

San Francisco Bay Regional Water Quality Control Board

September 30, 2015
CW- 809654 (FA)
Regulatory Measure ID: 402807

Intuit, Inc.
Attention: Mr. Jerry Barclay
71 Stevenson Street, 10th Floor
San Francisco, CA 94105

Subject: Conditional Offer to Settle Violation of National Pollutant Discharge Elimination System (NPDES) Permit CAG912002 (Order 2012-0012)

Facility: Groundwater Treatment System located at 2600 Marine Way, City of Mountain View, Santa Clara County

Dear Mr. Barclay:

This letter notifies Intuit Company (Intuit) of an alleged violation of a permit reporting requirement, and provides Intuit the opportunity to settle the violation through payment of \$3,000 in mandatory minimum penalties pursuant to Water Code sections 13385 and 13385.1. Please reply by October 30, 2015.

NOTICE OF VIOLATION

The Assistant Executive Officer alleges that Intuit has violated a reporting requirement identified in the attached Exhibit A. Intuit has the opportunity to address the alleged violation as discussed below.

STATUTORY LIABILITY

Water Code sections 13385(h) and 13385(i) require the assessment of a mandatory minimum penalty of \$3,000 for specified serious and other effluent limit violations. For the purposes of subdivision (h) of section 13385, failure to file a discharge monitoring report required pursuant to Water Code section 13383 for each complete period of 30 days following the deadline for submitting the report constitutes a serious violation. Intuit is also subject to discretionary administrative civil liabilities of up to \$10,000 for each day in which the violation occurs, plus \$10 for each gallon discharged but not cleaned up in excess of 1,000 gallons. These mandatory minimum penalties and discretionary administrative civil liabilities may be assessed by the Regional Water Board or the State Water Board (collectively "the Water Boards"), beginning with the date that the violations first occurred¹.

¹ Please note that there are no statutes of limitation that apply to administrative proceedings to assess mandatory minimum penalties. See *City of Oakland v. Public Employees' Retirement System*, (2002) 95 Cal.App.4th 29, 48; 3 Witkin, Cal. Procedure (4th ed. 1996) Actions, §405(2), p. 510.) Additionally, the State Water Resources Control Board had determined that the

The formal enforcement action the Water Boards use to assess such liability is an administrative civil liability complaint followed by a public hearing, although the Water Boards 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 \$25,000 per violation. In addition, the Superior Court may assess up to \$25 per gallon discharged but not cleaned up in excess of 1,000 gallons.

CONDITIONAL OFFER TO SETTLE

Intuit can avoid the issuance of a formal enforcement action and settle the alleged violation identified in the attached Exhibit A by accepting this conditional offer (offer). Details of this offer are described below, as well as in the "Acceptance of Conditional Resolution and Waiver of Right to Hearing" (hereinafter "Acceptance and Waiver") enclosed herewith.

This offer does not address liability for any violation that is not specifically identified in the attached Exhibit A.

OPTIONS FOR RESPONSE TO OFFER

If Intuit accepts this offer, please complete and return the enclosed "Acceptance of Conditional Resolution and Waiver of Right to Hearing" (Acceptance and Waiver) on or before the reply date specified in the first paragraph of this letter. Note that when we receive the Acceptance and Waiver, this notice and offer will become a proposed settlement and part of the Regional Water Board files that are available to the public. The Acceptance and Waiver will then be posted for a 30-day public notice period. Based on comments received, the Executive Officer will decide whether to accept this proposed settlement. If acceptable, the Executive Officer will counter-sign the Acceptance and Waiver and an invoice will be sent to you for payment.

To contest the violation alleged in the attached Exhibit A, please identify the basis for the challenge (factual error, affirmative defense, etc.) on or before the date specified in the first paragraph of this letter. Regional Water Board staff will evaluate the contested violation and take one of two actions:

- 1) Determine that the violation warrants dismissal and dismiss the alleged violation in the California Integrated Water Quality System (CIWQS) database, take no further action against Intuit for the alleged violation, and notify Intuit of that determination; or
- 2) Determine that the alleged violation is meritorious and notify Intuit of that determination. Intuit will then have 30 days from the date of the determination to accept settlement for the violation through mandatory minimum penalties. If Intuit chooses not to accept, or makes no reply to the determination, Intuit should expect to be contacted regarding formal enforcement action for the contested violation. In a formal enforcement action, information received by Regional Water Board staff during a formal investigation and assessment of the violation, as well as the staff costs associated with pursuing additional enforcement, may increase the liability amount beyond that which is set forth in this conditional offer.

equitable doctrine of laches does not apply to mandatory minimum penalties. (State Water Board Order Nos. 2013-0053, 2013-0054, 2013-0055, 2013-0099.)

CONDITIONS FOR REGIONAL WATER BOARD ACCEPTANCE OF RESOLUTION

Federal regulations require the Regional Water Board to publish and allow the public at least 30 days to comment on any settlement of an enforcement action addressing NPDES permit violations (Title 40 of Code of Federal Regulation section 123.27(d)(2)(iii)). Upon receipt of Intuit's Acceptance and Waiver, Regional Water Board staff will publish a notice of the proposed settlement of the violation.

If we receive no comments within the 30-day period and there are no new material facts available to the Regional Water Board, the Executive Officer will execute the Acceptance and Waiver as a stipulated order assessing the uncontested mandatory minimum penalty amount pursuant to Water Code section 13385 and/or 13385.1.

If, however, significant comments are received in opposition to the proposed settlement, this offer may be withdrawn. In that case, Intuit's waiver pursuant to the Acceptance and Waiver will also be treated as withdrawn. In that case, the alleged violation will be addressed in a formal liability assessment proceeding. At the liability assessment hearing Intuit will be free to make arguments as to the alleged violation, and Intuit's agreement to accept this conditional offer will not in any way be binding or used as evidence against Intuit. Intuit will be provided with further information on the liability assessment proceeding.

In the event that the Executive Officer executes the Acceptance and Waiver, payment of the assessed amount shall be due within 30 calendar days after the Regional Water Board Executive Officer's execution. In accordance with Water Code section 13385(n)(1), funds collected for violations of effluent limitations and reporting requirements pursuant to Water Code sections 13385 and 13385.1 shall be deposited in the State Water Pollution Cleanup and Abatement Account. Failure to pay the penalty within the required time period may subject Intuit to further liability.

Should you have any questions regarding this matter, please contact Farhad Azimzadeh of my staff at (510) 622-2310 or farhad.azimzadeh@waterboards.ca.gov. If you need to fax a copy of the signed waiver, you may send it to the attention of Farhad Azimzadeh at (510) 622-2460.

Sincerely,



Thomas E. Mumley
Assistant Executive Officer

Enclosures:

- (1) Acceptance and Waiver
- (2) Exhibit A - Notice of Violation

ORDER NO. R2-20XX-1XXX
ACCEPTANCE OF CONDITIONAL RESOLUTION
AND WAIVER OF RIGHT TO HEARING

By signing below and returning this Acceptance of Conditional Resolution and Waiver of Right to Hearing (Acceptance and Waiver) to the Regional Water Quality Control Board (Regional Water Board), Intuit Company (Intuit) hereby accepts the conditional offer to settle alleged violation through payment of mandatory minimum penalties (Conditional Offer) and waives the right to a hearing before the Regional Water Board to dispute the allegation of violation and attached hereto as Exhibit A and incorporated herein by reference.

Intuit agrees that the attached Exhibit A shall serve as a complaint pursuant to Article 2.5 of the Water Code and that no separate complaint is required for the Regional Water Board to assert jurisdiction over the alleged violation through its Assistant Executive Officer. Intuit agrees to pay the penalties authorized by Water Code sections 13385 and 13385.1, which shall be deemed payment in full of any civil liability pursuant to the Water Code section 13385 that otherwise might be assessed for the violation described in the attached Exhibit A. Intuit understands that this Acceptance and Waiver waives its right to contest the allegation in Exhibit A and the amount of civil liability for such violation.

Intuit understands that this Acceptance and Waiver does not address or resolve liability for any violation that is not specifically identified in the attached Exhibit A.

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

California Regional Water Quality Control Board, San Francisco Bay Region
NPDES Enforcement Section, Regulatory Measure ID No. 402807
Attention: Farhad Azimzadeh
1515 Clay Street, Suite 1400
Oakland, California 94612

Intuit understands that federal regulations set forth at title 40, Code of Federal Regulations, section 123.27(d)(2)(iii) require the Regional Water Board to publish notice of and provide at least 30 days for public comment on any proposed resolution of an enforcement action. Accordingly, this Acceptance and Waiver, prior to execution by the Executive Officer of the Regional Water Board, will be published as required by law for public comment.

If no comments are received within the notice period which causes the Executive Officer of the Regional Water Board to reject the settlement amount, the Executive Officer will execute the Acceptance and Waiver. Resolution of the violation by the Regional Water Board will preclude State Water Board action for this same violation.

Intuit understands that if significant comments are received in opposition to the Conditional Offer, the offer may be withdrawn. In that circumstance, Intuit will be advised of the withdrawal and an administrative civil liability complaint may be issued and the matter may be set for a hearing before the Regional Water Board or the State Water Board. For such a liability hearing,

Intuit understands that this Acceptance and Waiver executed by Intuit will be treated as a settlement communication and will not be used as evidence in that hearing.

Intuit understands that once the Acceptance and Waiver is executed by the Executive Officer of the Regional Water Board, payment of the amount in full no later than 30 days after the date of the Executive Officer's signature is a condition of this Acceptance and Waiver. In accordance with Water Code sections 13385(n)(1) and 13385.1(c)(1), funds collected for violations of effluent limitations and reporting requirements pursuant to section 13385 and 13385.1 shall be deposited in the State Water Pollution Cleanup and Abatement Account. The payment must be submitted to the State Water Resources Control Board in accordance with an invoice for payment.

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

Intuit, Inc.

By:  10/6/15
(Signed Name) (Date)
JERRY BARCLAY
(Printed or typed name)
LEADER, DEVELOPMENT & C.M.
(Title)

Note: Please return the signed Acceptance and Waiver with Exhibit A, together.

IT IS SO ORDERED PURSUANT TO WATER CODE SECTION 13385

By: _____
Bruce H. Wolfe
Executive Officer
California Regional Water Quality Control Board
San Francisco Bay Region

Regulatory Measure ID: 402807

Notice of Violation

Groundwater Treatment System located at
2600 Marine Way, City of Mountain View, Santa Clara County

The following table lists an alleged permit violation for which Intuit is subject to civil liabilities pursuant to Water Code sections 13385 and 13385.1. The table shows mandatory minimum penalty (MMP) for the violation, and descriptions of the abbreviations that appear in the table.

No	CIWQS Violation ID No.	Violation or Effluent Limitation Description	Date of Occurrence or Monitoring Report Due Date	Effluent Limit or Date Monitoring Report Received	Effluent Result Reported (Percent a Pollutant is over an Effluent Limitation) or Number of Days and Months a Discharge Monitoring Report Overdue	Type of Violation	Water Code Section 13385(h) and/or (i) Required MMP
1	992414	Late First Quarter 2015 Discharge Monitoring Report Submittal	5/16/2015	6/24/2015	40 days = about one month	C1, S (See Note 1)	\$3,000
Total							\$3,000

Legend for Table:
 CIWQS = California Integrated Water Quality System database used by the Water Boards to manage violation and enforcement activities.
 Violation ID = Identification number assigned to a permit exceedance in CIWQS.
 C = Count – The number that follows represents the number of exceedances in the past 180 days, including this violation. A count greater than three (> C3) means that a penalty under Water Code section 13385(i) applies.
 S = Serious, which means that a penalty under Water Code section 13385(h) applies when an effluent limitation is exceeded 40 percent or more for a Group I pollutant or 20 percent or more for a Group II pollutant.
 Note 1: Water Code section 13385.1 (a)(1) defines a "serious violation" to include a failure to file a discharge monitoring report required pursuant to section 13383 for each complete period of 30 days following the deadline for submitting the report, if the report is designed to ensure compliance with limitations contained in waste discharge requirements that contain effluent limitations.

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 WDID No.: 2 438698001