



# California Regional Water Quality Control Board

## Los Angeles Region



Recipient of the 2001 *Environmental Leadership Award* from Keep California Beautiful

Linda S. Adams  
Agency Secretary

320 W. 4th Street, Suite 200, Los Angeles, California 90013  
Phone (213) 576-6600 FAX (213) 576-6640 - Internet Address: <http://www.waterboards.ca.gov/losangeles>

Arnold Schwarzenegger  
Governor

December 4, 2008

Mr. Chuck Zaruba  
Engineering Manager  
U. S. Gypsum Corporation  
14370 Gannet Street  
La Mirada, CA 90638

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
Claim No. 7007 2560 0001 7889 2042

**RESPONSE TO REQUEST FOR ALLEGED VIOLATION REVIEW – U. S. GYPSUM CORPORATION, LA MIRADA PRODUCTS COMPANY, 14370 GANNET STREET, LA MIRADA, CA.  
(ORDER NOS. 00-066 AND R4-2006-0030, NPDES PERMIT NO. CA0063461, CI NO. 7481)**

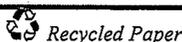
Dear Mr. Zaruba:

Thank you for your letter dated October 23, 2008, responding to the October 3, 2008 Settlement Offer No. R4-2008-0064-M, which assessed mandatory minimum penalties (MMPs) for violations of effluent limitations and late report violations. In a meeting on November 13, 2008, the Permittee provided additional information to Regional Board staff contesting many effluent limit violations noted in the October 3, 2008 Settlement Offer No. R4-2008-0075-M Notice of Violation (NOV) attached as Exhibit "A". This letter addresses your comments in this regard.

First, the Regional Board has determined, based on the information provided, that the Permittee's 4<sup>th</sup> Quarter 2007, 1<sup>st</sup> Quarter 2007, 2<sup>nd</sup> Quarter 2007, and 4<sup>th</sup> Quarter 2007 self-monitoring reports were received by the Regional Board. This determination has been verified with Regional Board staff and the invalid violations will be expunged from the CIWQS database. You are hereby notified that the forty (40) late report violations cited in Settlement Offer No. R4-2008-0075-M are hereby rescinded.

Second, in response to the effluent limit violations for August 31, 2007, September 7, 2007, September 14, 2007, September 21, 2007, September 28, 2007, May 23, 2008, and June 5, 2008, pH was reported as being below the effluent limit of 6.5 standard units (s.u.) contained in Board Order No. R4-2006-0030. The Permittee provided both laboratory data and field data that shows that pH taken in the field was in compliance with the pH limit contained in Board Order No. R4-2006-0030. Therefore, the seven (7) pH effluent limit violations cited in the October 3, 2008 Settlement Offer No. R4-2008-0075-M Notice of Violation (NOV) attached as Exhibit "A" are hereby rescinded.

*California Environmental Protection Agency*



*Our mission is to preserve and enhance the quality of California's water resources for the benefit of present and future generations.*

Mr. Chuck Zaruba  
U. S. Gypsum Corporation

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December 4, 2008

You are hereby notified that, based on your October 29, 2008 submittal to the Regional Board, the forty (40) late report violations and seven (7) pH effluent limit violations are hereby rescinded. However, the effluent limit violations noted in the October 3, 2008 Settlement Offer No. R4-2008-0075-M Notice of Violation (NOV) attached as Exhibit "A" remain. Accordingly, the new settlement amount is \$33,000 and the liability shall be paid by cashiers or certified check for \$33,000 made out to the "State Water Pollution Cleanup and Abatement Account". Failure to pay the full penalty within the required time period may subject the Permittee to further liability.

Since the Permittee requested a review of this violation, the Regional Board has established new deadlines. If you intend to participate in the Expedited Payment Program, you must sign and return the previously sent Acceptance of Conditional Resolution and Waiver of Right to Hearing form by **January 5, 2008**. By signing the Acceptance and Waiver, Paramount Petroleum Corporation agrees to pay the penalty as indicated on the amended Exhibit A - Notice of Violation and waives the right to a hearing.

If you do not elect to sign the Acceptance and Waiver, you will be contacted regarding formal enforcement action that will be initiated with regard to the contested violation.

If you have questions regarding this matter, please contact Mr. Hugh Marley at (213) 620-6375 or Ms. Mercedes Merino at (213) 620-6369.

Sincerely,



Deborah J. Smith  
Chief Deputy Executive Officer

Enclosures:

Amended Exhibit "A" - Notice of Violation

cc: Taryn Stokell, Office of Enforcement, State Water Resources Control Board

Settlement Offer No. R4-2008-0075-M  
CI No. 7481, NPDES Permit No. CA0063461

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

2008 JUN 16 PM 1 20  
RECEIVED  
CALIFORNIA REGIONAL WATER  
QUALITY CONTROL BOARD  
LOS ANGELES REGION

U. S. Gypsum Corporation  
Revised Settlement Offer No. R4-2008-0075-M  
NPDES Permit No. CA0063461

By signing below and returning this Acceptance of Conditional Resolution and Waiver of Right to Hearing (Acceptance and Waiver) to the Los Angeles Regional Water Quality Control Board (Regional Board), U. S. Gypsum Corporation (Permittee) hereby accepts the "Offer to Participate in Expedited Payment Program" and waives the right to a hearing before the Regional Board to dispute the allegations of violations described in the Notice of Violation (NOV), which is attached hereto as Exhibit "A" and incorporated herein by reference.

The Permittee agrees that the NOV shall serve as a complaint pursuant to Article 2.5 of the California Water Code and that no separate complaint is required for the Regional Board to assert jurisdiction over the alleged violations through its Executive Officer. The Permittee agrees to pay the penalties required by California Water Code section 13385, in the sum of \$33,000 (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 violations described in the NOV. The Permittee understands that this Acceptance and Waiver waives the Permittee's right to contest the allegations in the NOV 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 NOV.

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

Mercedes Merino, Enforcement Unit  
Expedited Payment Program  
Regional Water Quality Control Board, Los Angeles Region  
320 West 4<sup>th</sup> Street, Suite 200  
Los Angeles, California 90013

The Permittee understands that federal regulations set forth at title 40, Code of Federal Regulations, section 123.27(d)(2)(iii) require the Regional Board to publish notice of and provide at least 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 Regional Board Executive Officer, will be published as required by law for public comment.

If no comments are received within the notice period that cause the Regional Board Executive Officer to question the Expedited Payment Amount, the Regional Board Executive Officer will execute the Acceptance and Waiver.

Settlement Offer No. R4-2008-0075-M  
CI No. 7481, NPDES Permit No. CA0063461

The Permittee understands that if significant comments are received in opposition to the Expedited Payment Amount, the offer on behalf of the Regional Board to resolve the violations set forth in the NOV 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 Regional 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 Regional Board Executive Officer, the full payment required by the deadline set forth below is a condition of this Acceptance and Waiver. In accordance with California Water Code section 13385(n)(1), 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. Furthermore, in accordance with California Water Code section 13385.1(b)(1), funds collected pursuant to section 13385.1 for failure to timely file a report shall be deposited in the Waste Discharge Permit Fund. Accordingly, the \$33,000 liability shall be paid by a cashier or certified check for \$33,000 made out to the "State Water Pollution Cleanup and Abatement Account". The payment must be submitted to the Regional Board no later than ten (10) calendar days after the date the Permittee receives written notice that the Regional Board 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.

U. S. Gypsum Corporation

By:  1/5/09  
(Signed Name) (Date)  
Joseph W. Holmes VP, Mfg - West  
(Printed or typed name) (Title)

IT IS SO ORDERED PURSUANT TO WATER CODE SECTION 13385

Date: \_\_\_\_\_  
By: \_\_\_\_\_  
Tracy J. Egoscue  
Executive Officer

