

**STATE OF CALIFORNIA
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SANTA ANA REGION**

In the Matter of:

California Steel Industries, Inc.)
14000 San Bernardino Avenue)
Fontana, California, CA 92335)
Attn: Dennis R. Poulsen,)
Environmental Services Manager)

**ORDER NO. R8-2014-0028
SETTLEMENT AGREEMENT AND
STIPULATIONS FOR ENTRY OF MANDATORY
MINIMUM PENALTIES**

This Settlement Agreement and Stipulation for Entry of Mandatory Minimum Penalties ("Settlement Agreement") is entered into by and between the Division Chief of the California Regional Water Quality Control Board, Santa Ana Region ("Regional Water Board"), on behalf of the Regional Water Board Prosecution Team ("Prosecution Team") and the California Steel Industries Inc. (the "Discharger") (collectively "Parties"), and is presented by the Prosecution Team and the Discharger to the Regional Water Board, or its delegee, for adoption as an Order by settlement, pursuant to Government Code section 11415.60.

SECTION I: RECITALS

Background

1. The Discharger owns California Steel Industries, a facility engaged in rolling, pickling and oiling, annealing, galvanizing, and cleaning of steel slab strips and coils. Stormwater runoff and process water from the facility are discharged to San Sevaine Channel and to Mulberry Ditch.
2. On November 5, 2004, the Regional Water Board adopted Waste Discharge Requirements ("WDRs"), Order No. R8-2004-0044, NPDES No. CA0105449, for the Discharger for the discharge of stormwater runoff and process water from its facility.
3. Self-Monitoring reports, submitted by the Discharger, show a total of eleven reported effluent limit violations of suspended solids and pH during the period of March 2012 through October 2012, eight of which are subject to Mandatory Minimum Penalties (MMPs) pursuant to California Water Code section 13385 subdivision (i). The violations are summarized in Attachment A of this Order.

Legal Authority

4. California Water Code section 13385 subdivision (i) requires assessment of mandatory minimum penalties and states, in relevant part, the following:

Notwithstanding any other provision of this division, and except as provided in subdivisions (j), (k), and (l), a mandatory minimum penalty of three thousand dollars (\$3,000) shall be assessed for each violation whenever the person does any of the following four or more times in any period of six consecutive months, except that the requirement to assess the mandatory minimum penalty shall not be applicable to the first three violations:

- A) Violates a waste discharge requirement effluent limitation.
- B) Fails to file a report pursuant to Section 13260.
- C) Files an incomplete report pursuant to Section 13260.
- D) Violates a toxicity effluent limitation contained in the applicable waste discharge requirements where the waste discharge requirements do not contain pollutant-specific effluent limitations for toxic pollutants.

5. Discharge Specifications A.1. and A.2. of Order R8-2004-0044 set the following limits for discharges from the facility:

- Maximum Daily Concentration of suspended solids should not exceed 75 mg/l, and
- The pH of the discharge shall be within 6.5 to 8.5 standard units.

6. California Water Code section 13385 subdivision (l) states:

- a. In lieu of assessing penalties pursuant to subdivision (h) or (i), the state board or the regional board, with the concurrence of the discharger, may direct a portion of the penalty amount to be expended on a supplemental environmental project in accordance with the enforcement policy of the state board. If the penalty amount exceeds fifteen thousand dollars (\$15,000), the portion of the penalty amount that may be directed to be expended on a supplemental environmental project may not exceed fifteen thousand dollars (\$15,000) plus 50 percent of the penalty amount that exceeds fifteen thousand dollars (\$15,000).
- b. For the purposes of this section, a "supplemental environmental project" means an environmentally beneficial project that a person agrees to undertake, with the approval of the regional board that would not be undertaken in the absence of an enforcement action under this section.
- c. This subdivision applies to the imposition of penalties pursuant to subdivision (h) or (i) on or after January 1, 2003, without regard to the date on which the violation occurs.

Alleged Violations

7. The Discharger is alleged to have violated Order No. R8-2004-0044 and the California Water Code by discharging wastewater with constituents in excess of permit limitations to waters of the United States. These violations are subject to mandatory minimum penalties.
8. According to the Discharger's self-monitoring reports, the Discharger committed the following violations for the effluent limitations described above: four in March 2012, three in April 2012, and four in October 2012.
9. Of those violations, eight are subject to mandatory minimum penalties under Water Code section 13385 subdivision (i).

Accordingly, the **total mandatory minimum penalty is twenty four thousand dollars (\$24,000)** (8 x \$3,000 = \$24,000).

Settlement

10. This settlement only resolves the eight violations listed in Attachment A that are subject to mandatory minimum penalties.
11. The Parties have engaged in settlement negotiations and agree to fully settle the matter without administrative or civil litigation and by presenting this Settlement Agreement to the Regional Water Board's Executive Officer for adoption as an Order by settlement, pursuant to Government Code section 11415.60. The Prosecution Team believes that no further action is warranted concerning the eight violations subject to mandatory minimum penalties for violations listed in Attachment A, except as provided in this Order, and that this Order is in the best interest of the public.
12. To resolve by consent and without further administrative proceedings, the Parties have agreed to the imposition of **twenty-four thousand dollars (\$24,000)** in mandatory minimum penalties against the Discharger for alleged violations of the California Water Code and Order No. R8-2004-0044, as set forth in Attachment A. The Discharger shall pay **twelve-thousand dollars (\$12,000)** in penalties to the Inland Empire Waterkeeper (SEP Proponent) to support a Supplemental Environmental Project ("SEP") called the "The Chino Basin/Santa Ana River Restoration Project" no later than 30 days following the execution of this Order. The SEP outlined in Attachment B shall be incorporated into this Order and satisfies the provisions of the State Water Resources Control Board Policy on Supplemental Environmental Projects. The remaining **twelve- thousand dollars (\$12,000)** shall be paid to the State Water Resources Control Board Cleanup and Abatement Account.

SECTION II: STIPULATIONS

The Parties incorporate Paragraphs 1 through 12 by this reference, as if set forth fully herein, and stipulate to the entry of this Order as set forth below, and recommend that the Regional Water Board issue this Order to effectuate the settlement:

13. This Settlement Agreement is entered into by the Parties to resolve by consent and without further administrative proceedings eight alleged violations of Order No. R8-2004-0044 as set forth in Attachment A.
14. Failure to pay any of the monetary assessments by the deadlines specified in the following paragraphs 15 and 16 will cancel the provisions for suspended penalties for the SEP and that suspended amount will become immediately due and payable.
15. **Mandatory Minimum Penalty:** Within thirty (30) days of adoption of this Order, the Discharger shall remit, by check, **twelve- thousand dollars (\$12,000)** payable to the *State Water Resources Control Board Cleanup and Abatement Account*, to the following address ("*Order No. R8-2014-0021*" shall be indicated on the check):

State Water Resources Control Board
Division of Administrative Services
ATTN: Accounting
1001 "I" Street, 18th Floor
Sacramento, California 95814

A copy of the check, with a cover letter addressed to Najah Amin shall e-mailed to: najah.amin@waterboards.ca.gov

16. **Supplemental Environmental Project:** The Parties further agree that this Settlement Agreement includes the following SEP project:

The Discharger shall pay **twelve- thousand dollars (\$12,000)** to the Inland Empire Waterkeeper, for the SEP. This is the suspended liability payment and is also due within 30 days of adoption of this Order. A check in that amount, made payable to the Inland Empire Waterkeeper, shall be mailed to:

Megan Brousseau, Program Director
Inland Empire Waterkeeper
6876 Indiana Avenue, Suite D
Riverside, CA 92506

A copy of the check, with a cover letter addressed to Najah Amin shall e-mailed to: najah.amin@waterboards.ca.gov

- a. The suspended liability shall be deemed satisfied once the Discharger funds the SEP project and the project is completed by the SEP Proponent in accordance with the schedule proposed in the SEP Proposal (Attachment B). The Discharger and the SEP Proponent shall ensure that the SEP allocation of twelve- thousand dollars (\$12,000) is used as per the proposed budget in accordance with the schedule included in Attachment B of this Order. The Discharger is ultimately responsible for meeting the requirements as set forth in Attachment B.
 - b. **Description of the SEP:** See Attachment B.
 - c. **Deliverable Products from SEP:** See Attachment B.
 - d. **Budget and Milestones:** See Attachment B.
17. **Representations and Agreements by the SEP Proponent:** As a material consideration for the Executive Officer's acceptance of this Settlement Agreement, the SEP Proponent represents that it will utilize the funds provided to it by the Discharger to implement the SEP in accordance with the schedule in Attachment B. The SEP Proponent understands that its promise to implement the SEP as described in Attachment B, in its entirety and in accordance with the schedule for implementation, is a material condition of this settlement of liability between the Discharger and the Regional Board. The SEP Proponent agrees that the Regional Board has the right to require the SEP Proponent to implement the SEP in accordance with the terms of this Order if it has received funds for that purpose from the Discharger. The SEP Proponent agrees to submit to the jurisdiction of the Regional Board to enforce the terms of this Order for purposes of implementation of the SEP.
18. **Publicity:** Wherever the Discharger or its subcontractors or agents or the SEP Proponent or its agents or subcontractors publicizes one or more elements of the SEP project, they shall state in a **prominent manner** that the project is being undertaken as part of the settlement of an enforcement action by the Regional Board against the Discharger.
19. **Regional Board Staff Oversight Costs:** Regional Board staff does not anticipate any staff oversight costs for the proposed SEP.
20. **SEP Program Audit:** The SEP Proponent shall allow Regional Board staff to audit the SEP project during normal business hours. The SEP Proponent agrees that Regional Board staff has the right to require an audit of the funds provided to it by the Discharger and expended by it to implement the SEP.
21. **Certification and Reports:** The SEP Proponent represents to the Parties that the SEP Proponent will provide a certified, written report to Regional Board staff consistent with the terms of this Order detailing the implementation of the SEP. The SEP Proponent shall submit certified statements by responsible officials representing the SEP Proponent documenting the respective expenditures by the SEP Proponent to implement and to complete the SEP. The expenditures may be external payments to

outside vendors or contractors implementing the SEP. The SEP Proponent shall provide any additional information requested by the Regional Board staff which is reasonably necessary to verify the SEP Proponent's SEP expenditures. The final report shall include a certification by the Principal Investigator, under penalty of perjury, stating that the SEP has been completed in accordance with Attachment B and any agreed upon written changes between the authorized representatives of the SEP Proponent and the Regional Board and the applicable provisions of this Order. Such documentation may include photographs, invoices, receipts, certifications, and other materials reasonably necessary for the Regional Board to evaluate the completion of the SEP and the costs incurred by the SEP Proponent. This Certification may be provided on Attachment C.

- 22. Failure to Expend All Suspended Liability on the Approved SEP Project:** In the event that the SEP Proponent is not able to demonstrate to the reasonable satisfaction of the Designated Regional Board Representative that it has spent the entire SEP amount for the completed SEP, the Discharger shall pay, the difference between the SEP funds and the actual amount expended, to the State Water Resources Control Board.
- 23. Failure to Complete the SEP:** If the SEP is not fully implemented, the Discharger shall be liable to pay the entire SEP funds, less any amount that is excused based on the timely and successful completion of any interim milestone. In addition, the Discharger shall be liable for the Regional Board's reasonable costs of enforcement, including but not limited to legal costs and expert witness fees. Payment of the suspended liability amount will satisfy the SEP Proponent's and Discharger's obligations to implement the SEP. Full payment of the penalty shall be in addition to any other applicable remedies for noncompliance with the terms of the Order.
- 24. Waiver of Hearing:** The Discharger has been informed of its rights provided by Water Code section 13323, subdivision (b), and hereby waives its right to a hearing before the Regional Water Board prior to the adoption of the Order.
- 25. Jurisdiction:** The Parties agree that the Regional Water Board has subject matter jurisdiction over the matters alleged in this action and personal jurisdiction over the Parties to this Order.
- 26. Scope of Order:** Upon adoption by the Regional Water Board's Executive Officer, this Order represents a final and binding resolution and settlement of all claims, violations, or causes of action alleged in this Order or which could have been asserted on the 8 violations that are subject to mandatory minimum penalties alleged in Attachment A or this Order against the Discharger as of the effective date of this Order. The provisions of this Paragraph are expressly conditioned on the Discharger's full payment of the administrative civil liability by the specified deadlines.
- 27. Timely Payment:** Failure to make timely payment of the **twelve**-thousand dollars (\$12,000) in Paragraph 15 to the State Water Resources Control Board within thirty (30) days of the adoption of this Order shall cancel the SEP

provisions for suspended penalty and that suspended penalty amount will be immediately due and payable.

28. **Denial of Liability:** Neither this Order, nor any payment pursuant to the Order, shall constitute evidence of, or be construed as, a finding, adjudication, or acknowledgement of any fact, law, or liability, nor shall it be construed as an admission of violation of any law, rule, or regulation. However, this Order and/or any actions of payment pursuant to the Order may constitute evidence in actions seeking compliance with this Order. This Order may be used as evidence of a prior enforcement action in future actions by the Regional Water Board, against the Discharger.
29. **Covenant not to Sue:** Upon the effective date of this Order, the Discharger shall and does release, discharge, and covenant not to sue or pursue any civil or administrative claims against the Regional Water Board, including its officers, agents, directors, employees, contractors, subcontractors, attorneys, representatives, predecessors-in-interest, and successors and assigns for any and all claims or causes of action, of every kind and nature whatsoever, in law and equity, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, which arise out of or are related to this action.
30. **Public Notice:** The Parties agree that this Settlement Agreement, as signed by the Parties, will be noticed for a 30-day public comment period prior to being presented to the Regional Water Board, or its delegee, for adoption. In the event objections are raised during the public review and comment period, the Regional Water Board, or its delegee, may, under certain circumstances, require a public hearing regarding the Settlement Agreement and the Order. In that event, the Parties agree to meet and confer concerning any such objections, and may agree to revise or adjust the proposed Settlement Agreement as necessary or advisable under the circumstances. Except in such event, the Discharger agrees that it may not rescind or otherwise withdraw its approval of this Settlement Agreement.
31. **Procedure:** The Parties agree that the procedure that has been adopted for the approval of the settlement by the Parties and review by the public, as reflected in this Order, will be adequate. In the event procedural objections are raised prior to this Settlement Agreement becoming effective, the Parties agree to meet and confer concerning any such objections, and may agree to revise or adjust the procedure as necessary or advisable under the circumstances.
32. **Order Not Approved:** In the event that this Order does not take effect because it is not approved by the Regional Water Board's Executive Officer, or is vacated in whole or in part by the State Water Resources Control Board or a court, the Parties acknowledge that the Prosecution Staff may proceed to a contested evidentiary hearing before the Regional Water Board to determine whether to assess administrative civil liability for the underlying alleged violations, or may continue to pursue settlement. The Parties agree that all oral and written statements and agreements made during the course of settlement discussions will not be admissible as evidence in any subsequent administrative or judicial proceeding or hearing. The Parties also agree to waive any and all

objections related to their efforts to settle this matter, including, but not limited to:

- a. Objections related to prejudice or bias of any of the Regional Water Board members or their advisors and any other objections to the extent that they are premised in whole or in part on the fact that the Regional Water Board members or their advisors were exposed to some of the material facts and the Parties' settlement positions, and therefore may have formed impressions or conclusions, prior to conducting any contested evidentiary hearing in this matter; or
- b. Laches or delay or other equitable defenses based on the time period that the Order or decision by settlement may be subject to administrative or judicial review.

33. **Appeals:** The Discharger hereby waives its right to appeal this Order to a California Superior Court and/or any California appellate level court.
34. **Effect of Order:** Except as expressly provided in this Order, nothing in this Order is intended nor shall it be construed to preclude the Prosecution Staff or any state agency, department, board or entity or any local agency from exercising its authority under any law, statute, or regulation.
35. **Water Boards not Liable:** Neither the Regional Water Board members nor the Regional Water Board staff, attorneys, or representatives shall be liable for any injury or damage to persons or property resulting from the negligent or intentional acts or omissions by the Discharger or its respective directors, officers, employees, agents, representatives or contractors in carrying out activities pursuant to this Order, nor shall the Regional Water Board, its members, or staff be held as parties to or guarantors of any contract entered into by Discharger, or its directors, officers, employees, agents, representatives or contractors in carrying out activities pursuant to this Order.
36. **No Waiver of Right to Enforce:** The failure of the Prosecution Staff or Regional Water Board to enforce any provision of this Order shall in no way be deemed a waiver of such provision, or in any way affect the validity of this Order. The failure of the Prosecution Staff or Regional Water Board to enforce any such provision shall not preclude it from later enforcing the same or any other provision of this Order. No oral advice, guidance, suggestions or comments by employees or officials of any Party regarding matters covered under this Order shall be construed to relieve any Party regarding matters covered in this Order. This Order relates only to the mandatory minimum penalty for 8 violations out of 11 that were listed in Attachment A of this Order. The Regional Water Board reserves all rights to take additional enforcement actions, including without limitation the issuance of administrative civil liability complaints or orders for violations other than those addressed by this Order.
37. **Regulatory Changes:** Nothing in this Order shall excuse Discharger from meeting any more stringent requirements which may be imposed hereafter by changes in applicable and legally binding legislation or regulations.

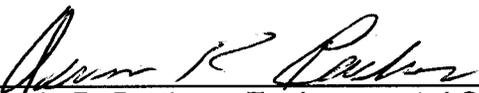
38. **Authority to Enter Order:** Each person executing this Settlement Agreement in a representative capacity represents and warrants that he or she is authorized to execute this Settlement Agreement on behalf of and to bind the entity on whose behalf he or she executes the Settlement Agreement.
39. **Integration:** This Settlement Agreement constitutes the entire agreement between the Parties and may not be amended or supplemented except as provided for in this Settlement Agreement.
40. **Modification:** This Settlement Agreement shall not be modified by any of the Parties by oral representation whether made before or after the execution of this Order. All modifications must be made in writing and approved by Discharger and the Regional Water Board or its Executive Officer.
41. **Interpretation:** This Settlement Agreement shall not be construed against the party preparing it, but shall be construed as if the Parties jointly prepared it and any uncertainty and ambiguity shall not be interpreted against any one party.
42. **Third Party Claims:** Nothing in this Order shall be deemed to create any rights in favor of, or to inure to the benefit of, any third party or parties, or to waive or release any defense or limitation against third party claims.
43. **Extensions:** The Executive Officer may extend any of the due dates in this Order upon the joint request of the Parties. Such extensions must be in writing.
44. **Effective Date:** The effective date of this Order shall be the date on which it is adopted by the Executive Officer.
45. **Disputes:** In the event of a dispute, the Discharger shall file a "Notice of Dispute" with the Executive Officer or the Executive Officer's Designee within ten (10) days of discovery of the problem. The Regional Water Board and Discharger shall then attempt to negotiate a resolution of such claim and, if appropriate, process an amendment to implement the terms of any such resolution. If the Regional Water Board and the Discharger are unable to resolve the dispute, the decision of the Executive Officer or the Executive Officer Designee shall be final, unless appealed to a court of competent jurisdiction.
46. **Counterpart Signatures:** This Settlement Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, but such counterparts shall together constitute one document.
47. **Incorporated Attachments:** Attachment A, Attachment B and Attachment C are incorporated by reference.

IT IS SO STIPULATED¹:



Michael Adackapara, Division Chief
For the Regional Water Board Prosecution Team

5/15/14
Date



Dennis R. Poulsen, Environmental Services Manager
For CSI

5/9/14
Date



Megan Brousseau, Program Director
Inland Empire Waterkeeper

5/13/14
Date

¹ The final version of this document may include more than one page with the same page number to accommodate the various executing signatures.

HAVING CONSIDERED THE PARTIES' STIPULATIONS, THE SANTA ANA REGIONAL WATER QUALITY CONTROL BOARD, BY AND THROUGH ITS EXECUTIVE OFFICER, FINDS THAT:

1. In adopting this Order, the Santa Ana Regional Water Quality Control Board or its Delegee has assessed a penalty in accordance with CWC section 13385(i) and the Enforcement Policy.
2. The SEP Project is consistent with the State Water Resources Control Board's Policy on Supplemental Environmental Projects because: (1) Its scope and parameters are defined at this time; (2) The SEP Project directly benefit the area impacted by the discharge; and (3) There is a nexus between the "The Chino Basin/Santa Ana River Restoration Project" and the nature of the violations alleged above, as well as a geographic nexus between the SEP Project and the location of the violations.
3. This is an action to enforce the laws and regulations administered by the Santa Ana Regional Water Quality Control Board. The Santa Ana Regional Water Quality Control Board finds that issuance of this Order is exempt from the provisions of the California Environmental Quality Act (Public Resources Code section 21000 et seq.), in accordance with sections 15061(b)(3) and 15321(a)(2), of Title 14 of the California Code of Regulations.

Pursuant to section 13385 of the California Water Code and section 11415.60 of the California Government Code, the Executive Officer hereby adopts this Order.

Kurt V. Berchtold
Executive Officer

Date

Attachment A

EFFLUENT LIMIT VIOLATIONS OF ORDER NO. R8-2004-0044, NPDES NO. CA0105449
 MONITORING PERIOD COVERED: MARCH 2012 TO OCTOBER 2012
 CALIFORNIA STEEL INDUSTRIES, INC.

DATE OF VIOLATION	DISCHARGE POINT	pH VIOLATIONS >8.5 Standard Units	OIL & GREASE >15 mg/L Maximum Daily Concentration	TSS >75 mg/L Maximum Daily Concentration	TOTAL VIOLATIONS	VIOLATIONS SUBJECT TO MANDATORY PENALTIES
No violations between April, 2011 and March 16, 2012						
03/17/12	DP-02	[1]-"9"		[1]-"610"	2	0
03/25/12	DP-02	[1]-"8.8"		(1)-"130"	2	1
04/13/12	DP-02	(1)-"8.7"		(1)-"200"	2	2
04/13/12	DP-03			(1)-"83"	1	1
10/11/12	DP-01			(1)-"240"	1	1
10/11/12	DP-02	(1)-"8.7"		(1)-"350"	2	2
10/11/12	DP-03			(1)-"140"	1	1
Total Violations		4		7	11	8

Notes : [] = Violations not subject to mandatory penalties pursuant to Water Code Section 13385(i)(1)
 () = Serious violations pursuant to Water Code Section 13385 (h)
 " " = Reported Value



ORDER NO. R8-2014-0028

ATTACHMENT B

**Supplemental Environmental Project Proposal:
"Chino Basin/ Santa Ana River Resoration Project"**

The California Regional Water Quality Control Board, Santa Ana Region, Prosecution Team ("Prosecution Team") and California Steel Industries, Inc. ("Discharger") (collectively "Parties") agree that this Order includes a supplemental environmental project ("SEP") as provided for as follows:

I. Definitions

"Cleanup and Abatement Account" is the State Water Pollution Cleanup and Abatement Account.

"Designated Water Board Representative" is the California Regional Water Quality Control Board, Santa Ana Region ("Regional Water Board") contact for the SEP. The contact information for the representative is as follows:

Najah N. Amin
Santa Ana Regional Water Quality Control Board
3737 Main Street, Suite 500
Riverside, CA 92501
(951) 782-3238
namin@waterboards.ca.gov

"SEP Proponent" is an independent third party with whom the Discharger has contracted or otherwise engaged to implement the SEP.

II. Mandatory Minimum Penalty (MMP)

The Discharger shall be subject to a mandatory minimum penalty in the total amount of twenty -four thousand dollars (\$24,000). The penalty includes a payment towards the costs of a SEP in the amount of twelve- thousand dollars (\$12,000). The cost of the SEP ("SEP amount") shall be treated as a suspended penalty. The penalty also includes a payment of twelve- thousand dollars (\$12,000) to the State Water Resources Control Board Cleanup and Abatement Account.

III. Description of SEP

1. Name of Project

Chino Basin/ Santa Ana River Restoration Project

2. Name of Organization

Inland Empire Waterkeeper

6876 Indiana Avenue, Suite D
Riverside, CA 92506

3. Contact

Megan Brousseau, Program Director
Inland Empire Waterkeeper
megan@iewaterkeeper.org
6876 Indiana Avenue, Suite D
Riverside, CA 92506
(951) 530-8823

4. Project Summary

This project will restore water quality and habitat in the Chino Basin and Santa Ana River through a series of trash pickup events on Chino Creek, Mill-Cucamonga Creek and the Santa Ana River.

5. Project Description

Inland Empire Waterkeeper (IEWK) proposes a comprehensive program designed to engage local families, schools, and other community participants in the restoration of Chino and Mill Creeks and the Santa Ana River. The project area contains natural stretches of stream where large amounts of debris, including substantial items such as tires, construction waste, and even vehicles are commonly found, threatening native habitat and the waterways' viability as a major source of drinking water.

The Chino Basin/Santa Ana River Restoration Project is a two-year program that will consist of the following activities:

- Identifying and surveying targeted areas of along Chino Creek , Mill/Cucamonga Creek and the Santa Ana River to establish access points, terrain, dumping locations, creek conditions, and other notable items relevant to conducting debris removal and community cleanup events
- Outreach to and training for the public, local schools, and community groups
- Conducting 5 cleanup events in the highest need areas over the six-month project period
- Developing an inventory and report of quantity and type of debris removed, number of miles or square acreage restored, and number of volunteers engaged.

6. Project Partners

The project will be run by Inland Empire Waterkeeper. Participating organizations include:

- Keep Riverside Clean and Beautiful
- National Parks Service: Rivers, Parks and Trails Assistance Program
- Santa Ana River Trust
- Santa Ana Watershed Association

7. Project Goals

The goals of the project are:

- To immediately and measurably improve water quality, and wildlife habitat at the project sites.
- Increase public awareness of trash as a pollutant.
- Foster long-term stewardship of local water resources among members of the community.
- Use data from debris removal to inform subsequent source control strategies.

8. Project Schedule and Milestone Requirements

The project schedule is from June 2014 through June 2015, which is the milestone deadline for completion of the SEP. Twelve-thousand dollars (\$12,000) in penalties will be permanently suspended or excused upon completion of the SEP.

9. Budget

Project Supplies	\$ 1,500
Contracted Services	
<i>Waste Management</i>	\$ 2,250
<i>Other Services as Needed (mapping, CalFire, etc.)</i>	\$ 500
Local Travel	\$ 1,000
Personnel	
<i>Project Manager (0.5FTE)</i>	\$ 8,250
<i>Project Coordinators (2 at 0.5 FTE)</i>	\$ 5,250
Project Webpage	\$ 1,250
Indirect Expenses (25%)	\$ 5,000
TOTAL	\$ 25,000

The Discharger agrees to contribute \$12,000 towards the SEP project. In addition, Arrowhead Water (Nestle) will be contributing in-kind services of approximately fifty thousand dollars (\$50,000) to complete this project. Project Supplies include debris removal tools (e.g., boots, waders, trash bags, gloves, trash pickers, hard hats, safety vests), volunteer supplies (water, boxed lunches, canopies, portable toilet rentals), and office supplies (e.g., paper, postage, printer cartridges, tire disposal expenses, camera, printing costs, padlocks for gate access). Indirect expenses include rent, utilities, phone, internet, and project administration.

10. Nexus

During a period from March 2012 through October 2012 the California Steel Industries Inc. (CSI) suffered a number of Total Suspended Solids and pH violations resulting in an assessment of Mandatory Minimum Penalties (MMPs). The total MMPs assessed is \$24,000.00 (\$3000.00 x 8 violations).

The CSI discharges stormwater runoff and process water from its facility to San Sevaine Channel and to Mulberry Ditch under waste discharge requirements contained in R8-2004-0044. San Sevaine Channel and Mulberry Ditch are tributaries of the Santa Ana River.

11. Submittal of Progress Reports

The Discharger shall ensure that quarterly progress reports are provided to the Designated Regional Water Board Representative and to the Division of Financial Assistance of the State Water Resources Control Board. The first quarterly report is due on October 15, 2014.

12. Accounting Certification

The Discharger or the SEP Proponent shall provide the Regional Water Board with a final, certified, post-project accounting of expenditures unless the Regional Water Board determines that such an audit is unduly onerous and the Regional Water Board has other means to verify expenditures of work. That final accounting must be paid for by the Discharger and performed by an independent third-party acceptable to the Regional Water Board.

13. Final Report

Upon completion of the SEP, the Discharger or the SEP proponent shall submit a final report with project completion details, a cost breakdown, invoices and a certification as per Attachment C.

ATTACHMENT C

**Supplemental Environmental Project (SEP)
Certificate of Completion**

The following information is provided as proof of completion of the SEP project described below.

Project Proponent: Inland Empire Waterkeeper

Contact Person: Megan Brousseau
Phone: (951) 530-8823 E-Mail: megan@iewaterkeeper.org

Name of Project: Chino Basin/ Santa Ana River Restoration Project

Project Summary: (you may attach a final project report or additional sheets for project summary)

Date Project Started: _____

Date of Completion: _____

SEP Money Allocated for the Project: \$12,000
Enforcement Order No. and Name of Discharger: *R8-2014-0028, California Steel Industries Inc.*

Total Project Cost (including funds from other sources): \$ _____

How was the SEP Fund Used for This Project?¹

Overhead/Management	\$ _____
Design/Consultation	\$ _____
Construction/Implementation	\$ _____
Lab and analytical costs	\$ _____
Other expenses (explain)	\$ _____
Total Project Cost (SEP \$ only)	\$ _____

¹ This may include external payments to outside vendors or contractors implementing the SEP. In making such certification, the official may rely upon the Implementing Party's normal project tracking systems that capture employee time expenditures and external payments to outside vendors such as environmental and information technology contractors or consultants. To substantiate the expenses, the Implementing Party may provide copies of invoices, receipts, etc. The certification need not address any costs incurred by the Regional Water Board for oversight.

Under penalty of perjury under the laws of the State of California, I certify that: (1) the entire amount of the SEP funding received has been used for the project as indicated above; (2) the portion of the project for which this SEP funding was earmarked has been completed in accordance with Order No. R8-2014-0028; (3) the Implementing Party followed all applicable environmental laws and regulations in the implementation of the SEP including, but not limited to the California Environmental Quality Act (CEQA), the federal Clean Water Act, and the Porter-Cologne Act.

SIGNATURE: _____ **Date:** _____

Name: _____ **Title:** _____