

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL VALLEY REGION

11020 Sun Center Drive, #200, Rancho Cordova, California 95670-6114

CONSIDERATION OF

***STIPULATED ADMINISTRATIVE CIVIL LIABILITY ORDER AND
CEASE AND DESIST ORDER***

for

**MUSCO FAMILY OLIVE COMPANY AND THE STUDLEY COMPANY
SAN JOAQUIN COUNTY**

The Musco Family Olive Company operates an olive brining and packing plant south of Tracy near Patterson Pass Road on land leased by the Studley Company (Musco and Studley are hereafter collectively referred to as "Musco.") The facility is regulated by Waste Discharge Requirements (WDRs) Order No. R5-2005-0024 for the discharge of designated waste to Class II surface impoundments and by WDRs Order No. R5-2002-0148 for the discharge of less concentrated waste to a reservoir followed by application to land. Musco is also regulated by two enforcement orders -- a revised Time Schedule Order (TSO) and a Cleanup and Abatement Order (CAO).

On 6 August 2004, the Executive Officer of the Regional Water Quality Control Board, Central Valley Region (Regional Board) issued a complaint for penalties in the amount of \$493,500 to Musco for failure to comply with the revised TSO through 31 May 2004. Musco subsequently violated the TSO and the CAO. After settlement discussions, the Executive Officer and Musco are proposing to settle the matter by payment of a penalty in the amount of \$493,500, settling all violations of the WDRs and TSO through June 30, 2007, except for potential violations relating to installation of a wastewater storage pond liner and surface water discharges, and by requiring that Musco obtain financial assurances to be used to remediate the site, if necessary. The parties to this settlement (the Regional Board's Enforcement Team and Musco) are requesting that the Regional Board approve a proposed Stipulated Administrative Civil Liability Order (Stipulated Order), which would settle this matter.

The Regional Board will also consider adoption of a Cease and Desist Order (CDO) requiring Musco to comply with its current WDRs (with the exception of the interim salinity effluent limits), provide additional data, submit the outstanding information required by other Orders, and submit a revised Report of Waste Discharge. The proposed CDO also includes less stringent interim salinity effluent limits and an extended schedule to comply with the interim salinity effluent limits while the other work is ongoing.

The Regional Board will consider adoption of the proposed Stipulated Order and the proposed CDO at its meeting which is scheduled for:

DATE: 25/26 October 2007
TIME: 8:30 a.m.
PLACE: 11020 Sun Center Drive #200
Rancho Cordova, CA 95670

The proposed CDO was previously issued on 20 June 2007 with a comment deadline of 25 July 2007. The proposed CDO is being reissued on 17 September 2007 with some revisions. Interested persons may submit evidence and written comments on the proposed CDO no later than noon on **1 October 2007**. Evidence and written comments submitted after **1 October 2007** will not be accepted and will not be incorporated into the administrative record if doing so would prejudice any party.

The proposed Stipulated Order is being issued for comment for the first time on 17 September 2007. Interested persons are strongly encouraged to submit evidence and written comments on the proposed Stipulated Order by noon on **1 October 2007** so that they can be included in the Regional Board's agenda. Interested persons may submit evidence and written comments on the proposed Stipulated Order no later than noon on **15 October 2007**. Evidence and written comments submitted after **15 October 2007** will not be accepted and will not be incorporated into the administrative record if doing so would prejudice any party. There will not be an evidentiary hearing on the Stipulated Order. The Regional Board may approve the Stipulated Order, reject the Stipulated Order, or approve the Stipulated Order with revisions if Musco and the Enforcement Team agree to the revisions.

At the Regional Board meeting, oral comments will be limited in time by the Board Chair.

For these items, the Regional Board will be advised by Jim Pedri, Assistant Executive Officer of the Regional Board, and Phil Wyels, Assistant Chief Counsel of the State Water Resources Control Board's (State Water Board's) Office of Chief Counsel. The Regional Board's Enforcement Team is comprised of Pamela Creedon - Executive Officer, Jack Del Conte - Assistant Executive Officer, Wendy Wyels - Environmental Program Manager, Steve Rosenbaum - Senior Engineering Geologist, and Melissa Hall - Water Resource Control Engineer. Frances McChesney, Senior Staff Counsel, and Patrick Pulupa, Staff Counsel of the State Water Board's Office of Chief Counsel, and Reed Sato, Director of the State Water Board's Office of Enforcement, will advise the Enforcement Team. Neither the Regional Board Members nor their advisors have engaged in any substantive conversations regarding the issues involved in this proceeding with Musco or the Enforcement Team or their representatives. Phil Wyels is normally assigned to supervise Frances McChesney and Patrick Pulupa; however, he is not acting as their supervisor for this proceeding. Frances McChesney is currently advising the Regional Board in other, unrelated matters, but neither Frances McChesney nor the Enforcement Team will be advising the Regional Board in this matter. The Enforcement Team is considered a party for the purposes of this proceeding. Any person objecting to the procedure or representatives in this matter must notify Phil Wyels by noon on **1 October 2007** at 916-341-5178.

Anyone having questions regarding the CDO or Stipulated Order should contact Melissa Hall at (916) 464-4757 or Steve Rosenbaum at (916) 464-4631. Interested persons may download the proposed Orders and related documents from the Regional Board's Internet website at <http://www.waterboards.ca.gov/centralvalley/tentative/>. Copies of these documents can also be obtained by contacting or visiting the Regional Board's office at

NOTICE OF PUBLIC HEARING
MUSCO FAMILY OLIVE COMPANY
SAN JOAQUIN COUNTY

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11020 Sun Center Drive, #200, Rancho Cordova, California 95670-6114 weekdays between 8:00 a.m. and 5:00 p.m.

The procedures governing Regional Water Board meetings may be found at Title 23, California Code of Regulations, Section 647 et seq. and are available upon request. Hearings before the Regional Water Board are not conducted pursuant to Government Code section 11500 et seq. The procedures may be obtained by accessing http://www.waterboards.ca.gov/water_laws/. Information on meeting and hearing procedures is also available on the Regional Board's website at http://www.waterboards.ca.gov/centralvalley/board_meetings/mtgprocd.html or by contacting any one of the Board's offices. Questions regarding such procedures should be directed to Ms. Kiran Lanfranchi-Rizzardi at (916) 464-4839.

The hearing facilities will be accessible to persons with disabilities. Individuals requiring special accommodations are requested to contact Ms. Kiran Lanfranchi-Rizzardi at (916) 464-4839 at least 5 working days prior to the meeting. TTY users may contact the California Relay Service at 1-800-735-2929 or voice line at 1-800-735-2922.

Please bring the above information to the attention of anyone you know who would be interested in this matter.

Original signed by

Jack E. Del Conte, Assistant Executive Officer

17 September 2007