STATUTORY AUTHORITY

The following Findings of Violation, Order for Compliance, and Request for Information (Order) issued pursuant to the authority vested in the Administrator of the U.S. Environmental Protection Agency (EPA) by Sections 308(a) and 309(a)(3), (a)(4), and (a)(5)(A) of the Clean Water Act, as amended (the Act or CWA), 33 U.S.C. §§ 1318(a), and 1319(a)(3), (a)(4), and (a)(5)(A). This authority has been delegated to the Regional Administrator of EPA, Region 9 and re-delegated by the Regional Administrator to the Director of the Water Division of EPA, Region 9. Notice of this action has been given to the State of California.

FINDINGS OF VIOLATION

1. Section 301(a) of the Act, 33 U.S.C. § 1311(a), prohibits the “discharge of any pollutant by any person” into waters of the United States, except, inter alia, in compliance with a permit issued by EPA or an authorized state pursuant to Section 402 of the Act, 33 U.S.C. § 1342.

2. Section 402(p) of the Act, 33 U.S.C. § 1342(p), and EPA’s implementing regulations at 40 C.F.R. § 122.26, require NPDES permit authorization for discharges of storm water associated with industrial activity. Facilities engaged in industrial activity, as defined by 40 C.F.R. § 122.26(b)(14), must obtain NPDES permit authorization if they discharge or propose to discharge storm water into waters of the United States. Pursuant to 40 C.F.R. §§ 122.26(a)(1)(ii) and 122.26(c), dischargers of storm water associated with industrial activity are required to apply for an individual permit or to seek coverage under a promulgated storm water general permit.

3. Scrap metal recycling falls under SIC Major Group 50 and pursuant to 40 C.F.R. §
122.26(b)(14)(xi) is an industrial activity subject to the storm water discharge and permitting requirements under Section 402(p) of the Act, 33 U.S.C. § 1342(p).

4. Section 308(a) of the Act, 33 U.S.C. § 1318(a), and its implementing regulations authorize EPA to, inter alia, require the owner or operator of any point source to establish records, make reports, or submit other reasonably required information, including individual and general NPDES permit applications. See also 40 C.F.R. § 122.21.

5. The State of California has an EPA-approved NPDES program and issues permits, including storm water permits, through its State Water Resources Control Board (State Board) and nine Regional Water Quality Control Boards (Regional Boards). The permit that is currently effective, General Permit No. CAS000001 for Discharges of Storm Water Associated with Industrial Activities Excluding Construction Activities, Water Quality Order No. 97-03-DWQ (General Permit) was adopted on April 17, 1997.

6. The General Permit requires facility operators to develop and implement a storm water pollution prevention plan (SWPPP) prior to commencing industrial operations. (General Permit, Section A.1 and 2, pgs. 11-12.) The SWPPP’s purpose is to identify sources of industrial storm water pollution and to identify and implement site-specific best management practices (BMPs) to control discharges. Id.

7. The General Permit requires the SWPPP to include, inter alia, a narrative description of the facility’s industrial activities (General Permit, Section A.6. pp. 14-16), an assessment of all industrial activities and potential pollutant sources at the facility (General Permit, Section A.7, pp. 16-17), and a narrative description of the storm water BMPs to be implemented at the facility for each potential pollutant and its source (General Permit Section A.8, pg. 17), as well as a site map (or maps) that identifies: (a) facility boundaries and an outline of facility drainage areas, (b) the storm water collection and conveyance system, (c) an outline of impervious areas, (d) locations where materials are directly exposed to precipitation, and (e) areas of industrial activity. (General Permit, Section A.4, pgs. 12-14.)

8. The General Permit requires facility operators to reduce or prevent pollutants associated with industrial activity in storm water discharges and authorized non-storm water discharges using best available technology economically achievable (BAT) for toxic pollutants and best conventional pollutant control technology (BCT) for conventional pollutants. (General Permit, Effluent Limitation B.3, pg. 4.)

9. The General Permit prohibits the discharge of non-stormwater, except as allowed in Special Condition D.1 of the General Permit, and requires that such prohibited non-storm water discharges must be eliminated or permitted by a separate NPDES permit. (General Permit, Order Section A.1, pg. 3.)

10. The General Permit requires facility operators to develop a written monitoring program and to conduct quarterly visual observations of non-storm water discharges, monthly visual observations of storm water events, and prescribed storm water sampling and analysis. (General Permit, Section A.9, pgs. 17-18.)
Permit, Section B.1, 3, 4, and 5, pgs. 24-27.) In addition, facility operators must submit an annual report to the Regional Board that summarizes visual observations and sampling and provides a comprehensive site compliance evaluation. (General Permit, Section B.14, pg. 35.)

11. The General Permit requires that samples be analyzed for toxic chemicals and other pollutants that are likely to be present in storm water discharges in significant quantities. (General Permit, Section B.5.c.ii, pg. 27.)

12. Sims Group USA Corporation, dba Sims Metal Management (Sims or Respondent), is a for-profit Australian corporation registered by the State of Delaware as a corporation and is thus a “person” under Section 502(5) of the Act, 33 U.S.C. § 1362(5). Respondent operates a facility located on property it leases from the Port of Redwood City at 699 Seaport Boulevard, Redwood City, California (Facility). At the Facility, Respondent engages in metal recycling, sorting, shredding, stockpiling, and shipping and receiving activities (including loading and unloading activity at the Facility’s rail spur, and operation of a ship-loading conveyor at Wharf 3), activities classified under SIC Major Group 50 as scrap metal and recycling, and is thus subject to the requirements of 40 C.F.R. § 122.26(b)(14)(xi) and the General Permit. (General Permit, Attachment 1, ¶ 6 (“Facilities covered by this general permit”)) (Id.)

13. Respondent filed a Notice of Intent with the State Water Resources Control Board to comply with the terms of the General Permit on April 7, 1992. The Respondent’s WDID identification number is 2 411005107.

14. Stormwater and non-stormwater discharge from the Facility to Redwood Creek through the City of Redwood City’s municipal separate storm sewer system (City MS4), and from Respondent’s operation of the ship-loading conveyor that extends over Redwood Creek at Wharf 3.

15. The City MS4 and Respondent’s ship-loading conveyor and associated industrial equipment (e.g., catchment platform and conveyor belt tensioning system) are “point sources” as defined by Section 502(14) of the Act, 33 U.S.C. § 1362(14).

16. Redwood Creek is a tributary to the lower San Francisco Bay which is listed under Section 303(d) of the Act, 33 U.S.C. § 1313(d), as an impaired water body for chlordane, DDT (Dichlorodiphenyltrichloroethane), dieldrin, dioxin compounds (including 2,3,7,8-TCDD), furan compounds, invasive species, mercury, PCBs (polychlorinated biphenyls), dioxin-like PCBs, and trash.

17. Redwood Creek flows within a channel into the San Francisco Bay. Between Bair Island and the Port of Redwood City, Redwood Creek widens to a navigable bay channel containing a mix of fresh water flowing from the creek and the salt water of San Francisco Bay. Redwood Creek is thus subject to the ebb and flow of the tides, and a tributary to the San Francisco Bay, and is therefore a “navigable water” within the meaning of Section 502(7) of the Act, 33 U.S.C. § 1362(7), and a “water of the United States,” as defined by EPA regulations at 40 C.F.R. § 122.2.
18. The National Weather Service's Redwood City station (No. 047339), located approximately 2.75 miles from the Facility, recorded at least 124 24-hour rain events resulting in an excess of 0.1 inches of rainfall at the Facility from November 1, 2006 through December 31, 2010 (28 of the 124 rain events exceeded 0.5 inches of rainfall). Rainfall events that exceed 0.1 inches are generally considered the minimum to generate storm water runoff at industrial facilities. See 55 Fed. Reg. 47990, 48018 ("National Pollutant Discharge Elimination System Permit Application Regulations for Storm Water Discharges" (Final Rule)).

19. On March 4, 2011, EPA inspected the Facility to evaluate Respondent's compliance with the General Permit. The inspection report is attached for reference (Attachment 1). EPA also subsequently reviewed the Respondent's SWPPP that was made available to EPA during the inspection.

   a. Based on the March 4, 2011 inspection and the review of the SWPPP, EPA noted that the SWPPP did not adequately:

      i. identify all the Facility's discharge points on the site map, for example, all Redwood City MS4 drain inlets at the Facility, any discharge points at the ship-loading conveyer and associated industrial equipment at Wharf 3; and any discharge points at the rail spur (General Permit, Section A.4.b, pg. 14);

      ii. identify all locations on the site map where materials are directly exposed to precipitation, for example, debris and automobile shredder residue (ASR) located below and adjacent to the ship-loading conveyer and associated industrial equipment, and at the rail spur (General Permit, Section A.4.d, pg. 14);

      iii. identify all areas of industrial activity on the site map, notably operation and maintenance of the ship-loading conveyer and its associated structures and industrial processes, and the handling of materials delivered by rail (General Permit, Section A.4.e, pg. 14);

      iv. describe the Facility's industrial activities, for example, the SWPPP does not contain a description of the activities associated with the ship-loading conveyer and its associated industrial equipment, and the rail spur (General Permit, Section A.6. pp. 14-16);

      v. assess all industrial activities and potential pollutant sources at the Facility, for example, the ship-loading conveyer and associated industrial equipment, and the rail spur (General Permit, Section A.7, pp. 16-17); and

      vi. describe the storm water BMPs to be implemented at the Facility for each potential pollutant and its source, for example, the ship-loading conveyer and its associated industrial equipment, and the rail spur (General Permit, Section A.8, pg. 17).

   b. Based on the March 4, 2011 inspection and the review of the SWPPP, EPA noted that
Respondent had not adequately implemented BMPs at the Facility to reduce or prevent pollutants in storm water discharges as required by General Permit Effluent Limitation B.3 and Section A.8, in that:

i. ASR was evident outdoors throughout the ship-loading conveyer area, and on its associated industrial equipment, that would discharge into Redwood Creek as a result of rainfall (see, e.g., Inspection Report photos IMGP0252-272); and

ii. poor housekeeping practices, including inadequate track out controls, were observed throughout the Facility. For example, sediment was observed at the Facility on roads where it was subject to track-out to areas where the pollutants could become entrained in storm water discharges (see, e.g., Inspection Report photos IMGP0200, 0203, 0216, 0250, 0259, and 0302).

c. Based on the March 4, 2011 inspection, EPA observed evidence, e.g., ASR perched on over-water conveyor footings and Wharf 3 areas as depicted in Inspection Report photos IMGP0261, 0263, 0265, and 0266, that Respondent’s operation of the ship-loading conveyer was likely discharging pollutants directly to Redwood Creek.

d. Based on review of the SWPPP, monitoring reports, and the annual reports during the March 4, 2011 inspection, EPA noted that Respondent’s monitoring and storm water sampling plan did not identify any storm water sampling points, did not identify the pollutant sources and areas of pollutant generating activities associated with the ship-loading conveyer area and its associated equipment, or the rail spur, and also did not demonstrate monitoring at the ship-loading conveyer area or rail spur.

20. On August 25, 2011, EPA inspected the public areas outside Respondent’s leased boundaries to further evaluate Respondent’s compliance with the General Permit, and also to conduct soil and ASR sampling along Redwood Creek’s shoreline and from the City’s MS4 structures adjacent to the Facility. The inspection report is attached for reference (Attachment 2). Based on the August 25, 2011 inspection, EPA observed:

a. ASR falling from the ship-loading conveyer that extends across Herkner Drive and then across the open water of Redwood Creek during Respondent’s ship-loading operations. EPA observed the ASR falling onto a segment of Herkner Drive located upgradient of storm drains into which storm water would flow during a rain event.

b. ASR along the shoreline to the south of the ship-loading conveyer footing, in the area photographed during the March 4, 2011 inspection (see, e.g., Inspection Report photos IMGP0714-722), and ASR located along the shoreline to the north of the ship-loading conveyer footing (see, e.g., Inspection Report photo IMGP0725);

c. debris along the rail spur associated with the unloading of shredded or partially shredded material including foam, rubber tubing and gaskets, insulated copper wire, nuts, bolts, metal pieces and shards, fibrous material, and broken plastic; and
d. non-storm water discharges from a water truck flowing into the City MS4 system along Herkner Drive (see, e.g., Inspection Report photos IMGP0727, 0730, 0738, 0739, 0742, and 0744-0748).

21. The Analytical Testing Results of samples collected during the August 25, 2011 inspection show significant levels of metals (e.g., lead), polycyclic aromatic hydrocarbons (PAHs), and PCBs, in the debris located next to the ship-loading conveyor and its associated equipment. The Analytical Testing Results are attached for reference (Attachment 2).

22. EPA finds storm water discharged from the Facility is storm water discharge associated with industrial activity as defined by EPA regulations in 40 CFR § 122.26(b)(14), and contains "pollutants," including metals, PAHs, and PCBs, as defined by Section 502(6) of the Act, 33 U.S.C. § 1362(6).

23. EPA finds that the debris and ASR that discharges directly from the Facility's ship-loading conveyor and associated equipment contains "pollutants," as defined by Section 502(6) of the Act, 33 U.S.C. § 1362(6).

24. Based on the foregoing, EPA finds Respondent has violated the Act as follows:

   a. Respondent violated Section 301(a) of the Act, 33 U.S.C. § 1311(a), by discharging pollutants directly from the Facility’s ship-loading conveyor and associated equipment to waters of the United States without appropriate permit coverage.

   b. Respondent violated Section 301(a) of the Act, 33 U.S.C. § 1311(a), by discharging non-stormwater during Respondent’s operation of the Facility’s water trucks in violation of the General Permit’s discharge prohibitions for non-storm water, General Permit, Order Section A.1, pg. 3.

   c. Respondent violated Section 301(a) of the Act, 33 U.S.C. § 1311(a), by discharging pollutants in storm water during rain events into waters of the United States while failing to comply with the General Permit by:

      i. failing to adequately identify all industrial activities and pollutant sources at the Facility, e.g., the Facility’s ship-loading conveyor, its associated equipment, and the rail spur, in the SWPPP site map in accordance with General Permit Section A.4, pgs. 12-14.

      ii. failing to adequately describe and assess in the SWPPP all industrial activities at the Facility, e.g., operation of the Facility’s ship-loading conveyor, its associated equipment, and activities at the rail spur, in accordance with General Permit Sections A.6 and A.7, pp. 14-17;

      iii. failing to adequately describe and implement BMPs such as track out controls as
required by General Permit Effluent Limitation B.3, pg. 4, and Section A.8, pg. 17; and

iv. failing to fully implement the monitoring program including quarterly visual observations of non-storm water discharges, monthly visual observations of storm water events, and storm water sampling at the Facility’s ship-loading conveyor, its associated equipment, and rail spur in accordance with General Permit Sections B.1, 3, 4, and 5, pgs. 24-27.

ORDER FOR COMPLIANCE

Considering the foregoing Findings of Violations and the potential environmental and human health effects of the violations, EPA has determined that compliance in accordance with the following requirements is reasonable. Pursuant to its authorities under Sections 308 and 309 of the Act, 33 U.S.C. §§ 1318 and 1319, EPA hereby orders Respondent to comply with the following requirements:

25. Immediately upon receipt of this Order, Respondent must take all necessary measures to fully and properly comply with all terms and conditions of the General Permit.

26. Within 30 days of the receipt of this Order, Respondent must submit a revised SWPPP to EPA that fully complies with the General Permit, which reflects the results of the recent sampling data, and which addresses the observations made in EPA’s March 4, 2011 and August 25, 2011 inspection reports. The revised SWPPP must include, among all other required elements:

a. an updated site map that complies with General Permit Section A.4, and which identifies:

   i. all structures or areas associated with industrial activities performed by Respondent at its Facility, including the ship-loading conveyor at Wharf 3, and all other shipping and receiving activities (e.g., industrial activities at the rail spur);

   ii. all MS4 catch basins that may receive storm water and non-storm water discharges from Respondent’s industrial activities at its Facility; and

   iii. all storm water sampling locations identified in its revised monitoring and sampling plan, including those sampling locations located at the ship-loading conveyor area and rail spur;

b. a narrative description and assessment of all industrial activities performed by Respondent at its Facility, including:

   i. operation and maintenance of the ship-loading conveyor and any other shipping or material handling activities performed by Respondent at its Facility, such as the unloading of rail cars (e.g., operation of the magnetic boom at the rail spur along Herkner Drive) and transport of processed or partially processed material;
The use of water trucks for dust control and cleaning, including their water source, the volume of water used, and the location and frequency of their use at the Facility; and

Any non-storm water discharges, including the sources of those discharges and the discharge points, including non-stormwater discharges associated with water truck spraying;

c. an identification of all potential points of discharge of pollutants from the ship-loading conveyor and its associated equipment (e.g., the underlying catchment platform);

d. a narrative description of the storm water BMPs to be implemented at the Facility for each potential pollutant and its source identified in the site assessment required by the General Permit (Sections A.6 and A.7), including appropriate BMPs to address:

i. housekeeping practices observed during the March 4, 2011 inspection related to sweeping and dust and track-out controls;

ii. equipment washing/rinsing/decontamination;

iii. storm drain inlet protection;

iv. storm water pollution prevention along the shoreline to the south of the ship-loading conveyor footing, in the area photographed during EPA’s March 4, 2011 inspection (see, e.g., March 4, 2011 Inspection Report Photos IMGP0261 through IMGP02610268), and photographed during EPA’s August 25, 2011 inspection (see, e.g., August 25, 2011 Inspection Report Photos IMGP0718 through IMGP0725), and to the north of the ship-loading conveyor footing (see, e.g., March 4, 2011 Inspection Report Photo IMGP0269; and August 25, 2011 Inspection Report Photo IMGP0725); and

e. a revised monitoring and storm water sampling plan that includes all facility pollutant sources and areas of pollutant generating activities, all storm water sampling points at the Facility, including those identified at the ship-loading conveyor area, and procedures Respondent will follow to assess conditions at the site to determine if a discharge will occur during or following a storm event.

27. After Respondent’s submittal of its revised SWPPP pursuant to paragraph 26 above, Respondent shall sample storm water at the Facility during the next 24-hour storm event of 0.1-inch or greater at the sampling points identified in the revised monitoring and storm water sampling plan required pursuant to paragraph 26.e above, using the following specified sampling methods provided at 40 C.F.R. Part 136 for the following pollutants:

a. total suspended solids (TSS), using sampling method CWA 160.2 (or most current) or 2540D from Standard Methods 18th, 19th or 20th edition;
b. metals (not including mercury) using sampling method CWA 200.7 or 200.8 (or most current);

c. mercury, using sampling method CWA 245.7 (or 1631E);

d. chemical oxygen demand (COD), using sampling method CWA 410.3 or 410.4;

e. polycyclic aromatic hydrocarbons (PAHs), using sampling method CWA 625, 1625B or RCRA 8270 D (or most current); and

f. polychlorinated biphenyls (PCBs), using sampling method CWA 625 or SW-846 Method 8082A (PCB Aroclors) or latest revision and CWA Method 1668C (as the sufficiently sensitive method) for PCB congeners.

28. Respondent must continue to sample storm water discharges from at least one 24-hour rain event resulting in 0.1 inches or more of rainfall in accordance with paragraph 27 in each of the months of January, February, March, April, and May 2012. Respondent will report the analytical results of this monthly sampling to EPA at the address provided below in paragraph 34 no later than 30 days from the date sampling occurs or no later than 10 days after receiving the analytical results from Respondent’s laboratory, whichever is earliest.

29. Within 30 days of receiving this Order, Respondent must provide to EPA the following information:

a. the lease and other relevant documents regarding Respondent’s property interest in the Facility’s site; and

b. any plan or Standard Operating Procedure that Respondent uses to segregate wastes delivered to the Facility prior to shredding.

30. Within 90 days of receipt of this Order, Respondent must submit to EPA a written plan (the “Compliance Plan”), including a schedule that describes the steps Respondent will take to address the following compliance items within twelve months of the effective date of this Order:

a. eliminate or otherwise address (e.g., obtain permit authorization for) any unauthorized non-storm water discharges of pollutants from any industrial activities performed by Respondent at its Facility including operation and maintenance of the ship-loading conveyor and its associated structures, to Redwood Creek; and

b. prevent or reduce the discharge of pollutants in storm water associated with industrial activity performed by Respondent at its Facility to Redwood Creek made through the City MS4, including the storm drains located near or adjacent to:

i. the ship-loading conveyor;
ii. the rail spur along Herkner Drive; and

iii. the drainage ditch located alongside Seaport Boulevard located on the eastern side of Respondent’s property line at the Port.

31. Within 90 days of the receipt of this Order, Respondent must also submit a report to EPA providing:

a. a detailed accounting of the costs associated with development of the revised SWPPP;

b. an accounting of the projected incremental annual costs associated with implementation of the revised SWPPP;

c. an accounting of any other costs associated with complying with this Order, including:

i. the costs of addressing the direct discharge of pollutants from the ship-loading conveyor and its associated industrial activities to Redwood Creek, and the costs of addressing the non-storm water discharges to Redwood Creek made through the City MS4;

ii. the costs of storm water sampling required under paragraph 27, including the costs of sampling for PCBs; and

d. photographic evidence of Respondent’s efforts to date to eliminate the direct discharge of pollutants associated with the ship-loading conveyor and its associated equipment to Redwood Creek; to eliminate any non-storm water discharges to Redwood Creek made through the City MS4, including discharges to storm drains located directly adjacent to the ship-loading conveyor and rail spur; and to install adequate BMPs at the rail spur.

32. Respondent must ensure that performance of the measures necessary to comply with this Order not cause or contribute any runoff to waters of the United States, including through the City MS4. Care must also be taken to ensure compliance with all applicable federal, state, and local waste storage and disposal requirements.

33. All reports submitted pursuant to this Order must be signed by a principal executive officer, ranking elected official, or duly authorized representative of Respondent (as specified by 40 C.F.R. § 122.22(b)(2)) and must include the following statement:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, I certify that the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there
are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

34. All submissions requested by this Order must be mailed to the following address:

U.S. Environmental Protection Agency - Region 9
Clean Water Act Compliance Office
75 Hawthorne Street (mail code: WTR-7)
San Francisco, CA 94105
Attention: Luis Garcia-Bakarich

All telephone inquiries should be made to Luis Garcia-Bakarich, Life Scientist, at (415) 972-3496.

35. Respondent must send a copy of all submissions required under this Order to:

California Regional Water Quality Control Board – San Francisco Bay Region
1515 Clay Street
Oakland, CA 94612
Attention: Shin-Roei Lee

36. This Order is binding upon Respondent and its officers, directors, agents, employees, heirs, successors, and assigns.

37. This Order is not a permit under the Act, and does not waive or modify Respondent’s obligation and responsibility to ascertain and comply with all applicable federal, state, or local laws, regulations, ordinances, permits, or licenses.

38. This Order is not to be deemed an election by EPA to forgo any remedies available to it under the law, including without limitation, any administrative, civil, or criminal action to seek penalties, fines, or other appropriate relief under the Act. EPA reserves all rights and remedies, legal and equitable, available to enforce any violations cited in this Order and to enforce this Order.

39. Requests for information contained within this Order are not subject to review by the Office of Management and Budget under the Paperwork Reduction Act because it is not a “collection of information” within the meaning of 44 U.S.C. § 3502(3). It is directed to fewer than ten persons and is an exempt investigation under 44 U.S.C. § 3518(c)(1) and 5 C.F.R. § 1320.4(a)(2).

40. Respondent may not withhold from EPA any information on the grounds that it is confidential business information. However, EPA has promulgated, under 40 C.F.R. Part 2, Subpart B, regulations to protect confidential business information it receives. A claim of business confidentiality may be asserted in the manner specified by 40 C.F.R. § 2.203(b) for all or part of the information requested by EPA. EPA will disclose business information covered by such claim only as authorized under 40 C.F.R. Part 2, Subpart B. If no claim of confidentiality
accompanies the information at the time EPA receives it, EPA may make it available to the public without further notice.

41. Sections 309(a), (b), (d) and (g) of the Act, 33 U.S.C. §§ 1319(a), (b), (d) and (g), provide administrative and/or judicial relief for failure to comply with the Act. In addition, Section 309(c) of the Act, 33 U.S.C. § 1319(c), provides criminal sanctions for negligent or knowing violations of the Act and for knowingly making false statements.

42. This Order is effective on the date it is received by Respondent.

Alexis Strauss, Director
Water Division

16 December 2011

Date