



EDMUND G. BROWN JR.
GOVERNOR

MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

Los Angeles Regional Water Quality Control Board

June 20, 2016

Mr. Rodney Detmer
Plant Manager
Owens-Brockway Glass Container, Inc.
2901 Fruitland Avenue
Vernon, CA 90058

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Claim No. 7014 2870 0001 4613 6776

SETTLEMENT OFFER NO. R4-2016-0048: OFFER TO PARTICIPATE IN EXPEDITED PAYMENT PROGRAM RELATING TO VIOLATIONS OF THE NPDES PERMIT FOR OWENS-BROCKWAY GLASS CONTAINER, INC., OWENS-BROCKWAY GLASS CONTAINER, 2901 FRUITLAND AVENUE, VERNON, CA (ORDER NO. R4-2010-0087-R, NPDES PERMIT NO. CA0056464, CI NO. 6079)

Dear Mr. Detmer:

This letter is to notify Owens-Brockway Glass Container, Inc. (hereinafter "Permittee or "you") of alleged violations of the California Water Code identified in the State Water Resources Control Board's water quality data system and to allow the Permittee to participate in the Los Angeles Regional Water Quality Control Board's (Regional Board) Expedited Payment Program for Effluent and/or Reporting Violations (Expedited Payment Program) to address mandatory minimum penalties that must be assessed pursuant to California Water Code sections 13385 and 13385.1.

NOTICE OF VIOLATION:

Based on information in the California Integrated Water Quality System (CIWQS) as of June 20, 2016, the Regional Board alleges that the Permittee has violated the effluent limitations, reporting violations, or California Water Code provisions identified in the Notice of Violation (NOV) attached as Exhibit "1". The Permittee will have the opportunity to address the alleged violations as discussed below.

STATUTORY LIABILITY:

Subdivisions (h) and (i) of California Water Code section 13385 require the assessment of a mandatory minimum penalty of three thousand dollars (\$3,000) for specified serious and chronic effluent limit and reporting violations. For the purposes of subdivision (h) of section 13385, failure to file a discharge monitoring report required pursuant to sections 13383 for each complete period of 30 days following the deadline for submitting the report constitutes a serious violation. The Permittee is also subject to discretionary administrative civil liabilities of up to ten thousand dollars (\$10,000) for each day in which the violation occurs, plus ten dollars (\$10) for each gallon discharged but not cleaned up in excess of 1,000 gallons. These mandatory minimum penalties and discretionary administrative civil

IRMA MUÑOZ, CHAIR | SAMUEL UNGER, EXECUTIVE OFFICER

liabilities may be assessed by the Regional Board beginning with the date that the violations first occurred.¹ The formal enforcement action that the Regional Board uses to assess such liability is an administrative civil liability complaint, although the Regional Board may instead refer such matters to the Attorney General's Office for prosecution. If referred to the Attorney General for prosecution, the Superior Court may assess up to twenty-five thousand dollars (\$25,000) per violation. In addition, the Superior Court may assess up to twenty-five dollars (\$25) per gallon discharged but not cleaned up in excess of 1,000 gallons.

OFFER TO PARTICIPATE IN EXPEDITED PAYMENT PROGRAM:

The Permittee can avoid the issuance of a formal enforcement action and settle the alleged violations identified in the attached NOV by participating in the Regional Board's Expedited Payment Program. Details of the proposed settlement are described below and addressed in the enclosed documents.

To promote resolution of these violations, the Regional Board makes this Conditional Offer. The Permittee may accept this offer, waive the Permittee's right to a hearing, and pay the mandatory minimum penalty of \$327,000 for the violations described in the NOV. If the Permittee elects to do so, subject to the conditions below, the Regional Board will accept that payment in settlement of any enforcement action that would otherwise arise out of the violations identified in the NOV. Accordingly, the Regional Board will forego issuance of a formal administrative complaint, will not refer the violations to the Attorney General, and will waive its right to seek additional discretionary civil liabilities for the violations identified in the NOV.

The Expedited Payment Program does not address or resolve liability for any violation that is not specifically identified in the NOV regardless of the date that the violation occurred.

PERMITTEE'S OPTIONS FOR RESPONSE TO OFFER:

If you accept this offer, please complete and return the enclosed "Acceptance of Conditional Resolution and Waiver of Right to Hearing; (proposed) Order" (Acceptance and Waiver) on or before **July 20, 2016**.

If the Permittee chooses to contest any of the violations alleged in the NOV, please identify the specific violation and the basis for the challenge (factual error, affirmative defense, etc.) on or before the due date specified above.

Responses contesting any of the violations alleged in the NOV shall be submitted as a pdf via email or CD to Lala Kabadaian, lala.kabadaian@waterboards.ca.gov, (213) 620-6370, and submitted by you under penalty of perjury.

¹ Please note that there are no statutes of limitation that apply to administrative proceedings to assess mandatory minimum penalties. See *City of Oakland v. Public Employees' Retirement System*, (2002) 95 Cal.App.4th 29, 48; 3 Witkin, Cal. Procedure (4th ed. 1996) Actions, §405(2), p. 510.) Additionally, the State Water Resources Control Board had determined that the equitable doctrine of laches does not apply to mandatory minimum penalties. (State Water Board Order Nos. 2013-0053, 2013-0054, 2013-0055, 2013-0099.)

The Regional Board staff will evaluate the contested violation and take one of two actions:

- 1) The Regional Board staff will determine that the violation is not supported, expunge the alleged violation from the CIWQS database, take no further action against the Permittee for the alleged violation, and notify the Permittee of that determination. The Permittee will be given thirty (30) days from the date of receipt of the Regional Board staff determination to complete and return the Acceptance and Waiver for the remainder of the violations; or
- 2) The Regional Board staff will determine that the alleged violation is meritorious, and will notify the Permittee of that determination. The Permittee will be given thirty (30) days from the date of receipt of the Regional Board staff determination to complete and return the Acceptance and Waiver.

If the Permittee chooses not to make a payment in response to the Regional Board staff's determination, the Permittee should expect to be contacted regarding formal enforcement action that will be initiated with regard to the contested violations. In a formal enforcement action, the liability amount sought and/or imposed may exceed the liability amount set forth in this Conditional Offer. Moreover, the cost of enforcement is a factor that can be considered in assessing the liability amount.

CONDITIONS FOR REGIONAL BOARD ACCEPTANCE OF RESOLUTION:

Federal regulations require the Regional Board to publish and allow the public thirty (30) days to comment on any settlement of an enforcement action addressing NPDES permit violations (40 C.F.R. section 123.27(d)(2)(iii)). Upon receipt of the Permittee's Acceptance and Waiver, the Regional Board staff will publish a notice of the proposed resolution of the violations.

If no comments are received within the 30-day comment period, and unless there are new material facts that become available to the Regional Board, the Regional Board Executive Officer will execute the Acceptance and Waiver as a stipulated order assessing the uncontested mandatory minimum penalty amount pursuant to Water Code sections 13385 and 13385.1.

If, however, significant comments are received in opposition to the settlement, this Offer may be withdrawn. In that case, the Permittee's waiver pursuant to the Acceptance and Waiver will also be treated as withdrawn. In that case, the violations will be addressed in a liability assessment proceeding. At the liability assessment hearing the Permittee will be free to make arguments as to any of the alleged violations, and the Permittee's agreement to accept this conditional offer will not in any way be binding or used as evidence against the Permittee. The Permittee will be provided with further information on the liability assessment proceeding.

In the event the Acceptance and Waiver is executed by the Regional Board Executive Officer, full payment of the assessed amount shall be due within thirty (30) calendar days after the date the Acceptance and Waiver is executed. In accordance with California Water Code section 13385(n)(1) and California Water Code section 13385.1(c)(1), funds collected

Mr. Rodney Detmer
Owens-Brockway Glass Container, Inc.

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for violations of effluent limitations and reporting requirements pursuant to section 13385 and 13385.1 shall be deposited in the State Water Pollution Cleanup and Abatement Account. Accordingly, the \$327,000 liability shall be paid by cashiers or certified check made out to the "State Water Pollution Cleanup and Abatement Account". Failure to pay the full penalty within the required time period may subject the Permittee to further liability.

Should you have any questions about this Conditional Offer or Notice of Violation, please contact Enforcement Unit staff Lala Kabadaian at (213) 620-6370/lala.kabadaian@waterboards.ca.gov or Russ Colby at (213) 620-6373/russ.colby@waterboards.ca.gov regarding this matter.

Sincerely,



Paula Rasmussen
Assistant Executive Officer

Enclosures:

Exhibit "1" - Notice of Violation
Acceptance of Conditional Resolution and Waiver of Right to Hearing; (proposed)
Order

cc: (via email)
Mayumi Okamoto, Office of Enforcement, State Water Resources Control Board

EXHIBIT "1" - NOTICE OF VIOLATION
Effluent Limit Violations

Date	Outfall	Monitoring Period	Violation Type	Parameter	Reported Value	Permit Limit	Units	Pollutant Category	% Exceeded	Serious/Chronic	Water Code Section 13385	Penalty
12/02/14	001	4th Quarter 2014	Instantaneous	pH	9.95	8.5	SU	OEV	17%	Chronic	(i)1	\$0
12/02/14	002	4th Quarter 2014	Instantaneous	pH	9.96	8.5	SU	OEV	17%	Chronic	(i)1	\$0
12/02/14	001	4th Quarter 2014	Daily Maximum	Lead	120	102	µg/L	2	18%	Chronic	(i)1	\$0
12/02/14	001	4th Quarter 2014	Daily Maximum	Fluoride, Total	1.2	1.0	mg/L	1	20%	Chronic	(i)1	\$3,000
12/02/14	002	4th Quarter 2014	Daily Maximum	Copper	0.301	0.25	lbs/day	2	20%	Serious	(h)1	\$3,000
12/02/14	002	4th Quarter 2014	Daily Maximum	Copper	34	28	µg/L	2	21%	Serious	(h)1	\$3,000
12/02/14	001	4th Quarter 2014	Daily Maximum	TCDD Equivalents	0.00057	0.00036	µlbs/day	2	58%	Serious	(h)1	\$3,000
12/02/14	001	4th Quarter 2014	Daily Maximum	Total Suspended Solids	120	75	mg/L	1	60%	Serious	(h)1	\$3,000
12/02/14	001	4th Quarter 2014	Daily Maximum	Selenium	0.27	0.13	lbs/day	2	108%	Serious	(h)1	\$3,000
12/02/14	001	4th Quarter 2014	Daily Maximum	Arsenic (III)	22	10	µg/L	2	120%	Serious	(h)1	\$3,000
12/02/14	002	4th Quarter 2014	Daily Maximum	Total Suspended Solids	1,505	664	lbs/day	1	127%	Serious	(h)1	\$3,000
12/02/14	002	4th Quarter 2014	Daily Maximum	Total Suspended Solids	170	75	mg/L	1	127%	Serious	(h)1	\$3,000
12/02/14	001	4th Quarter 2014	Daily Maximum	Copper	67	28	µg/L	2	139%	Serious	(h)1	\$3,000
12/02/14	001	4th Quarter 2014	Daily Maximum	Cadmium	13	5	µg/L	2	160%	Serious	(h)1	\$3,000
12/02/14	002	4th Quarter 2014	Daily Maximum	Zinc	970	261	µg/L	2	272%	Serious	(h)1	\$3,000
12/02/14	002	4th Quarter 2014	Daily Maximum	Zinc	8.6	2.3	lbs/day	2	274%	Serious	(h)1	\$3,000
12/02/14	001	4th Quarter 2014	Daily Maximum	Zinc	2,000	261	µg/L	2	666%	Serious	(h)1	\$3,000
12/02/14	002	4th Quarter 2014	Daily Maximum	Selenium	1.9	0.09	lbs/day	2	2,011%	Serious	(h)1	\$3,000
12/02/14	002	4th Quarter 2014	Daily Maximum	Selenium	220	10	µg/L	2	2,100%	Serious	(h)1	\$3,000
12/02/14	002	4th Quarter 2014	Daily Maximum	TCDD Equivalents	0.00797	0.00025	µlbs/day	2	3,088%	Serious	(h)1	\$3,000
12/02/14	001	4th Quarter 2014	Daily Maximum	TCDD Equivalents	2.7	0.028	pg/L	2	9,543%	Serious	(h)1	\$3,000
12/02/14	001	4th Quarter 2014	Daily Maximum	Selenium	1,300	10	µg/L	2	12,900%	Serious	(h)1	\$3,000
12/02/14	002	4th Quarter 2014	Daily Maximum	TCDD Equivalents	9	0.028	pg/L	2	32,043%	Serious	(h)1	\$3,000
12/12/14	002	4th Quarter 2014	Instantaneous	pH	9.42	8.5	SU	OEV	11%	Chronic	(i)1	\$3,000
12/12/14	001	4th Quarter 2014	Instantaneous	pH	10.2	8.5	SU	OEV	20%	Chronic	(i)1	\$3,000
12/12/14	001	4th Quarter 2014	Daily Maximum	Cadmium	6.3	5	µg/L	2	26%	Serious	(h)1	\$3,000
12/12/14	002	4th Quarter 2014	Daily Maximum	Zinc	4.3	2.3	lbs/day	2	87%	Serious	(h)1	\$3,000
12/12/14	002	4th Quarter 2014	Daily Maximum	Zinc	490	261	µg/L	2	88%	Serious	(h)1	\$3,000
12/12/14	001	4th Quarter 2014	Daily Maximum	Arsenic	20	10	µg/L	2	100%	Serious	(h)1	\$3,000
12/12/14	001	4th Quarter 2014	Daily Maximum	Selenium	0.35	0.13	lbs/day	2	169%	Serious	(h)1	\$3,000
12/12/14	001	4th Quarter 2014	Daily Maximum	Zinc	770	261	µg/L	2	195%	Serious	(h)1	\$3,000
12/12/14	002	4th Quarter 2014	Daily Maximum	Selenium	0.62	0.09	lbs/day	2	589%	Serious	(h)1	\$3,000
12/12/14	002	4th Quarter 2014	Daily Maximum	Selenium	70	10	µg/L	2	600%	Serious	(h)1	\$3,000
12/12/14	001	4th Quarter 2014	Daily Maximum	Selenium	2,200	10	µg/L	2	21,900%	Serious	(h)1	\$3,000
12/31/14	002	4th Quarter 2014	Monthly Average	Lead	0.52	0.45	lbs/day	2	16%	Chronic	(i)1	\$3,000
12/31/14	002	4th Quarter 2014	Monthly Average	Lead	59	51	µg/L	2	16%	Chronic	(i)1	\$3,000
12/31/14	001	4th Quarter 2014	Monthly Average	Total Suspended Solids	70	50	mg/L	1	40%	Serious	(h)1	\$3,000
12/31/14	001	4th Quarter 2014	Monthly Average	Cyanide	5.9	4	µg/L	2	48%	Serious	(h)1	\$3,000
12/31/14	001	4th Quarter 2014	Monthly Average	Lead	82.5	51	µg/L	2	62%	Serious	(h)1	\$3,000
12/31/14	002	4th Quarter 2014	Monthly Average	Copper	25.5	14	µg/L	2	82%	Serious	(h)1	\$3,000
12/31/14	002	4th Quarter 2014	Monthly Average	Copper	0.23	0.12	lbs/day	2	92%	Serious	(h)1	\$3,000
12/31/14	002	4th Quarter 2014	Monthly Average	Total Suspended Solids	912	443	lbs/day	1	106%	Serious	(h)1	\$3,000

EXHIBIT "1" - NOTICE OF VIOLATION
Effluent Limit Violations

Date	Outfall	Monitoring Period	Violation Type	Parameter	Reported Value	Permit Limit	Units	Pollutant Category	% Exceeded	Serious/Chronic	Water Code Section 13385	Penalty
12/31/14	002	4th Quarter 2014	Monthly Average	Total Suspended Solids	103	50	mg/L	1	106%	Serious	(h)1	\$3,000
12/31/14	001	4th Quarter 2014	Monthly Average	TCDD Equivalents	0.00057	0.00018	µlbs/day	2	217%	Serious	(h)1	\$3,000
12/31/14	001	4th Quarter 2014	Monthly Average	Cadmium	9.65	3	µg/L	2	222%	Serious	(h)1	\$3,000
12/31/14	001	4th Quarter 2014	Monthly Average	Copper	45.5	14	µg/L	2	225%	Serious	(h)1	\$3,000
12/31/14	002	4th Quarter 2014	Monthly Average	Zinc	730	130	µg/L	2	462%	Serious	(h)1	\$3,000
12/31/14	002	4th Quarter 2014	Monthly Average	Zinc	6.5	1.15	lbs/day	2	465%	Serious	(h)1	\$3,000
12/31/14	001	4th Quarter 2014	Monthly Average	Zinc	1,385	130	µg/L	2	965%	Serious	(h)1	\$3,000
12/31/14	002	4th Quarter 2014	Monthly Average	TCDD Equivalents	0.00797	0.00012	µlbs/day	2	6,542%	Serious	(h)1	\$3,000
12/31/14	001	4th Quarter 2014	Monthly Average	TCDD Equivalents	2.7	0.014	pg/L	2	19,186%	Serious	(h)1	\$3,000
12/31/14	002	4th Quarter 2014	Monthly Average	TCDD Equivalents	9	0.014	pg/L	2	64,186%	Serious	(h)1	\$3,000
09/15/15	002	3rd Quarter 2015	Instantaneous	pH	9.94	8.5	SU	OEV	17%	Chronic	(i)1	\$0
09/15/15	002	3rd Quarter 2015	Daily Maximum	Total Suspended Solids	100	75	mg/L	1	33%	Chronic	(i)1	\$0
09/15/15	001	3rd Quarter 2015	Daily Maximum	Zinc	615	261	µg/L	2	136%	Serious	(h)1	\$3,000
09/15/15	002	3rd Quarter 2015	Daily Maximum	Zinc	620	261	µg/L	2	138%	Serious	(h)1	\$3,000
09/15/15	001	3rd Quarter 2015	Daily Maximum	BEHP	0.43	0.16	lbs/day	2	169%	Serious	(h)1	\$3,000
09/15/15	002	3rd Quarter 2015	Daily Maximum	BEHP	0.44	0.11	lbs/day	2	300%	Serious	(h)1	\$3,000
09/15/15	001	3rd Quarter 2015	Daily Maximum	Selenium	40	10	µg/L	2	300%	Serious	(h)1	\$3,000
09/15/15	002	3rd Quarter 2015	Daily Maximum	Selenium	0.47	0.09	lbs/day	2	422%	Serious	(h)1	\$3,000
09/15/15	002	3rd Quarter 2015	Daily Maximum	BEHP	170	12	µg/L	2	1,317%	Serious	(h)1	\$3,000
09/15/15	002	3rd Quarter 2015	Daily Maximum	Selenium	180	10	µg/L	2	1,700%	Serious	(h)1	\$3,000
09/15/15	001	3rd Quarter 2015	Daily Maximum	BEHP	1,100	12	µg/L	2	9,067%	Serious	(h)1	\$3,000
09/30/15	002	3rd Quarter 2015	Monthly Average	Lead	59	51	µg/L	2	16%	Chronic	(i)1	\$3,000
09/30/15	001	3rd Quarter 2015	Monthly Average	Copper	17	14	µg/L	2	21%	Serious	(h)1	\$3,000
09/30/15	002	3rd Quarter 2015	Monthly Average	Zinc	1.61	1.15	lbs/day	2	40%	Serious	(h)1	\$3,000
09/30/15	002	3rd Quarter 2015	Monthly Average	Settleable Solids	0.15	0.1	mg/L	1	50%	Serious	(h)1	\$3,000
09/30/15	002	3rd Quarter 2015	Monthly Average	Copper	26	14	µg/L	2	86%	Serious	(h)1	\$3,000
09/30/15	002	3rd Quarter 2015	Monthly Average	Total Suspended Solids	100	50	mg/L	1	100%	Serious	(h)1	\$3,000
09/30/15	001	3rd Quarter 2015	Monthly Average	Zinc	615	130	µg/L	2	373%	Serious	(h)1	\$3,000
09/30/15	002	3rd Quarter 2015	Monthly Average	Zinc	620	130	µg/L	2	377%	Serious	(h)1	\$3,000
09/30/15	001	3rd Quarter 2015	Monthly Average	BEHP	0.43	0.08	lbs/day	2	438%	Serious	(h)1	\$3,000
09/30/15	002	3rd Quarter 2015	Monthly Average	BEHP	0.44	0.05	lbs/day	2	780%	Serious	(h)1	\$3,000
09/30/15	002	3rd Quarter 2015	Monthly Average	BEHP	170	6	µg/L	2	2,733%	Serious	(h)1	\$3,000
09/30/15	001	3rd Quarter 2015	Monthly Average	BEHP	1,100	6	µg/L	2	18,233%	Serious	(h)1	\$3,000
01/05/16	002	1st Quarter 2016	Daily Maximum	Turbidity	130	75	NTU	OEV	73%	Chronic	(i)1	\$3,000
01/05/16	001	1st Quarter 2016	Daily Maximum	Total Suspended Solids	85	75	mg/L	1	13%	Chronic	(i)1	\$3,000
01/05/16	001	1st Quarter 2016	Daily Maximum	Copper	34	28	µg/L	2	21%	Serious	(h)1	\$3,000
01/05/16	001	1st Quarter 2016	Daily Maximum	TCDD Equivalents	0.000455	0.000362	µlbs/day	2	26%	Serious	(h)1	\$3,000
01/05/16	002	1st Quarter 2016	Daily Maximum	Total Suspended Solids	130	75	mg/L	1	73%	Serious	(h)1	\$3,000
01/05/16	002	1st Quarter 2016	Daily Maximum	Zinc	760	261	µg/L	2	191%	Serious	(h)1	\$3,000
01/05/16	001	1st Quarter 2016	Daily Maximum	Selenium	42	10	µg/L	2	320%	Serious	(h)1	\$3,000
01/05/16	001	1st Quarter 2016	Daily Maximum	Zinc	1,500	261	µg/L	2	475%	Serious	(h)1	\$3,000
01/05/16	002	1st Quarter 2016	Daily Maximum	TCDD Equivalents	0.013	0.00025	µlbs/day	2	5,100%	Serious	(h)1	\$3,000

EXHIBIT "1" - NOTICE OF VIOLATION
Effluent Limit Violations

Date	Outfall	Monitoring Period	Violation Type	Parameter	Reported Value	Permit Limit	Units	Pollutant Category	% Exceeded	Serious/Chronic	Water Code Section 13385	Penalty
01/05/16	001	1st Quarter 2016	Daily Maximum	TCDD Equivalents	0.00000196	0.000000028	µg/L	2	6,900%	Serious	(h)1	\$3,000
01/05/16	002	1st Quarter 2016	Daily Maximum	TCDD Equivalents	0.00000742	0.000000028	µg/L	2	26,400%	Serious	(h)1	\$3,000
01/31/16	001	1st Quarter 2016	Monthly Average	Turbidity	71	50	NTU	OEV	42%	Chronic	(i)1	\$3,000
01/31/16	002	1st Quarter 2016	Monthly Average	Turbidity	130	50	NTU	OEV	160%	Chronic	(i)1	\$3,000
01/31/16	002	1st Quarter 2016	Monthly Average	Zinc	1	1.15	lbs/day	2	18%	Chronic	(i)1	\$3,000
01/31/16	002	1st Quarter 2016	Monthly Average	Copper	38	28	µg/L	2	36%	Serious	(h)1	\$3,000
01/31/16	001	1st Quarter 2016	Monthly Average	Total Suspended Solids	85	50	mg/L	1	70%	Serious	(h)1	\$3,000
01/31/16	002	1st Quarter 2016	Monthly Average	Lead	98	51	µg/L	2	92%	Serious	(h)1	\$3,000
01/31/16	001	1st Quarter 2016	Monthly Average	Copper	34	14	µg/L	2	143%	Serious	(h)1	\$3,000
01/31/16	002	1st Quarter 2016	Monthly Average	Total Suspended Solids	130	50	mg/L	1	160%	Serious	(h)1	\$3,000
01/31/16	002	1st Quarter 2016	Monthly Average	Copper	38	14	µg/L	2	171%	Serious	(h)1	\$3,000
01/31/16	001	1st Quarter 2016	Monthly Average	TCDD Equivalents	0.00051	0.00018	µlbs/day	2	183%	Serious	(h)1	\$3,000
01/31/16	002	1st Quarter 2016	Monthly Average	Zinc	760	130	µg/L	2	485%	Serious	(h)1	\$3,000
01/31/16	001	1st Quarter 2016	Monthly Average	Zinc	1,500	130	µg/L	2	1,054%	Serious	(h)1	\$3,000
01/31/16	002	1st Quarter 2016	Monthly Average	TCDD Equivalents	0.013	0.00012	µlbs/day	2	10,733%	Serious	(h)1	\$3,000
01/31/16	001	1st Quarter 2016	Monthly Average	TCDD Equivalents	0.00000196	0.000000014	µg/L	2	13,900%	Serious	(h)1	\$3,000
01/31/16	002	1st Quarter 2016	Monthly Average	TCDD Equivalents	0.00000742	0.000000014	µg/L	2	52,900%	Serious	(h)1	\$3,000
03/07/16	001	1st Quarter 2016	Daily Maximum	Zinc	440	261	µg/L	2	69%	Serious	(h)1	\$3,000
03/07/16	001	1st Quarter 2016	Daily Maximum	Selenium	49	10	µg/L	2	390%	Serious	(h)1	\$3,000
03/11/16	002	1st Quarter 2016	Daily Maximum	Total Suspended Solids	82	75	mg/L	1	9%	Chronic	(i)1	\$3,000
03/11/16	001	1st Quarter 2016	Daily Maximum	Zinc	560	261	µg/L	2	115%	Serious	(h)1	\$3,000
03/11/16	001	1st Quarter 2016	Daily Maximum	Selenium	31	10	µg/L	2	210%	Serious	(h)1	\$3,000
03/11/16	002	1st Quarter 2016	Daily Maximum	Zinc	840	261	µg/L	2	222%	Serious	(h)1	\$3,000
03/31/16	001	1st Quarter 2016	Monthly Average	Total Suspended Solids	54	50	mg/L	1	8%	Chronic	(i)1	\$3,000
03/31/16	002	1st Quarter 2016	Monthly Average	Lead	67	51	µg/L	2	31%	Serious	(h)1	\$3,000
03/31/16	001	1st Quarter 2016	Monthly Average	Copper	19	14	µg/L	2	32%	Serious	(h)1	\$3,000
03/31/16	002	1st Quarter 2016	Monthly Average	Total Suspended Solids	82	50	mg/L	1	64%	Serious	(h)1	\$3,000
03/31/16	002	1st Quarter 2016	Monthly Average	Copper	27	14	µg/L	2	93%	Serious	(h)1	\$3,000
03/31/16	001	1st Quarter 2016	Monthly Average	Zinc	500	130	µg/L	2	285%	Serious	(h)1	\$3,000
03/31/16	002	1st Quarter 2016	Monthly Average	Zinc	840	130	µg/L	2	546%	Serious	(h)1	\$3,000
											Total	\$327,000

Settlement Offer No. R4-2016-0048
CI No. 6079, NPDES Permit No. CA0056464

**ACCEPTANCE OF CONDITIONAL RESOLUTION
AND WAIVER OF RIGHT TO HEARING; (proposed) ORDER**

Owens-Brockway Glass Container, Inc.
Settlement Offer No. R4-2016-0048
NPDES Permit No. CA0056464

By signing below and returning this Acceptance of Conditional Resolution and Waiver of Right to Hearing (Acceptance and Waiver) to the Los Angeles Regional Water Quality Control Board (Regional Board), Owens-Brockway Glass Container, Inc. (Permittee) hereby accepts the "Offer to Participate in Expedited Payment Program" and waives the right to a hearing before the Regional Board to dispute the allegations of violations described in the Notice of Violation (NOV), which is attached hereto as Exhibit "1" and incorporated herein by reference.

The Permittee agrees that the NOV shall serve as a complaint pursuant to Article 2.5 of the California Water Code and that no separate complaint is required for the Regional Board to assert jurisdiction over the alleged violations through its Chief Prosecutor. The Permittee agrees to pay the penalties required by California Water Code section 13385, in the sum of \$327,000 (Expedited Payment Amount), which shall be deemed payment in full of any civil liability pursuant to Water Code sections 13385 and 13385.1 that otherwise might be assessed for the violations described in the NOV. The Permittee understands that this Acceptance and Waiver waives the Permittee's right to contest the allegations in the NOV and the amount of civil liability for such violations.

The Permittee understands that this Acceptance and Waiver does not address or resolve liability for any violation that is not specifically identified in the NOV.

Upon execution by the Permittee, the completed Acceptance and Waiver shall be returned to:

Lala Kabadaian, Enforcement Unit
Expedited Payment Program
Regional Water Quality Control Board, Los Angeles Region
320 West 4th Street, Suite 200
Los Angeles, California 90013

The Permittee understands that federal regulations set forth at title 40, Code of Federal Regulations, section 123.27(d)(2)(iii) require the Regional Board to publish notice of and provide at least 30 days for public comment on any proposed resolution of an enforcement action addressing NPDES permit violations. Accordingly, this Acceptance and Waiver, prior to execution by the Regional Board Executive Officer, will be published as required by law for public comment.

If no comments are received within the notice period that causes the Regional Board Executive Officer to question the Expedited Payment Amount, the Regional Board Executive Officer will execute the Acceptance and Waiver.

Settlement Offer No. R4-2016-0048
CI No. 6079, NPDES Permit No. CA0056464

The Permittee understands that if significant comments are received in opposition to the Expedited Payment Amount, the offer on behalf of the Regional Board to resolve the violations set forth in the Amended NOV may be withdrawn. In that circumstance, the Permittee will be advised of the withdrawal and an administrative civil liability complaint may be issued and the matter may be set for a hearing before the Regional Board. For such a liability hearing, the Permittee understands that this Amended Acceptance and Waiver executed by the Permittee will be treated as a settlement communication and will not be used as evidence in that hearing.

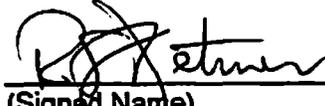
The Permittee further understands that once the Amended Acceptance and Waiver is executed by the Regional Board Executive Officer, the full payment required by the deadline set forth below is a condition of this Amended Acceptance and Waiver. In accordance with California Water Code section 13385(n)(1) and California Water Code section 13385.1(c)(1), funds collected for violations of effluent limitations and reporting requirements pursuant to section 13385 and 13385.1 shall be deposited in the State Water Pollution Cleanup and Abatement Account. Accordingly, the \$297,000 liability shall be paid by a cashiers or certified check made out to the "State Water Pollution Cleanup and Abatement Account". The payment must be submitted to the State Water Resources Control Board no later than thirty (30) calendar days after the date the Amended Acceptance and Waiver is executed by the Regional Board Executive Officer.

Please mail check to:

State Water Resources Control Board
ATTN: ACL PAYMENT
Division of Administrative Services, Accounting Branch
1001 I Street, 18th Floor, [95814]
P.O. Box 1888
Sacramento, CA 95812-1888

I hereby affirm that I am duly authorized to act on behalf of and to bind the Permittee in the making and giving of this Amended Acceptance and Waiver.

~~Owens-Brockway Glass Container, Inc.~~ ⁹⁻¹⁹⁻¹⁶ Owens-Brockway Glass Container Inc.

By:  9-19-16
(Signed Name) (Date)
RODNEY S. NETMER PLANT MANAGER
(Printed or typed name) (Title)

IT IS SO ORDERED PURSUANT TO WATER CODE SECTION 13385

Date: _____

By: _____
Samuel Unger, P.E.
Executive Officer