ACCEPTANCE OF CONDITIONAL RESOLUTION AND WAIVER OF RIGHT TO HEARING

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

Valero agrees that the attached Exhibit A shall serve as a complaint pursuant to Article 2.5 of the California Water Code (CWC) and that no separate complaint is required for the Regional Water Board to assert jurisdiction over the alleged violations through its Assistant Executive Officer. Valero agrees to pay the penalties authorized by CWC section 13385, which shall be deemed payment in full of any civil liability pursuant to the CWC sections 13385 and 13385.1 that otherwise might be assessed for the violations described in the attached Exhibit A.

Valero understands that this Acceptance and Waiver does not address or resolve liability for any violation that is not specifically identified in the attached Exhibit A.

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

Expedited Payment Program
California Regional Water Quality Control Board
San Francisco Bay Region
NPDES Enforcement Section, Regulatory Measure ID No. 379802
Attention: Farhad Azimzadeh
1515 Clay Street, Suite 1400
Oakland, California 94612

Valero understands that federal regulations set forth at title 40, Code of Federal Regulations, section 123.27(d)(2)(iii) require the Regional Water Board to publish notice of and provide at least 30 days for public comment on any proposed resolution of an enforcement action. Accordingly, this Acceptance and Waiver, prior to execution by the Executive Officer of the Regional Water Board, will be published as required by law for public comment.

If no comments are received within the notice period which causes the Executive Officer of the Regional Water Board to reconsider the Expedited Payment Amount, the Executive Officer will execute the Acceptance and Waiver. Resolution of these violations by the Regional Water Board will preclude State Water Board action for these same violations.

Valero understands that if significant comments are received in opposition to the Expedited Payment Amount, the offer on behalf of the Regional Water Board to resolve the violations set forth in the attached Exhibit A may be withdrawn. In that circumstance, Valero 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 Water Board or the State Water Board. For such a liability hearing, Valero understands that this Acceptance and Waiver executed by Valero will be treated as a settlement communication and will not be used as evidence in that hearing.

Valero understands that once the Acceptance and Waiver is executed by the Executive Officer of the Regional Water Board, payment of the amount in full no later than 30 days after the date of the Executive Officer's signature is a condition of this Acceptance and Waiver. Valero must submit its payment in full by check made out to "California Regional Water Quality Control Board" and sent to the address indicated above, together with a copy of this Acceptance and Waiver after execution by the Executive Officer.

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

Valero Refining Company

By: Christopher W. Howe 8/28/2012
(Signed Name) (Date)

Christopher W. Howe
(Printed or typed name)

Director - Health, Safety, Environment & Government Affairs
(Title)

IT IS SO ORDERED (R2-2012-0065) PURSUANT TO CALIFORNIA WATER CODE SECTION 13385

Bruce H. Wolfe
Digitally signed by Bruce H. Wolfe
Date: 2012.10.08 19:12:52 -07'00'

By: _____

Bruce H. Wolfe
Executive Officer
Regional Water Quality Control Board

Note to Valero: Please return the signed waiver with Exhibit A, together.

Regulatory Measure ID: 379802

EXHIBIT A
Notice of Violation

Valero Refining Company
Valero Benicia Refinery
Located at 3400 East Second Street, Benicia, Solano County, CA 94510

Mandatory Minimum Penalties without Regional Water Quality Control Board Hearing

The following table lists this facility's alleged permit exceedance of California Water Code (CWC) Sections 13385(h) and 13385(i) for which the Water Board has not assessed a mandatory minimum penalty. Final calculation of MMP amounts owed, and descriptions of the abbreviations that appear in the table are also listed in the table below.

No	CIWQS Violation ID No.	Date of Occurrence	Effluent Limitation Description (Unit)	Effluent Limit	Reported Value	Percent a Group I or Group II Pollutant is over Effluent Limitation	Type of Exceedance	CWC Section 13385(h) and/or (i) Required MMP
1	145164	2/13/2000	Nickel	65	76	17%	C1	
2	193636	10/28/2000	pH	6.5-8.5	8.6	--	C1	
3	234495	4/21/2003	pH	6.5-8.5	8.6	--	C1	
4	801043	9/30/2008	Oil & Grease Average Monthly (mg/L)	8.0	9.2	15%	C1	
5	872446	12/12/2009	Selenium Maximum Daily (µg/L)	50	53	6%	C1	
6	895993	3/18/2011	Selenium, Total Recoverable Daily Maximum (µg/L)	50	67	34%	C1, S	$3,000
7	895931	3/22/2011	Cyanide Total Daily Maximum (µg/L)	42	65	55%	C2, S	$3,000
8	925515	1/21/2012	Oil And Grease Daily Maximum (mg/L)	15	25	67%	C1, S	$3,000
9	921998	2/13/2012	TSS Daily Maximum (mg/L)	33	528	1500%	C2, S	$3,000
10	924444	3/13/2012	TSS Daily Maximum (mg/L)	33	63	91%	C3, S	$3,000
11	924442	3/14/2012	TSS Daily Maximum (mg/L)	33	96	191%	> C3, S	$3,000
12	925544	3/16/2012	TSS 30-Day Average (mg/L)	21	62	195%	> C3, S	$3,000
13	925545	3/25/2012	TSS 30-Day Average (mg/L)	21	48	129%	> C3, S	$3,000
14	924443	3/27/2012	TSS 30-Day Average (mg/L)	21	41	95%	> C3, S	$3,000
							Total	**$27,000**

Legend for Table:
CIWQS = California Integrated Water Quality System database used by the Water Boards to manage violation and enforcement activities.
Violation ID = Identification number assigned to a permit exceedance in CIWQS.
CWC = California Water Code.
C = Count – The number that follows represents the number of exceedances Valero has had in the past 180 days, including this violation. A count greater than three (> C3) means that a penalty under Water Code Section 13385(i) applies.
S = Serious, which means that a penalty under Water Code Section 13385(h) applies when an effluent limitation is exceeded 40% or more for a Group I pollutant or 20% or more for a Group II pollutant.

Regulatory Measure ID : 379802
Place ID: 223950