

**San Diego Regional Water Quality Control Board**

June 15, 2016

Mr. Sandor Halvax  
Manager, Environmental Programs (West)  
BAE Systems San Diego Ship Repair, Inc.  
P.O. Box 13308  
San Diego, California 92170-3308

**Certified Mail – Return Receipt Requested**  
Article Number: 7011 0470 0002 8952 9872

**In reply refer to/attn:**  
257991:DQuach

**Subject: Acceptance of Settlement Offer No. R9-2016-0003: Offer to Participate in Expedited Payment Program Relating to Violations of Order No. R9-2009-0080, NPDES No. CA0109151, Waste Discharge Requirements BAE Systems San Diego Ship Repair Inc. Discharge to the San Diego Bay**

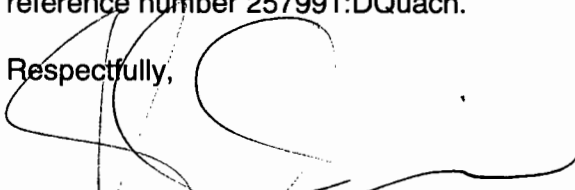
Mr. Halvax:

The California Regional Water Quality Control Board, San Diego Region (San Diego Water Board) accepts Settlement Offer No. R9-2016-0003: *Offer to Participate in Expedited Payment Program Relating to Violations of Order No. R9-2009-0080, NPDES No. CA0109151, Waste Discharge Requirements BAE Systems San Diego Ship Repair Inc. Discharge to the San Diego Bay*. The San Diego Water Board released the Notice of Written Comment Period for the Tentative Settlement Offer No. R9-2016-0003 on May 2, 2016. Comments were due by June 2, 2016. No comments were received during the comment period, and the San Diego Water Board's Executive Officer has signed the enclosed settlement offer.

Pursuant to the settlement offer, BAE Systems San Diego Ship Repair Inc. has thirty (30) calendar days upon receipt of this notice to submit payment in full of the assessed liability (\$12,000). In accordance with 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. Accordingly, the liability shall be paid by cashiers or certified check made out to the "State Water Pollution Cleanup and Abatement Account." Failure to pay the full liability within the required time period may subject BAE Systems San Diego Ship Repair Inc. to further liability.

For questions or comments, please contact Dat Quach by phone at (619) 521-5899, or by email at [dquach@waterboards.ca.gov](mailto:dquach@waterboards.ca.gov). In the subject line of any response, please include the reference number 257991:DQuach.

Respectfully,

  
Brandi N. Outwin-Beals, P.E.  
Senior Water Resource Control Engineer  
Source Control Unit

Bob:dtq

Enclosure: Signed Acceptance and Waiver Settlement Offer No. R9-2016-0003

cc: David Barker, San Diego Water Board, [dbarker@waterboards.ca.gov](mailto:dbarker@waterboards.ca.gov)  
Chiara Clemente, San Diego Water Board, [cclemente@waterboards.ca.gov](mailto:cclemente@waterboards.ca.gov)  
Brandi Outwin-Beals, San Diego Water Board, [boutwinsbeals@waterboards.ca.gov](mailto:boutwinsbeals@waterboards.ca.gov)  
Joann Lim, San Diego Water Board, [Jlim@waterboards.ca.gov](mailto:Jlim@waterboards.ca.gov)

Tech Staff Info & Use	
Order No.	R9-2016-0003
Party ID	40631
WDID	9 000000137
NPDES No.	CA0109151
Reg. Measure ID	401444, 406152
Place ID	257991
Person ID	525880 (Halvax)
Violation ID	991393, 991604, 978384, 976911

## Exhibit B

### ACCEPTANCE OF CONDITIONAL RESOLUTION AND WAIVER OF RIGHT TO HEARING OF THE SETTLEMENT OFFER NO. R9-2016-0003

By signing below and returning this Acceptance of Conditional Resolution and Waiver of Right to Hearing (Acceptance and Waiver) to the California Regional Water Quality Control Board, San Diego Region (San Diego Water Board), BAE Systems San Diego Ship Repair, Inc. (Permittee) hereby accepts the *Offer to Participate in Expedited Payment Program* and waives the right to a hearing before the San Diego Water Board to dispute the allegations of violations described in the Settlement Offer, which is attached hereto as Exhibit A and incorporated herein by reference.

The Permittee agrees that the Settlement Offer shall serve as a complaint pursuant to Article 2.5 of the Water Code and that no separate complaint is required for the San Diego Water Board to assert jurisdiction over the alleged violations through its Chief Prosecutor. The Permittee agrees to pay the penalties required by Water Code section 13385, in the sum of \$12,000 (Expedited Payment Amount), which shall be deemed payment in full of any civil liability pursuant to Water Code section 13385 that otherwise might be assessed for the violations described in the Settlement Offer. The Permittee understands that this Acceptance and Waiver waives the Permittee's right to contest the allegations in the Settlement Offer 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 Settlement Offer.

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

California Regional Water Quality Control Board, San Diego Region  
2375 Northside Drive, Suite 100  
San Diego, CA 92108-2700  
ATTN: 257991:DQuach

The Permittee understands that federal regulations set forth at title 40, Code of Federal Regulations, section 123.27(d)(2)(iii), require the San Diego Water Board to publish notice of and provide at least 30 days for public comment on any proposed resolution of an enforcement action addressing National Pollutant Discharge Elimination System (NPDES) permit violations. Accordingly, this Acceptance and Waiver, prior to execution by the Executive Officer, will be published as required by law for public comment.

During the public comment period, if no comments are received that cause the Executive Officer to question the Expedited Payment Amount, the Executive Officer will execute the Acceptance and Waiver.

The Permittee understands that if significant comments are received in opposition to the Expedited Payment Amount, the offer on behalf of the San Diego Water Board to resolve the violations set forth in the Settlement Offer 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 San Diego Water 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 Executive Officer, the full payment required by the deadline set forth below is a condition of this Acceptance and Waiver. In accordance with 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. Accordingly, the liability shall be paid by a cashiers or certified check for \$12,000 made out to the "State Water Pollution Cleanup and Abatement Account." Payment must be submitted to the San Diego Water Board no later than ten calendar days after the date the Permittee receives written notice that the 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.

BAE Systems San Diego Ship Repair, Inc.

By:

Signed Name

Robert G. Koerber

Printed or Typed Name

29 MAR 16

Date

Vice President / GM

Title

IT IS SO ORDERED PURSUANT TO WATER CODE SECTION 13385.

By:

DAVID W. GIBSON  
Executive Officer

14 June 2016

Date