

California Regional Water Quality Control Board  
Santa Ana Region

IN THE MATTER OF:

California Steel Industries, Inc.	)	Complaint No. R8-2008-0085
14000 San Bernardino Avenue	)	for
Fontana, California 92335	)	Mandatory Penalties

YOU ARE HEREBY GIVEN NOTICE THAT:

1. California Steel Industries, Inc. (CSI) is alleged to have violated provisions of law for which the California Regional Water Quality Control Board, Santa Ana Region (Board), must impose mandatory penalties pursuant to California Water Code (Water Code) Section 13385(h) and (i).
2. A hearing concerning this complaint will be held before the Board within 90 days of the date of issuance of this complaint, unless CSI waives its right to a hearing. If the hearing in this matter is not waived, the hearing will be held during the Board's regular meeting on March 6, 2009 at the City of Loma Linda, 25541 Barton Road, Loma Linda Counsel Chambers. CSI or its representatives will have an opportunity to appear and be heard and to contest the allegations in this complaint and the imposition of mandatory penalties by the Board. An agenda and announcement for the meeting will be mailed to you not less than 10 days prior to the hearing date.
3. If the March 6, 2009 hearing is held, the Board will consider whether to affirm, reject or modify the proposed mandatory penalties or whether to refer this matter to the Attorney General for recovery of judicial civil liability.
4. This complaint is based on the following facts:
  - a.) On November 5, 2004, the Board adopted Waste Discharge Requirements Order No. R8-2004-0044 (NPDES No. CA0105449), for CSI. These requirements regulate storm water runoff and process water discharges from CSI's facility to San Sevaine Channel, Mulberry Ditch, and the Southwest Channel.
  - b.) CSI submitted self-monitoring reports (from March 04, 2005 to February 28, 2008) which indicate that CSI exceeded discharge limits for total suspended solids, pH, and oil & grease on several occasions. These violations are summarized in Attachment "A" which is page 3 of this complaint.
5. Water Code Section 13385 (h) requires the Board to assess a mandatory minimum penalty of three thousand dollars (\$3,000) for each serious violation and/or any violation that occurs four or more times in any period of six consecutive months, except the requirement to assess the mandatory minimum penalty shall not be applicable to the first three violations that occur following any six-month violation free period, provided that they are not serious violations. A

violation is considered to be a "serious violation" if an effluent limitation for a Group II pollutant, as specified in Appendix A to Section 123.45 of Title 40 of the Code of Federal Regulations, is exceeded by 20% or more, or if an effluent limitation for a Group I pollutant, as specified in Section 123.45 of Title 40 of the Federal Regulations, is exceeded by 40% or more.

6. As shown in Attachment "A", CSI incurred a total of 35 violations between March 04, 2005 and February 28, 2008. Of the 35 violations only 30 violations are subject to a mandatory minimum penalty in accordance with Water Code Section 13385 (h). In accordance with Water Code Section 13385 (h), the mandatory minimum penalty for these violations is \$90,000.
7. In accordance with Water Code Section 13385(c), the Regional Board may impose administrative civil liability for the violations cited in Attachment "A". The maximum administrative civil liability that may be imposed for these violations is \$350,000 (\$10,000 per day of violation), plus an additional assessment of \$10 per gallon of effluent discharged, during the duration of the violation episode, in excess of the first 1000 gallons of effluent.
8. The Assistant Executive Officer proposes that mandatory minimum penalties of \$90,000 be imposed on CSI by the Board for the violations cited above.
9. You may waive your right to a hearing. If you waive your right to a hearing, please sign the attached waiver and return it with a check in the amount of \$90,000.

If you have any questions regarding this complaint, please contact the undersigned at (951) 782-3286 or Gary Stewart, Compliance Section Chief at (951) 782-4379.

12/26/08  
Date

Kurt V. Berchtold  
Kurt V. Berchtold  
Assistant Executive Officer

ATTACHMENT "A"

Sampling Date	Discharge Points (DP) Mulberry Ditch-001 West Vault-002 And DP-003	PH VIOLATIONS > 8.5 units Monthly GRAB SAMPLES	Oil & Grease VIOLATIONS > 15 mg/L Monthly GRAB SAMPLES	TSS VIOLATIONS > 75 mg/L Monthly GRAB SAMPLES	NUMBER OF VIOLATIONS SUBJECT TO MANDATORY PENALTIES
03/04/05	DP-002	1		1*	2
04/28/05	DP-002	1		1*	2
10/18/05	DP-002			1	0
02/27/06	DP-002			1	0
02/28/06	DP-002	1		1*	1
03/28/06	DP-003			1*	1
04/04/06	DP-002		1	1*	2
02/19/07	DP-002	1		1*	1
03/21/07	DP-003	1		1*	1
11/30/07	DP-001			1*	1
11/30/07	DP-002			1*	1
11/30/07	DP-003			1*	1
01/05/08	DP-002	1		1*	2
01/06/08	DP-002	1		1*	2
01/06/08	DP-003	1		1*	2
01/27/08	DP-002	1		1*	2
01/27/08	DP-003	1		1*	2
01/28/08	DP-002	1		1*	2
01/28/08	DP-003	1		1*	2
02/22/08	DP-002	1		1*	2
02/22/08	DP-003			1*	1
TOTAL		13	1	21	30

Notes

\*Serious violations  
 See water code section 13385(h) & (i)

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for  
Mandatory Penalties

WAIVER OF HEARING

California Steel Industries, Inc. agrees to waive its right to a hearing before the Santa Ana Regional Water Quality Control Board with regard to the violations alleged in Complaint No. R8-2008-0085. California Steel Industries, Inc., has enclosed a check made payable to the State Water Resources Control Board in the amount of \$90,000 in settlement of Complaint No. R8-2008-0085. California Steel Industries, Inc. understands that it is giving up its right to be heard and to argue against allegations made by the Assistant Executive Officer in Complaint No. R8-2008-0085 and against the imposition of, and amount of, the mandatory penalties.

\_\_\_\_\_  
Date

\_\_\_\_\_  
for California Steel Industries, Inc.