



EDMUND G. BROWN JR.
GOVERNOR

MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

California Regional Water Quality Control Board, San Diego Region

August 27, 2013

Certified Mail – Return Receipt Requested

Article Number: 7011 0470 0002 8961 5476

Mr. T. Michael Chee
Manager, Environmental Engineering
General Dynamics NASSCO
P. O. Box 85278
San Diego, California 92186-5278

In reply refer to / attn:
243883:rstewart

Acceptance of Settlement Offer No. R9-2013-0118, Expedited Payment Program Relating to Violation of NPDES Order No. R9-2009-0099, NPDES No. CA0109134, Waste Discharge Requirements, General Dynamics National Steel and Shipbuilding Company (NASSCO) Discharge to the San Diego Bay

Mr. Chee:

The California Regional Water Quality Control Board, San Diego Region (San Diego Water Board) has accepted your settlement offer. No public comments were received during the comment period; therefore the Executive Officer signed the enclosed settlement offer. Pursuant to the settlement offer you have thirty (30) calendar days upon receipt of this notice to submit payment in full of the assessed liability (\$3,000). In accordance with Water Code section 13385(n)(1), funds collected for violations of effluent limitations and reporting requirements pursuant to section 13385 shall be deposited in the State Water Pollution Cleanup and Abatement Account. Accordingly, the 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 liability within the required time period may subject NASSCO to further liability.

In the subject line of any response, please include the reference number and name. For questions or comments, please contact Rebecca Stewart by phone at (858) 467-2966, or by email at rstewart@waterboards.ca.gov.

Respectfully,

CHIARA M. CLEMENTE
Senior Environmental Scientist

TOMÁS MORALES, CHAIR | DAVID GIBSON, EXECUTIVE OFFICER

9174 Sky Park Court, Suite 100, San Diego, CA 92123-4353 | (858) 467-2952 | www.waterboards.ca.gov/sandiego



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CMC:rls

Enclosure: Signed Acceptance and Waiver Settlement Offer No. R9-2013-0118

cc: David Barker, Surface Water Basins Branch, dbarker@waterboards.ca.gov
Jeremy Haas, WQ Restoration & Standards Branch, jhaas@waterboards.ca.gov
Kristin Schwall, Core Regulatory Unit, kschwall@waterboards.ca.gov
Laurie Walsh, Core Regulatory Unit, lwalsh@waterboards.ca.gov

Tech Staff Info & Use	
Order No.	R9-2013-0118
Party ID	31242
WDID	9 000000066
NPDES No.	CA0109134
Reg. Measure ID	391787
Place ID	243883
Person ID	140438
Violation ID	935215



Exhibit B

**ACCEPTANCE OF CONDITIONAL RESOLUTION
AND
WAIVER OF RIGHT TO HEARING
(PROPOSED) ORDER**

By signing below and returning this Acceptance of Conditional Resolution and Waiver of Right to Hearing (Acceptance and Waiver) to the San Diego Regional Water Quality Control Board (San Diego Water Board), General Dynamics National Steel and Shipbuilding Company (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 allegation 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 California Water Code (Water Code) and that no separate complaint is required for the San Diego Water Board to assert jurisdiction over the alleged violation through its Chief Prosecutor. The Permittee agrees to pay the penalties required by Water Code section 13385, in the sum of three thousand dollars (\$3,000) (Expedited Payment Amount), 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 violation 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 violation.

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
ATTN: 243883:rstewart
9174 Sky Park Court, Suite 100
San Diego, CA 92123-4340

The Permittee understands that federal regulations set forth at title 40, Code of Federal Regulations, section 123.27(d)(2)(iii), require the San Diego 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 Executive Officer, will be published as required by law for public comment.

During the public comment period, if no comments are received that cause the Executive Officer to question the Expedited Payment Amount, the Executive Officer 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, 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 Executive Officer, the full payment required by the deadline set forth below is a condition of this Acceptance and Waiver. In accordance with Water Code section 13385(n)(1), funds collected for violations of effluent limitations and reporting requirements pursuant to section 13385 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 three thousand dollars (\$3,000) made out to the "State Water Pollution Cleanup and Abatement Account." Payment must be submitted to the San Diego Water Board no later than thirty (30) calendar days after the date the Permittee receives written notice that the Executive Officer has executed this Acceptance and Waiver.

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.

General Dynamics NASSCO

By: <u>Michael J. Askew</u>	<u>July 24, 2013</u>
Signed Name	Date
<u>Michael J. Askew</u>	<u>Vice President & General Counsel</u>
Printed or Typed Name	Title

IT IS SO ORDERED PURSUANT TO WATER CODE SECTION 13385.

By: <u>David W. Gibson</u>	<u>8-27-2013</u>
DAVID W. GIBSON	Date
Executive Officer	