

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION**

COMPLAINT NO. R2-2003-0105

**MANDATORY MINIMUM PENALTIES
IN THE MATTER OF
CITY OF PALO ALTO
SANTA CLARA COUNTY**

Pursuant to California Water Code Section 13385, this Complaint is issued to the City of Palo Alto (hereinafter the Discharger) to assess mandatory minimum penalties, based on a finding of violations of Waste Discharge Requirements Order No. 98-054 (NPDES No. CA0037834).

The Executive Officer finds the following:

1. On June 17, 1998, the Regional Water Quality Control Board, San Francisco Bay Region, (Water Board) adopted Waste Discharge Requirements Order No. 98-054 to regulate the discharge of wastes from the Discharger's wastewater treatment plant. Provision 19 of Order No. 98-054 states the Order became effective 10 days after the date of its adoption.
2. Water Code Section 13385(h)(1) requires the Water Board to assess a mandatory minimum penalty (MMP) of three thousand dollars (\$3,000) for each serious violation.
3. Water Code Section 13385(h)(2) defines a "serious violation" as any waste discharge of a Group I pollutant that exceeds the effluent limitation contained in the applicable waste discharge requirements by 40 percent or more, or any waste discharge of a Group II pollutant that exceeds the effluent limitation by 20 percent or more.
4. Water Code Section 13385(i) requires the Water Board to assess a mandatory penalty of three thousand dollars (\$3,000) for each violation, not counting the first three violations, if the Discharger does any of the following four or more times in any six consecutive months:
 - (a) Violates a waste discharge requirement effluent limitation.
 - (b) Fails to file a report pursuant to Section 13260.
 - (c) Files an incomplete report pursuant to Section 13260.
 - (d) Violates a toxicity discharge limitation contained in the applicable waste discharge requirements where the waste discharge requirements do not contain pollutant-specific effluent limitations for toxic pollutants.
5. Water Code Section 13385(l) allows the Water Board, with the concurrence of the Discharger, to direct a portion of the penalty amount to be expended on a supplemental environmental project (SEP) in accordance with the enforcement policy of the State Water Resources Control Board. The Discharger may undertake an SEP for up to the full amount of the penalty for liabilities less than or equal to \$15,000. If the penalty amount exceeds \$15,000, the maximum penalty amount that may be expended on an SEP may not exceed \$15,000 plus 50 percent of the penalty amount that exceeds \$15,000.
6. Effluent Limitations
Order No. 98-054 includes the following applicable effluent limitations:

“B. EFFLUENT LIMITATIONS

1. The discharge of an effluent containing constituents in excess of the following limits is prohibited:

b. Ammonia Nitrogen daily maximum 8 mg/L

g. Chlorine Residual Instantaneous maximum 0.0 mg/l

2. The discharge shall not have pH of less than 6.5 nor greater than 8.5.”

7. Summary of Effluent Limit Violations

During the period between February 1, 2002, and June 30, 2002, the Discharger had six violations of its effluent discharge limits. These are: one ammonia nitrogen daily maximum violation on February 20, 2002; one chlorine residual instantaneous maximum violation on March 18, 2002; and four pH violations on June 24, 25, 26, and 28, 2002. The details of these violations are presented in Table 1.

8. Ammonia is a Group I pollutant

The exceedance of the ammonia nitrogen daily maximum limit on February 20, 2002, is subject to MMP since there have been four or more violations in the preceding 180 days. This violation is subject to a \$3,000 MMP.

9. Chlorine residual is a Group II pollutant

The chlorine residual instantaneous maximum limit violation on March 18, 2002, is a serious violation as chlorine is a Group II pollutant and any detection exceeds the zero effluent limitation by more than 20%. This chlorine residual limit violation is subject to a \$3,000 MMP.

10. Minimum pH

The pH violation occurring on June 24, 2002, is not subject to MMPs since there have not been four or more violations in the preceding 180 days. The three pH violations on June 25, 26, and 28, 2002, are subject to MMPs since there have been four or more violations in the respective preceding 180 days. Each violation is subject to a \$3,000 MMP under Section 13385(i)(1). The total MMP for the three pH violations is \$9,000.

11. Water Code Exception

Water Code Section 13385(j) provides some exceptions related to the assessment of MMPs for effluent limit violations. None of the exceptions apply to the violations cited in this Complaint.

12. MMP Assessment

The one ammonia and one chlorine limit violation are each subject to an MMP. There are three pH violations also subject to MMP. The five violations subject to MMPs result in a total MMP amount of \$15,000 for this Complaint.

13. Suspended MMP Amounts

Instead of paying the full penalty amount, the Discharger may spend an amount of up to \$15,000 on an SEP acceptable to the Executive Officer. Any such amount expended to satisfactorily complete an SEP will be permanently suspended.

14. SEP Categories

If the Discharger chooses to propose an SEP, the proposed SEP shall be in one of the following categories:

1. Pollution prevention;
2. Pollution reduction;
3. Environmental clean-up or restoration; and
4. Environmental education.

THE CITY OF PALO ALTO IS HEREBY GIVEN NOTICE THAT:

1. The Executive Officer proposes that the Discharger be assessed an MMP in the total amount of \$15,000.
2. The Water Board will hold a hearing on this Complaint on February 18, 2004, unless the Discharger waives the right to a hearing by signing the attached waiver form and checks the appropriate box. By doing so, the Discharger agrees to:
 - a) Pay the full penalty of \$15,000 within 30 days after the signed waiver becomes effective; or,
 - b) Propose an SEP in an amount equivalent to a maximum of \$15,000. Pay the balance of the penalty within 30 days after the signed waiver becomes effective. The sum of the SEP amount and the amount of the fine to be paid to the State Water Pollution Cleanup and Abatement Account shall equal the full penalty of \$15,000.
3. If the Discharger chooses to propose an SEP, it must submit a preliminary proposal by February 2, 2004, to the Executive Officer for conceptual approval. Any SEP proposal shall also conform to the requirements specified in Section IX of the Water Quality Enforcement Policy, which was adopted by the State Water Resources Control Board on February 19, 2002, and the attached Standard Criteria and Reporting Requirement for Supplemental Environmental Project. If the proposed SEP is not acceptable to the Executive Officer, the Discharger has 30 days from receipt of notice of an unacceptable SEP to either submit a new or revised proposal, or make a payment for the suspended penalty. All payments, including any money not used for the SEP, must be payable to the State Water Pollution Cleanup and Abatement Account. Regular reports on the SEP implementation shall be provided to the Executive Officer according to a schedule to be determined. The completion report for the SEP shall be submitted to the Executive Officer within 60 days of project completion.
4. The signed waiver will become effective on the day after the public comment period for this Complaint is closed, provided that there are no significant public comments on this Complaint during the public comment period. If there are significant public comments, the Executive Officer may withdraw the Complaint and reissue it as appropriate.
5. If a hearing is held, the Water Board may impose an administrative civil liability in the amount proposed or for a different amount; decline to seek civil liability; or refer the matter to the Attorney General to have a Superior Court consider imposition of a penalty.


Bruce H. Wolfe
Executive Officer

January 16, 2004
Date

Attachments: Standard criteria and reporting requirement for supplemental environmental project

WAIVER

(The signed waiver will become effective on the day after the public comment period for this Complaint is closed, provided that there are no significant public comments on this Complaint during the public comment period. If there are significant public comments, the Executive Officer may withdraw the Complaint and reissue it as appropriate.)

- Waiver of the right to a hearing and agree to make payment in full.
By checking the box, I agree to waive my right to a hearing before the Water Board with regard to the violations alleged in Complaint No. R2-2003-0105, and to remit the full penalty payment to the State Water Pollution Cleanup and Abatement Account, c/o State Water Resources Control Board at 1515 Clay Street, Oakland, CA 94612, within 30 days after the signed waiver becomes effective as indicated above. I understand that I am giving up my right to be heard, and to argue against the allegations made by the Executive Officer in this Complaint, and against the imposition of, or the amount of, the civil liability proposed.

- Waiver of the right to a hearing and agree to make payment and undertake an SEP.
By checking the box, I agree to waive my right to a hearing before the Water Board with regard to the violations alleged in Complaint No. R2-2003-0105, and to complete a supplemental environmental project (SEP) in lieu of the suspended liability up to \$15,000. I also agree to remit payment of the balance of the fine to the State Water Pollution Cleanup and Abatement Account within 30 days after the signed waiver becomes effective. I understand that the SEP proposal shall conform to the requirements specified in Section IX of the Water Quality Enforcement Policy, which was adopted by the State Water Resources Control Board on February 19, 2002, and be subject to approval by the Executive Officer. If the SEP proposal, or its revised version, is not acceptable to the Executive Officer, I agree to pay the suspended penalty amount for the SEP within 30 days of a letter from the Executive Officer denying the approval of the proposed SEP. I also understand that I am giving up my right to argue against the allegations made by the Executive Officer in the Complaint, and against the imposition of, or the amount of, the civil liability proposed. I further agree to satisfactorily complete the approved SEP within a time schedule set by the Executive Officer.

Name (print)

Signature

Date

Title/Organization

Table 1: City of Palo Alto Violations

Finding No.	DATE	POLLUTANT	EFFLUENT REPORTED		COMMENTS		Start of 180 days
			LIMIT mg/L	VALUE mg/L	Penalty / Comment	Serious	
8/30/01	Chlorine Residual Eff	Instant Maximum mg/l	Max 0.0	0.53	C1	R2-2002-0021	
9/24/01	Chlorine Residual Eff	Instant Maximum mg/l	Max 0.0	0.48	C2	R2-2002-0021	
10/9/01	Chlorine Residual Eff	Instant Maximum mg/l	Max 0.0	0.1	C3	R2-2002-0021	
8	2/20/02	Ammonia (as N) Eff	Daily Maximum mg/l	8.6	\$3,000		8/24/01
9	3/18/02	Chlorine Residual Eff	Instant Maximum mg/l	Max 0.0	C2	\$3,000	
10	6/24/02	pH Eff Grab	Minimum unit	6.4	C3		12/26/01
10	6/25/02	pH Eff Grab	Minimum unit	6.3	\$3,000		12/27/01
10	6/26/02	pH Eff Grab	Minimum unit	6.2	\$3,000		12/28/01
10	6/28/02	pH Eff Grab	Minimum unit	6.3	\$3,000		12/30/01
Number of Chronic Violations				4	\$12,000		
Number of Serious Violations				1	\$3,000		
				Total Penalty		\$15,000	
Notations							
C(X) - Running chronic violation. First three are not penalized, fourth and subsequent violations are penalized at \$3,000 per violation,							
Violations addressed in Complaint R2-2002-0021, used to establish MMP for chronic violation							
ORDER NO. 98-054 WDID 2 438011001 File No. 2213.8011 NPDES PERMIT NO. CA 0037834 Previous Enforcement: R2-2002-0021							

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION
JANUARY 2004

STANDARD CRITERIA AND REPORTING REQUIREMENT
FOR
SUPPLEMENTAL ENVIRONMENTAL PROJECT

A. BASIS AND PURPOSE

The San Francisco Bay Regional Water Quality Control Board (Water Board) accepts and encourages Supplemental Environmental Projects (SEP) in lieu of a portion of the ACL imposed on Dischargers in the Bay Area.

The Water Board does not select projects for SEP; rather, the Discharger identifies a project it would like to fund and then obtains approval from the Water Board's Executive Officer. The Water Board facilitates the process by maintaining a list of possible projects, which is made available to Dischargers interested in pursuing the SEP option. This list is available on the Water Board web site:

<http://www.swrcb.ca.gov/rwqcb2/>

Dischargers are not required to select a project from this list. Dischargers may contact local governments or public interest groups for potential projects in their area, or develop projects of their own.

B. GENERAL SEP QUALIFICATION CRITERIA

All SEPs approved by the Water Board must satisfy the following general criteria:

- (a) An SEP shall only consist of measures that go above and beyond all legal obligations of the Discharger (including those from other agencies). For example, sewage pump stations should have appropriate reliability features to minimize the occurrence of sewage spills in that particular collection system. The installation of these reliability features following a pump station spill would not qualify as an SEP.
- (b) The SEP should benefit or study groundwater or surface water quality or quantity, and the beneficial uses of waters of the State. SEPs in the following categories have received approval from the Water Board's Executive Officer:
 - Pollution prevention. These are projects designed to reduce the amount of pollutants being discharged to either sewer systems or to storm drains. Examples include improved industrial processes that reduce production of pollutants or improved spill prevention programs.
 - Pollution reduction. These are projects that reduce the amounts of pollution being discharged to the environment from treatment facilities. An example is a program to recycle treated wastewaters.
 - Environmental restoration. These projects either restore or create natural environments. Typical examples are wetland restoration or planting of stream bank vegetation.
 - Environmental education. These projects involve funding environmental education programs in schools (or for teachers) or for the general public.

Further, an SEP should be located near the Discharger, in the same local watershed, unless the project is of region-wide importance.

C. APPROVAL PROCESS

The following information shall be submitted to the Executive Officer for approval of an SEP:

1. Name of the organization and contact person, with phone number.
2. Name and location of the project, including watershed (creek, river, bay) where it is located.
3. A detailed description of the proposed project, including proposed activities, time schedules, success criteria, other parties involved, monitoring program where applicable, and any other pertinent information.
4. General cost of the project.
5. Outline milestones and expected completion date.

Generally SEP proposals are submitted along with waivers of hearings. In such a case the approval of a proposal will not become effective until the waiver goes into effect, i.e. at the close of the public comment period. There will not be a public hearing on the SEP proposal unless new and significant information becomes available after the close of the public comment period that could not have been presented during the comment period.

If the Discharger needs additional time to prepare an SEP it may waive its right to a hearing within 30 days of the issuance of a Complaint (and retain its right to a hearing to contest the Complaint at a later date), and request additional time to prepare an SEP proposal. Any such time extension needs to be approved by Water Board staff.

D. REPORTING REQUIREMENT

On January 15 and July 15 of each year, progress reports shall be filed for the SEPs with expected completion date beyond 240 days after the issuance of the corresponding complaint.

E. FINAL NOTIFICATION

No later than 60 days after completion of the approved SEP, a final notification shall be filed. The final notification shall include the following information:

- Outline completed tasks and goals;
- Summary of all expenses with proof of payment; and
- Overall evaluation of the SEP.

F. THIRD PARTY PROJECT OVERSIGHT

For SEPs of more than \$10,000 the Water Board requires there to be third party oversight of the project. The Water Board has made arrangements with the Association of Bay Area Governments (ABAG) to provide this oversight, or a Discharger may choose an alternative third party acceptable to the Executive Officer. If ABAG is chosen, six per cent of the SEP funds shall be directed to ABAG for oversight services (the remaining 94% of funds go directly to the SEP). If an alternative third party is chosen, the amount of funds directed to the SEP, as opposed to oversight, shall not be less than 94% of the total SEP funding. For projects greater than \$10,000 the Discharger shall indicate when submitting the information required under C. above whether ABAG or an alternative third party oversight entity will be used.