Ashby USA, LLC
Ashby Development Company, Inc.
470 E, Harrison Street
Corona, CA 92879

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CALIF. REGIONAL WATER QUALITY CONTROL BOARD

July 24, 2003

Mr. Mark Alpert
California Regional Water Quality Control Board
San Diego Region
9174 Sky Park Court Suite 100
San Diego, CA 92123-4340

via Fax and US Mail
1(858) 571-6972

Re: Roripaugh Ranch Development, Tract #29535, WDID No. 9 33S320657
Complaint No. 2003-0227 for Administrative Civil Liability

Dear Mr. Alpert:

With regard to the above referenced complaint, Ashby USA, LLC would like to amend our July 10, 2003 letter to the Board. Consequently, this letter will serve to modify our response to the allegations, corresponding fines and settlement offer.

Please consider the following revisions:

A.) Allegation #1: Discharge Prohibition A.2 of Order No. 99-08 DWQ:

Response: Ashby USA, LLC, as previously stated, will accept the $10,000.00 Liability for this violation.

B.) Allegation #2: April 14, 2003, Discharge Prohibition A.2 of Order No. 99-08 DWQ:

Response: Ashby USA, LLC, in the spirit of working together, is respectfully requesting a ($5,000.00) reduction of the civil liability. Per our assessment we had adequate BMP's in place as we had installed over (62) desilting basins and other erosion control measures by the time of the event. There was a minor breach of our silt fence and the problem was corrected immediately. Please consider adjusting the total civil violation to ($5,000.00).

C.) Allegation #3 – Failure to develop implement adequate BMP's, Violation of Special Provisions for Construction Activities C.2 of Order No. 99-08-DWQ:

Response: Ashby USA, LLC will accept the violation in part. However, please consider the following information which will substantiate reducing the time we were without adequate BMP's and the resulting assessed civil liability:

1. It is understood that the violation consists of the failure to develop and implement an adequate SWPPP, and that Ashby USA, LLC was in violation from March 10, 2003 to April 22, 2003, with the assessed fine of ($64,500.00) calculated at $1,500.00 per day for (43) days.

2. Ashby USA, LLC respectfully contests the timing referenced above and is offering the following information in dispute of the stated timing:

   a.) March 10, 2003 - actual start date for site clearing.
   b.) March 12, 2003 - started installing sandbags onsite.
   c.) March 16, 2003 - first storm event without adequate BMP's.
   d.) April 2, 2003 - completed erosion control measures, adequate BMP's were in place based on consultants capacity study and design (study supplied by separate cover).
   e.) Total days without adequate BMP's:
   March 10 to April 2, 2003 = (24) days x $1,500 = $36,000.00

Ashby USA, LLC respectfully request that Allegation #3's proposed assessment of ($64,500.00) be reduced to ($36,000.00). This request is based on the information supplied herein, which documents that the project was without adequate BMP's for a total of (24) days.

In summary, Asbhy USA, LLC respectfully requests that the Board consider the following adjusted settlement amounts for the violations listed below:

Allegation #1 -	$10,000.00
Allegation #2 -	$ 5,000.00
Allegation #3 -	$36,000.00
Total:	$51,000.00

Having been assessed this violation has been a learning experience, Ashby USA, LLC has taken measures to address (all) site, water quality issues for both current and future construction. We have contracted with expert water quality consultants to confirm and verify that existing and future BMP's are adequate. Ashby USA, LLC is doing everything in its power to maintain a positive site. Ashby USA, LLC is responsible throughout the next (3) years, for construction of approximately (4) miles of offsite roads as well as the development of (2,015) lots. Ashby USA, LLC expects to set water quality standards in the industry for projects of the Roripaugh Ranch magnitude. With the help of the Regional Water Quality Control Board, San Diego Region, Ashby USA, LLC is confident this standard can be achieved.

If you should require additional information, please to not hesitate to contact me at your earliest convenience. I can be reached at 909/208-2971.

Ashby USA, LLC wishes to thank you in advance for your positive consideration of this settlement offer.

Respectfully,

Ashby USA, LLC

Peter M Olah
Consultant to Ashby USA, LLC