NESI/SITE STUDY: THE SAGA CONTINUES

"And so it goes.” Vonnegut, Kurt. SlaughterHouse Five, passim.

SUMMARY

This report constitutes a follow-up study by the sitting Orange County Grand Jury to the 1999-2000 Grand Jury’s report, “Nesi/Ascon Site Study.” That previous Grand Jury had studied a decades-old contaminated Huntington Beach toxic oil dumpsite that it found to have “insufficient protection against juvenile and/or adult intrusions . . . . [and which] poses potential dangers to the health and safety of the community in which it is located.”1 The 1999-2000 Grand Jury found that Huntington Beach had not assumed the necessary “degree of responsibility [for] monitoring the site and that more and better monitoring” should be in place. Further, that Grand Jury urged the City of Huntington Beach “to pursue a more stringent policy of safety enforcement of appropriate regulations and rules pertinent to the toxic dangers facing the City.”2

That Jury urged the Board of Supervisors to give the site a high priority and “use their positions to bring pressure on appropriate entities to deal with toxic clean-up,” and in notes to the report recommended that a subsequent Grand Jury follow up the situation.

The 2011-2012 Grand Jury has obliged and has found that a major clean-up of the site is finally occurring in compliance with a 2003 Consent Order and Decree issued pursuant to State and Federal environmental laws. While Grand Jury members have been assured that money is not a problem,3 this project is taking an inordinate amount of time to complete. The Order was issued in 2003; the final remedy—now in 2012—has not yet begun. The State “optimistically” contemplates that the project will be completed in 2015. Although the State is not within the purview of the Grand Jury, the 2011-2012 Grand Jury urges the Huntington Beach leadership to bring pressure on the appropriate entities to hasten the completion of effective and safe reclamation of this site, as well as to work with Orange County public health officials to further inquire into possible connections between the Nesi-Ascon site and physical and neurological complaints reported by neighborhood residents.

REASON FOR STUDY

The 2011-2012 Orange County Grand Jury determined that a follow-up to the Nesi-Ascon Site Study conducted by the Grand Jury 11 years ago was long overdue. The current Jury, therefore, conducted this study in order to report to the Orange County public on current circumstances and on the lead-up to what looks to be an effective, but agonizingly slow, clean-up.

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2 Ibid, ET-6.
3 The cost of the cleanup is being paid by the responsible oil companies.
The 1999-2000 Grand Jury had studied this 38-40 acre toxic dumpsite in Huntington Beach and determined, among other things, that the site posed “potential dangers to the health and safety of the community”; that, at the very least, adequate fencing should be installed quickly to protect the unwary; and that County and City ought to “bring pressure on the appropriate entity to deal with toxic clean-up and remediating (sic) this hazardous site.”\textsuperscript{4} They recommended that “a permanent clean-up be expedited\textsuperscript{5} and that a subsequent Grand Jury perform a follow-up inquiry. The 2011-2012 Grand Jury answers that request. It has studied the history of the site and herein reports on the current status of the ongoing cleanup being performed in accordance with a 2003 Consent Order and Decree entered into by the California Department of Toxic Substances Control (DTSC) and seven oil companies.\textsuperscript{6}

The plans for reclamation and the clean-up of this site have been in the works for many years, certainly for more years than anyone would have thought possible. Whatever the reasons, and many have been advanced, the work is now progressing, although painfully slowly. The Grand Jury is aware that with respect to environmental clean-ups, federal and state environmental laws mandate (1) publication and distribution of pertinent information and plans through Environmental Impact Reports (EIR) and Statements (EIS); and (2) specification of time periods allowed for comment by the public. However, the time involved in getting this notorious site cleaned up may very well seem excessive to many.

METHOD OF STUDY

The 2011-2012 Grand Jury has examined the origins of the problem as well as the history of the site up to the present. Jury members interviewed officials of the DTSC, environmental lawyers, several Huntington Beach officials, newspaper reporters, realtors, a representative of the Responsible Parties, and OC Health Care Agency representatives as well as several area home owners. Diagrams and photographs of the subject site were studied. Jury representatives toured the site at the invitation of the DTSC. Federal and State statutes were examined, including the California Environmental Quality Act (CEQA).\textsuperscript{7}

BACKGROUND

\textit{History}

The Nesi-Ascon area,\textsuperscript{8} located at Magnolia and Hamilton Avenues in southeast Huntington Beach, is a former dumpsite now euphemistically referred to as a “landfill” where industrial and oil field wastes were disposed of into surface impoundments euphemistically referred to as “lagoons.” The lagoons were surrounded by berms to contain waste materials.

\textsuperscript{5} Ibid at ET-ii, ET-1.
\textsuperscript{6} Atlantic Richfield, Chevron Environmental Management, Conoco Phillips, the Dow Chemical Company, Shell Oil, Southern California Edison, and Northrop Grumman Space & Mission Systems Corporation, referred to as Responsible Parties or “RP’s” in EPA parlance.
\textsuperscript{7} California Environmental Quality Act, Sections 2100 \textit{et seq.}
\textsuperscript{8} The Site is named for two companies that made failed attempts to clean up the area.
The site was operated as an active dumpsite for oil drilling wastes from 1924 to 1984 into which were deposited drilling muds, wastewater brines, and other such material. Records indicate that from 1957 to 1971 chromic acid, sulfuric acid, aluminum slag, fuel oils, and styrene, among other substances, were discarded. From 1971 to 1984 dumped material included inert solid wastes such as asphalt, concrete, metal, soil, and wood as well as other contaminants including abandoned vehicles. In 1989, the City of Huntington Beach consented to allowing the California DTSC to act as “lead agency” to clean up the site. Although measures were taken to attempt such a clean-up and studies undertaken to characterize the site with respect to soil and water characteristics as well as air quality, for various reasons failure followed failure.

Still another “clean-up” began again in 1992; that work was predicted to last about 18 months but was “taking longer than expected,” the Huntington Beach City Council was told. Land developers who planned to build nearly 600 houses on the reclaimed site told the City Council that removal of toxics would continue through the Fall of 1995: “No construction on the land can begin until late 1995, at the earliest.”

The site is still awaiting final reclamation in 2012.

1999-2000 Grand Jury Findings

The former Grand Jury found that the site had been accumulating, along with oil industry waste and building debris, among other things:

“. . . abandoned homeless campsites with attendant blackened fire pits and accumulated human trash. The real danger lies in the three 25-foot-deep oil/tar lagoons and a now covered styrene pit.”

Further, the Jury noted the several less-than-satisfactory attempts made to limit access to and clean up the site by the City or by anyone else. The Jury expressed its impatience with city officials in Huntington Beach:

“The Grand Jury also wants to see stronger efforts to reduce the hazardous potential of this site. Meetings with city officials in Huntington Beach have left the Grand Jury with feelings of frustration summed up by the reaction: ‘we’re being stonewalled.’ The Grand Jury has studied, visited, and overtly

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9 Substances classified by the EPA as toxic wastes. Styrene is an odorless unsaturated hydrocarbon used in making synthetic rubber, resins, and plastics. The styrene pit alone was responsible for numerous complaints and costly Air Quality Management District citations in the 1980’s and 1990’s. The previous Jury reported that only after these citations and complaints were filed was the styrene pit covered with a plastic tarp to contain the noxious aroma of decomposing hydrocarbons. See, 1999-2000 Grand Jury Final Report, ET-2.

10 Environment Fact Sheets, Nos. 7 and 8, 2003. These Fact Sheets were developed, published, and distributed to the public by the DTSC as one method of keeping interested persons informed as to the Consent Order clean-up.


12 Ibid.

examined the site and its potentially hazardous dangers. The Grand Jury believes that not enough attention is being paid to the unsafe nature of the Nesi/Ascon waste site."  

In 1989, the California DTSC, an agency under the California Environmental Protection Agency, had been named the lead agency for yet another cleanup attempt. This attempt resulted in several corporate failures, and again no successful clean-up operations took place. In 2000, an obviously disturbed Grand Jury cried out for the City to at least fix the perimeter fencing.

“The community and County should mount a more rigorous push to resolve and eliminate the dirty dangerous dump that is Nesi/Ascon. One would think that local pride and community service would have provided better results but instead, the prevailing reaction received by the Grand Jury has been the old ‘if it ain’t broke, don’t fix it.’ The Grand Jury feels that it is broke and wants it fenced and fixed.”

The Jury found, among other things, that “The City of Huntington Beach does not assume the degree of responsibility for monitoring the Nesi-Ascon site that seems prudent to the Grand Jury.”

In July 2000 the year-long term of the Grand Jury ended as did official inquiry into the site’s “potential dangers to the health and safety of the community in which it is located.”

**The 2003 Consent Decree and its Aftermath**

Finally, in 2003, three years after the original Grand Jury report was published, the State of California, through the California Environmental Protection Agency’s DTSC, issued an “Imminent and Substantial Endangerment Determination and Order and Remedial Action Order” pursuant to California Health and Safety Code Sections 2355.5(a)(1)(B), 25358.3(a), 58009 and 56010, wherein a group of Responsible Parties (RPs) entered into a Consent Order to clean and reclaim the site at their expense. The RP group consisted of Atlantic Richfield, Chevron Environmental Management, Conoco Phillips, the Dow Chemical Company, Shell Oil, Southern California Edison, and Northrop Grumman Space & Mission Systems Corporation, all of whom would be paying for the site investigation and clean-up. Additionally, DTSC issued a unilateral order to the property owner and Exxon Mobil Corporation to compel them to work with the officially-named RP’s.

A six-foot tall opaque fence was erected completely around the dump.

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14 Ibid. “The Grand Jury also wants to see stronger efforts to reduce the hazardous potential of this site. Meetings with city officials in Huntington Beach have left the Grand Jury with feelings of frustration summed up by the reaction: “we-re being stonewalled. . . . The Grand Jury believes that not enough attention is being paid to the unsafe nature of the Nesi/Ascon waste site.”

15 A newspaper story by Nick Schou, in the Orange County Weekly, relayed the Jury’s feelings to the rest of Orange County.


17 Ibid at ET-1.

18 Supra, p. 2, fn. 7.
Clean-up options were considered, and it was decided to implement an option which would remove and treat affected soils from the lagoons and pits and use clean soil for the final grade. It was estimated, in 2003, that this option would take “approximately three years for the main cleanup activities . . . .

“Upon final implementation, this option will eliminate or reduce the identified risks from the soil and physical conditions of the Site to acceptable levels, and it will be suitable for development as it is currently zoned [residential housing].”

The Mayor of Huntington Beach, at the time, was quoted by the Orange County Register as saying, “I think the Ascon agreement is wonderful . . . I’m really glad the state stepped in to work with the responsible parties. I think it’s going to happen now.”

A DTSC presentation regarding cleanup activities was made to the Huntington Beach Mayor and City Council on May 5, 2003. The Council was informed of the assessment of human and ecological risks including cancerous and non-cancerous hazardous effects.

A full investigation of site groundwater (not a source of drinking water) was begun in 2004 wherein groundwater monitoring wells were placed inside site boundaries. Quarterly groundwater sampling and testing were performed with no adverse results reported.

The 2005 Emergency Action

Owing to unusually heavy rains in Winter 2004 and Spring 2005, an “Emergency Action” was undertaken by the DTSC because authorities feared that rains might have weakened the 30-year-old earthen berms surrounding the lagoons; DTSC feared that future rains might cause the berms to leak or give way and would pose the danger of hazardous waste spilling into the street. Emergency action consisted of, among other things, removal of about 28,000 cubic yards of waste from the lagoons, thereby lowering their level by about three feet, and hauling the waste offsite to an appropriate waste disposal facility; putting in a drainage system at the base of one of the berms; and reinforcing one of them with crushed concrete.

DTSC indicated that the action would not affect the final cleanup plans for the site.

The perimeter of the site was reinforced and newly-fenced. Further, surface pits and lagoons were fenced and covered.

19 Fact Sheet 7, March 2003.
21 Huntington Beach City Council notes.
22 Groundwater Sampling Notes.
23 Fact Sheet #10, October 2009.
24 Fact Sheets #9 and 10, September and October 2009.
The Interim Removal Measure

As of early December 2010, as an “interim removal measure,” about 58,000 tons of tarry materials and firming additive were removed from two lagoons and disposed of at a designated disposal facility.25 The purpose of this action was to enable assessment of materials underneath the tarry substances in two of the lagoons. Field work was anticipated to begin the first half of 2010 and continue for about eight months. Materials of unknown size and composition were noted in and under the lagoons. DTSC announced that a more complete assessment of Lagoons One and Two would allow for an informed remedial construction effort during the final remedy in a manner that was protective of public health and the environment.

The agency reported that the interim removal action was actually completed in March 2011 and that information collected would be incorporated into planning for its final cleanup. The final cleanup plan, called the Remedial Action Plan (RAP):

- Will be available for public review and comment in the future.
- DTSC anticipates issuing a Notice of Preparation . . . and initial Study for a draft EIR [Environmental Impact Report], required [under CEQA] in 2012.26

Final Plans

The DTSC now [in 2012] reports:27

1. “New” completion dates, according to the Environmental Impact Report, will be targeted for two years hence, “perhaps in the Fall of 2014 or Spring of 2015.” The Remedial Action Plan will be in effect, “running simultaneously”;
2. Lagoons #1 and #2 need not be capped and lined because they are free of any toxic material;
3. The other lagoons will be lined and capped;
4. When all lagoons are free of toxic waste, new soil will be imported;
5. Aside from the greenery along the perimeter of the property, the land will be free of all plant life;
6. The post-reclamation site could not be used for housing, hospitals, and schools;
7. The site could be used for a park, golf course, parking lot or other non-residential purposes;
8. No final design is as yet available and will not be available until after the Revised Action Plan is approved.

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25 Fact Sheet #11, November 2010.
26 Fact Sheet #12, December 2010.
27 Phone conversation with DTSC officials Greg Holmes and Safou Suyed.
ANALYSIS

Interviews

Most of the Huntington Beach City Council did not return our repeated calls and requests for individual interviews. However, members of the 2011-2012 Grand Jury did manage to speak individually with three city council members. One council member felt that the DTSC was taking overly long in its decision-making and reclamation oversight of the area but that there had been little concern voiced at the City Council and few complaints from the community. However, several council members expressed the feeling that a current Grand Jury update report might facilitate a “speeding-up” of the final reclamation.

According to one member, the only recent complaints the Council received from the surrounding neighborhood had been during the 2011 clean-up. A few complaints had been voiced by owners of homes surrounding the dump concerning the dust being kicked up over their neighborhood. Further, this Council member felt that whenever the full-scale final remedy is initiated, he is sure the number of trucks going and coming from the dump site will cause daily complaints from the nearby residents, and those complainants will want it to stop.

There is a small nucleus of community activists in the neighborhood, one of whom vividly described to several current Jury members pre-Consent Decree episodes and conditions. He, as well as other home owners, believe there is a connection between the toxicity of the dump and neighborhood health disorders, both physical and neurological. Several neighbors have kept track of “numbers of people” with neurological disorders.

Orange County public health officers were invited to address members of the current Jury; however, they basically summarized the results of their investigations as statistically negative with regard to a link between the dump and reported neighborhood illnesses. Clearly, statistical reports have not quieted fears of some residents who continue to believe there is a link between health issues and the dumpsite. A letter from a University of Southern California Medical School professor to a Huntington Beach resident regarding her concern over brain stem malignancy in south Huntington Beach children expressed the following: although twice as many childhood brain stem cancers as expected occurred in that neighborhood, none of the cases resided, at the time of diagnoses, within one-half mile of the dumpsite and only one residence

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28 It should be noted that after three weeks of leaving unreturned messages for individual City Council members, the Jury finally received, via an administrative assistant, the Council’s “offer” to hold a group telephone conference, an offer the Jury refused.

29 The Grand Jury wished to speak individually to city leaders with respect to their unique backgrounds, environmental interest and/or knowledge, familiarity with the dumpsite history and problems, possible conflicts of interest, and their individual views with respect to reclamation and post-reclamation plans. Current Jury members felt much like “stonewalled” members of the 1999-2000 Grand Jury. “Meetings with city officials in Huntington Beach have left the Grand Jury with feelings of frustration summed up by the reaction: “we’re being stonewalled.” “Nesi-Ascon Site Study,” Final Report ET-1. See, also Nic Schou, “We’re Being Stonewalled,” Orange County Weekly.
   While this Grand Jury is quite aware it had/has the legal authority and power to subpoena individual members of the Council to comply with its request to speak individually with Council members, it chose not to do so for a number of reasons beyond the scope of this report.

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was actually close to the site. However, with respect to such possible environmental exposure, “while such concerns are often raised, they almost never can be substantiated.”

“...only the persons living right next to the point of emission would be subjected to a high level of exposure... doses of carcinogens historically emitted in California have been miniscule... such an emission has never been large enough to explain a measurable cluster of cases... We are... left with no medical or biological explanation for either the overabundance of brain stem cancers in the children of South Huntington Beach or the deficit of the same malignancies in northern Huntington Beach.”

While it is difficult to predict and comment on home values, particularly in these times of economic “downturn,” home prices in the neighborhood remain, approximately, in the $300,000 to $700,000 range. According to newspaper and realty reports, “equivalent” homes in other areas of the city would be $50,000 to $100,000 higher. However, it should be noted:

1. The Nesi-Ascon dumpsite is, itself, on the fringes of an industrial area, in the southeast section of the city, a location which ordinarily (even without Nesi-Ascon) would make homes in the area less desirable; but

2. The area is close to the beach and ocean, making a “house by the sea” attainable for those who normally would not be able to afford such a location in Huntington Beach.

Many residents bought homes in the area not knowing about Nesi-Ascon. One such home owner was quoted as saying, at the time of the signing of the Consent Decree in 2003, that when he bought his house in 1977 the site was merely some high mounds of dirt. “A lot of people bought not knowing there was a toxic waste dump there.”

As noted above, prior to the advent of the DTSC clean-up, post-clean up land use of Nesi-Ascon, was slated to be housing. The City Council approved the land for 502 homes in 1992. That land use is still officially listed by the Huntington Beach Planning Commission. However, members of the Jury have been informed by DTSC that the site could not safely physically sustain buildings (such as housing, businesses, and the like). Rather, contemplated post-cleanup land use is more likely to be something like a park or playing fields. Land use clearly will be part of future discussions through official documents as well as public comments and public meetings required by CEQA and other statutes.

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30 Letter from University of Southern California Medical School professor to Huntington Beach resident, dated Oct. 5, 2011, regarding concern over brain stem malignancies in south Huntington Beach children.

31 Ibid.


33 Orange County Independent, January 17, 2003.

The Orange County Register reported on May 16, 2002, Section A2, May 16, 2002, concerning “the lure of the payoff: the tens of millions of dollars or more that could be made by developing some 500 homes on the 38-acre property. While this prize has hung there for years, ... it becomes ever sweeter for a developer.”

CONCLUSION

As a result of the Consent Decree and its required studies, the 2005 emergency action, and the completed interim removal measures, the 2011-2012 Grand Jury is pleased to report that, finally, substantial progress has been made in cleaning up almost a century’s worth of toxic waste cesspools in the middle of an area surrounded, in great part, by a school, park, and residences.35

While progress has been made, it has been painfully slow, and, according to some residents, the lack of speed or feelings of urgency have perhaps been at the expense of the health of some in the nearby community. While the 2011-2012 Grand Jury understands the need for thoroughness and care as well as compliance with State and Federal law on the part of the DTSC and others playing a part in the Nesi-Ascon rehabilitation, it would urge Huntington Beach city officials and its citizens (in the words of our predecessor Jury) to "bring pressure on the appropriate entity"36 to accelerate the clean-up and complete it once and for all.

FINDINGS

In accordance with California Penal Code Sections 933 and 933.05, the 2011-2012 Grand Jury requires responses to all findings presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

F1. The subject area is a former dumpsite where industrial and oil field wastes were disposed of into surface impoundments;

F2. Numbers of unsuccessful efforts to clean up the site had been made from the early 1980’s;

F3. The California Department of Toxic Substances Control (DTSC), an agency under the California Environmental Protection Agency, became lead clean-up agency in 1989;

F4. The 1999-2000 Grand Jury studied the problems of potential dangers to the health and safety of the community and recommended that the City of Huntington Beach pursue a more stringent policy of safety enforcement of the appropriate regulations and rules pertinent to the toxic dangers facing the City;

F5. The 1999-2000 Grand Jury found that the City of Huntington Beach did not assume the degree of responsibility for monitoring the Nesi/Ascon site that seemed prudent to that Grand Jury;

F6. A Consent Order and Decree was issued in 2003 by the State DTSC through which seven companies agreed to take on the task and expense of reclaiming the site;

F7. DTSC-driven “clean-up” began in 2003;

36 Ibid, ET-5. “[t]he City of Huntington Beach does not assume the degree of responsibility for monitoring the Nesi/Ascon site that seems prudent to the Grand Jury.”
F8. Final remediation has still not been attained but is expected to be completed in 2015;

F9. “Clean-up” is taking an extraordinarily long time to achieve, far longer than originally contemplated.

F10. Some neighbors claim that there have been abnormally high numbers of physical and neurological illnesses in nearby housing owing to the toxicity of the site, although Public Health Agency statistics do not appear to bear this out. Such public health statistics have not calmed fears of some local residents.

Responses to Findings 1 through 10 are requested from the City Council of Huntington Beach.

RECOMMENDATIONS

In accordance with California Penal Code Sections 933 and 933.05, the 2011-2012 Grand Jury requires responses from the Huntington Beach City Council. The responses are to be submitted to the Presiding Judge of the Superior Court.

The 2011-2012 Orange County Grand Jury makes the following two recommendations:

R1. The Huntington Beach City Council should give the Nesi/Ascon site (now called the Ascon Landfill) a high priority and use their positions to bring pressure on the appropriate entities to hasten (in accordance with State law) the final effective reclamation of this site.

[See F1, F2, F3, F4, F5, F7, F8, F9]

R2. The Huntington Beach City Council in conjunction with the Orange County Health Agency (Public Health) should inquire into the possibility that health issues in the neighborhood of the dumpsite were caused or exacerbated by proximity to the site.

[See F1, F3, F4, F5, F7, F9, F10]

Responses to Recommendations 1 and 2 are required from the City Council of Huntington Beach, and a response to Recommendation 2 is requested from Orange County Health Agency (Public Health).

REQUIRED RESPONSES

“In accordance with California Penal Code Sections 933 and 933.05, the 2011-2012 Grand Jury requires responses from each agency affected by the Findings and Recommendations presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.
“Not later than 90 days after the Grand Jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations . . .”

Responses to Findings/Conclusions and Recommendations are required and requested from each member of the City Council of Huntington Beach, the Huntington Beach Mayor, and the Huntington Beach City Manager. Orange County Health Agency is requested to respond to Recommendation 2.

The Penal Code lists the following response choices for a responding entity:

**Responses to Findings**

1. The Respondent agrees with the finding.

2. The Respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding in dispute and shall include an explanation of the reason.

**Responses to Recommendations**

1. The recommendation has not been implemented, but will be implemented in the future, with a timeframe for implementation.

2. The recommendation requires further analysis, with an explanation of the scope and parameters of that analysis and timeframe. This timeframe shall not exceed six months from the date of publication of the Grand Jury report.

3. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation.

All responses should be received no later than October 1 (unless the agency or department has requested in writing an additional extension). Follow-up is the responsibility of the sitting Grand Jury.