
Central Coast Regional Water Quality Control Board

September 4, 2025

Aaron Johnston
Vice President, Governmental
Affairs and Sustainability
Granite Rock Company
350 Technology Drive
Watsonville, CA 95076
Email: ajohnston@graniterock.com

**Via Electronic Mail and Certified Mail
7019 1640 0000 7902 1261**

Dear Aaron Johnston:

**ENFORCEMENT PROGRAM: GRANITE ROCK COMPANY ARTHUR WILSON
QUARRY, END OF QUARRY ROAD, AROMAS, SAN BENITO COUNTY, WDID 3
352000001 – EXPEDITED PAYMENT PROGRAM – EXECUTED ADMINISTRATIVE
CIVIL LIABILITY ORDER R3-2025-0051 TO RESOLVE PERMIT VIOLATIONS**

Attached is Administrative Civil Liability Order R3-2025-0051 (ACL Order) signed by the California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board) Executive Officer. The ACL Order resolves mandatory minimum penalties for Granite Rock Company (Discharger) violations of effluent limitations contained in Waste Discharge Requirements (WDR) Order R3-2017-0027, National Pollutant Discharge Elimination System Permit (NPDES) CA0005274, that occurred from April 30, 2024, to April 30, 2025, as shown in the notice of violation (NOV) attached to the ACL Order. Central Coast Water Board staff publicly noticed the Acceptance of Conditional Settlement Offer and Waiver of Right to Hearing (Acceptance and Waiver) from July 24, 2025 to August 24, 2025, and received no comments.

As provided in the ACL Order, the Discharger is subject to a total payment amount of \$42,000 (Penalty Amount). The Discharger elected to allocate the full Penalty Amount to fund the Bay Foundation of Morro Bay's (Bay Foundation) Central Coast Drinking Water Well Testing Program (Drinking Water Well Testing Program). The Discharger must make payments as shown below, **no later than October 4, 2025**.¹

1. Payment to the Drinking Water Well Testing Program (Supplemental Environmental Project)
 - a. See attached invoice. Pay \$42,000 by check payable to "Bay Foundation of Morro Bay," noting "ACL Order R3-2025-0051" on the check, and mail

¹ Please note that this due date supersedes any other due date that may be shown on invoices.

to:

Bay Foundation of Morro Bay
Attention: Melodie Grubbs, Executive Director
601 Embarcadero, Suite 11
Morro Bay, CA 93442

- b. Submit copies of the above payment by email to Tamara Anderson at tamara.anderson@waterboards.ca.gov or mail to:

Central Coast Regional Water Quality Control Board
Enforcement Unit
Attention: Tamara Anderson
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401-7906

- c. The Discharger will not have any additional obligations related to the Drinking Water Well Testing Program upon proof of payment to the Bay Foundation. If the funds are not spent on the Drinking Water Well Testing Program by September 3, 2028, the Bay Foundation will send any remaining funds to the State Water Pollution Cleanup and Abatement Account.

Payment of the full Penalty Amount will conclude the Central Coast Water Board's enforcement action for the violations identified in the NOV attached to the ACL Order.

If you have any questions, please contact Sarah Crable at sarah.crable@waterboards.ca.gov or (805) 549-3706, or Tamara Anderson at tamara.anderson@waterboards.ca.gov or (805) 549-3334.

Sincerely,

Ryan E. Lodge
Executive Officer

Attachments:

1. Acceptance of Conditional Settlement Offer and Waiver of Right to Hearing; Administrative Civil Liability Order R3-2025-0051
2. Invoice R3-2025-0051 – "Drinking Water Testing Program SEP" for payment to Bay Foundation of Morro Bay

cc via email:

Granite Rock Company:
Reed Carter

Director, Environmental Compliance and Systems
rcarter@graniterock.com

Other Agencies or Interested Parties:

Melodie Grubbs, Bay Foundation of Morro Bay Executive Director,
mgrubbs@mbnep.org

Central Coast Water Board:

Ryan Lodge, ryan.lodge@waterboards.ca.gov
Angela Schroeter, angela.schroeter@waterboards.ca.gov
Tamara Anderson, tamara.anderson@waterboards.ca.gov
Sarah Crable, sarah.crable@waterboards.ca.gov
Todd Stanley, todd.stanley@waterboards.ca.gov
Julia Dyer, julia.dyer@waterboards.ca.gov

File Location: R:\RB3\Shared\Enforcement\ACLs\MMP ACLO from EPL Offers\2025-0051-Granite Rock
MMP ACLO\Granite Rock MMP ACLO 25-0051 Pkg.docx

ECM Primary Indexing # 227770

**ACCEPTANCE OF CONDITIONAL SETTLEMENT OFFER
AND WAIVER OF RIGHT TO HEARING;**

ADMINISTRATIVE CIVIL LIABILITY ORDER R3-2025-0051

Granite Rock Company (Discharger)
Arthur Wilson Quarry
End of Quarry Road, Aromas, CA
San Benito County
Waste Discharge Requirements Order R3-2017-0027
National Pollutant Discharge Elimination System (NPDES) Permit CA0005274
WDID: 3 352000001

By signing below and returning this Acceptance of Conditional Settlement Offer and Waiver of Right to Hearing (Acceptance and Waiver) to the California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board), the Discharger hereby accepts the Conditional Settlement Offer from the Assistant Executive Officer to participate in the expedited payment program to settle the alleged violations and waives the right to a hearing before the Central Coast Water Board to dispute the alleged violations. The alleged violations are identified in the attached notice of violation (NOV).

The Discharger agrees that the NOV shall serve as a complaint pursuant to Division 7, Chapter 5, Article 2.5 of the California Water Code and that no separate complaint is required for the Central Coast Water Board to assert jurisdiction over the alleged violations. The Discharger agrees to pay the mandatory minimum penalties (Penalty Amount) authorized by California Water Code sections 13385 and 13385.1, as specified in the NOV, which shall be deemed payment in full of any civil liability pursuant to Water Code sections 13385 and 13385.1 that otherwise might be assessed for the violations described in the NOV. The Discharger understands that by signing this Acceptance and Waiver, the Discharger waives its right to contest the allegations in the NOV and the amount of administrative civil liability for such violations.

The Discharger understands that this Acceptance and Waiver does not address or resolve liability for any violation that is not specifically identified in the NOV.

The Discharger understands that federal regulations set forth in title 40, Code of Federal Regulations, section 123.27(d)(2)(iii) require the Central Coast Water Board to publish notice of and provide at least 30 days for public comment on any proposed resolution of an enforcement action addressing NPDES permit violations. Accordingly, Central Coast Water Board staff will publish this Acceptance and Waiver for public comment.

If no public comments or new material facts are received within the public comment period that cause the Central Coast Water Board Assistant Executive Officer to reconsider the proposed Conditional Settlement Offer, the Executive Officer, through its delegated authority by the Central Coast Water Board, will consider execution of the Acceptance and Waiver as the executed Administrative Civil Liability Order R3-2025-0051 (ACL Order) that resolves the alleged violations identified in the NOV.

Acceptance of Conditional Settlement Offer and Waiver of Right to Hearing;
Administrative Civil Liability Order R3-2025-0051

If significant public comments are received in opposition to the Acceptance and Waiver and/or new material facts become available that are relevant to the Acceptance and Waiver, the Central Coast Water Board Assistant Executive Officer may withdraw the Conditional Settlement Offer. In that circumstance, the Central Coast Water Board Assistant Executive Officer may issue a revised Conditional Settlement Offer or may issue an administrative civil liability complaint and the matter would be set for a hearing before the Central Coast Water Board. For such a civil liability hearing, the Discharger understands that this Acceptance and Waiver executed by the Discharger will not be used as evidence against the Discharger.

Penalty Amount: \$42,000

The Discharger must fill in the blank boxes in Table 1 below to indicate how the Discharger will direct its payment of the Penalty Amount. Payment is not due until after Central Coast Water Board staff completes the public comment period and the Executive Officer issues the ACL Order as described herein.

The Discharger's payment options are shown below.

1. Payment Option 1 – Direct the entire Penalty Amount as Supplemental Environmental Project (SEP) funds towards the Bay Foundation of Morro Bay's (Bay Foundation) Central Coast Drinking Water Well Testing Program (Drinking Water Well Testing Program). See the *Bay Foundation's Drinking Water Well Testing Program – Use of Supplemental Environmental Project Funds summary document*¹ for more details about the program.
2. Payment Option 2 – Direct a portion of the Penalty Amount as SEP funds towards the Drinking Water Well Testing Program, and direct the remaining portion of the Penalty Amount to the State Water Pollution Cleanup and Abatement Account.² If the Discharger elects to allocate only a portion of the Penalty Amount towards the Drinking Water Well Testing Program, then the Discharger must pay the remaining Penalty Amount to the State Water Pollution Cleanup and Abatement Account.
3. Payment Option 3 – Reject the option to direct any of the Penalty Amount towards the Drinking Water Well Testing Program and instead pay the entire Penalty Amount to the State Water Pollution Cleanup and Abatement Account.

¹ Bay Foundation's Drinking Water Well Testing Program – Use of Supplemental Environmental Project Funds summary document:

https://www.waterboards.ca.gov/centralcoast/water_issues/programs/enforcement/docs/2024/summary-drinking-water-well-testing-sep.pdf

² Cleanup and Abatement Account:


https://www.waterboards.ca.gov/water_issues/programs/grants_loans/cleanup_and_abatement.html

Acceptance of Conditional Settlement Offer and Waiver of Right to Hearing;
Administrative Civil Liability Order R3-2025-0051

For Payment Option 1 or 2, the Discharger will not have any additional obligations related to the Drinking Water Well Testing Program upon proof of payment to the Bay Foundation. Electing to pay all or a portion of the Penalty Amount to the Drinking Water Well Testing Program will not change the total Penalty Amount that must be paid to resolve the mandatory minimum penalties for the alleged violations.

Table 1: Penalty Amount Payment Option Selection

(Please note that no payments are due at the time the Discharger returns this signed Acceptance and Waiver form to the Central Coast Water Board.)

Payment Options	Mark "X" Below to Select One Payment Option	Enter SEP and CAA Portions of Penalty Amount (\$) if Payment Option 2 Selected
Payment Option 1: Direct entire Penalty Amount as SEP funds to the Central Coast Drinking Water Well Testing Program		No entry required. Entire Penalty Amount will be directed as SEP funds to the Central Coast Drinking Water Well Testing Program.
Payment Option 2: Direct portion of Penalty Amount as SEP funds to the Central Coast Drinking Water Well Testing Program, and the remaining portion to the State Water Pollution Cleanup and Abatement Account (CAA)	<i>If "X" marked in this box, then enter portion amounts in box to the right.</i>	Portion of Penalty Amount to direct as SEP funds to the Central Coast Drinking Water Well Testing Program: \$ _____ Portion of Penalty Amount to direct to the CAA: \$ _____ Sum of amounts entered in this box must equal the Penalty Amount.
Payment Option 3: Direct entire Penalty Amount to the State Water Pollution Cleanup and Abatement Account (CAA)		No entry required. Entire Penalty Amount will be directed to the CAA.

Upon signature by the Discharger, the Discharger must return this Acceptance and Waiver in pdf format via email or mail to:

Todd Stanley
Enforcement Unit

Acceptance of Conditional Settlement Offer and Waiver of Right to Hearing;
Administrative Civil Liability Order R3-2025-0051

Email: todd.stanley@waterboards.ca.gov
Central Coast Water Board
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401

The Discharger understands that no payments are due at the time it returns the signed Acceptance and Waiver form to the Central Coast Water Board. After the required public comment period and execution of the Acceptance and Waiver as the executed ACL Order by the Executive Officer, the Central Coast Water Board will transmit the executed ACL Order to the Discharger. The transmittal letter will include payment due dates and payment instructions based on the payment options selected in the Acceptance and Waiver. The full payment of the Penalty Amount shall be due within 30 calendar days of the executed ACL Order. Furthermore, the Discharger understands that full payment within 30 calendar days of the executed ACL Order is a material condition of this Acceptance and Waiver. Failure to pay the Penalty Amount within the required time period may subject the Discharger to further liability.

Acceptance of Conditional Settlement Offer and Waiver of Right to Hearing;
Administrative Civil Liability Order R3-2025-0051

IT IS SO STIPULATED.

I hereby affirm that I am duly authorized to act on behalf of and to bind the Discharger in the making and giving of this Acceptance and Waiver.

By: [Signature] 7/22/2025
(Signed Name) (Date)

Reed Carter
(Printed or Typed Name)

rcarter@graniterock.com
(Email)

Director, Environmental Compliance
(Title)

Acceptance of Conditional Settlement Offer and Waiver of Right to Hearing;
Administrative Civil Liability Order R3-2025-0051

IT IS HEREBY ORDERED pursuant to Water Code section 13323 and Government Code section 11415.60 on behalf of the California Regional Water Quality Control Board, Central Coast Region that ACL Order R3-2025-0051 is hereby adopted.

By: _____
Ryan E. Lodge
Executive Officer
Central Coast Water Board

Attachment: Notice of Violation

File Location: R:\RB3\Enforcement\EPLs\2025-0051 Granite Rock\Granite Rock MMP
EPL 25-0051 Acptnc-Waiver.docx

ECM Primary Indexing # 227770

Exhibit A – Notice of Violation
Granite Rock Company Arthur Wilson Quarry
Mandatory Minimum Penalty Violations Requiring Enforcement
Alleged Violation Dates: April 30, 2024 – April 30, 2025

The enforcement staff of the California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board) reviewed information submitted by this facility to determine whether the discharger is subject to mandatory minimum penalties (MMPs) pursuant to subdivisions (h) and (i) of California Water Code section 13385 and section 13385.1. The following table or tables list this facility's alleged violations of Waste Discharge Requirements Order R3-2017-0027, National Pollutant Discharge Elimination System Permit CA0005274 from April 30, 2024, to April 30, 2025, for which the Central Coast Water Board has not yet assessed MMPs. Final calculation of MMP amounts and definitions of some of the terms used in this document are listed below the table.

For additional information about the alleged violations listed in the table, please refer to [the State Water Resources Control Board CIWQS Public Reports webpage](#) and select the "Mandatory Minimum Penalty (MMP) Report" link located under the "Violations Reports" category. Once in the Mandatory Minimum Penalty Reports search page, select Region 3 along with the beginning and ending dates shown in this exhibit, select Run Report, and then select your facility to access the list of violations. Expand the "Effluent MMP Violations" and/or "Late Report MMP Violations" sections of that page by selecting the "+" icon to the left of the section titles. To view details of a violation, select the "Violation ID" number. For chronic (non-serious) effluent violations, select the "Chronic" link in the "MMP Type" column of the "Effluent Limit Violations" section to see a list of the three or more violations preceding each chronic violation within 180 days and thus qualifying the chronic violation as an MMP.

Effluent MMP Violations Table

#	Violation Number	Violation Date	Pollutant	Pollutant Type	Limit Period	Limit	Result	Units	% Over Limit	S or C for <u>Serious or Chronic</u> (Non-Serious) Violation	Date 180 Days Prior	Number of Violations within 180 days	Mandatory Minimum Penalty
1	1128211	4/30/24	Molybdenum, Total	Group 2	Monthly Average	10	17.1	ug/L	71	S	N/A	N/A	\$ 3,000
2	1128209	4/30/24	Iron, Total Recoverable	Group 1	Monthly Average	1,000	2,500	ug/L	150	S	N/A	N/A	\$ 3,000
3	1128208	4/30/24	Total Dissolved Solids	Group 1	Monthly Average	1,000	2,070	mg/L	107	S	N/A	N/A	\$ 3,000
4	1128210	4/30/24	Aluminum, Total	Group 1	Monthly Average	1,000	3,400	ug/L	240	S	N/A	N/A	\$ 3,000
5	1141784	2/28/25	Molybdenum, Total	Group 2	Monthly Average	10	12	ug/L	20	S	N/A	N/A	\$ 3,000
6	1141783	2/28/25	Total Dissolved Solids	Group 1	Monthly Average	1,000	1,850	mg/L	85	S	N/A	N/A	\$ 3,000
7	1142952	3/31/25	Molybdenum, Total	Group 2	Monthly Average	10	12	ug/L	20	S	N/A	N/A	\$ 3,000
8	1142953	3/31/25	Total Dissolved Solids	Group 1	Monthly Average	1,000	2,000	mg/L	100	S	N/A	N/A	\$ 3,000

EPL R3-2025-0051 – Exhibit A
 ACL Order R3-2025-0051
 Granite Rock Company Arthur Wilson Quarry

#	Violation Number	Violation Date	Pollutant	Pollutant Type	Limit Period	Limit	Result	Units	% Over Limit	S or C for <u>S</u> erious or <u>C</u> hronic (Non-Serious) Violation	Date 180 Days Prior	Number of Violations within 180 days	Mandatory Minimum Penalty
9	1143554	4/3/25	Copper, Total	Group 2	Daily Maximum	24	31	ug/L	29	S	N/A	N/A	\$ 3,000
10	1143553	4/30/25	Aluminum, Total	Group 1	Monthly Average	1,000	1,900	ug/L	90	S	N/A	N/A	\$ 3,000
11	1143551	4/30/25	Iron, Total Recoverable	Group 1	Monthly Average	1,000	1,600	ug/L	60	S	N/A	N/A	\$ 3,000
12	1143778	4/30/25	Copper, Total	Group 2	Monthly Average	12	31	ug/L	158	S	N/A	N/A	\$ 3,000
13	1143550	4/30/25	Total Dissolved Solids	Group 1	Monthly Average	1,000	5,700	mg/L	470	S	N/A	N/A	\$ 3,000
14	1143552	4/30/25	Molybdenum, Total	Group 2	Monthly Average	10	13	ug/L	30	S	N/A	N/A	\$ 3,000

Total Penalty for Effluent Violations: \$42,000

Calculation of Total Mandatory Minimum Penalty Amount for Effluent Violations:
 (14 Serious Violations + 0 Non-Serious Violations) × \$3,000 = \$42,000

For Group 1 pollutants, a violation is serious when the limit is exceeded by 40% or more, and non-serious when the limit is exceeded by less than 40%. “Non-serious” is also referred to as “chronic” in CIWQS, indicating violations are occurring too frequently.

For Group 2 pollutants, a violation is serious when the limit is exceeded by 20% or more, and non-serious when the limit is exceeded by less than 20%. “Non-serious” is also referred to as “chronic” in CIWQS, indicating violations are occurring too frequently.

Each serious violation is subject to a mandatory minimum penalty of \$3,000.

Term	Definition
Units	mg/L = milligrams per liter ug/L = micrograms per liter
N/A	Not Applicable
CIWQS	California Integrated Water Quality System database used by the Water Boards to manage violation and enforcement activities, as well as other data types relevant to water quality protection.
Violation Number	Identification number assigned to a violation in CIWQS.
Violation Date	Date that a violation occurred, with the exception that for some violation types, such as a monthly average, the last day of the reporting period is used. If the occurrence date is unknown, the date used is the day the violation was first discovered by staff, the Discharger, or a third party.
Pollutant Types: Group 1 & 2	Groups of pollutants defined in the State Water Resources Control Board Water Quality Enforcement Policy. Also referred to as Category 1 or CAT1 and Category 2 or CAT2, respectively.

File Location: R:\RB3\Enforcement\EPLs\2025-0051 Granite Rock\Granite Rock MMP EPL 25-0051 Exh A-NOV.docx

ECM Primary Indexing # 227770

California Regional Water Quality Control
Board, Central Coast Region
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401

INVOICE

INVOICE R3-2025-0051
SEPTEMBER 4, 2025

INVOICE TO:

Aaron Johnston
Vice President, Governmental Affairs and
Sustainability
Granite Rock Company
350 Technology Drive
Watsonville, CA 95076
Email: ajohnston@graniterock.com
WDID 3 352000001

MAIL PAYMENT TO:

Bay Foundation of Morro Bay
Attention: Melodie Grubbs, Executive
Director
601 Embarcadero, Suite 11
Morro Bay, CA 93442
Email: mgrubbs@mbnep.org

Subject: Supplemental Environmental Project (SEP) Funds for the Central Coast
Drinking Water Well Testing Program (Drinking Water Testing Program) – Portion of
Penalty for Settlement Agreement and Stipulation for Entry of Administrative Civil Liability
Order R3-2025-0051, San Benito County

Instructions:

1. Make check payable to: *Bay Foundation of Morro Bay*
2. Write the order number in the notes section of the check as follows: *ACL Order R3-2025-0051*
3. Mail one copy of this invoice with the original check to the Bay Foundation at the "Mail Payment To" address provided above
4. Email or mail a copy of this invoice **and a copy of the check** to:

Central Coast Regional Water Quality Control Board
Enforcement Unit
Attention: Tamara Anderson
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401-7906
tamara.anderson@waterboards.ca.gov