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## Central Valley Regional Water Quality Control Board

25 May 2023

Jim Brannen  
Sr. Manager of Environment Site Remediation  
Union Pacific Railroad Company  
1400 Douglas Street  
Omaha, NE 68179

**CERTIFIED MAIL:**  
**7019 0700 0002 1109 3228**

### **OFFER TO PARTICIPATE IN THE EXPEDITED PAYMENT LETTER PROGRAM RELATED TO LIABILITY FOR PERMIT VIOLATIONS, UNION PACIFIC RAILROAD COMPANY, DUNSMUIR RAILYARD, SISKIYOU COUNTY**

The discharge of treated groundwater to surface water by the Union Pacific Railroad Company (Discharger) is regulated by the Central Valley Regional Water Quality Control Board (Central Valley Water Board) pursuant to Limited Threat General Waste Discharge Requirements (WDRs) Order R5-2022-0006 (NPDES Permit No. CAG995002), adopted by the Central Valley Water Board on 17 February 2022. This Offer to Participate in the Central Valley Regional Water Quality Control Board's Expedited Payment Letter (EPL) Program (Conditional Offer) provides the Discharger with an opportunity to resolve mandatory minimum penalties for alleged NPDES permit violations without a formal administrative civil liability complaint.

The alleged mandatory minimum penalty, in the amount of **twenty-one thousand dollars (\$21,000)**, represents the sum of accrued mandatory minimum penalties for effluent limitation violations specifically identified in the Record of Violations (Attachment A), attached hereto and incorporated herein by reference, that occurred between December 2020 through January 2023.

### **NOTICE OF VIOLATION**

Based on the Discharger's self-monitoring reports, the Central Valley Water Board Prosecution Team sent the Discharger two Notice of Violations (NOVs) on 24 May 2022 and 23 March 2023, notifying the Discharger of effluent limit violations, reporting violations, and corresponding violations of the California Water Code. The Central Valley Water Board Prosecution Team provided the Discharger with an opportunity to review and contest the violations listed in the NOVs. Following the Discharger's review of the NOVs, the Central Valley Water Board Prosecution Team confirmed that the violations listed in Attachment A are subject to mandatory minimum penalties.

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MARK BRADFORD, CHAIR | PATRICK PULUPA, ESQ., EXECUTIVE OFFICER

## STATUTORY LIABILITY

Water Code sections 13385(h) and (i) require the assessment of a mandatory minimum penalty of \$3,000 for each specified serious and chronic effluent limit violation. The Discharger may also be subject to discretionary administrative civil liabilities pursuant to Water Code section 13385(c) of up to \$10,000 for each day in which the violation occurs, and \$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 Central Valley Water Board beginning with the date that the violations first occurred. The formal enforcement action that the Central Valley Water Board uses to assess such liability is an administrative civil liability complaint, although the Central Valley Water Board 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 for each day in which the violation occurs, and \$25 for each gallon discharged but not cleaned up in excess of 1,000 gallons.

## SETTLEMENT OFFER

The Discharger can avoid the issuance of a formal enforcement action and settle the alleged violations identified in Attachment A by participating in the Expedited Payment Letter (EPL) Program.

To promote resolution of these violations, the Central Valley Water Board Prosecution Team makes this Conditional Offer. The Central Valley Water Board's Prosecution Team proposes to resolve these violations without the issuance of a formal enforcement action through this Conditional Offer assessing **twenty-one thousand dollars (\$21,000)** in mandatory minimum penalties. If the Discharger accepts this proposal, subject to the conditions below, the Central Valley Water Board Prosecution Team will accept that payment in settlement of any enforcement action that would otherwise arise out of the violations identified in Attachment A. Accordingly, the Central Valley Water Board Prosecution Team will forego issuance of a formal administrative civil liability complaint, will not refer the violations to the Attorney General, and will waive its right to seek additional discretionary civil liabilities for the violations identified in Attachment A. The Conditional Offer does not address or resolve liability for any violation that is not specifically identified in Attachment A, regardless of the date that the violation occurred.

If the Discharger accepts this Conditional Offer, please complete and return the enclosed "Acceptance of Conditional Resolution and Waiver of Right to Hearing; (proposed) Order" (Acceptance and Waiver) on or before **8 June 2023**. The Acceptance and Waiver constitutes a settlement of the violations specifically identified in Attachment A.

## CONDITIONS FOR CENTRAL VALLEY WATER BOARD ACCEPTANCE OF RESOLUTION

Federal regulations require the Central Valley Water Board to publish and allow the public thirty (30) days to comment on any settlement of an enforcement action addressing NPDES permit violations (40 C.F.R. section 123.27(d)(2)(iii)). Notice of this

settlement will be published on the [Central Valley Water Board's](https://www.waterboards.ca.gov/centralvalley/board_decisions/tentative_orders/) website ([https://www.waterboards.ca.gov/centralvalley/board\\_decisions/tentative\\_orders/](https://www.waterboards.ca.gov/centralvalley/board_decisions/tentative_orders/)).

If no comments are received within the 30-day comment period, and unless there are new material facts that become available to the Central Valley Water Board, the Executive Officer or his designee will execute the Acceptance and Waiver as a stipulated order assessing the uncontested mandatory minimum penalty amount pursuant to Water Code sections 13385.

However, if significant comments are received in opposition to the settlement, this Conditional Offer may be withdrawn. In that case, the Discharger's waiver pursuant to the Acceptance and Waiver will be void and the violations will be addressed in an administrative civil liability hearing. At the hearing, the Discharger will be free to make arguments to any of the alleged violations, and the Discharger's prior agreement to accept this Conditional Offer will be treated as a settlement communication and will not in any way be binding or used as evidence against the Discharger. The Discharger will be provided with further information on the administrative civil liability hearing process.

If the Discharger chooses to sign the Acceptance and Waiver, full payment of the assessed amount may be submitted with the waiver. However, full payment of the assessed amount shall be due no later than thirty (30) calendar days after the date the Acceptance and Waiver is executed by the Executive Officer. In accordance with California Water Code section 13385(n)(1) and California Water Code section 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. Accordingly, the **twenty-one thousand dollars (\$21,000)** liability shall be paid by cashiers or certified check made out to the "State Water Pollution Cleanup and Abatement Account". Failure to pay the full penalty within the required time period may subject the Discharger to further liability.

The Discharger shall indicate on the check the number of this EPL and send it to the State Water Resources Control Board, Accounting Office, Attn: **EPL R5-2023-0508**. Payment, PO Box 1888, Sacramento, California, 95812-1888. The waiver and a copy of the check must also be mailed to the Central Valley Water Board at 364 Knollcrest Drive, Suite 205, Redding, CA, 96002 attention to Michael Collins.

If you have any questions or comments regarding this Settlement Offer, please contact Michael Collins at (530) 224-4785 or [Michael.Collins@waterboards.ca.gov](mailto:Michael.Collins@waterboards.ca.gov).

*Original signed by Clint E. Snyder*

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CLINT E. SNYDER, P.G.  
Assistant Executive Officer

Encl.: Attachment A Record of Violations  
Acceptance of Conditional Resolution and Waiver of Right to Hearing

cc w/o encl:

Eric Magnan, USEPA, Region 9, San Francisco  
David Boyers, Office of Enforcement, SWRCB, Sacramento  
Patrick Pulupa, Central Valley Water Board Advisory Team, Rancho  
Cordova  
Jessica Jahr, Office of Chief Counsel, SWRCB, Sacramento  
Adam Laputz, Central Valley Water Board Advisory Team, Rancho  
Cordova  
Tom Lae, Jacobs, Redding

ATTACHMENT A TO THE EXPEDITED PAYMENT LETTER R5-2023-0508  
Record of Violations Subject to Mandatory Minimum Penalties

**UNION PACIFIC RAILROAD COMPANY  
DUNSMUIR RAILYARD PROJECT  
RECORD OF VIOLATIONS (December 2020 though January 2023) MANDATORY MINIMUM PENALTIES  
(Data reported under Monitoring and Reporting Program R5-2016-0076-63)**

The following table lists the alleged violations subject to mandatory minimum penalties (MMPs), pursuant to Water Code section 13385(h) and (i).

**Table A. Violations subject to Mandatory Minimum Penalties**

Item	Date	Parameter	Units	Limit	Reported Value	Period	Violation Type	MMP Type	CIWQS
1	12/31/2020	Manganese, Total Recoverable	µg/L	80	85.4	Average Monthly	OEV	NCHRON	1087229
2	01/18/2022	Zinc, Total Recoverable	µg/L	64	64.7	Maximum Daily	OEV	NCHRON	1103934
3	01/18/2022	Lead, Total Recoverable	µg/L	2	8.31	Maximum Daily	CAT2	SIG	1103931
4	01/31/2022	Zinc, Total Recoverable	µg/L	32	64.7	Average Monthly	CAT2	SIG	1103935
5	01/31/2022	Lead, Total Recoverable	µg/L	1	8.31	Average Monthly	CAT2	SIG	1103933
6	02/10/2022	Methanol	µg/L	20	120	Maximum Daily	CAT2	SIG	1103936
7	11/16/2022	Lead, Total Recoverable	µg/L	2	2.43	Maximum Daily	CAT2	SIG	1113504
8	12/07/2022	Lead, Total Recoverable	µg/L	2	2.22	Maximum Daily	OEV	NCHRON	1113508
9	01/05/2023	Lead, Total Recoverable	µg/L	2	3.67	Maximum Daily	CAT2	SIG	1113514
10	01/14/2023	Flow	MGD	0.432	0.660	Maximum Daily	OEV	CHRON	1113515

ATTACHMENT A TO THE EXPEDITED PAYMENT LETTER R5-2023-0508  
Record of Violations Subject to Mandatory Minimum Penalties

**Table B. Expedited payment amount violations summary**

<b>VIOLATIONS AS OF:</b>	<b>January 2023</b>
Group I Serious Violations:	0
Group II Serious Violations:	6
Non-Serious Violations Not Subject to MMPs:	3
Non-serious Violations Subject to MMPs:	1
<b>Total Violations Subject to MMPs:</b>	<b>7</b>

***Mandatory Minimum Penalty Amount for Effluent Limit Violation(s)***

(6 Group II Serious violations + 1 Non-Serious Violation subject to MMP) x \$3,000 per Violation = \$21,000

Total Expedited Payment Amount = \$21,000

**Table C. Definition**

<b>Abbreviation</b>	<b>Description</b>
CAT 1	Violation of effluent limitation for Group I pollutant.
CAT 2	Violation of effluent limitation for Group II pollutant
CHRON	Chronic violation as defined by Water Code section 13385 (i). Any non-serious violation that falls within a 180-day period with three preceding violations. Thus, the fourth non-serious violation that occurs within a 180-day period is subject to MMPs.
CIWQS	<a href="https://www.waterboards.ca.gov/water_issues/programs/ciwqs/">California Integrated Water Quality System</a> database. ( <a href="https://www.waterboards.ca.gov/water_issues/programs/ciwqs/">https://www.waterboards.ca.gov/water_issues/programs/ciwqs/</a> )
DREP	Deficient reporting violation. This will only result in MMPs if the report is so deficient as to make determination of compliance impossible for the reporting period.
MMP Type	Classification of the type of MMP violation.
Occurrence Date	Date that a violation occurred. For averaging period limitation violations, such as weekly and monthly averages, the last day of the reporting period is used such as last day of the week (Saturday) and last day of the month, respectively.
OEV	Violation of any constituent-specific effluent limitation not included in Group I or Group II.
NCHRON	Non-serious violation falls within the first three violations in a 180-day period, thus, not subject to MMP.
SIG	Serious Violation: For Group I pollutants that exceed the effluent limitation by 40 percent or more. For Group II pollutants that exceed the effluent limitation by 20 percent or more.

Acceptance of Conditional Resolution and Waiver of Right to Hearing  
*EPL R5-2023-0508*

**ACCEPTANCE OF CONDITIONAL RESOLUTION  
AND WAIVER OF RIGHT TO HEARING**

Union Pacific Railroad Company  
EPL R5-2023-0508

By signing below and returning this Acceptance of Conditional Resolution and Waiver of Right to Hearing (Acceptance and Waiver) to the Central Valley Regional Water Quality Control Board (Central Valley Water Board), the Union Pacific Railroad Company (Discharger) hereby accepts the “Offer to Participate in Expedited Payment Letter Program” (Conditional Offer), incorporated herein by reference, and waives the right to a hearing before the Central Valley Water Board to dispute the allegations of violations described in Attachment A to the Conditional Offer.

The Discharger agrees that the Conditional Offer shall serve as a complaint pursuant to Article 2.5 of the California Water Code and that no separate complaint is required for the Central Valley Water Board to assert jurisdiction over the alleged violations through its Chief Prosecutor. The Discharger agrees to pay the penalties required by California Water Code section 13385(h) and/or (i), in the sum of \$21,000 (Expedited Payment Amount), which shall be deemed payment in full of any civil liability pursuant to Water Code section 13385 that otherwise might be assessed for the violations described in Attachment A. The Discharger understands that this Acceptance and Waiver waives its right to contest the allegations in Attachment A and the amount of civil liability assessed for the violations.

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

Upon execution by the Discharger, the completed Acceptance and Waiver shall be returned via email or U.S. mail to:

Michael Collins, Water Resources Control Engineer  
NPDES Permitting/Compliance and Enforcement  
364 Knollcrest Drive, Suite 205  
Redding, CA 96002  
Phone: (530) 224-4785  
[Michael.Collins@waterboards.ca.gov](mailto:Michael.Collins@waterboards.ca.gov)

Offer to Participate in Expedited Payment Letter Program  
*EPL R5-2023-0508*

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

If no comments are received within the notice period that causes the Central Valley Water Board Executive Officer to question the Expedited Payment Amount, the Central Valley Water Board Executive Officer or his designee will execute this Acceptance and Waiver.

The Discharger understands that if significant comments are received in opposition to the Expedited Payment Amount, the offer on behalf of the Central Valley Water Board to resolve the violations set forth in the ROV may be withdrawn. In that circumstance, the Discharger 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 Central Valley Water Board. For such a liability hearing, the Discharger understands that this Acceptance and Waiver executed by the Discharger will be treated as a settlement communication and will not be used as evidence in that hearing.

The Discharger further understands that once the Acceptance and Waiver is executed by the Central Valley Water Board Executive Officer or his designee, the full payment required by the deadline set forth below is a condition of this Acceptance and Waiver. In accordance with California Water Code section 13385(n)(1) and California Water Code section 13385.1(c)(1), funds collected for violations of effluent limitations and reporting requirements pursuant to sections 13385 and 13385.1 shall be deposited in the State Water Pollution Cleanup and Abatement Account. Accordingly, the \$21,000 liability shall be paid by a cashiers or certified check made out to the "State Water Pollution Cleanup and Abatement Account". The Discharger may choose to submit the full payment with the Waiver. However, the payment must be submitted to the State Water Resources Control Board no later than thirty (30) calendar days after the date the Acceptance and Waiver is executed by the Central Valley Water Board Executive Officer or his designee.

Please mail the check to:

State Water Resources Control Board, Accounting Office  
Attn: EPL R5-2023-0508 Payment  
PO Box 1888  
Sacramento, California, 95812-1888

The Discharger shall also provide a copy of the waiver form and check via email to the Central Valley Water Board ([Michael.Collins@waterboards.ca.gov](mailto:Michael.Collins@waterboards.ca.gov)).



Offer to Participate in Expedited Payment Letter Program  
*EPL R5-2023-0508*

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.

**Union Pacific Railroad Company**

BY: Original signed by Mark Lutz  
Signed Name

12 July 2023  
Date

\_\_\_\_\_  
Printed or Typed Name

\_\_\_\_\_  
Date

IT IS SO ORDERED PURSUANT TO CALIFORNIA WATER CODE SECTION 13385

By: Original signed by Patrick Pulupa  
Patrick Pulupa  
Executive Officer

30 August 2023  
Date