

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
COLORADO RIVER BASIN REGION**

**ADMINISTRATIVE CIVIL LIABILITY ORDER NO. R7-2007-0007
MANDATORY MINIMUM PENALTY
IN THE MATTER OF
ORMAT NEVADA SECOND IMPERIAL GEOTHERMAL COMPANY, OWNER/OPERATOR
NPDES PERMIT NO. CA7000003
HEBER - IMPERIAL COUNTY**

This order to assess Administrative Civil Liability (ACL) pursuant to California Water Code (CWC) Section 13385 is issued to Ormat Nevada, Inc. (hereinafter Discharger), based on a finding of violations of NPDES Waste Discharge Requirements (WDRs) Board Order No. R7-2005-0065 (NPDES Permit No. CA7000003).

The Colorado River Basin Regional Water Quality Control Board (Regional Board) finds the following:

1. Ormat Nevada, Inc. 6225 Neil Road, Suite 300, Reno, NV 89511-1136, owns and operates a geothermal power plant, located at 855 Dogwood Drive, Heber, CA 92249.
2. The power plant is located in Imperial County, south of the City of Heber in the NE ¼ of Section 4, T17S, R14E, SBB&M.
3. The discharger uses naturally occurring geothermal steam to run turbines, which produce electricity in its cooling operations. Incoming water is treated with chemicals to prevent fouling, corrosion, and growth of microorganisms.
4. The discharger uses Imperial Irrigation District canal water in the cooling tower. Incoming water is treated with the following chemicals:

<u>Chemicals</u>	<u>Purpose</u>
Power Chem 3856	Dispersant scale/corrosion inhibitor
Power Chem 3742	Biodispersant/microbial agent
Power Chem 2860	Microorganism growth control agent
Power Chem 2890	Microorganism growth control agent
Power Chem 2812	Liquid chlorine to control microorganism growth
Power Chem 2899	Microorganism growth control agent
Power Chem 6215L	Halogen scavenger to consume free halogen

5. The discharger discharges cooling tower blowdown wastewater into the Beech Drain. The wastewater flows from the Beech Drain into the New River and then into the Salton Sea. Beech Drain, New River, and Salton Sea are waters of the United States.
6. CWC Section 13385(i) requires the Regional Board to assess a mandatory minimum penalty (MMP) 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 a six-month period:
 - 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 effluent limitation contained in the applicable WDRs where the WDRs do not contain pollutant-specific effluent limitations for toxic pollutants.

7. CWC Section 13385(i)(2) states:

“For the purposes of this section [13385] a ‘period of six consecutive months’ means the period commencing on the date that one of the violations described in this subdivision occurs and ending 180 days after that date.”

8. CWC Section 13385(l) states:

“(1) In lieu of assessing penalties pursuant to subdivision (h) or (i), the state board or regional board, with the concurrence of the discharger, may 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 board. If the penalty amount exceeds fifteen thousand dollars (\$15,000), the portion of the penalty amount that may be directed to be expended on a supplemental environmental project may not exceed fifteen thousand dollars (\$15,000) plus 50 percent of the penalty amount that exceeds fifteen thousand dollars (\$15,000).

“(2) For the purposes of this section, a ‘supplemental environmental project’ means an environmentally beneficial project that a person agrees to undertake, with the approval of the regional board, that would not be undertaken in the absence of an enforcement action under this section.”

9. On February 19, 2002, the State Water Resources Control Board adopted Resolution No. 2002-0040 amending the Water Quality Enforcement Policy (Enforcement Policy). The Enforcement Policy was approved by the Office of Administrative Law and became effective on July 30, 2002. In accordance with Section IX of the Enforcement Policy, among other requirements, SEPs proposed by the Discharger must “enhance the beneficial uses of the waters of the State, provide a benefit to the public at large, and that, at the time they are included in an ACL action, are not otherwise required of the discharger.” (Enforcement Policy, pp. 42-43).

10. On June 29, 2005 the Regional Board adopted WDR Order No. R7-2005-0065 (NPDES Permit No. CA7000003) for Ormat Nevada, Inc. to regulate discharges of waste from Ormat Nevada, Inc. 2nd Imperial Geothermal Power Plant facility.

11. WDR Board Order R7-2005-0065 contains the following effluent discharge limitations:

[1.a.] Final Effluent Limitations – Discharge Point 001 (Beech Drain)

“The discharge of cooling tower blowdown and steam condensate shall maintain compliance with the following effluent limitations at Discharge Point 001, with compliance measured at Monitoring Location M-001 as described in the attached Monitoring and Reporting Program.”

[2.a.] Interim Effluent Limitations

“During the period beginning June 29, 2005 and ending on May 18, 2010, the discharge of cooling tower blowdown shall maintain the following limitations at Discharge Point 001, with compliance measured at Monitoring Location M-001 as described in the attached Monitoring and Reporting Program (Attachment E). These interim effluent limitations shall apply in lieu of the corresponding final effluent limitations specified for the same parameters during the time period indicated in this provision.”

Constituents	Units	Effluent Limitations	
		Average Monthly	Maximum Daily
Lead	µ/L	10	14
	lbs/ day ¹	0.13	0.18
Copper	µ/L	100	100
	lbs/day	1.3	1.3

12. Monitoring Reports submitted by the Discharger show that the wastewater discharged from the Discharger's geothermal power facility to the Beech Drain was in violation of its WDR effluent limitations cited in Finding No. 11 above. A summary of each violation of Board Order 2005-0065 is contained in Attachment "A," which is incorporated in and made a part of this ACL Order No. R7-2007-0007 by reference.
13. The total amount of the MMPs for the violations cited in Attachment "A" is \$33,000.
14. On November 15, 2006, the Regional Board Assistant Executive Officer issued ACL Complaint No. R7-2006-0070 proposing that the Discharger pay thirty-three thousand dollars (\$33,000) in ACL (MMP) for the violations.
15. The Regional Board has notified the Discharger and the general public of its intent to hold a hearing on this matter within 90 days from the date the Complaint was issued unless the Discharger waives its right to a hearing under CWC Section 13323(b). The Discharger waived its right to a hearing on this matter as set forth in Attachment "B".
16. On November 22, 2006, the Discharger proposed the implementation of a SEP described in Attachment "B", which is made a part of this ACL Order by reference. The Regional Board approves the SEP as proposed. The ACL Complaint was rescinded on December 20, 2006.
17. The Regional Board heard and considered all comments pertaining to this matter in a public meeting.
18. Issuance of this Order is exempt from the provision of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) in accordance with Section 15321(a)(2), Title 14, California Code of Regulations.

IT IS HEREBY ORDERED, pursuant to CWC Section 13385, the Discharger is assessed thirty-three thousand dollars (\$33,000) in ACL (MMP) for the violations set forth in Attachment "A". In lieu of paying an ACL in the amount of thirty-three thousand dollars (\$33,000), the Discharger shall implement the proposed SEP described in Attachment "B" in accordance with the following:

1. The Discharger shall comply with the State Board Enforcement Policy relating to implementation of SEPs.
2. The SEP shall be implemented in accordance with the time schedule stipulated in Attachment "C", appended to and made a part of this Board Order by reference. The Regional Board Executive Officer may modify the stipulated completion date and approve an alternative completion date for the SEP if he determines that a delay is necessary for a timely return of the Discharger to full and sustained compliance with its WDRs, and is

¹ Based on a flow of 1.5 mgd

Regional Board Executive Officer may modify the stipulated completion date and approve an alternative completion date for the SEP if he determines that a delay is necessary for a timely return of the Discharger to full and sustained compliance with its WDRs, and is beyond the reasonable control of the Discharger. Under no circumstances may the completion date extend beyond 5 years from the date of this Order.

3. If the Discharger completes a stipulated phase of the SEP to the satisfaction of the Executive Officer by the approved date, the corresponding portion of the ACL indicated in Attachment "C" shall be permanently suspended. Similarly, if the Discharger fails to complete any stipulated phase of the SEP to the satisfaction of the Executive Officer by the approved date, and the Executive Officer has not approved an extension in the completion date, the corresponding portion of the ACL shall become due and payable by the Discharger within 30 days of being so informed in writing.
4. Previously suspended amounts do not relieve the discharger of the independent obligation to take necessary actions to achieve compliance.
5. Completion of the SEP shall be certified in writing by the Executive Officer. No portion of the ACL shall be suspended without a written certification issued by the Executive Officer.
6. The Discharger shall submit all unspent ACL amounts, made payable to the "State Water Pollution Cleanup and Abatement Account", to the following address:

California Regional Water Quality Control Board
Colorado River Basin Region
73-720 Fred Waring Drive, Suite 100
Palm Desert, CA 92260

I, Robert Perdue, Executive Officer, do hereby certify the foregoing is a full, true and correct copy of an Order adopted by the California Regional Water Quality Control Board, Colorado River Basin Region, on March 21, 2007.


ROBERT PERDUE, Executive Officer

Summary of Violations of Board Order R7-2005-0065 and Mandatory Minimum Penalties

Assessed Violation¹ No.	Description of Violation	Date Occurred	Amount Assessed Dollars (\$)
365190	Exceeded interim maximum daily of 14 µg/L lead. Reported as 24 µg/L	09/6/2005	0 ²
365192	Exceeded interim maximum daily of 0.18 lbs/day lead. Reported as 0.19 lbs/day	09/6/2005	0
365193	Exceeded interim average monthly of 10 µg/L lead. Reported as 14 µg/L	09/30/2005	0
365194	Exceeded interim average monthly of 0.13 lbs/day lead. Reported as 0.19 lbs/day	09/30/2005	3,000
364405	Exceeded interim average monthly of 10 µg/L lead. Reported as 67 µg/L	10/3/2005	3,000
365419	Exceeded interim maximum daily of 0.18 lbs/day lead. Reported as 0.54 lbs/day	10/3/2005	3,000
365513	Exceeded interim average monthly of 10 µg/L lead. Reported as 67 µg/L	10/31/2005	3,000
365519	Exceeded interim average monthly of 0.13 lbs/day lead. Reported as 0.54 lbs/day	10/30/2005	3,000
365965	Exceeded interim maximum daily of 100 µg/L copper. Reported as 110 µg/L	11/2/2005	3,000
365967	Exceeded interim average monthly of 100 µg/L copper. Reported as 110 µg/L	11/30/2005	3,000
423304	Exceeded interim maximum daily of 100 µg/L copper. Reported as 150 µg/L	05/3/2006	3,000
423305	Exceeded interim average monthly of 100 µg/L copper. Reported as 150 µg/L	05/31/2006	3,000
436354	Exceeded interim maximum daily of 100 µg/L copper. Reported as 140 µg/L	06/05/2006	3,000
436359	Exceeded interim average monthly of 100 µg/L copper. Reported as 140 µg/L	06/30/2006	3,000

Accrued Mandatory Minimum Penalties: \$33,000

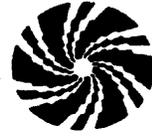
Total: \$33,000

ATTACHMENT "B"

¹ California Integrated Water Quality System (CIWQS)

² This is a supporting violation

ORMAT



November 22, 2006

Mr. Robert Purdue
Executive Officer
California Regional Water Quality Control Board
Colorado River Basin Region
73-720 Fred Waring Drive, Suite 100
Palm Desert, CA 92260

Attention: Doug Wylie, Senior Water Resources Control Engineer

Re: Administrative Civil Liability Complaint No. R7-2006-0070

Dear Mr. Wylie:

Ormat Nevada Second Imperial Geothermal Company, Heber, Imperial County proposes to fund a supplemental environmental project (SEP) in lieu of a portion of the proposed \$33,000 penalty. We propose to fund the Salton Sea Authority's SEP for Imperial Valley Wetlands Operation and Maintenance with \$24,000 and pay the remaining \$9,000 administrative civil liability to the "State Water Pollution Cleanup and Abatement Account" by December 15, 2006.

Thank you for your assistance in processing this proposed SEP. We are pleased that we have not only eliminated a discharge to the Beech Drain but are supporting a restoration project for the Salton Sea.

Please call me at 775-336-0155 if you have any questions or need more information.

Sincerely,

Charlene L. Wardlow
Environmental/Regulatory Affairs Administrator

cc: Yoram Bronicki, Ormat
Greg Griffith, Ormat

ORMAT Nevada

6225 Neil Road, Suite 300, Reno, NV, 89511-1136 • Telephone (775) 356-9029 • Facs (775) 9039

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December 14, 2006

Mr. Dan Cain, Project Manager
Salton Sea Authority
78-401 Highway 111, Suite T
La Quinta, CA 92253

Subject: Supplemental Environmental Project
Imperial Valley Wetlands Operation and Maintenance

Dear Mr. Cain:

Enclosed is a check for \$24,000 to the Salton Sea Authority as part of the settlement of Administrative Civil Liability Complaint No. R7-2006-0070 issued to Ormat Nevada Second Imperial Geothermal Company, Heber; Imperial County. The Heber 2 geothermal power plant previously discharged cooling tower Blowdown wastewater into the Beech Drain under an NPDES permit. We appreciate the opportunity to turn a negative into a positive by supporting the important work the Salton Sea Authority is doing with wetlands to help the restoration of the Salton Sea. Our discontinuation of this discharge is another positive move towards this goal.

I look forward to meeting you next week and touring the wetlands these funds will help to operate and maintain. Please call me at 775-336-0155 if you have any questions or need more information.

Sincerely,

A handwritten signature in cursive script that reads "Charlene L. Wardlow".

Charlene L. Wardlow
Environmental/Regulatory Affairs Administrator

Enclosures (1)

cc: Lee Jensen, Ormat with enclosure
Doug Wylie, CRBRWQCB, with enclosure

ORMAT Nevada

6225 Neil Road, Suite 300, Reno, NV, 89511-1136 • Telephone (775) 356-9029 • Facsimile (775) 356-9039

Supplemental Environmental Projects For Region 7

Name of Organization: Salton Sea Authority
78-401 Highway 111, Suite T
La Quinta, CA 92253
info@saltonsea.ca.gov

Contact Person: Dan Cain, project Manager
DCain@saltonsea.ca.gov

Name of Project: Imperial Valley Wetlands Operation and Maintenance

Location of Project: Imperial County

Categories of SEP relevance: Pollution Prevention, Reduction, and Environmental Education

Project Description: The Citizens Congressional Task Force on the New River has three constructed wetlands in the Imperial Valley. One is located off of Weinert Rd. and is fed by water from the Rice 3 Drain. The second wetland project is located in Brawley and pumps water from the New River. The third wetland is located adjacent to the City of Westmorland's wastewater treatment plant and treats effluent from that treatment plant. The Salton Sea Authority (SSA) is working in conjunction with the Bureau of Reclamation (BOR), Imperial Irrigation District, and Desert Wildlife Unlimited as members of the Task Force to construct two more wetland sites. These sites are identified as Shank Road/Alamo River Wetlands (AR21) and Holtville/Alamo River Wetlands (AR30), and will be constructed along the Alamo River. The requested SEP funding will be allocated for O&M for the new Shank Road site, and the existing Imperial and the Brawley wetlands. The estimated yearly

Cost of project: \$32,450

ATTACHMENT "C"
STIPULATED TIME SCHEDULE FOR THE IMPLEMENTATION OF SUPPLEMENTAL
ENVIRONMENTAL PROJECT

Phase No	Description of SEP	Completion Date	Due Date	Portion of ACL That May Be Suspended
1	Imperial Valley Wetlands Operation and Maintenance	January 16, 2008	Final report due on or before 2/18/2008	\$24,000