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Ex-mill site's owner faces \$3 million cleanup fine

By Jane Braxton Little - Bee Correspondent
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ANDERSON – The owner of a former paper mill site is facing \$3 million in fines for failing to remove contaminated wastes.

The Central Valley Water Board issued the largest administrative complaint it has ever proposed against Winemucca Trading Co. to force cleanup of pollutants, including dioxins.

The action is designed to protect human and environmental health and to protect the state from liabilities, said James C. Pedri, assistant executive officer of the Redding-based Regional Water Quality Control Board.

No one from Winemucca Trading, based in Incline Village, was available to comment.

Simpson Paper Co. used wood chips to produce paper pulp on the site for more than two decades. The wastewater and sludge generated contained pollutants that flowed into holding basins and treatment lagoons.

Shasta Paper Co. bought the Simpson mill in the 1990s and operated it until 2001, when it declared bankruptcy. Winemucca bought the mill and the adjoining lagoons at public auction in 2004.

Winemucca has failed to comply with numerous deadlines to remove or contain dioxin-contaminated sludge as required by state law, said Pedri.

Detectable levels of dioxins in wastewater treatment ponds pose a threat to public health and the environment, said Pedri.

Dioxins, among the most dangerous toxic substances, can cause severe skin disease and have been linked to cancer.

Pedri is concerned about the potential for Winemucca to pass on the cleanup costs to the state.

The company owns more than 100 acres adjacent to Interstate 5 near Anderson. Pedri said he fears Winemucca will divide the property, sell the uncontaminated portions and abandon the polluted sections.

Shasta County has approved one land division, he said.

"The huge risk to the people of the state of California is having to pay for cleaning up that site," said Pedri.

The \$3 million fine was set to cover the cost of cleanup, he said. The penalty, well below the maximum provided under state law, would allow placing a lien on the property to recover projected cleanup costs, said Pedri.

Regional water officials issued a cleanup and abatement order to Simpson Paper Co. as early as 1999 and have continued to pursue cleanup of the property, Pedri said.

Before the sale to Winemucca, he issued an abatement order to Simpson Paper Co. requiring removing hazardous wastes and removing or enclosing tens of thousands of cubic yards of industrial wastewater sludge.

Pedri reissued the order to Winemucca after the sale.

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April 7, 2008

Via E-Mail

Jim Pedri
Assistant Executive Officer
Calif. RWQCB-Central Valley Region
415 Knollcrest Drive, Ste. 100
Redding, CA 96002

Re: *Winnemucca Trading Company
Compliance Status Update*

Dear Mr. Pedri:

The following is an update on the Winnemucca Trading Company ("WTC").

As I indicated the company has delivered proceeds to provide financial assurances for the on going clean up. Presently those funds have been deposited into the Law Firms attorney client trust account. I am meeting with representatives of Land America Commonwealth to open an escrow account. I plan to meet with the Escrow Officer, Melinda Bennett this afternoon. Thereafter, as we briefly discussed telephonically on Friday, I would like to confer with you on content and form of the escrow instructions for the administration of the proceeds.

I would like to meet at your earliest opportunity to further discuss these matters. Please advise as to your availability next week.

Sincerely,
/s/

Jeffory J. Scharff

cc: Client
Wendy Johnston
Clint Snyder
Jim Smith
Melinda Bennett