



Linda S. Adams
Secretary for
Environmental Protection

California Regional Water Quality Control Board
San Diego Region

Over 50 Years Serving San Diego, Orange, and Riverside Counties
Recipient of the 2004 Environmental Award for Outstanding Achievement from U.S. EPA



Arnold Schwarzenegger
Governor

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

June 21, 2007

CERTIFIED-RETURN RECEIPT REQUESTED

7006 0810 0000 6389 0831

Mr. Jim Malot
Terra Vac
316 Avocet Avenue
Davis, California 95616

In Reply refer to:
CA:14-1280.02:Rstewart

Dear Mr. Malot:

**ADMINISTRATIVE CIVIL LIABILITY COMPLAINT NO. R9-2007-0019, TERRA VAC,
BODY BEAUTIFUL CAR WASH REMEDIATION DEWATERING PROJECT**

This is in response to the additional information you submitted via e-mail on June 7, 2007. We understand that you are now claiming the payment of the \$12,000 in Mandatory Minimum Penalty would cause a financial hardship for Terra Vac. Pursuant to California Water Code section 13385(e), you must submit additional documentation for the Regional Board to make a determination on Terra Vac's ability to pay. At this time, the public hearing has been tentatively rescheduled to August 8, 2007.

According to your e-mail, the ability to pay may be temporary, as you are expecting reimbursement from the State Water Resources Control Board's Underground Storage Tank Reimbursement Program as well as from the owners of the property that contract with Terra Vac to perform the ground water remediation. If this is correct, please submit documentation on when you expect to be paid.

If you are asserting the assessment of the \$12,000 penalty will cause a long term financial hardship, the Regional Board will need to make an independent assessment of Terra Vac's ability to pay. If this is the case, please submit the following information to the Regional Board no later than **12:00 p.m. on July 13, 2007**. All financial documentation submitted will be treated as confidential correspondence and will not be available for public review:

1. Federal income tax returns for the last three years, specifically:
 - IRS Form 1120 for C Corporations
 - IRS Form 1120 S for S Corporations
 - IRS Form 1065 for partnerships

California Environmental Protection Agency

2. A completed and signed IRS Form 8821. This allows IRS to provide the Regional Board with a summary of the firm's tax returns that will be compared to the submitted income tax returns. This prevents the submission of fraudulent tax returns.
3. The following information can be substituted if income tax returns cannot be made available:
 - Audited Financial Statements for last three years;
 - A list of major accounts receivable with names and amounts;
 - A list of major accounts payable with names and amounts;
 - A list of equipment acquisition cost and year purchased;
 - Ownership in other companies and percent of ownership for the last three years;
 - Income from other companies and amounts for the last three years.
4. Complete and return the attached Financial Data Request Form.

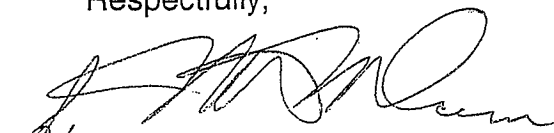
All reports, documentation, surveys and other information must be submitted with the signed certification below:

Under penalties of perjury, I declare that this financial statement submitted by me as a responsible officer of the organization is a true, correct, and complete statement of all organization income and assets, real and personal, whether held in the company name or otherwise to the best of my knowledge and belief. I further understand that I will be subject to prosecution by the United States Government to the fullest extent possible under the law should I provide any information that is not true, correct, and complete to the best of my knowledge.

The heading portion of this letter includes a Regional Board code number noted after "in reply refer to:" In order to assist us in the processing of your correspondence please include this code number in the heading or subject line portion of all correspondence and reports to the Regional Board pertaining to this matter.

Please contact Rebecca Stewart at (858) 467-2966 or via e-mail at Rstewart@waterboards.ca.gov if you have any questions concerning this matter.

Respectfully,



JOHN H. ROBERTUS
Executive Officer

Mr. Jim Malot
Terra Vac

3

June 21, 2007

JHR:mjm:mja:rls

Enclosure: Financial Data Request Form

cc: Kevin Graves, State Water Resources Control Board, Underground Storage
Tank Unit, P.O. Box 100, Sacramento, CA 95814

Dr. Nasser Sionit, County of San Diego, Department of Environmental Health,
P.O. Box 129261, San Diego, CA 92112-9261

Sue Pease, Regional Board, Underground Storage Tank Unit

Whitney Ghoram, Regional Board, Southern Core Regulatory Unit

Financial Data Request Form

(Use Additional Sheets Where Needed)

1. Business Name: _____
2. For Profit Not for Profit
3. Business Address: _____
Street

City State Zip

NOTE: Attach Schedule of all Business Addresses

4. Foreign Domestic
5. Legal Form of Business Organization during the last 5 years
 Corporation Proprietorship
 Subchapter S Corporation Partnership
 Trust Other:

6. State of Incorporation _____ Date of Incorporation _____
7. Name of Registered Agent: _____
8. Address of Registered Agent: _____
Street

City State Zip

Phone Number (with area code)