

B. Environmental Justice

SEPs perform well on this factor when they mitigate damage or reduce potential risk to a community proven to have been exposed disproportionately to pollution or is otherwise considered to be at risk environmentally.

CPI Response:

One disadvantaged community is known to exist in this region. It is known as Val Verde, which is about 1-2 miles southwest of the current location of CPI. Without the addition of this Plastic Tail and Scrap Recycling project CPI will need to continue transporting resin beads with the potential



for increasing volumes as raw material for its blow molding operations. This is recognized by USEPA as a storm water pollutant discharge risk into the same ecosystem as Val Verde. It also represents competition for the same transportation corridors, plus it will add diesel emissions (again in increasing amounts) as estimated above further exposing the residents to combustion contaminants. There is a direct nexus to resin bead pollutant load reduction, but also a net air quality benefit to be gained through pollutant load exchange by virtue of less delivery truck trips and less trash truck trips to the local landfill as outlined in some detail in Section VI above.

C. Community Input

SEPs developed taking into consideration input received from the affected community will perform well given these criteria. Projects developed with active solicitation and consideration of community input is preferred.

CPI Response:

CPI is a small business which uses a number of plastics technologies & equipment for the purpose injection and blow molding a number of containers, plastic bottles primarily. Under normal circumstances seeking input from the public on decisions a small business makes, when the result will have no significant detrimental environmental effect locally is not required. The net result of addition of an onsite Plastic Tail and Scrap Recycling Plant will be betterment to the community in the form of less potential for impact on shared riparian habitat, less traffic (fewer resin bead deliveries by as much as 35%, up to 35% plastic waste generation = less trips to the local landfill and lower overall combustion emissions. The public will not see this recycling plant as it will be constructed inside CPIs current building, yet they will benefit. Favorable input can be presumed, but no public input is deemed required.

D. Innovation

SEPs which further the development, implementation, or dissemination of innovative processes, technologies or methods which more effectively: reduce the generation, release, or disposal of pollutants; conserve natural resources; restore and protect ecosystems; protect endangered species; promote compliance; or improve an entities preparedness and resilience to weather extremes will do well when compared to these criteria. This includes technology-forcing techniques which may establish new regulatory benchmarks.

CPI Response:

Recycling at the source of surplus plastic production through an onsite Tail and Scrap Recycling Plant is thought of as too expensive by most similar firms and so very few companies (relative to the total number of plastics firms or general businesses in the Santa Clarita Valley) have invested in onsite recycling in any meaningful way. This act represents a huge commitment to furthering the development, implementation, and dissemination of innovative processes, technologies and methods. No doubt this onsite Plastic Recycling Project will reduce the need to transport, transfer or otherwise handle plastic resin beads as pollutants in this geographic area. This recycling plant will also conserve natural resources (less truck trips = less traffic = less hydrocarbon / diesel demand = less diesel combustion = less CO₂ emissions = less GHG



emissions or pollutant load or nexus by pollutant exchange). It will also serve to protect a sensitive downstream ecosystem. In so doing, it will protect endangered species (including the Least Bell's Vireo, the Three Spine Unarmored Stickle Back and Arroyo Toad to name a few).

E. Multimedia Impacts

SEPs which reduce emissions to more than one environmental medium and ensure pollutant reductions are not being achieved by transferring pollutants from one medium to another score well against these criteria.

CPI Response:

As discussed above, reducing the need for resin bead deliveries will decrease the need to transfer or otherwise handle resin beads (nurdles). This means there will be fewer nurdles available in areas exposed to storm water, lowering the potential for their discharge into the Santa Clara River drainage.

Fewer resin bead deliveries means reduced diesel truck trips, related traffic and emissions, in particular GHG emissions such as CO₂ in an area which has a history of poor air quality. Reducing these emissions will improve overall conditions in this entire ecosystem (both flora and fauna should benefit). Adding this significant onsite plastic recycling plant goes a long way to improve sustainability of this sensitive riparian habitat, with the added benefit of lower overall diesel truck emissions. A net environmental benefit will be achieved. No physical transfer of pollutants from one medium to another will take place. Pollutant load in the form of less nurdles available to storm water exposure will occur. Diesel emissions will be reduced in two ways; less nurdles will need to be delivered and less plastic waste will need to be transported to the nearby Chiquita Canyon landfill, which is seeking an increase in permitted capacity currently. This is another element to the overall net environmental benefit being demonstrated.

F. Pollution Prevention

SEPs which lead to development and implementation of pollution prevention techniques and practices; reduce in general the generation of a pollutant or pollutants will fare well when compared to these criteria.

CPI Response:

For many of the reasons stated above, this onsite Plastic Tail and Scrap Recycling Project should evaluate well against this criteria.

Implementation of this innovative surplus plastic "Take-out" system, articulated vacuum conveyor, tail detabber tooling, tail removal module and required interface represents not only a large capital investment, but also represents true development and implementation of pollution prevention techniques and practices. This plastic recycling plant, which will also require purchase and use of a vertical band saw to size reduce large pieces of plastic scrap for further processing in the Proco Machinery hardware, takes CPI to the cutting edge (no pun intended) of technology with the net benefit of pollution prevention by virtue of lower demand for nurdles.



VII. CALCULATION OF THE FINAL SETTLEMENT PENALTY

In settling enforcement actions, the USEPA requires alleged violators to cease the violations promptly and, to the extent feasible, remediate any harm caused by the violations. CPI understands USEPA can also seek penalties in order to deter noncompliance. USEPA believes penalties can promote environmental compliance and help protect public health by deterring future violations by the same violator and other members of the regulated community. This is viewed by USEPA in their SEP policy document as helping to maintain a national level playing field by ensuring those in noncompliance do not obtain an unfair economic advantage over their competitors who made the necessary expenditures to comply.

CPI Response:

In timely fashion CPI ceased the violations alleged by USEPA, taking several affirmative steps in a very short time frame. The USEPA inspection took place on September 29th, 2015. Within days of the inspection CPI:

- *Took immediate action to remove and dispose of all plastic resin beads (nurdles) observed on the exterior of the facility, relocating this material to a plastic recycling facility,*
- *Assigned and designated specific staff to monitor and police all future transfers of resin beads, collecting and recycling any beads which are observed on the ground and subject to being discharged in storm water,*
- *Removed all pallets, Gaylord's' (big corrugated boxes attached to wood pallets, which hold a bagged product usually),*
- *Removed all decommissioned machinery stored outside to a metal recycler,*
- *Hired a competent contractor to construct a 12' x 45' x 2' (1080 cubic feet) concrete parapet at the perimeter of the resin bead silo enclosure with several <1mm stormwater filters. This secondary containment system will be able to contain nearly twice the volume of the largest storage silo (588 cubic feet) within containment.*
- *Purchased and began using an industrial vacuum to ensure resin beads from around the silos did not escape,*
- *Manually and mechanically (vacuumed) around the facility, focusing on the storm water swales, fissures in the asphalt, storm water gutters, storm water catchment basins,*
- *Designed, custom built and installed a series of <1mm nylon mesh screens to cover all storm water exits (catchments) leaving the property,*
- *Resurfaced the entire parking lot surrounding the building to eliminate fissures in the asphalt which can collect nurdles, leaving them subject to storm water scouring and discharge. This has also enhanced the effectiveness of the now routine exterior visual observations by the designated CPI staff intended to identify contaminants.*



- *Replaced any open top trash bin(s) with a covered bin(s),*
- *Concurrent with all the above activity, engaged a consultant to register CPI on the California State Water Resources Control Board's (SWRCB) - Storm Water Multiple Application & Report Tracking System (SMARTS) – to obtain Industrial General Permit coverage and complying with the Clean Water Act (CWA),*
- *Subsequently a No Exposure Certification (NEC) was submitted through SMARTS to the SWRCB (submitted March 7, 2016),*
- *CPI has now been in negotiations with Proco Machinery; manufacturer of the technology needed to recycle plastic flashing, tails and scrap.....onsite. This will require a significant capital investment approaching one quarter million dollars! This requires CPI to secure financing which is another negotiation process being completed.*
- *In the midst of completing purchase of at least two truck loading dock seals to eliminate the potential for stormwater exposure during truck loading / unloading operations.*

All the work listed above was performed promptly and, served to eliminate the potential for environmental harm. It is difficult to establish what economic benefit CPI may have enjoyed previous to all this work relative to its competitors. CPI is convinced the advantage would have been nominal at best, as CPI knows of very few other plastics firms, in the greater southern California region, or the State prepared to commit to a large onsite plastic recycling operation, or has done so much compliance work so fast in response to alleged CWA violations. CPI believes the USEPA will agree, the response was swift, effective and comprehensive.

A. Components of the Settlement Penalty

Statutes administered by the USEPA contain penalty assessment criteria which a court or administrative law judge must consider generally when determining an appropriate penalty during a trial or hearing. In the settlement context, the USEPA follows these criteria, and program- or media-specific penalty policies based on the statutory criteria, in exercising its discretion to establish an appropriate penalty for purposes of settlement (settlement penalty). CPI understands in calculating an appropriate penalty, the USEPA can consider factors such as the economic benefit associated with the violations, the gravity or seriousness of the violations and the entities prior history of noncompliance.

USEPA in their SEP policy document states “SEPs are not penalties, nor are they accepted in lieu of a penalty. However, a violator’s commitment to perform a SEP is a relevant factor for the USEPA to consider in establishing an appropriate settlement penalty.” All else being equal, it is understood the final settlement penalty will be lower for an alleged violator who agrees to perform an acceptable SEP, compared to one who does not.

CPI Comment:

CPI has committed to a separate SEP; a large solar energy project involving placement of 470 photovoltaic cells on the roof of the CPI building. The SEP for this solar project was forwarded under separate cover to USEPA on or about May 30, 2016.



VIII. REQUIREMENTS FOR SETTLEMENTS WHICH INCLUDE A SEP

A. SEP Description

It is understood the ultimate settlement agreement for this case must accurately and completely describe the SEP(s). It must describe the specific actions to be performed, include a completion deadline, and, where appropriate, interim milestones for long-term or complex SEPs, plus detailed cost estimates. Documentation supporting cost estimates will be required. The settlement agreement should also include a reliable and objective means to verify the alleged violator has completed the project on time and in a satisfactory manner. For complex or long-term SEPs, a requirement to submit periodic status reports can be expected.

CPI Comment:

Description of Specific Actions:

CPI intends to secure financing for, purchase and install:

- Four Robopik-EX2 (PRU-EX2), Take-out Systems,
Four Proco Automated Vacuum Conveyors,
Four Tail Detabber Tooling,
Four Tail Removal Modules,
Required interface elements (4 custom sets) between the Robopik Eq. and Molding Machines

Completion Milestones and Deadlines:

CPI intends to:

- Secure financing for the above listed hardware by September 15, 2016,
Complete purchase of the above listed hardware by September 30, 2016,
Begin construction / installation of the above listed hardware by November 15, 2016 (or upon delivery from the factory),
Complete installation and training on the above listed hardware by January 31, 2017,
Debug, calibrate and place this entire compliment of equipment into full production by February 28, 2017,

Detailed Capital Cost Estimates:

Table with 4 columns: Unit Cost, #, Equipment Description, Estimated* Investment. Rows include items like Vertical Band Saw, Robopik-EX2, Proco Articulated Vacuum Conveyors, Tail Detabber Tooling Units, Tail Removal Modules, and Required interface elements, totaling \$292,621.38.

*One Time Non-Depreciable Costs - Above estimated costs include installation labor & vendor labor needed for training of CPI personnel. These cost estimates DO NOT include related CPI staff time or ancillary costs associated with Proco Machinery installation crew support (travel, meals, lodging etc. during the installation time period is the responsibility of CPI responsibility per the purchase agreement)



Annual Recurring Non-Depreciable Costs (Savings associated with Operation & Maintenance):

- 1) Increased Annual Energy Costs related to operating this new plastic tail and scrap recycling plant are estimated at \$4,800
- 2) Reduced waste disposal costs (tail and scrap now recycled onsite – not disposed offsite) are estimated \$6,000 annually
- 3) Annual raw material cost savings associated with using plastic recycled onsite.

Market price of virgin resin beads:	\$0.57 per pound*
Est. production cost for onsite recycling of resin beads:	<u>\$0.51 per pound (HDPE Pellets**)</u>
Possible net cost savings	\$0.06 per pound
Applied to 15% of total purchases or	<u>540,000 pounds per year</u>
Net Annual Savings which MAY be realized	\$32,400

*(savings realized only if recycled bead production cost is lower than purchase price of either virgin or recycled beads)
(Project payback / profitability not certain. If realized payback estimated at 9+ years)*

Market price of recycled resin beads is:	\$0.51 per pound
Production cost of onsite recycling of resin beads (est.):	<u>\$0.51 per pound (HDPE Pellets*)</u>
Net added cost per pound	\$0.00 per pound
Times 15% of total purchases or	<u>540,000 pounds per year</u>
Net Annual Savings	\$0

*See Envision / Ecoplast invoice provided previously

**Reference = www.plasticsnews.com/resin/recycled-plastics/current-pricing

B. SEP Certifications

Canyon Plastics, Inc. makes the following certifications to be included in the settlement document:

Canyon Plastics, Inc. certifies the truth and accuracy of each of the following:

- a. *All cost information provided to the USEPA in connection with the USEPA’s approval of this SEP is complete and accurate. These are good faith estimates of the cost to implement this SEP [exclusive of overhead, additional employee time and salary, administrative expenses, most legal fees, and contractor oversight].
The Grand Total Cost is estimated at \$292,621.38;*
- b. *As of the date of executing this Decree, Canyon Plastics, Inc. is not required to perform or develop the SEP by any federal, state, or local law or regulation and is not required to perform or develop the SEP by agreement, grant, or as injunctive relief awarded in any other action in any forum;*
- c. *The SEP is not a project Canyon Plastics, Inc. was planning or intending to construct, perform, or implement other than in settlement of the claims resolved in this Decree;*
- d. *Canyon Plastics, Inc. has not received and will not receive credit for this SEP in any other enforcement action;*
- e. *Canyon Plastics, Inc. will not receive reimbursement for any portion of this SEP from another person or entity;*



- f. For federal income tax purposes, Canyon Plastics, Inc. agrees it will neither capitalize into inventory or basis nor deduct any costs or expenditures incurred in performing this SEP;*
- g. Augmentation Certification; (please see page 8 above)*

C. Disclosure of Enforcement Settlement Context

If Canyon Plastics, Inc. were to publicize this SEP or its results, it will state in prominent manner this project is being undertaken as part of a settlement of an enforcement action. Specifically:

*Canyon Plastics, Inc. certifies:
Any public statement, oral or written, in print, film, or other media, made by Canyon Plastics, Inc. making reference to the SEP under this Agreement / Decree from the date of its execution of this Agreement / Decree shall include the following language: "This project was undertaken in connection with the settlement of an enforcement action United States v. Defendant, taken on behalf of the U.S. Environmental Protection Agency to enforce federal laws."*

D. SEP Completion Report Commitment

Canyon Plastics, Inc. commits to submission of a final SEP completion report. This report will be certified by an appropriate corporate official (acceptable to the USEPA) and provide sufficient documentation as described in USEPA SEP Policy 2015 Update.

E. Stipulated Penalty Provisions – Agreement Pending

The final settlement document is expected to include stipulated penalties as agreed by the negotiating team (USEPA and Canyon Plastics, Inc. representatives).

F. Reasonable Inquiry Re: Federal Appropriations Certification

Canyon Plastics, Inc. (the implementer for this SEP) hereby certifies it has inquired internally and has determined it does **not** have an open federal financial assistance transaction (FFAT) with the USEPA or any other federal agency which could fund the same activities as described in this proposed SEP. There are no SEP recipients.



IX. PROJECT CONTACTS – SIGNATURES

Mr. B. J. Atkins:


President, *Environmental HELP, Inc. (EHI)*
QISP-IGP ToR #006, QEP #03000016, CHMM #3412

Mr. Kirit Gajera:

Owner / President
Canyon Plastics, Inc.



APPENDIX A: Proco Machinery Quotation (2 pages)



Order Number: J-2376/1-6 /2377/1-6		Quotation: 16-9664	
Sold To: Canyon Plastics, Inc.		Ship To: Same as sold to	
Contact:		Contact: Mr. Kirit Gajera	
Address: 28455 Livingston Ave.		Address:	
City/State/Zip: Valencia, CA 91355		City/State/Zip:	
Client PO: 5514		Ship Via: Best Way	
Client PO date: January 26, 2016		Invoice Date: May 20, 2016	
Phone No: 661-257-4293 Fax: 661-257-1680		Invoice: D-2 of 3	
Email:		FOB: Proco Plant, Mississauga, Ontario	
		Term: 40/50/10	
		Quote No.: Q16-4541 R1	
		Sales Person: In house	

Item	QTY	PMI Part No.	Serial No.	Description	Unit price	Extended Price	Amount Due Now
1	2			J-2376-1 & 2377-1 Robopik-EX2, Take-Out System, Model PRU-EX2	44,950.00	89,900.00	
2	2			J-2376-2 & 2377-2 Proco Articulated Vacuum Conveyor	9,750.00	19,500.00	
3	2			J-2376-3 & 2377-3 Robopik Tail Detabber Tooling	2,250.00	4,500.00	
4	2			J-2376-4 & 2377-4 Tail Removal Module	9,500.00	19,000.00	
5	2			J-2376-5 & 2377-5 Interface Between Robopik and Molding Machine	5,500.00	11,000.00	
Total						143,900.00	
Special discount						(23,900.00)	
Order total						120,000.00	

	Notes:	Sub-Total:	120,000.00
		Freight:	
		HST:	Zero Rated
		Order Total US\$	120,000.00

Please Remit Payment To:
1111 Brevik Place, Mississauga, Ontario Canada L4W 3R7 PH: 905-602-6066 Fax: 905-602-0560



Order Number: J-2376/1-6 /2377/1-6		Quotation: 16-9665	
Sold To: Canyon Plastics, Inc.		Ship To: Same as sold to	
Contact:		Contact: Mr. Kirit Gajera	
Address: 28455 Livingston Ave.		Address:	
City/State/Zip: Valencia, CA 91355		City/State/Zip:	
Client PO: 5514		Ship Via: Best Way	
Client PO date: January 26, 2016		Sales Person: In house	
Phone No: 661-257-4293 Fax: 661-257-1680			
Email:			

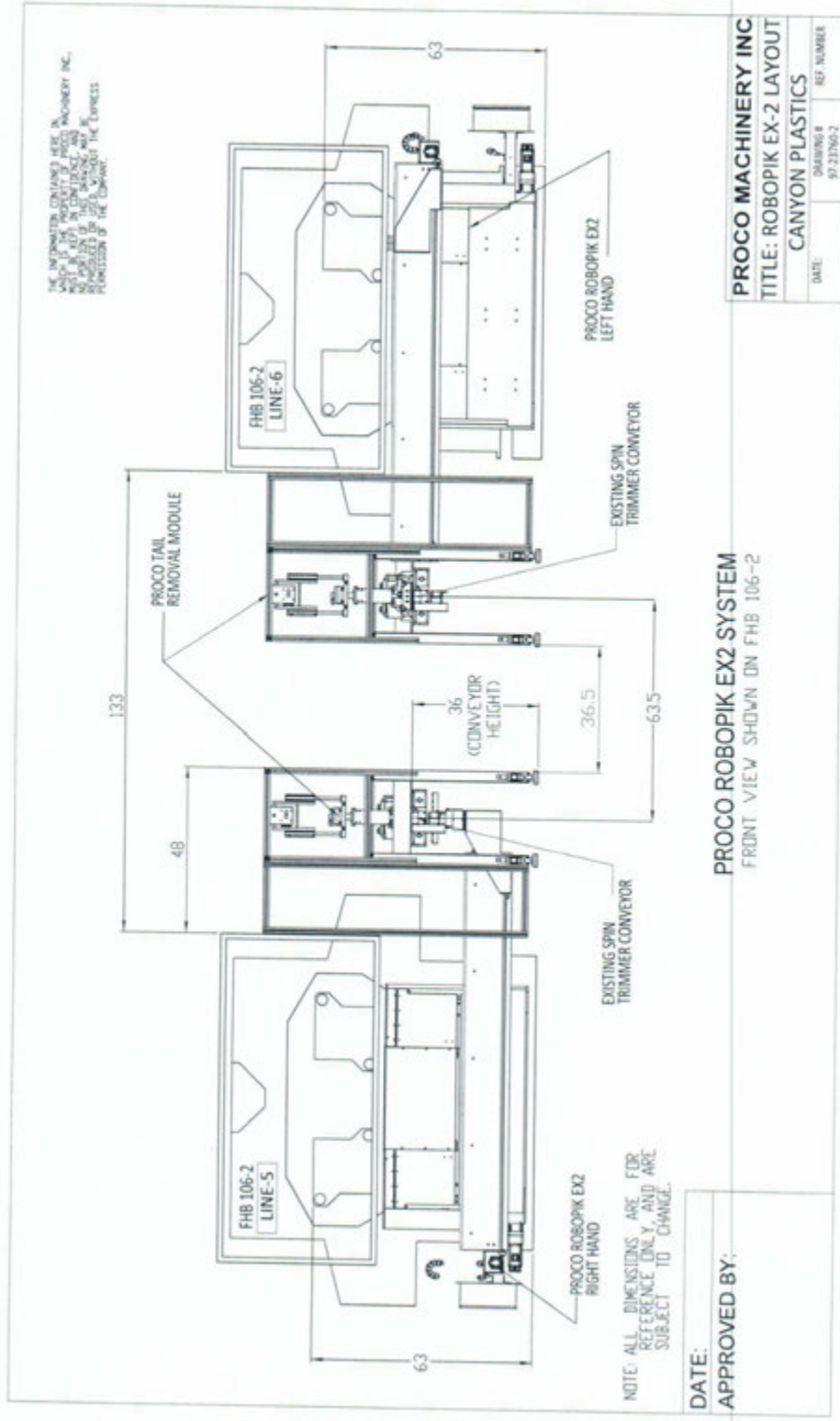
Item	QTY	PMI Part No.	Serial No.	Description	Unit price	Extended Price	Amount Due Now
1	2			J-2376-1 & 2377-1 Robopik-EX2, Take-Out System, Model PRU-EX2	44,950.00	89,900.00	
2	2			J-2376-2 & 2377-2 Proco Articulated Vacuum Conveyor	9,750.00	19,500.00	
3	2			J-2376-3 & 2377-3 Robopik Tail Detabber Tooling	2,250.00	4,500.00	
4	2			J-2376-4 & 2377-4 Tail Removal Module	9,500.00	19,000.00	
5	2			J-2376-5 & 2377-5 interface Between Robopik and Molding Machine	5,500.00	11,000.00	
Total						143,900.00	
Special discount						(23,900.00)	
Order total						120,000.00	

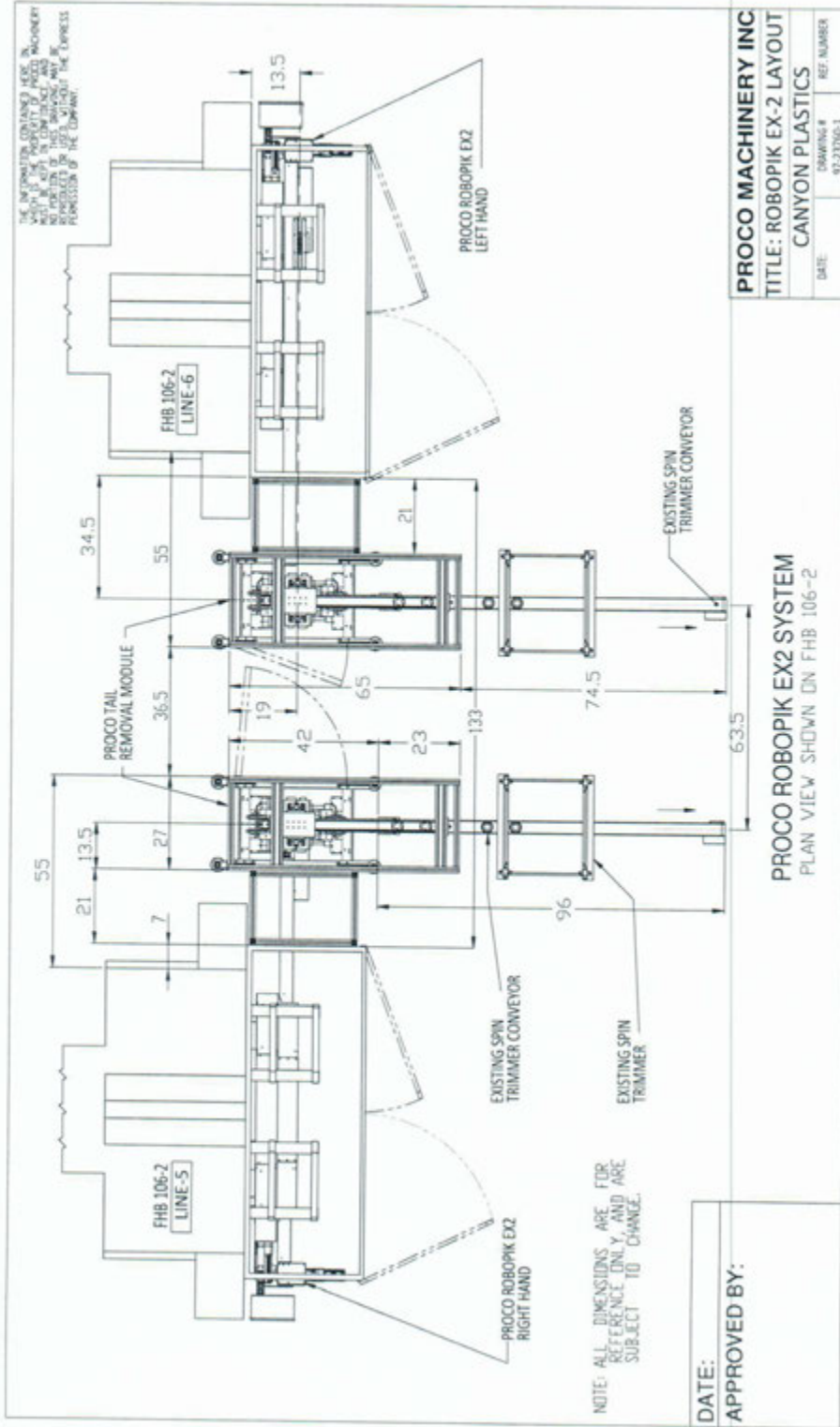
<input checked="" type="checkbox"/>	Notes:	Sub-Total:	120,000.00
		Freight:	
		HST:	<small>Zero Rate</small>
		Order Total US\$	120,000.00

Please Remit Payment To:
 1111 Brevik Place, Mississauga, Ontario Canada L4W 3R7 PH: 905-602-6095 Fax: 905-602-0560



APPENDIX B: Proco Machinery Equipment Drawings (2 Pages)







APPENDIX C: Ganesh Machinery Sales Order

GANESH
GANESH MACHINERY
 20869 PLUMMER STREET
 CHATSWORTH, CA 91311

SALES ORDER

DATE	S.O. No.
5/23/2016	4243

BILL TO
Canyon Plastics, Inc. 28455 Livingston Ave. Valencia, CA 91355

SHIP TO
Canyon Plastics, Inc. 28455 Livingston Ave. Valencia, CA 91355

P.O. NUMBER	TERMS	REP	DUE DATE	SHIP	SHIP VIA	F.O.B.
	Pre paid	HS	5/23/2016	5/23/2016	Truck	CA

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
1	New Machinery	SV-20 Vertical Bandsaw with blade welder:	4,600.00	4,600.00T
1	New Machinery	Wire 440V	0.00	0.00T
1	Machinery-Freight	F.O.B. Destination, freight prepaid and charged back	0.00	0.00

Thank you for your order. All sales orders are subject to Ganesh Machinery Terms and Conditions. Please call us at 818.349.9166 if you have any questions.

SUBTOTAL \$4,600.00

SALES TAX (4.8125%) \$221.38

TOTAL \$4,821.38

Contact Information:
 Tel: (818) 349-9166
 Fax: (818) 349-7286
 accounting@ganeshmachinery.com

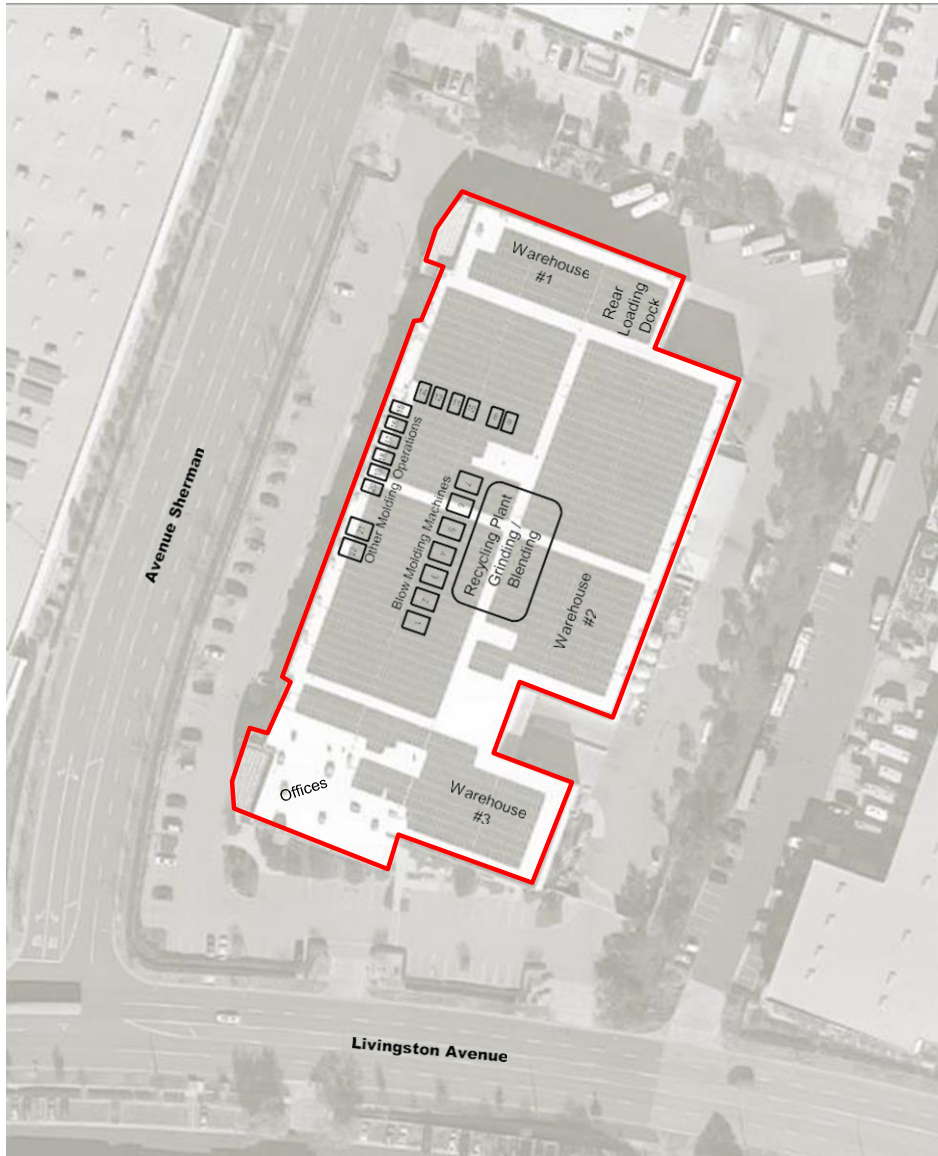
Make Remittance Payable To:
 Ganesh Machinery
 20869 Plummer Street
 Chatsworth, CA 91311

WWW.GANESHMACHINERY.COM

All Ganesh Machines are 220 volts, 3 phase. For other requirements, please contact your sales representative prior to shipping.



APPENDIX D: GPI Plant Layout



	ENVIRONMENTAL HELP, INC.	
PLANT LAYOUT Including Proposed Plastic Tail & Scrap Recycling Operation		
<i>Canyon Plastics, Inc.</i> 28455 Livingston Avenue Santa Clarita, CA 91355		

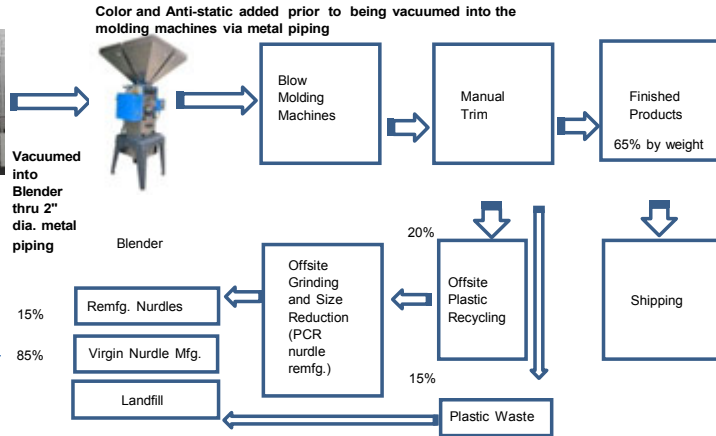


APPENDIX D: GPI Process Flow Diagrams: Today and After SEP

TODAY



Weather permitting, raw material is delivered in a closed container and blown into Silo's via 4" diameter flexible metal pipe. All transfer operations are monitored visually by CPI Staff and all extraneous fugitive nurdles recovered (vacuumed) immediately.



AFTER SEP



Weather permitting, raw material is delivered in a closed container and blown into Silo's via 4" diameter flexible metal pipe. All transfer operations are monitored visually by CPI Staff and all extraneous fugitive nurdles recovered (vacuumed) immediately (up to 35% less truck trips).

