



EDMUND G. BROWN JR.  
GOVERNOR

MATTHEW RODRIGUEZ  
SECRETARY FOR  
ENVIRONMENTAL PROTECTION

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**Santa Ana Regional Water Quality Control Board**

June 26, 2017

Coast Metals  
4761 State Street  
Ontario, CA 91762  
(By Certified Mail)

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Igor Khodorkovsky  
[Igor@coastmetals.com](mailto:Igor@coastmetals.com)  
(By Email Only)

**TRANSMITTAL OF MANDATORY MINIMUM PENALTY (MMP) COMPLAINT NO. R8-2017-0032, COAST METALS**

Dear Mr. Khodorkovsky:

Enclosed is a certified copy of Mandatory Minimum Penalty Complaint No. R8-2017-0032 (Complaint). The Complaint alleges that you have violated the California Water Code (Water Code) Section 13399.30 by failing to obtain coverage under the Sector-Specific General Permit for Storm Water Discharges from Scrap Metal Recycling Facilities within the Santa Ana Region, Order No. R8-2012-0012, NPDES Permit No. CAG 618001 (Scrap Metal Permit) for the scrap metal facility located at 4761 State Street in the city of Ontario, California.

Complaint No. R8-2017-0015 was originally issued to Coast Metals on March 24, 2017. Pursuant to the signed waiver received on April 24, 2017 from you requesting an extension, the complaint has been reissued under Complaint No. R8-2017-0032.

The Complaint proposes that a penalty in the amount of five thousand and nine hundred dollars (\$5,900) be imposed. The penalty amount is comprised of mandatory minimum penalties and staff costs as authorized by California Water Code Sections 13399.33(1)(a) and 13399.33(d).

A public hearing on this matter will be scheduled before the Regional Board on September 15, 2017 at a to be determined location. A tentative order, the staff report regarding this Complaint, and the meeting agenda will be mailed to you not less than 10 days prior to the hearing. A meeting agenda will also be available at: [http://www.waterboards.ca.gov/santaana/board\\_info/agendas/](http://www.waterboards.ca.gov/santaana/board_info/agendas/).

Pursuant to California Water Code Section 13323, Coast Metals has the option to waive its rights to a hearing. Should Coast Metals waive its rights to a hearing and pay the

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WILLIAM RUH, CHAIR | KURT V. BERCHTOLD, EXECUTIVE OFFICER

3737 Main St., Suite 500, Riverside, CA 92501 | [www.waterboards.ca.gov/santaana](http://www.waterboards.ca.gov/santaana)

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proposed assessment, the Regional Board may not hold a public hearing on this matter. If Coastal Metals chooses to waive its rights to a hearing, please sign and submit the enclosed Waiver Form by July 17, 2017. Please make the check payable to the Waste Discharge Permit Fund for five thousand and nine hundred dollars (\$5,900) and include the Complaint Number on the memo line. Please send the following information to the appropriate location:

Mail Waiver Form to:  
RWQCB  
Attn: Michelle Beckwith  
3737 Main Street, Suite 500  
Riverside, CA 92501

Mail Payment to:  
SWRCB – Accounting Office  
Attn: Enforcement Payment  
P.O. Box 1888  
Sacramento, CA 95812-1888

If Coast Metals does not wish to waive its rights to a hearing, a pre-hearing meeting is recommended. Should you wish to schedule a pre-hearing meeting, please submit your request to Michelle Beckwith by phone at (951) 782-4433 or by email at [Michelle.Beckwith@waterboards.ca.gov](mailto:Michelle.Beckwith@waterboards.ca.gov) prior to July 7, 2017.

A Hearing Procedure pertaining to this Complaint is also enclosed. The Hearing Procedure sets forth important requirements and deadlines for participation in the hearing. Additionally, a Fact Sheet describing the Complaint process is available at:

[http://www.waterboards.ca.gov/santaana/public\\_notices/enforcement\\_actions.shtml](http://www.waterboards.ca.gov/santaana/public_notices/enforcement_actions.shtml)

The Fact Sheet describes the complaint process and explains what Coast Metals can expect and its obligations as the process proceeds. If preferred, a hard copy of the Fact Sheet may be obtained by contacting Michelle Beckwith at (951) 782-4433.

Please read the Hearing Procedure carefully. The Board may adopt an Order requiring that you pay a penalty.

If you have any questions regarding the Complaint or the enclosed documents, please contact Michelle Beckwith by phone at (951) 782-4433 or by email at [Michelle.Beckwith@waterboards.ca.gov](mailto:Michelle.Beckwith@waterboards.ca.gov). All legal questions should be directed to Naomi Kaplowitz, Office of Enforcement, by phone at (916) 341-5677 or by email at [Naomi.Kaplowitz@waterboards.ca.gov](mailto:Naomi.Kaplowitz@waterboards.ca.gov).

Sincerely,



Hope A. Smythe  
Assistant Executive Officer  
Regional Board Prosecution Team

Enclosures: MMP Complaint No. R8-2017-0032  
Hearing Procedures  
Waiver Form  
Exhibit 1: 1<sup>st</sup> Notice of Non-Compliance, dated 11/30/2016  
Exhibit 2: 2<sup>nd</sup> Notice of Non-Compliance, dated 1/5/2017  
Exhibit 3: Document Receipt, dated 1/5/2017

cc: Regional Board  
Mr. Nick Amini, Senior Water Resource Control Engineer, RWQCB, Riverside  
(Regional Board Advisory Team)  
Mr. David Rice, Office of Chief Counsel, SWRCB, Sacramento (Regional Board  
Advisory Team Attorney)  
Ms. Naomi Kaplowitz, Office of Enforcement, SWRCB, Sacramento  
Ms. Catherine Hawe, Office of Enforcement, SWRCB, Sacramento  
Ms. Diana Messina, Division of Water Quality, SWRCB, Sacramento  
Mr. Marc Rodabaugh, San Bernardino County Flood Control District  
Mr. Joseph Rosales, City of Montclair NPDES Coordinator  
Mr. Steve Wilson, City of Ontario NPDES Coordinator

**State of California  
California Regional Water Quality Control Board  
Santa Ana Region**

IN THE MATTER OF:

Coast Metals	)	Complaint No. R8-2017-0032
4761 State Street	)	for
Ontario, CA 91762	)	Mandatory Minimum Penalty and Staff
Attn: Igor Khodorkovsky	)	Costs
_____	)	

**YOU ARE HEREBY GIVEN NOTICE THAT:**

1. You are alleged to have violated provisions of law for which the California Regional Water Quality Control Board, Santa Ana Region (hereinafter Regional Board), must impose liability under Section 13399.33 of the California Water Code.
2. Unless waived, a hearing concerning this Complaint will be held before the Regional Board at its regular meeting on September 15, 2017 at a to be determined location. Coast Metals, or its representative, will have an opportunity to appear and be heard, and to contest the allegations in this Complaint and the imposition of mandatory penalties by the Regional Board. An agenda for the meeting will be mailed to Coast Metals not less than 10 days before the hearing date. A meeting agenda will also be available at: [http://www.waterboards.ca.gov/santaana/board\\_info/agendas/](http://www.waterboards.ca.gov/santaana/board_info/agendas/).
3. Coast Metals can waive its right to a hearing to contest the allegation contained in this Complaint by signing and submitting the enclosed waiver and paying the liability in full. If this matter proceeds to a hearing, the Prosecution Team reserves the right to seek an increase in the penalty amount to cover the costs of enforcement incurred subsequent to the issuance of this Complaint through hearing. The enforcement costs may be recovered pursuant to Water Code Section 13399.33(d).
4. At the hearing, the Regional Board will consider whether to affirm, reject, or modify the proposed mandatory minimum penalties and assessment of costs pursuant to Water Code section 13399.33, or whether to refer the matter to the Attorney General for recovery of judicial civil liability.

**THIS COMPLAINT IS BASED ON THE FOLLOWING FACTS:**

5. Scrap metal facilities that discharge storm water associated with scrap metal recycling activities are required to obtain coverage under the Sector-Specific General Permit for Storm Water Discharges from Scrap Metal Recycling Facilities

within the Santa Ana Region, Order No. R8-2012-0012, NPDES Permit No. CAG 618001 (Scrap Metal Permit).

6. Coast Metals, located at 4761 State Street, in the city of Ontario, has been conducting business in partnership with and under the Scrap Metal Permit coverage for Montclair Holdings.
7. On November 21, 2016, Regional Board staff along with Montclair city staff visited Coast Metals and it was determined that Coast Metals must obtain their own Scrap Metal Permit coverage.
8. On November 30, 2016, Regional Board staff issued a Notice on Non-Compliance (NNC) to Coast Metals for failure to obtain coverage under the Scrap Metal Permit. The letter was returned as "un-deliverable" on December 30, 2016 by the US Postal Service. The NNC is attached to this complaint as Exhibit #1.
9. On January 5, 2017, a second NNC was issued to Coast Metals which was hand-delivered. The second NNC required Coast Metals to obtain coverage by January 29, 2017. The second NNC is attached to this complaint as Exhibit #2 and the proof of letter delivery receipt is attached to this complaint as Exhibit #3.
10. On January 5, 2017, Regional Board staff received an email from Coast Metal's General Manager (Mr. Adrian Manriquez) requesting a date to meet and receive in-person guidance on how to use the Storm Water Multiple Application and Report Tracking System (SMARTS).
11. On January 9, 2017, Regional Board staff met with Mr. Manriquez at the Santa Ana Regional Board Office to provide in-person training on how to use SMARTS.
12. On January 24, 2017, Regional Board staff left a voice mail for Mr. Manriquez to reiterate the impending January 29, 2017 deadline to obtain Scrap Metal Permit coverage. Staff also spoke with Mr. Igor Khodorkovsky regarding the January 29th deadline, the Storm Water Pollution Prevention Plan (SWPPP), and the facility/site map requirements. Mr. Khodorkovsky stated that Mr. Manriquez was 'working on' the SWPPP and facility/site map.
13. On March 24, 2017, Complaint No. R8-2017-0015 was issued to Coast Metals.
14. On April 18, 2017, Regional Board staff attempted to hand deliver the packet containing Complaint No. R8-2017-0015 which had been returned as 'unclaimed' on April 14, 2017 by the US Postal Service. The two Coast Metal employees present at the facility refused to accept the Complaint packet.
15. On April 19, 2017, Regional Board staff hand delivered the Complaint packet to Mr. Ricardo Manriquez.

16. On April 24, 2017, Regional Board staff received a signed waiver from Mr. Khodorkovsky in which he selected Option 2. In doing so, Mr. Khodorkovsky requested an extension to prepare for the hearing.
17. On April 26, 2017, the Regional Board Advisory Team granted Mr. Khodorkovsky's extension.
18. To date, Coast Metals has not obtained Scrap Metal Permit coverage.

#### **LEGAL AUTHORITY**

19. Section 13399.33(a)(1) of the California Water Code requires that the Regional Board impose a minimum penalty of \$5,000 for any person who fails to submit the required notice of intent to obtain coverage in accordance with Section 13399.30, impose civil liability administratively in an amount that is not less than five thousand dollars (\$5,000) per year of noncompliance or fraction thereof.

#### **PROPOSED MANDATORY MINIMUM PENALTIES AND ASSESSMENT OF COSTS**

20. Pursuant to California Water Code section 13399.33(a)(1), the Regional Board shall administratively impose a penalty in an amount that is not less than five thousand dollars (\$5,000) for the violation cited above. The Regional Board shall impose this mandatory minimum penalty unless it makes express findings setting forth the reasons for its failure to do so, based on the specific factors required to be considered pursuant to 13399.33(a)(2).
21. Based on the non-submittal of the Notice of Intent by January 29, 2017, Coast Metals is alleged to have violated the California Water Code.
22. Water Code section 13399.33(d) allows for the recovery of costs incurred by the Regional Board for enforcement actions against dischargers who fail to submit the required annual report. Staff spent approximately six (6) hours (6 hours for this enforcement action resulting in total Staff costs of \$900 (6 hrs @ \$150/hr= \$900). The total liability, including staff costs, is \$5,900 (\$5,000 mandatory penalty + \$900 in staff costs).
23. Issuance of this Complaint is an enforcement action and is therefore exempt from the provisions of the California Environmental Quality Act (Pub. Res. Code Section 21000 et seq.) pursuant to title 14, California Code of Regulations Sections 15308 and 15321, subdivision (a), paragraph (2).

#### **WAIVER OF HEARING**

Coast Metals may waive its right to a hearing. If Coast Metals chooses to do so, please sign the enclosed Waiver Form and return it, together with a check for \$5,900. Indicate "R8-

**2017-0032"** on the check and make it payable to the Waste Discharge Permit Fund. Send the check to the following address:

State Water Resources Control Board  
Division of Administrative Services  
Accounting Branch  
P.O. Box 1888  
Sacramento, CA 95814

The waiver and a copy of the check shall also be mailed to the Regional Board at the following address:

Santa Ana Regional Water Quality Control Board  
3737 Main Street, Suite 500  
Riverside, CA 92501-3348  
Attention: Michelle Beckwith

If Coast Metals waives its right to a hearing and pays the assessed amount, the Regional Board may not hold a hearing regarding this Complaint.

If you have any questions, please contact Michelle Beckwith at (951) 782-4433. For legal questions, contact Naomi Kaplowitz, Office of Enforcement, at (916) 341-5677.

6/26/17  
Date

  
Hope A. Smythe  
Assistant Executive Officer  
Regional Board Prosecution Team



EDMUND G. BROWN JR.  
GOVERNOR

MATTHEW RODRIGUEZ  
SECRETARY FOR  
ENVIRONMENTAL PROTECTION

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**Santa Ana Regional Water Quality Control Board**

California Regional Water Quality Control Board  
Santa Ana Region

**PROPOSED HEARING PROCEDURE  
FOR MANDATORY MINIMUM PENALTY COMPLAINT**

**NO. R8-2017-0032**

**ISSUED TO**

**Coast Metals**

**4761 State Street**

**Ontario, CA 91762**

**San Bernardino County**

**SCHEDULED FOR SEPTEMBER 15, 2017**

**PLEASE READ THIS HEARING PROCEDURE CAREFULLY. FAILURE TO COMPLY WITH THE DEADLINES AND OTHER REQUIREMENTS CONTAINED HEREIN MAY RESULT IN THE EXCLUSION OF YOUR DOCUMENTS AND/OR TESTIMONY.**

**Background**

On June 26, 2017, the Assistant Executive Officer, acting as head of the Santa Ana Regional Water Quality Control Board (Regional Board) Prosecution Team, issued a Mandatory Minimum Penalty Complaint (Complaint) pursuant to California Water Code (Water Code) Section 13323 against Coast Metals alleging that it violated Water Code Section 13399.30 by failing to obtain coverage under the Sector-Specific General Permit for Storm Water Discharges from Scrap Metal Recycling Facilities within the Santa Ana Region, Order No. R8-2012-0012, NPDES Permit No. CAG 618001 (Scrap Metal Permit)

The Complaint proposes that the Regional Board impose a mandatory minimum penalty and staff costs in the amount of **five thousand nine hundred dollars (\$5,900)** pursuant to Water Code Section 13399.33. Unless Coast Metals pays the proposed liability, a hearing will be held before the Regional Board during its **September 15, 2017** meeting.

**Purpose of Hearing**

The purpose of the hearing is to consider relevant evidence and testimony regarding the Complaint and any proposed Order. At the hearing, the Regional Board will consider whether to issue an administrative civil liability order assessing the proposed liability, or a higher or lower amount, or reject the proposed liability.

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WILLIAM RUH, CHAIR | KURT V. BERCHTOLD, EXECUTIVE OFFICER

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The public hearing will be held on **September 15, 2017**, and will commence no earlier than 9:00 a.m. or as soon thereafter as practical, or as announced in the Regional Board meeting agenda. The meeting will be held at a to be determined location.

Any proposed Order and an agenda for the meeting will be issued at least ten days before the meeting and posted on the Regional Board's web page at:

[http://www.waterboards.ca.gov/santaana/board\\_info/agendas/](http://www.waterboards.ca.gov/santaana/board_info/agendas/)

### **Hearing Procedure**

The hearing will be conducted in accordance with this Hearing Procedure, which has been approved by the Board Chair for the adjudication of such matters. The procedures governing adjudicatory hearings before the Regional Board may be found at California Code of Regulations, title 23, section 648 et seq., and are available at:

<http://www.waterboards.ca.gov>

Copies will be provided upon request. In accordance with Section 648(d), any procedure not provided by this Hearing Procedure is deemed waived. Except as provided in Section 648(b) and herein, Chapter 5 of the Administrative Procedures Act (Gov. Code, § 11500 et seq.) does not apply to this hearing.

Coast Metals shall attempt to resolve objections to this Hearing Procedure with the Prosecution Team BEFORE submitting objections to the Advisory Team.

### **Separation of Prosecutorial and Advisory Functions**

To help ensure the fairness and impartiality of this proceeding, the functions of those who will act in a prosecutorial role by presenting evidence for consideration by the Board (the Prosecution Team) have been separated from those who will provide legal and technical advice to the Board (the Advisory Team). Members of the Advisory Team are: Nick Amini, Senior Water Resource Control Engineer and David Rice, Staff Counsel. Members of the Prosecution Team are: Hope Smythe, Assistant Executive Officer; Michelle Beckwith, Senior Environmental Scientist; Michael Perez, Water Resource Control Engineer, Naomi Kaplowitz, Counsel, and Catherine Hawe, Counsel, Office of Enforcement.

Any members of the Advisory Team who normally supervise any members of the Prosecution Team are not acting as their supervisors in this proceeding, and vice versa. Other members of the Prosecution Team act or have acted as advisors to the Regional Board in other, unrelated matters, but they are not advising the Regional Board in this proceeding. Members of the Prosecution Team have not had any ex parte communications with the members of the Regional Board or the Advisory Team regarding this proceeding.

### **Hearing Participants**

Participants in this proceeding are designated as either "Designated Parties" or "Interested Persons." Designated Parties may present evidence and cross-examine witnesses and are subject to cross-examination. Interested Persons may present non-evidentiary policy statements, but may not cross-examine witnesses and are not subject to cross-examination. Interested Persons generally may not present evidence (e.g., photographs, eye-witness testimony, monitoring data). At the hearing, both Designated Parties and Interested Persons

may be asked to respond to clarifying questions from the Regional Board, staff, or others, at the discretion of the Board Chair.

The following participants are hereby designated as Designated Parties in this proceeding:

1. Regional Board Prosecution Team
2. Coast Metals

### **Requesting Designated Party Status**

Persons who wish to participate in the hearing as a Designated Party must request designated party status by submitting a request in writing so that it is received no later than the deadline listed under "Important Deadlines" below. The request shall include an explanation of the basis for status as a Designated Party (i.e., how the issues to be addressed at the hearing affect the person, the need to present evidence or cross-examine witnesses), along with a statement explaining why the parties listed above do not adequately represent the person's interest. Any objections to these requests for designated party status must be submitted so that they are received no later than the deadline listed under "Important Deadlines" below.

### **Primary Contacts**

#### **Advisory Team:**

David Rice, Staff Counsel  
State Water Resources Control Board  
P.O. Box 100, Sacramento, CA 95812  
Phone: (916) 341-5182  
[David.Rice@waterboards.ca.gov](mailto:David.Rice@waterboards.ca.gov)

#### **Prosecution Team:**

Michelle Beckwith, Senior Environmental Scientist  
Regional Water Quality Control Board – Santa Ana Region  
3737 Main Street, Suite 500, Riverside, CA 92501  
Phone: (951) 782-4433  
[Michelle.Beckwith@waterboards.ca.gov](mailto:Michelle.Beckwith@waterboards.ca.gov)

#### **Discharger:**

Igor Khodorkovsky  
Coast Metals  
4761 State Street  
Ontario, 91762  
[igor@coastmetals.com](mailto:igor@coastmetals.com)

### **Ex Parte Communications**

Designated Parties and Interested Persons are forbidden from engaging in ex parte communications regarding this matter. An ex parte communication is a written or verbal

communication related to the investigation, preparation, or prosecution of the Complaint between a Designated Party or an Interested Person and a Board Member or a member of the Board's Advisory Team (see Gov. Code, § 11430.10 et seq.). However, if the communication is copied to all other persons (if written) or is made in a manner open to all other persons (if verbal), then the communication is not considered an ex parte communication. Communications regarding non-controversial procedural matters are also not considered ex parte communications and are not restricted.

### **Hearing Time Limits**

To ensure that all participants have an opportunity to participate in the hearing, the following time limits shall apply: each Designated Party shall have a combined 20 minutes to present evidence (including evidence presented by witnesses called by the Designated Party), to cross-examine witnesses (if warranted), and to provide a closing statement. Each Interested Person shall have 3 minutes to present a non-evidentiary policy statement. Participants with similar interests or comments are requested to make joint presentations, and participants are requested to avoid redundant comments. Participants who would like additional time must submit their request to the Advisory Team so that it is received no later than the deadline listed under "Important Deadlines" below. Additional time may be provided at the discretion of the Advisory Team (prior to the hearing) or the Board Chair (at the hearing) upon a showing that additional time is necessary. Such showing shall explain what testimony, comments, or legal argument requires extra time, and why it could not have been provided in writing by the applicable deadline.

A timer will be used, but will not run during Board questions or the responses to such questions, or during discussions of procedural issues.

### **Submission of Evidence and Policy Statements**

The Prosecution Team and all other Designated Parties (including Coast Metals) must submit the following information in advance of the hearing:

1. All documentary evidence and exhibits to be offered at the hearing.
2. All legal and technical arguments or analysis.
3. The name of each witness, if any, whom the Designated Party intends to call at the hearing, the subject of each witness' proposed testimony, and the estimated time required by each witness to present direct testimony. Alternatively, the testimony of any witness may be presented by declaration, so long as that witness will be available for cross-examination at the hearing.
4. The qualifications of each expert witness, if any.

**Prosecution Team:** The Prosecution Team's information must include the legal and factual basis for its claims against Coast Metals; a list of all evidence on which the Prosecution Team relies, which must include, at a minimum, all documents cited in the Complaint, Staff Report, or other material submitted by the Prosecution Team; and the witness information required under items 3-4 for all witnesses, including Board staff.

**Designated Parties (including Coast Metals):** All Designated Parties shall submit comments regarding the Complaint along with any additional supporting evidence not cited by the Regional Board's Prosecution Team no later than the deadline listed under "Important Deadlines" below.

**Rebuttal:** Any Designated Party that would like to submit evidence, legal analysis, or policy statements to rebut information previously submitted by other Designated Parties shall submit this rebuttal information so that it is received no later than the deadline listed under "Important Deadlines" below. "Rebuttal" means evidence, analysis or comments offered to disprove or contradict other submissions. Rebuttal shall be limited to the scope of the materials previously submitted. Rebuttal information that is not responsive to information previously submitted may be excluded.

**Copies:** For each evidentiary deadline, each Designated Party shall send one electronic copy of the above materials to each of the other Designated Parties at the address or addresses provided above by 5:00 p.m. on the deadline described above.

**Interested Persons:** Interested Persons who would like to submit written non-evidentiary policy statements are encouraged to submit them to the Advisory Team as early as possible, but they must be received by the deadline listed under "Important Deadlines" to be included in the Board's agenda package. Interested Persons do not need to submit written comments in order to speak at the hearing.

**Prohibition on Surprise Evidence:** In accordance with California Code of Regulations, title 23, section 648.4, the Regional Board endeavors to avoid surprise testimony or evidence. Absent a showing of good cause and lack of prejudice to the parties, the Board Chair may exclude evidence and testimony that is not submitted in accordance with this Hearing Procedure. Excluded evidence and testimony will *not* be considered by the Regional Board and will not be included in the administrative record for this proceeding.

**Presentations:** Power Point and other visual presentations may be used at the hearing, but their content shall not exceed the scope of other submitted written material. These presentations must be provided to the Advisory Team at or before the hearing both in hard copy and in electronic format so that they may be included in the administrative record.

**Witnesses:** All witnesses who have submitted written testimony shall appear at the hearing to affirm that the testimony is true and correct, and shall be available for cross-examination.

**Questions**

Questions concerning this proceeding may be addressed to the Advisory Team attorney (contact information above).

**IMPORTANT DEADLINES**

*All required submissions must be received by 5:00 p.m. on the respective due date.*

June 26, 2017	<ul style="list-style-type: none"> <li>▪ Prosecution Team issues Complaint and Hearing Procedure on Coast Metals and other parties.</li> </ul>
July 7, 2017	<ul style="list-style-type: none"> <li>▪ Coast Metals' deadline to request a pre-hearing meeting.</li> </ul>
July 17, 2017	<ul style="list-style-type: none"> <li>▪ Coast Metals' deadline to submit 90-Day Hearing Waiver Form and payment.</li> <li>▪ Objections due on Hearing Procedure.</li> </ul> <p><u>Electronic or Hard Copies to:</u> All other Designated Parties, All known Interested Persons, Prosecution Team Attorney, Advisory Team Attorney</p> <p><u>Electronic or Hard Copies to:</u> Prosecution Team Primary Contact, Advisory Team Primary Contact</p>

<p>July 31, 2017*</p>	<ul style="list-style-type: none"> <li>▪ Prosecution Team's deadline for submission of information required under "Submission of Evidence and Policy Statements," above.</li> </ul> <p><u>Electronic or Hard Copies to:</u> All other Designated Parties, All known Interested Persons</p> <p><u>Electronic or Hard Copies to:</u> Advisory Team Primary Contact, Advisory Team Attorney</p>
<p>August 1, 2017</p>	<ul style="list-style-type: none"> <li>▪ Deadline to request "Designated Party" status.</li> </ul> <p><u>Electronic or Hard Copies to:</u> All other Designated Parties, All known Interested Persons, Prosecution Team Attorney, Advisory Team Attorney</p> <p><u>Electronic or Hard Copies to:</u> Prosecution Team Primary Contact, Advisory Team Primary Contact</p>
<p>August 7, 2017*</p>	<ul style="list-style-type: none"> <li>▪ Deadline to submit opposition to requests for Designated Party status.</li> </ul> <p><u>Electronic or Hard Copies to:</u> All other Designated Parties, All known Interested Persons, Prosecution Team Attorney, Advisory Team Attorney</p> <p><u>Electronic or Hard Copies to:</u> Prosecution Team Primary Contact, Advisory Team Primary Contact</p>
<p>August 11, 2017</p>	<ul style="list-style-type: none"> <li>▪ Advisory Team issues decision on proposed Hearing Procedures.</li> <li>▪ Advisory Team issues decision on requests for designated party status.</li> </ul>
<p>August 21, 2017*</p>	<ul style="list-style-type: none"> <li>▪ Remaining Designated Parties' (including Coast Metals') deadline to submit all information required under "Submission of Evidence and Policy Statements" above. This includes all written comments regarding the Order, and any rebuttal evidence, any rebuttal to legal arguments and/or policy statements, and all evidentiary objections.</li> <li>▪ Interested Persons' comments are due.</li> </ul> <p><u>Electronic or Hard Copies to:</u> All other Designated Parties, All known Interested Persons, Prosecution Team Attorney, Advisory Team Attorney</p> <p><u>Electronic or Hard Copies to:</u> Prosecution Team Primary Contact, Advisory Team Primary Contact</p>
<p>August 28, 2017*</p>	<ul style="list-style-type: none"> <li>▪ Prosecution Team's deadline to submit any rebuttal evidence, any rebuttal to legal arguments and/or policy statements, and all evidentiary objections.</li> <li>▪ Deadline to submit requests for additional time.</li> <li>▪ If rebuttal evidence is submitted, all requests for additional time (to respond to the rebuttal at the hearing) must be made within 3 working days of <i>this</i> deadline.</li> </ul> <p><u>Electronic or Hard Copies to:</u> All other Designated Parties, All known Interested Persons, Prosecution Team Attorney, Advisory Team Attorney</p> <p><u>Electronic or Hard Copies to:</u> Prosecution Team Primary Contact, Advisory Team Primary Contact</p>
<p>September 5, 2017*†</p>	<ul style="list-style-type: none"> <li>▪ Prosecution Team submits Hearing information on the parties and Board.</li> </ul> <p><u>Electronic or Hard Copies to:</u> All other Designated Parties, All known Interested Persons</p> <p><u>Electronic or Hard Copies to:</u> Advisory Team Primary Contact, Advisory Team Attorney</p>
<p>September 15, 2017*</p>	<p>Hearing</p>

\* Coast Metals has the right to a hearing before the Board within 90 days of receiving the Complaint, but this right can be waived (to facilitate settlement discussions, for example). By submitting the waiver form, Coast Metals is not waiving the right to a hearing; unless a settlement is reached, the Board will hold a hearing prior to imposing civil liability. However, if the Board accepts the waiver, all deadlines marked with an "\*" will be revised if a settlement cannot be reached.

† This deadline is set based on the date that the Board compiles the Board Members' agenda packages. Any material received after this deadline will not be included in the Board Members' agenda packages.

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**Santa Ana Regional Water Quality Control Board**

**WAIVER FORM FOR MANDATORY MINIMUM PENALTY COMPLAINT**

By signing this waiver, I affirm and acknowledge the following:

I am duly authorized to represent Coast Metals in connection with Mandatory Minimum Penalty Complaint No. R8-2017-0032 (Complaint). I am informed that California Water Code section 13323, subdivision (b), states that, "a hearing before the regional board shall be conducted within 90 days after the party has been served with the complaint. The person(s) who have been issued a complaint may waive the right to a hearing."

- (Check here if Coast Metals waives the hearing requirement and will pay the liability in full.)**
- a. I hereby waive any right Coast Metals may have to a hearing before the Regional Water Board.
  - b. I certify that Coast Metals will remit payment for the proposed penalty in the full amount of **five thousand nine hundred dollars (\$5,900)** by submitting a check made payable to the "Waste Discharge Permit Fund," that references "Complaint No. R8-2017-0032." Payment must be received by the Regional Water Board by **October 16, 2017** or the Regional Water Board may adopt an Order requiring payment.
  - c. I understand the payment of the above amount constitutes a proposed settlement of the Complaint, and that any settlement will not become final until after the 30-day public notice and comment period. Should the Regional Water Board receive significant new information or comments from any source (excluding the Water Board's Prosecution Team) during this comment period, the Regional Water Board's Assistant Executive Officer may withdraw the complaint, return payment, and issue a new complaint. I understand that this proposed settlement is subject to approval by the Regional Water Board (or the Regional Board's delegate), and that the Regional Water Board may consider this proposed settlement in a public meeting or hearing. I also understand that approval of the settlement will result in Coast Metals having waived the right to contest the allegations in the Complaint and the imposition of civil liability.
  - d. I understand that payment of the above amount is not a substitute for compliance with applicable laws and that continuing violations of the type alleged in the Complaint may subject the Discharger to further enforcement, including additional civil liability.

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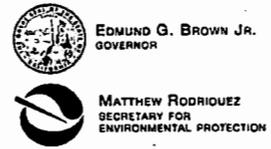
(Print Name and Title)

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(Signature)

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(Date)



## Santa Ana Regional Water Quality Control Board

November 30, 2016

Igor Khodorkovsky  
Coast Metals Inc  
4761 State Street  
Ontario, CA 91762

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

### **NOTICE OF NON-COMPLIANCE WITH THE SECTOR-SPECIFIC GENERAL PERMIT FOR STORM WATER DISCHARGES FROM SCRAP METAL RECYCLING FACILITIES WITHIN THE SANTA ANA REGION, ORDER NO. R8-2012-0012, NPDES PERMIT NO. CAG 618001 (SCRAP METAL PERMIT)**

Dear Mr. Khodorkovsky:

On November 21, 2016, Regional Board staff visited your facility located at 4761 State Street in the city of Ontario. Based on the conversation and observations, it was determined that your facility is required to obtain coverage under the Scrap Metal Permit.

Information about the Scrap Metal Permit is located on our website at [http://www.waterboards.ca.gov/santaana/water\\_issues/programs/stormwater/scrap\\_metal\\_permit.shtm](http://www.waterboards.ca.gov/santaana/water_issues/programs/stormwater/scrap_metal_permit.shtm). This site includes a copy of Scrap Metal Permit and "SMARTS/Notice of Intent Presentation," a tutorial about how to use our SMARTS online database.

The process to comply with the Scrap Metal Permit is described in Scrap Metal Permit Section III.J, starting on page 28 of 65, and includes:

1. Identify a Legally Responsible Person (LRP).

An LRP is either the owner of the business or a responsible corporate officer. A responsible corporate officer means: (a) a president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision making functions for the corporation; or (b) the manager of the facility if authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.

2. Use the SMARTS database (<https://smarts.waterboards.ca.gov>) to complete the Permit Registration for your facility, including:

- a. File a Notice of Intent- Region 8 Industrial Scrap Metal Permit;
- b. Upload a copy of your Storm Water Pollution Prevention Plan (SWPPP) and site map;
- c. Print, sign, and mail a hard copy (wet signature in blue ink) of your eAuthorization Form to the State Water Resources Control Board (SWRCB). This form can be

accessed by navigating to the Update User Profile hyperlink located in the left menu column; and,

- d. Mail the filing fee with the fee statement that you are prompted to print by SMARTS, to the SWRCB to be received no later than **December 30, 2016**. (Please note, the application fee due date identified in the Fee Statement is a general administrative record-keeping deadline. To be in compliance with Scrap Metal General Permit requirements, the fee payment must be received by the State Board by **December 30, 2016**.)

Your facility is currently identified by Waste Discharge Identification Number (WDID: 836IN602100 and your Secret Code Number (SCN) is WQDX58243. Please refer to the enclosed SMARTS help guide to complete your NOI application.

This facility is currently in violation of the California Water Code and the federal Clean Water Act. Failure to obtain Scrap Metal Permit coverage by **December 29, 2016**, will result in a mandatory minimum monetary penalty complaint of not less than \$5,000 under Section 13399.33 (a) (1) of the California Water Code. Failure to submit the requested information may result in further enforcement action, including civil monetary penalties of up to \$10,000 for each day of violation.

If you have any questions, please contact Michael Perez by phone at (951) 782-4306 or email at [Michael.Perez@waterboards.ca.gov](mailto:Michael.Perez@waterboards.ca.gov).

Sincerely,



Michelle R. Beckwith, Chief  
Coastal Storm Water Unit

enclosure: SMARTS Help Guide

cc (w/o encl): San Bernardino County Flood Control District – Marc Rodabaugh  
City of Montclair, NPDES coordinator – Joseph Rosales  
Inland Empire Waterkeeper –Garry Brown



EDMUND G. BROWN JR.  
GOVERNOR



MATTHEW RODRIGUEZ  
SECRETARY FOR  
ENVIRONMENTAL PROTECTION

**Santa Ana Regional Water Quality Control Board**

January 5, 2017

Igor Khodorkovsky  
Coast Metals Inc  
4761 State Street  
Ontario, CA 91762

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**NOTICE OF NON-COMPLIANCE WITH THE SECTOR-SPECIFIC GENERAL PERMIT FOR STORM WATER DISCHARGES FROM SCRAP METAL RECYCLING FACILITIES WITHIN THE SANTA ANA REGION, ORDER NO. R8-2012-0012, NPDES PERMIT NO. CAG 618001 (SCRAP METAL PERMIT)**

**SECOND NOTICE**

Dear Mr. Khodorkovsky:

On November 21, 2016, Regional Board staff inspected your facility located at 4761 State Street in the city of Ontario and informed you of the requirement for your facility to obtain coverage under the Scrap Metal Permit.

A Notice of Non-Compliance was sent to Coast Metals on November 30, 2016 via certified mail, requesting that you file a Notice of Intent to obtain coverage under the Scrap Metal Permit by December 29, 2016. Per the United States Postal Service, the certified letter was returned as "Unclaimed" on December 30, 2016.

A Notice of Intent was not received by the December deadline.

**You are required to immediately obtain coverage under the Scrap Metal Permit. Failure to obtain coverage by January 29, 2017 will result in a minimum, mandatory penalty of \$5,000.** Failure to submit the requested information may result in further enforcement action, including civil monetary penalties of up to \$10,000 for each day of violation and \$10 per gallon for discharges over 1,000 gallons.

If you have any question, please contact Michael Perez by phone at (951) 782-4306 or e-mail [Michael.Perez@waterboards.ca.gov](mailto:Michael.Perez@waterboards.ca.gov).

Sincerely,

Michelle R. Beckwith, Chief  
Coastal Storm Water Unit

enclosure: Notice of Non-Compliance, dated November 30, 2016

cc (w/o encl): San Bernardino County Flood Control District – Marc Rodabaugh  
City of Montclair, NPDES coordinator – Joseph Rosales  
Inland Empire Waterkeeper –Garry Brown

WILLIAM RUH, CHAIR | KURT V. BERCHTOLD, EXECUTIVE OFFICER

3737 Main St., Suite 500, Riverside, CA 92501 | [www.waterboards.ca.gov/santaana](http://www.waterboards.ca.gov/santaana)

♻️ RECYCLED PAPER



EDMUND G. BROWN JR.  
GOVERNOR

MATTHEW RODRIGUEZ  
SECRETARY FOR  
ENVIRONMENTAL PROTECTION

Santa Ana Regional Water Quality Control Board

## DOCUMENT RECEIPT

Type of Document: 2<sup>nd</sup> Notice of Non-Compliance, dated January 5, 2017

Printed Name: *William Ruh*

Signature: *[Handwritten Signature]*

Title: *Chairman* Date: *1-5-17*

WILLIAM RUH, CHAIR | KURT V. BERCHTOLD, EXECUTIVE OFFICER

3737 Main St., Suite 500, Riverside, CA 92501 | [www.waterboards.ca.gov/santaana](http://www.waterboards.ca.gov/santaana)

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<b>Street and A.</b>	<b>4761 State Street</b>
<b>City, State, Z</b>	<b>Ontario, CA 91762</b>