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## San Diego Regional Water Quality Control Board

November 13, 2018

**Sent By Email Only**

Mr. R. Mark Sanford  
Corporate Director of Construction  
Prime Healthcare Management, Inc.  
3300 E. Guasti Road, 1st Floor  
Ontario, CA 91761  
[MSanford@primehealthcare.com](mailto:MSanford@primehealthcare.com)

**In reply refer to / attn:**  
815375:KYaeger

**Subject: Settlement Offer No. R9-2018-0160: Offer to Participate in Expedited Payment Program Relating to Violations of Order No. R9-2015-0013, NPDES No. CAG919003**

Mr. Sanford:

Alvarado Hospital Medical Center (Permittee) is hereby notified of alleged violations of Order No. R9-2015-0013, *General Waste Discharge Requirements for Groundwater Extraction Discharges to Surface Waters within the San Diego Region*, and of the opportunity to participate in an Expedited Payment Program to address liability that may be assessed pursuant to California Water Code sections 13385 and/or 13385.1.

### **ALLEGED VIOLATION(S) SUBJECT TO THIS OFFER**

As detailed in Exhibit A, the California Regional Water Quality Control Board, San Diego Region (San Diego Water Board) alleges that the Permittee has violated Order No. R9-2015-0013.

### **STATUTORY LIABILITY**

The Permittee is subject to the following statutory liabilities:

1. Water Code section 13385.1 requires the assessment of a \$3,000 mandatory minimum penalty for a 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, if the report is designed to ensure compliance with limitations contained in waste discharge requirements that contain effluent limitations;
2. Water Code section 13385(c) allows for additional civil liability of up to \$10,000 per day for each violation; and
3. Water Code section 13385(e) allows for the recovery of staff costs.

These mandatory minimum penalties and discretionary administrative civil liabilities may be assessed by the San Diego Water Board beginning with the date that each violation first occurred.

The formal enforcement that the San Diego Water Board uses to assess such liability is an administrative civil liability complaint, although the San Diego Water Board may instead refer such matters to the Attorney General's Office for prosecution. If referred to the Attorney General's Office for prosecution, the Superior Court may assess up to \$25,000 per day for each violation, including staff costs.

### **SETTLEMENT OFFER**

The Permittee can avoid formal enforcement action and settle the alleged violations identified in Exhibit A by participating in the San Diego Water Board's Expedited Payment Program. The Permittee may accept this conditional Settlement Offer, waive its right to a hearing, and pay the mandatory minimum penalty of **\$54,000** for the violations described in Exhibit A. If the Permittee elects to do so, the San Diego Water Board, or its delegate, will execute the Settlement Offer, subject to the conditions below. Accordingly, the San Diego Water Board will forego issuance of a formal administrative liability complaint, will not refer the violation to the Attorney General's Office, will not charge incurred staff costs, and will waive its right to seek additional discretionary civil liabilities for the violations identified in Exhibit A.

The Expedited Payment Program does not address or resolve liability for any violation that is not specifically identified in Exhibit A regardless of the date that the violation occurred.

### **OPTIONS FOR RESPONSE TO OFFER**

1. If the Permittee accepts this offer, the Permittee shall complete and return the enclosed Acceptance of Conditional Resolution and Waiver of Right to Hearing of Settlement Offer No. R9-2018-0160 (Acceptance and Waiver, Exhibit B) on or before 5 p.m. on November 27, 2018.
2. If the Permittee chooses to contest the violations alleged in Exhibit A, the Permittee shall submit in writing the specific violation and the basis for the challenge (factual error, affirmative defense, etc.) to the San Diego Water Board on or before 5 p.m. on November 27, 2018. The San Diego Water Board will evaluate each of the contested violations and take one of two actions:
  - a. The San Diego Water Board will determine that the violation is not supported, expunge the alleged violation, take no further action against the Permittee for the alleged violation, and notify the Permittee in writing of that determination; or
  - b. The San Diego Water Board will determine that the alleged violation is meritorious and will notify the Permittee of that determination. The Permittee will be given 14 days from the date of receipt of the San Diego Water Board determination to either accept the Settlement Offer by completing and returning the Acceptance and Waiver to the San Diego Water Board, or to reject the Settlement Offer.
3. If the Permittee does not respond to this offer, the San Diego Water Board will initiate a formal enforcement action with regard to the alleged violations. In a formal enforcement action, the liability amount sought and/or imposed may exceed the liability amount set

forth in this conditional Settlement Offer. Moreover, the staff costs of investigating the violation and proceeding with formal enforcement action are factors that will be considered in assessing the liability amount.

### **CONDITIONS FOR SAN DIEGO WATER BOARD ACCEPTANCE OF RESOLUTION**

Pursuant to title 40 of the Code of Federal Regulations (40 CFR), section 123.27(d)(2)(iii), the San Diego Water Board is required to publish and allow the public 30 days to comment on any settlement of an enforcement action addressing alleged violations of National Pollutant Discharge Elimination System (NPDES) permit conditions. Upon receipt of the Permittee's Acceptance and Waiver, the San Diego Water Board will publish a notice of the proposed resolution of the violations.

If no comments are received within the 30-day comment period, and unless there are new material facts that become available to the San Diego Water Board, the San Diego Water Board, or its delegate, will execute the Acceptance and Waiver as a stipulated order assessing the uncontested mandatory minimum penalty amount pursuant to Water Code sections 13385 and/or 13385.1.

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

In the event the Acceptance and Waiver is executed by the San Diego Water Board, or its delegate, full payment of the assessed amount shall be due within 30 calendar days after the Permittee's receipt of the notice of the San Diego Water Board's, or its delegate's, execution. In accordance with Water Code section 13385.1(c)(1), funds collected for a failure to timely report shall be deposited in the State Water Pollution Cleanup and Abatement Account. Accordingly, the liability shall be paid by cashier's or certified check made out to the "State Water Pollution Cleanup and Abatement Account." Failure to pay the full liability within the required time period may subject the Permittee to further liability.

In the subject line of any response, please include the following: 815375:KYaeger. Should you have any questions about this conditional offer, please contact Mr. Keith Yaeger by phone at 619-521-5899, or by email at [Keith.Yaeger@waterboards.ca.gov](mailto:Keith.Yaeger@waterboards.ca.gov).

Respectfully,

  
James G. Smith  
Assistant Executive Officer

Enclosures:

Exhibit A: Notice of Violation Subject to Mandatory Minimum Penalty, Alvarado Hospital Medical Center

Exhibit B: Acceptance of Conditional Resolution and  
Waiver of Right to Hearing of the Settlement Offer No. R9-2018-0160

cc by email:

John Nuelle, Alvarado Hospital Medical Center, [JNuelle@primehealthcare.com](mailto:JNuelle@primehealthcare.com)  
David Barker, San Diego Water Board, [dbarker@waterboards.ca.gov](mailto:dbarker@waterboards.ca.gov)  
Chiara Clemente, San Diego Water Board, [cclemente@waterboards.ca.gov](mailto:cclemente@waterboards.ca.gov)  
Brandi Outwin-Beals, San Diego Water Board, [Brandi.Outwin-Beals@waterboards.ca.gov](mailto:Brandi.Outwin-Beals@waterboards.ca.gov)  
Keith Yaeger, San Diego Water Board, [Keith.Yaeger@Waterboards.ca.gov](mailto:Keith.Yaeger@Waterboards.ca.gov)  
Paul Ciccarelli, State Water Resources Control Board, [paul.ciccarelli@waterboards.ca.gov](mailto:paul.ciccarelli@waterboards.ca.gov)

Tech Staff Info & Use	
Order No.	R9-2015-0013
NPDES No.	CAG919003
CW Place ID (GW Extraction, Alvarado Hospital Medical Center)	815375
CW Party/Organization ID (Alvarado Hospital Medical Center)	551297
CW Party/Person ID (Mark Sanford)	583436
CW Party/Person ID (Paul Staughton)	556532
CW Party/Organization ID (Pure Effect Inc.)	35063
CW Party/Person ID (Michael E. Slaby)	548613
CW Regulatory Measure (Enrollee)	406266
CW Regulatory Measure (General Order)	400619
CW Regulatory Measure (EPL)	425629
EPL Order No.	R9-2018-0160
WDID	9 000002849

## Exhibit A

### NOTICE OF VIOLATIONS SUBJECT TO MANDATORY MINIMUM PENALTIES ALVARADO HOSPITAL MEDICAL CENTER

The following table lists the alleged violations subject to mandatory minimum penalties (MMPs) pursuant to Water Code sections 13385(h) and (i) and/or 13385.1.

Violation ID	Occurred Date	Violation Type	MMP Type	Violation Description
1041260	01/31/2017	LREP	SIG	The discharge monitoring report for the 4 <sup>th</sup> Quarter of 2016 was due on 01/30/2017 and submitted on 03/21/2017 (50 days late or 1 complete 30-day period).
1041264	05/01/2017	LREP	SIG	The discharge monitoring report for the 1 <sup>st</sup> Quarter of 2017 was due on 4/30/2017 and submitted on 06/06/2018 (402 days late or 13 complete 30-day periods).
1041318	01/31/2018	LREP	SIG	The discharge monitoring report for the 4 <sup>th</sup> Quarter of 2017 was due on 01/30/2018 and submitted on 06/06/2018 (127 days late or 4 complete 30-day periods).

#### EXPEDITED PAYMENT AMOUNT

##### Mandatory Minimum Penalty Amount for Late Reporting Violations

18 Serious Violations × \$3,000 per Serious Violation = \$54,000 Expedited Payment Amount

#### DEFINITIONS

AM	Effluent exceeds average monthly limitation.
ATOX	Violation of an acute toxicity effluent limitation.
AW	Effluent exceeds average weekly limitation.
CAT1	Violation of an effluent limitation for a Group I pollutant by more than 40%.
CAT2	Violation of an effluent limitation for a Group II pollutant by more than 20%.
CHRON	Chronic violation as defined by Water Code section 13385(i). To be counted as a chronic violation, there must be 3 preceding violations within a 180-day period. The fourth non-serious violation that occurs within the 180 period is an MMP violation.
CIWQS	California Integrated Water Quality System database.
CTOX	Violation of a chronic toxicity effluent limitation.
DM	Effluent exceeds daily maximum limitation.
DREP	Deficient reporting violation. This will only result in an MMP if the report is so deficient as to make determination of compliance impossible for that reporting period.
GROUP	The list of pollutants is based on Appendix A to section 123.45 of title 40 of the Code of Federal Regulations.
IM	Effluent exceeds instantaneous maximum limitation.
LREP	Late reporting violation. Every 30 days a report is late counts as one late reporting violation.
M	Effluent exceeds limit for monthly reporting period.
MMP Type	Classification of the type of MMP violation.
N/A	Not Applicable
Occurrence Date	Date that a violation actually occurred. For continuing violations, such as a monthly average, the last day of the reporting period is used. If the occurrence date is unknown, the date is entered as the day it was first discovered by staff, the discharger, or a third party. For deficient or late reports, the occurrence date is the day after the report was due.
OEVI	Violation of any constituent-specific effluent limitation not included in Group I or Group II.
Q	Effluent exceeds limit for quarterly reporting period.

S	Effluent exceeds limit for semi-annual reporting period.
SIG	Serious violation as defined by Water Code section 13385(h). Waste discharge exceeds the effluent limitation for a Group I pollutant by 40% or more (CAT1), or a Group II pollutant by 20% or more (CAT2). Also defined by Water Code section 13385.1 as a failure to file a discharge monitoring report pursuant to Water Code section 13383 for each 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.
Violation Description	Narrative description of the violation.
Violation ID	Identification number assigned to a violation in CIWQS.
Violation Type	Classification of a violation. Two types of violations relate to MMPs: 1) Late Reporting Violations (LREP, DREP) 2) Effluent Violations (ATOX, CTOX, CAT1, CAT2, OEV)

## Exhibit B

### ACCEPTANCE OF CONDITIONAL RESOLUTION AND WAIVER OF RIGHT TO HEARING OF THE SETTLEMENT OFFER NO. R9-2018-0160

By signing below and returning this Acceptance of Conditional Resolution and Waiver of Right to Hearing (Acceptance and Waiver) to the California Regional Water Quality Control Board, San Diego Region (San Diego Water Board), Alvarado Hospital Medical Center (Permittee) hereby accepts the *Offer to Participate in Expedited Payment Program* and waives the right to a hearing before the San Diego Water Board to dispute the allegations of violation described in the Settlement Offer, which is attached hereto as Exhibit A and incorporated herein by reference.

The Permittee agrees that the Settlement Offer shall serve as a complaint pursuant to Article 2.5 of the Water Code and that no separate complaint is required for the San Diego Water Board to assert jurisdiction over the alleged violations through its Chief Prosecutor. The Permittee agrees to pay the penalties required by Water Code sections 13385 and/or 13385.1, in the sum of **\$54,000** (Expedited Payment Amount), which shall be deemed payment in full of any civil liability pursuant to Water Code sections 13385 and/or 13385.1 that otherwise might be assessed for the violations described in the Settlement Offer. The Permittee understands that this Acceptance and Waiver waives the Permittee's right to contest the allegations in the Settlement Offer and the amount of civil liability for such violations.

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

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

California Regional Water Quality Control Board, San Diego Region  
2375 Northside Drive, Suite 100  
San Diego, CA 92108-2700  
ATTN: 815375:KYaeger

The Permittee understands that federal regulations set forth at title 40 of the Code of Federal Regulations, section 123.27(d)(2)(iii), require the San Diego Water Board to publish notice of and provide at least 30 days for public comment on any proposed resolution of an enforcement action addressing National Pollutant Discharge Elimination System (NPDES) permit violations. Accordingly, this Acceptance and Waiver, prior to execution by the San Diego Water Board, or its delegate, will be published as required by law for public comment.

During the public comment period, if no comments are received that cause the San Diego Water Board, or its delegate, to question the Expedited Payment Amount, the San Diego Water Board, or its delegate, will execute the Acceptance and Waiver.

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

The Permittee further understands that once the Acceptance and Waiver is executed by the San Diego Water Board, or its delegate, the full payment required by the deadline set forth below is

Acceptance of Conditional Resolution and Waiver  
of Right to Hearing of the Settlement Offer  
No. R9-2018-0160

a condition of this Acceptance and Waiver. In accordance with Water Code section 13385.1(c)(1), funds collected for a failure to timely report shall be deposited in the State Water Pollution Cleanup and Abatement Account. Accordingly, the liability shall be paid by a cashier's or certified check for **\$54,000** made out to the "State Water Pollution Cleanup and Abatement Account." Payment must be submitted to the State Water Resources Control Board, Accounting Office, Attn: ACL Payment, P.O. Box 1888, Sacramento, CA 95812-1888, no later than thirty (30) calendar days after the date the Permittee receives written notice that the San Diego Water Board, or its delegate, has executed this Acceptance and Waiver. A copy of the check must also be received by the San Diego Water Board at 2375 Northside Drive, Suite 100, San Diego, CA 92108-2700 within thirty (30) days of approval via U.S. Postal Service or email to [SanDiego@waterboards.ca.gov](mailto:SanDiego@waterboards.ca.gov), attention 815375:KYaeger.

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

Alvarado Hospital Medical Center

By: *Z. Mark Sanford*  
Signed Name

11/26/18  
Date

R. (ROBERT) MARK SANFORD  
Printed or Typed Name

CORPORATE DIRECTOR OF CONSTRUCTION  
Title

IT IS SO ORDERED PURSUANT TO WATER CODE SECTION 13323 AND GOVERNMENT CODE SECTION 11415.60, ON BEHALF OF THE CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD, SAN DIEGO REGION

By: \_\_\_\_\_  
DAVID W. GIBSON  
Executive Officer

\_\_\_\_\_  
Date