CALIFORNIA
Water Boards

EDMUND G. BROWN JR.
GOVERNOR

MATTHEW RODRIQUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

Los Angeles Regional Water Quality Control Board

November 16, 2015

Vahan Bagamian
Sun Plastics, Inc.
7140 East Slauson Avenue
Commerce, CA 90040

Certified Mail
Return Receipt Requested
Claim No. 7014 3490 0002 1289 0279

SETTLEMENT OFFER NO. R4-2015-0217: OFFER TO PARTICIPATE IN THE EXPEDITED PAYMENT PROGRAM RELATING TO VIOLATIONS OF THE STATE WATER RESOURCES CONTROL BOARD GENERAL PERMIT FOR STORM WATER DISCHARGES ASSOCIATED WITH INDUSTRIAL ACTIVITIES FOR SUN PLASTICS, INC., SUN PLASTICS, INC., 7140 EAST SLAUSON AVENUE, COMMERCE, CA 90040 (ORDER NO. 97-03-DWQ, NPDES NO. CAS000001, WDID 4 19I024214)

Dear Vahan Bagamian:

This letter is to notify Sun Plastics, 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 to address liabilities that may be assessed pursuant to California Water Code section 13399.33.

NOTICE OF VIOLATION:

Based on information in the Storm Water Multiple Application & Report Tracking System (SMARTS) as of November 12, 2015, the Regional Board alleges that the Permittee is in violation of the statewide General Permit for Storm Water Discharges Associated with Industrial Activities, Order No. 97-03-DWQ (Order) for failure to submit the Fiscal Year (FY) 2012-2013 and FY 2013-2014 annual reports. The annual reports are due to the Regional Board by **July 1 of each year** as required by Section B.14 of the Order. The Permittee failed to submit the annual reports requested in the Notice of Non-Compliance (NNC) sixty (60) days after the NNC was issued. A Notice of Violation (NOV) for failing to submit the annual reports was also issued on June 25, 2015. The Permittee will have the opportunity to address the alleged violations as discussed below.

STATUTORY LIABILITY:

Pursuant to California Water Code section 13399.33(c), the Permittee is subject to a minimum penalty of not less than one thousand dollars ($1,000) per report, plus staff costs for failing to submit the annual reports within sixty (60) days after the first NNC was sent. 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. These minimum and discretionary administrative civil liabilities may be assessed by the Regional Board beginning with the date that the violations first occurred. 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.

PERMITTEE'S OPTIONS FOR RESPONSE TO OFFER:

You have two options to respond as outlined below. However, the Expedited Payment Program does not address or resolve liability for any violation that is not specifically identified in the corresponding NNC and NOV regardless of the date that the violation occurred.

1. **Accept the Expedited Payment Program offer** by complying with the Order and agreeing to pay a settlement of $2,500. The minimum administrative civil liability pursuant to California Water Code section 13399.33(c) is $1,000 **per report**. Staff costs incurred in seeking compliance with California Water Code Chapter 5.9, the Storm Water Enforcement Act of 1998, is $500. This is a Conditional Offer subject to certain terms and conditions set forth below. If you choose this option **you must sign and submit the enclosed Acceptance and Waiver form by December 16, 2015.** The form provides submittal instructions. Final closure on this action is only possible after ultimate submission of the settlement amount.

   Please submit a hard copy of the Acceptance and Waiver form to:

   Pansy Yuen, Enforcement Unit
   Los Angeles Regional Water Quality Control Board
   320 West 4th Street, Suite 200
   Los Angeles, CA 90013

   In response to the Conditional Offer and payment in settlement of this enforcement action, the Regional Board will forego issuance of a formal administrative complaint, will not refer the violation to the Attorney General, and will waive its right to seek additional discretionary civil liabilities for the violations identified in the NNC and NOV.

2. **Contest the non-filing violation** by submitting in writing, the basis of your challenge with supporting evidence. For example, you have evidence that you previously submitted the annual reports prior to the May 26, 2015 deadline. If you choose this option, you must **submit your written documentation by December 16, 2015.** We will review your submission, and if we agree with you, we will notify you in writing that you are no longer considered in violation of the permit and that our enforcement action has been terminated.

If you do not respond in a manner described in the above options, the Regional Board will prepare an administrative civil liability complaint for the violations cited above in the Notice of Violation section. The liability amount sought in the administrative civil liability complaint and/or imposed by the Regional Board may be higher than the liability amount set forth in this Conditional Offer. Moreover, staff costs associated with formal enforcement may be considered in the recommended liability amount.

CONDITIONS FOR REGIONAL BOARD ACCEPTANCE OF RESOLUTION:

Should you participate in the Expedited Payment Program, the settlement will be published in the following manner: Federal regulations require the Regional Board to publish notice of, and to provide at least thirty (30) days for public 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 and other requested technical reports on or before **December 16, 2015**, Regional Board staff will publish a notice of the proposed resolution of the failure to submit the reports alleged in the NNC and NOV attached.

If no comments are received within the notice period, the Regional Board Executive Officer will execute the Acceptance and Waiver as a stipulated order assessing the uncontested penalty amount pursuant to Water Code section 13399.33 as described under the heading "Statutory Liability" herein. You will then be notified that payment is due within 30 days.

Failure to pay the penalty within that time frame may result in further liability, referral of the matter to the Attorney General, and/or may void the offer to participate in this Expedited Payment Program.

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.

Should you have any questions about this Conditional Offer or Notice of Violation, please contact Enforcement Unit staff Pansy Yuen by phone at (213) 620-6367 or by email at Pansy.Yuen@waterboards.ca.gov or contact Pavlova Vitale by phone at (213) 576-6751 or by email at Pavlova.Vitale@waterboards.ca.gov regarding this matter.

Sincerely,

Paula Rasmussen
Assistant Executive Officer

Enclosures:
Notice of Non-Compliance dated March 27, 2015
Notice of Violation dated June 25, 2015
Acceptance of Conditional Resolution and Waiver of Right to Hearing; (proposed) Order

cc: (via email)
Vanessa Young, Office of Enforcement, State Water Resources Control Board

ACCEPTANCE OF CONDITIONAL RESOLUTION AND WAIVER OF RIGHT TO HEARING: (Proposed) ORDER

Sun Plastics, Inc.
Settlement Offer No. R4-2015-0217
WDID No. 4 19I024214

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), Sun Plastics, 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 Non-Compliance (NNC) and Notice of Violation (NOV), which are attached and incorporated herein by reference.

The Permittee agrees that the Conditional Offer 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 administrative civil liability authorized by California Water Code section 13399.30, in the sum of $2,500 (Expedited Payment Amount) which shall be deemed payment in full of any civil liability pursuant to California Water Code section 13399.30 that otherwise might be assessed for the violations described in the NNC and NOV. The Permittee understands that this Acceptance and Waiver waives its right to contest the allegations in the NNC and 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 NNC and NOV.

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

Pansy Yuen, Enforcement Unit
Expedited Payment Program
Los Angeles Regional Water Quality Control Board
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 thirty (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. R4-2015-0217
WDID No. 4 19I024214

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 NNC and NOV may be withdrawn. In that circumstance, the Permittee will be advised of that 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 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 this 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 Acceptance and Waiver. In accordance with California Water Code section 13399.37(a), funds collected for violations pursuant to sections 13399.33(c) and 13399.33(d) shall be deposited in the Waste Discharge Permit Fund. Accordingly, the $2,500 liability including staff costs shall be paid by a cashiers or certified check made out to the "State Water Resources Control Board" referencing this Order number for deposit into the Waste Discharge Permit Fund. The payment must be submitted to the State Water Resources Control Board no later than thirty (30) calendar days after the date the 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, California 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 Acceptance and Waiver.

Sun Plastics, Inc.

By: _____ (Signed Name) 1/19/16 (Date)

VAHAN BACAMIAN (Printed or Typed name) PRESIDENT (Title)

IT IS SO ORDERED PURSUANT TO CALIFORNIA WATER CODE SECTION 13399.30

Date: _____

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

CALIFORNIA
Water Boards

EDMUND G. BROWN JR.
GOVERNOR

MATTHEW RODRIQUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

Los Angeles Regional Water Quality Control Board

June 25, 2015

Vahan Bagamian
Sun Plastics, Inc.
7140 East Slauson Avenue
Commerce, CA 90040

Certified Mail
Return Receipt Requested
Claim No. 7011 3500 0003 5491 4979

NOTICE OF VIOLATION: FAILURE TO SUBMIT THE ANNUAL REPORT REQUIRED BY THE GENERAL PERMIT FOR STORM WATER DISCHARGES ASSOCIATED WITH INDUSTRIAL ACTIVITIES (GENERAL PERMIT, ORDER NO. 97-03-DWQ, NPDES NO. CAS 000001) WDID NO. 4 19I024214

Dear Vahan Bagamian:

Sun Plastics, Inc. (hereinafter "Permittee") operates a facility located at 7140 East Slauson Avenue, in Commerce (WDID No. 4 19I024214) and is subject to the requirements of NPDES General Permit (Order No. 97-03-DWQ; CAS000001) for Stormwater Discharges Associated with Industrial Activities (General Permit). Section B.14 of the General Permit requires the Permittee to submit an annual report to the Regional Board by July 1 of each year. On March 27, 2015, the Los Angeles Regional Water Board (Regional Board) issued a Notice of Non-Compliance (attached) for failing to submit the Fiscal Year (FY) 2012-2013, and FY 2013-2014 annual reports, which were due on July 1, 2013, and July 1, 2014, respectively. To date, the Regional Board has not received your FY 2012-2013, and FY 2013-2014 annual reports.

The Permittee is currently in violation of the General Permit, the California Water Code (CWC), and the Federal Clean Water Act for failing to submit the FY 2012-2013, and FY 2013-2014 annual reports.

The Permittee is required to immediately submit complete FY 2012-2013, and FY 2013-2014 annual reports (refer to Section B.14 of the General Permit) to the Regional Board.

Annual Reports must be submitted electronically to the Regional Board either via email of to the Stormwater Multiple Application & Report Tracking System (SMARTS) database. For more information on email submittal, please refer to the following:

- Electronic Submittal Required for Correspondence and Reports to the Regional Water Board:
  http://www.waterboards.ca.gov/losangeles/resources/Paperless/

- SMARTS database link:
  https://smarts.waterboards.ca.gov/smarts/faces/SwSmartsLogin.jsp

Pursuant to California Water Code section 13399.33(c), the Permittee is subject to a minimum penalty of not less than one thousand dollars ($1,000) plus staff costs, per missing annual report, for failing to submit the annual reports within sixty days after the Notice of Non-Compliance was sent. 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. These minimum and discretionary administrative civil liabilities may be assessed by the Regional Board beginning with the date that the violations first occurred. The Regional Board may also refer this matter to the Attorney General's Office for further enforcement. Please note that this Notice shall not be deemed to relieve you of liability for any penalties that may have already accrued. The Regional Board reserves its right to take any further enforcement action authorized by law.

If you need assistance or have any questions, please contact Pansy Yuen of my staff at (213) 620-6367 via email at Pansy.Yuen@waterboards.ca.gov or Pavlova Vitale at (213) 576-6751 via email at Pavlova.Vitale@waterboards.ca.gov.

Sincerely,

Paula Rasmussen
Assistant Executive Officer

Enclosure: Notice of Non-Compliance dated March 27, 2015

cc email only: Vanessa Young, State Water Resources Control Board, Office of Enforcement

CALIFORNIA
Water Boards

EDMUND G. BROWN JR.
GOVERNOR

MATTHEW RODRIQUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

Los Angeles Regional Water Quality Control Board

March 27, 2015

Vahan Bagamian
Sun Plastics, Inc.
7140 East Slauson Avenue
Commerce, CA 90040

Certified Mail
Return Receipt Requested
Claim No. 7014 2120 0004 7561 8471

NOTICE OF NON-COMPLIANCE: Failure to Submit Annual Reports as Required by the General Permit for Storm Water Discharges Associated with Industrial Activities, Order No. 97-03-DWQ, NPDES No. CAS000001, WDID No. 4 19I024214

Dear Vahan Bagamian:

The California Regional Water Quality Control Board, Los Angeles Region (Regional Board), is the public agency with the primary responsibility for the protection of ground and surface water quality within major portions of Los Angeles and Ventura Counties.

Your facility, located at 7140 East Slauson Avenue, in Commerce is regulated under the General Permit for Storm Water Discharges Associated with Industrial Activities (General Permit) and identified by WDID No. 4 19I024214. Section B.14 of the General Permit's Monitoring Program and Reporting Requirements requires you to submit an annual report to the Regional Board by July 1st of each year.

Our records indicate that you have not submitted the Fiscal Year (FY) 2012-13, and FY 2013-14 annual reports that were due on July 1, 2013 and July 1, 2014 respectively. Please note that until these annual reports are submitted, you will remain out of compliance with the General Permit. **If you fail to submit the missing annual reports within 60 days from the date of this notice, the Regional Board is required by statute to impose penalties of at least one thousand dollars ($1,000) plus staff costs for <u>each</u> annual report** pursuant to Water Code sections 13399.31 and 13399.33.

By April 27, 2015 you are required to submit to the Regional Board the FY 2012-13, and FY 2013-14 annual reports required by section B.14 of the General Permit's Monitoring Program and Reporting Requirements. Along with the annual reports, you must also provide a statement explaining the reason you did not submit the annual reports by the July 1 deadlines and the measures you have taken to ensure timely submittals in the future.

A copy of the General Permit as well as a blank annual report form can be downloaded from the State Water Resources Control Board's website:

http://www.swrcb.ca.gov/water_issues/programs/stormwater/annualreport.shtml

Annual Reports must be submitted electronically to the Regional Board either via email or to the Stormwater Multiple Application & Report Tracking System (SMARTS) database. For more information on email submittal, please refer to the following:

- Electronic Submittal Required for Correspondence and Reports to the Regional Board:

  http://www.waterboards.ca.gov/losangeles/resources/Paperless/

- SMARTS database link:

  https://smarts.waterboards.ca.gov/smarts/faces/SwSmartsLogin.jsp

If you need assistance or have any questions, please contact Pansy Yuen of my staff at (213) 620-6367 or via email at Pansy.Yuen@Waterboards.ca.gov or Pavlova Vitale at (213) 576-6751 or via email at Pavlova.Vitale@waterboards.ca.gov.

Sincerely,

Paula Rasmussen
Assistant Executive Officer

cc: Vanessa Young, State Water Resources Control Board, Office of Enforcement (via email)