

**PRETREATMENT SETTLEMENT AGREEMENT
BETWEEN THE CITY OF PHOENIX AND
LIQUID ENVIRONMENTAL SOLUTIONS OF ARIZONA, LLC**

This Pretreatment Settlement Agreement (“Agreement”) is entered as of _____, 2019 (“Effective Date”), by and between the **CITY OF PHOENIX (“Phoenix”)**, an Arizona municipal corporation, and **LIQUID ENVIRONMENTAL SOLUTIONS OF ARIZONA, LLC (“Industrial User”)**, an Arizona limited liability company doing business at 5159 West Van Buren Street, Phoenix, Arizona 85043-3720. Phoenix and Industrial User are sometimes referred to collectively as “**Parties**” and individually as a “**Party**.”

RECITALS

A. Phoenix has authority to build, repair, and regulate sewer use and enforce sewer-related ordinances pursuant to: (1) ARIZ. REV. STAT. §§ 9-276(A)(12) and 49-391(A); (2) PHOENIX CITY CHARTER ch. II, § 2(a) and ch. IV, §§ 2(26) and (45); and (3) PHOENIX CITY CODE §§ 28-44 to 28-47.

B. PHOENIX CITY CODE § 28-45(a) requires each significant industrial user that releases industrial discharge into the sewer system to obtain a **Class A** Wastewater Discharge Permit from the Director of Phoenix’s Water Services Department (“**WSD**”).

C. Industrial User is a significant industrial user that releases industrial discharge into the sewer system. On September 1, 2017, Phoenix issued **Class A** Wastewater Permit No. 1709-21741 (“**Permit**”) to Industrial User.

D. Phoenix issued to Industrial User the following compliance and enforcement notices, which are attached and incorporated by reference as **Exhibit 1**:

1. **July 9, 2018 Notice of Violation:** June 13, 2018 copper violation and June 30, 2018 copper violation.
2. **March 15, 2019 Notice of Violation:** December 31, 2018 copper violation.
3. **June 25, 2019 Notice of Violation (1 of 2):** May 23, 2019 mercury violation (0.0044 mg/L discharge concentration)
4. **June 25, 2019 Notice of Violation (2 of 2):** May 23, 2019 mercury violation (0.00281 mg/L discharge concentration).
5. **June 27, 2019 Notice of Violation:** May 23, 2019 copper violation and May 31, 2019 copper violation.
6. **July 1, 2019 Notice to Show Cause:** Show cause for violations occurring from June 1, 2018 through June 1, 2019.

E. After receiving Phoenix’s July 1, 2019 Notice to Show Cause, Industrial User submitted to Phoenix a Response Letter dated August 2, 2019, attached and

incorporated by reference as **Exhibit 2**.

F. Phoenix and Industrial User convened on August 14, 2019 for a Show Cause Meeting, where Industrial User agreed to address all notices of violation referenced in Phoenix's July 1, 2019 Notice to Show Cause.

G. Phoenix and Industrial User desire to resolve all disputes between them arising out of the allegations of the Notices set forth above without litigation. The parties understand the terms of this Agreement—having negotiated them freely with sufficient time and opportunity to consult with an attorney—and now enter into the Agreement voluntarily according to the following terms, conditions, and provisions.

H. Phoenix acknowledges that Industrial User enters into this Agreement as an accord to and resolution of a dispute with Phoenix, and that this Agreement does not constitute an admission of culpability or liability by Industrial User. Industrial User acknowledges that this Agreement is not—and shall not be interpreted to be—a permit issued under PHOENIX CITY CODE ch. 28.

AGREEMENT

Now, therefore, for good and valuable consideration, Phoenix and Industrial User agree as follows:

1. RECITALS/CAPTIONS. The parties acknowledge that recitals set forth above are true and correct, and are incorporated into this Agreement by reference. The captions in this Agreement are merely for reference, and not to construe or limit the text.

2. NEGOTIATED SETTLEMENT: Under ARIZ. REV. STAT. § 49-391(C), Phoenix seeks compliance with pretreatment ordinances and recovery of civil penalties by negotiated settlement.

2.1 CIVIL PENALTY. After evaluating all considerations in accordance with ARIZ. REV. STAT. § 49-391(C) and PHOENIX CITY CODE § 28-83, Phoenix assesses against Industrial User a civil penalty of **\$52,447.85**. After signing this Agreement, Industrial User must promptly submit to Phoenix the signed copy and a **cashier's check** in the amount of **\$52,447.85**, payable to "City of Phoenix," which should be delivered to:

City of Phoenix Law Department
Attn: Assistant City Attorney Micah Ray Alexander
200 West Washington Street, 13th Floor
Phoenix, Arizona 85003.

Phoenix will not deposit the **cashier's check** until after it has executed this Agreement.

2.2 PUBLICATION AND FEE. Under ARIZ. REV. STAT. § 49-391(C), Phoenix must provide a period of at least **30 days** for public comment before finalizing the

negotiated settlement. Phoenix will publicly post in a local newspaper the Industrial User's name and address, the civil penalties assessed, other conditions of settlement, and the website of WSD's Environmental Services Division where this Agreement can be examined, available at:

<https://www.phoenix.gov/waterservices/envservices/indpretreatmentprog>.

Phoenix will pay the newspaper publication fee up front, and then submit a billing statement for that fee to Industrial User. Within **10 days** of receiving that billing statement, Industrial User must reimburse Phoenix by **check** in an amount not to exceed **\$1,000**, payable to "City of Phoenix," which should be delivered to:

City of Phoenix Law Department
Attn: Assistant City Attorney Micah Ray Alexander
200 West Washington Street, 13th Floor
Phoenix, Arizona 85003.

After close of the 30-day public comment period, Phoenix will execute this Agreement or take whatever action it deems appropriate based upon the public comments received.

2.3 MINI-CLARIFIER PROJECT. By December 31, 2019, Industrial User will repurpose a mini-clarifier and install associated piping to capture residual suspended solids and redirect effluent for additional pretreatment.

2.4 COMPLIANCE ACADEMY. By October 1, 2021, Industrial User's plant supervisor responsible for wastewater permit compliance will attend and complete the Industrial Pretreatment Compliance Academy's six-part series hosted by WSD's Environmental Services Division.

3. RELEASE. In exchange for Industrial User's timely payment of the civil penalty, reimbursement of the publication fee, and fulfillment of any other conditions for settlement, Phoenix acknowledges complete satisfaction of all demands, penalties, liabilities, and actions arising out of the Notices against Industrial User—and its affiliates, partners, stockholders, directors, officers, employees, agents, assigns, or successors in interest—and Phoenix releases them from any further claims for those Notices.

4. SEVERABILITY. If any provision or application of this Agreement is invalid or illegal, then the Agreement's remainder endures unaffected and enforceable to the fullest extent permitted by law—so long as the severability does not defeat this Agreement's fundamental purposes.

5. AUTHORITY. Each party represents and warrants that: (a) the person signing this Agreement on the party's behalf is duly authorized and empowered to enter into and execute the Agreement; and (b) all persons or entities affiliated with the party are bound by the terms of this Agreement.

6. ADDITIONAL DOCUMENTS/ACTIONS. The parties agree to execute and deliver all documents and take all actions reasonably necessary to implement and enforce this Agreement.

7. ENTIRE AGREEMENT. This Agreement expresses the full agreement and understanding of the parties, superseding all prior written or oral communications. No supplement, modification, or amendment of this Agreement's terms are effective unless in writing and signed by the parties.

8. NO WAIVER. Both Phoenix and Industrial User reserve any and all legal and equitable remedies available to enforce the provisions of this Agreement. A party may not construe the failure or delay of another party to enforce—or require performance of—any of this Agreement's provisions to be a waiver of that provision. Such failure or delay will not affect the validity of any part of this Agreement or the rights of the parties to enforce every provision.

9. GOVERNING LAW. Nothing in this Agreement is intended by the parties to create any private cause of action. The laws of the State of Arizona will govern this Agreement. Any citations to a statute in this Agreement refers to the version of that statute in effect when the parties execute this Agreement. ARIZ. REV. STAT. §§ 12-133 and 12-1518 may require arbitration of a dispute. Otherwise, the dispute is subject to the jurisdiction of the Maricopa County Superior Court.

10. NO BENEFICIARIES/AGENCY. Nothing in this Agreement gives any rights or benefits to anyone but the parties. All duties and responsibilities undertaken under this Agreement are for the exclusive benefit of Phoenix and Industrial User—and not any other party. This Agreement does not create a contractual relationship with any third party or otherwise establish any third-party beneficiaries. No third party may enforce the terms and conditions of this Agreement.

11. CONFLICT OF INTERESTS. All parties acknowledge that this Agreement is subject to cancellation within three years under ARIZ. REV. STAT. § 38-511 in the event of a city official or employee's conflict of interest. No official or employee of Phoenix may: (1) have any direct or indirect interest in this Agreement; or (2) participate in any decision relating to the Agreement that is prohibited by law.

12. FORCE MAJEURE. Industrial User will not be liable for any delay in completing its obligations hereunder resulting from any cause beyond its reasonable control, including without limitation: fire; flood or other natural disaster; action or decree of civil or military authority; insurrection; act of war; or threatened or actual terrorism or bioterrorism.

In witness whereof, Phoenix and Industrial User, having carefully read and reviewed the foregoing paragraphs, have executed this Agreement to be effective on the date first written above.

**LIQUID ENVIRONMENTAL SOLUTIONS
OF ARIZONA, LLC, AN ARIZONA
LIMITED LIABILITY COMPANY**

**CITY OF PHOENIX, AN ARIZONA
MUNICIPAL CORPORATION**

By: Eugene A. Cookson Jr.

Ed Zuercher, City Manager

Printed Name: EUGENE A. COOKSON JR. By: _____

Title: PRESIDENT / COO

Printed Name: _____

Title: _____

Public Comment Start Date

ATTEST:

Public Comment End Date

City Clerk

APPROVED AS TO FORM:

Acting City Attorney

Exhibit 1

1014 3490 (08) 20102 6473



City of Phoenix
WATER SERVICES DEPARTMENT
Quality Reliability Value

July 1, 2019

Ms. Sonal Brahmhatt
Plant Manager III
Liquid Environmental Solutions of Arizona, LLC.
5159 West Van Buren Street
Phoenix, Arizona 85043-3720

Certified Mail

Return Receipt Requested

NOTICE TO SHOW CAUSE

Liquid Environmental Solutions of Arizona, LLC. (LES) has been previously notified of effluent limit violations. In light of the pretreatment violations identified in the attached notices, and in this Notice to Show Cause, the City of Phoenix acting as the Control Authority under legal authorizations established by Title 40, Code of Federal Regulations, Part 403, and acting in accordance with Chapter 28 of the Phoenix City Code hereby notifies LES of its intent to utilize all appropriate remedies to address these pretreatment violations. These remedies include monetary penalties.

Representatives from LES are required to attend a Show Cause Meeting to be held in the Water Services Building Conference Room at:

Place: City of Phoenix 23rd Avenue WWTP
Environmental Services Division
2474 South 22nd Avenue, Building 31
Phoenix, Arizona 85009

Date: August 14, 2019

Time: 10:00 am

During the Show Cause Meeting, LES will be given the opportunity to respond to the allegations stated below, and will be asked to show cause why the City should not initiate legal action and seek the maximum penalty allowed under Phoenix City Code Sections 28-82 and/or 28-83.

During the time period of June 1, 2018 to June 1, 2019, LES:

- Discharged in violation of applicable limitations on at least five occasions.
- Was determined to be in Significant Noncompliance (SNC) for copper under the Monthly Average Technical Review Criteria (TRC) for the 2nd Quarter of 2018 (January 1, 2018 through June 30, 2018).

REQUIREMENT

LES is required to have in attendance at this meeting, persons knowledgeable about the matters alleged in this Notice, as well as persons having financial decision-making authority. Representatives for LES may be accompanied by their legal counsel if desired. A representative from the City's Law Department will be present at the meeting.

In order for any written response to this Notice to Show Cause to be considered, it must be received by the Environmental Services Division on or before Wednesday, July 31, 2019.

A copy of the latest edition of the City's Civil Penalty Policy is enclosed.

Your failure to appear will mean that the City of Phoenix must take all appropriate enforcement action it deems necessary, based on the facts as outlined in this Notice and attachments.

If you have any questions regarding this Notice, please contact the Environmental Services Division at 602-262-1859. Our office hours are 8:00 a.m. to 4:00 p.m., Monday through Friday.

Sincerely,

 for Linda Palumbo

Linda Palumbo
Environmental Programs Coordinator

Enclosures: List of Violations
NOV dated July 9, 2018 – Copper
Determination of Compliance Status dated January 28, 2019
NOV dated March 15, 2019 – Copper
NOV dated June 25, 2019 – Mercury
NOV dated June 25, 2019 – Mercury
NOV dated June 27, 2019 – Copper
Civil Penalty Policy

e-copy: Jennifer Calles
Micah Alexander
Linda Palumbo
Chelsey Weaver
Jesse Flores
Julie Gentry
Chase Torrence

LIST OF VIOLATIONS

Regulated Under 40 CFR 403, 40 CFR 437,
Phoenix City Code Chapter 28 & Permit Number 1709-21741

CITY MONITORING VIOLATIONS

| <u>Date</u> | <u>Parameter</u> | <u>Discharge Concentration</u> | <u>Discharge Limitation*</u> |
|-------------|------------------|--------------------------------|------------------------------|
| 06/13/2018 | Copper | 1.06 mg/L | 0.5 mg/L (D) |
| 06/30/2018 | Copper | 0.727 mg/L | 0.242 mg/L (MAV) |
| 12/31/2018 | Copper | 0.254 mg/L | 0.242 mg/L (MAV) |
| 05/23/2019 | Copper | 1.62 mg/L | 0.5 mg/L (D) |
| 05/23/2019 | Mercury | 0.0044 mg/L | 0.0023 mg/L (D) |
| 05/23/2019 | Mercury | 0.00281 mg/L | 0.0023 mg/L (D) |
| 05/31/2019 | Copper | 0.736 mg/L | 0.242 mg/L (MAV) |

SELF MONITORING VIOLATIONS

| <u>Date</u> | <u>Parameter</u> | <u>Discharge Concentration</u> | <u>Discharge Limitation*</u> |
|-------------|------------------|--------------------------------|------------------------------|
| None | | | |

REPORTING VIOLATIONS

| <u>Report</u> | <u>Due Date</u> | <u>Received Date</u> | <u>Days Late</u> |
|---------------|-----------------|----------------------|------------------|
| None | | | |

PERMIT CONDITIONS VIOLATIONS

| <u>Date</u> | <u>Violation</u> |
|-------------|------------------|
| None | None |

CITY CODE VIOLATIONS

| <u>Date</u> | <u>Violation</u> |
|-------------|------------------|
| None | None |

* D = Daily Maximum

MAV = Monthly Average



City of Phoenix
 WATER SERVICES DEPARTMENT
 ENVIRONMENTAL SERVICES DIVISION
 Quality Reliability Value

July 9, 2018

Ms. Sonal Brahmhatt
 Plant Manager III
 Liquid Environmental Solutions of Arizona, LLC
 5159 West Van Buren Street
 Phoenix, Arizona 85043-3720

Certified Mail

Return Receipt Requested

NOTICE OF VIOLATION

RE: Effluent Limits (City-Monitoring)

Wastewater Discharge Permit No 1709-21741.
 Phoenix City Code Section 28-45
 40 CFR 403.5 (d) Local Limit

The discharge to sewer from Liquid Environmental Solutions of Arizona, LLC exceeded the maximum allowable daily and monthly concentrations for the following parameter as established in Wastewater Discharge Permit No 1709-21741. The City of Phoenix verified that sample collection and analysis met all QA/QC criteria for these results on June 29, 2018.

| <u>DATE</u> | <u>PARAMETER</u> | <u>DISCHARGE CONCENTRATION</u> | <u>DISCHARGE LIMITATION</u> |
|-------------|------------------|--------------------------------|-----------------------------|
| 06/13/2018 | Copper | 1.06 mg/L | 0.5 mg/L (D) |
| 06/30/2018 | Copper | 0.727 mg/L | 0.242 (MAV) |

* D = Daily Maximum MAV = Monthly Average I = Instantaneous Limit P = Prohibited

Requirements

1. Liquid Environmental Solutions of Arizona, LLC is required to submit to the City of Phoenix Industrial Pretreatment Program a detailed written report no later than July 23, 2018, outlining the reason(s) the exceedances occurred and the corrective action(s) taken to prevent future violations. At a minimum, this report must address the following:
 - A. Names and positions of all people involved with the investigation into why the violations occurred.
 - B. A summary of the events of the investigation, including dates and amount of time expended on the investigation.
 - C. The conclusions reached.
 - D. The corrective action(s) taken or to be taken and date(s), including completion date(s).

Ms. Sonal Brahmhatt
Page 2
July 9, 2018

- E. How this action(s) will prevent future violations from occurring.
2. Automatic 30-day resampling and analysis are not required by the Permittee where the City of Phoenix has performed the sampling and analysis in lieu of the Permittee. The City of Phoenix will perform the 30-day resampling and analysis unless it notifies the Permittee of the violation AND requires the Permittee to perform the 30-day resampling and analysis.

The City of Phoenix collected the 30-day resample on June 14, 2018; therefore, Liquid Environmental Solutions of Arizona, LLC is not required to do so.

Failure to comply with the requirements of this letter will subject Liquid Environmental Solutions of Arizona, LLC to further enforcement action(s). This Notice does not preclude the City from taking additional enforcement action(s) under Chapter 28 of the Phoenix City Code.

Should you require additional time to complete the report, a written request for an extension must be submitted to the City of Phoenix Industrial Pretreatment Program prior to the above due date.

Should you have any questions regarding this notice, please contact me at 602-534-2915. My office hours are 6:30 a.m. to 3:00 p.m., Monday through Friday.

Sincerely,



Sharlie Jones
Water Quality Inspector

Enclosures: Temporary Increase in Self-Monitoring (TISM) Letter
TISM Sample Reporting Forms

e-copy: Susan Kinkade, PE, Civil Engineer III
Stephanie Long, Chief Water Quality Inspector
Sharlie Jones, Water Quality Inspector
Andrea Cooper, Chief Water Quality Inspector



City of Phoenix
WATER SERVICES DEPARTMENT
ENVIRONMENTAL SERVICES DIVISION
Quality Reliability Value

July 9, 2018

Ms. Sonal Brahmhatt
Plant Manager III
Liquid Environmental Solutions, LLC
5159 West Van Buren Street
Phoenix, Arizona 85043-3720

Enclosure to NOV

Dated July 11, 2018

Dear Ms. Brahmhatt:

RE: Temporary Increase in Self-Monitoring (TISM) For Copper

As detailed in the preceding Notice of Violation dated July 9, 2018, Liquid Environmental Solutions, LLC exceeded the maximum allowable limit for Copper on June 13, 2018 as established in Wastewater Discharge Permit № 1701-21741.

REQUIREMENTS

As a result of these violations, Liquid Environmental Solutions, LLC is required to **sample for Copper for four (4) consecutive weeks, to begin the week of July 23, 2018.**

- a. All samples must be collected as grab samples and analyzed both in accordance with Permit Standard Conditions Section B and D.
- b. This sampling is separate from any other sampling required under the Permit.
- c. Written results of each TISM sample must be received by the City of Phoenix Industrial Pretreatment Program within five (5) days from the contracted laboratory report date, and in no case more than 30-days from the TISM sampling date.
- d. Twenty four (24) hour notification shall be made to the City of Phoenix Industrial Pretreatment Program for any additional known or suspected violations resulting from the TISM.

Failure to comply with the requirements of this letter will subject Liquid Environmental Solutions, LLC to further enforcement action(s). Furthermore, the requested action does not preclude the City from taking additional action under Chapter 28 of the Phoenix City Code.

Should you have any questions regarding this notice, please contact me at 602-534-2915. My office hours are 6:30 a.m. to 3:00 p.m., Monday through Friday.

Sincerely,

Sharlie Jones
Water Quality Inspector

Enclosures: TISM Sample Reporting Forms



City of Phoenix
WATER SERVICES DEPARTMENT
 Quality Reliability Value

January 28, 2019

Ms. Sonal Brahmhatt
 Plant Manager III
 Liquid Environmental Solutions of Arizona, LLC.
 5159 West Van Buren Street
 Phoenix, Arizona 85043-3720

Certified Mail

Return Receipt Requested

Determination of Compliance Status

Status: **SIGNIFICANT NONCOMPLIANCE**
 Criteria: **Monthly Average TRC**
 Period: **January 1, 2018 through June 30, 2018**

The U. S. Environmental Protection Agency (EPA) requires that the City of Phoenix identify, on a quarterly basis, industrial users in Significant Noncompliance (SNC) with pretreatment requirements. The definition of SNC is specified by the Federal General Pretreatment Regulations at 40 CFR 403.8(f)(2)(vii), and is defined in Section 28-1 of the Phoenix City Code.

Liquid Environmental Solutions of Arizona, LLC. has been determined to be in SNC for violations of the Phoenix City Code Chapter 28 and Wastewater Discharge Permit No. 1709-21741, in that it meets the definition of SNC for Monthly Average Technical Review Criteria (TRC), for quarter two itemized as follows:

| Monthly Average TRC – 2nd Quarter | | | | |
|---|------------------|--|---------------------------------|-----------------------------------|
| <u>Month</u> | <u>Parameter</u> | <u>Monthly Average Discharge Concentration</u> | <u>TRC Discharge Limitation</u> | <u>Compliance Criteria Status</u> |
| January | Copper | 0.643 mg/L | 0.290 mg/L | Violation |
| February | Copper | 0.0386 mg/L | 0.290 mg/L | Compliance |
| March | Copper | 0.0687 mg/L | 0.290 mg/L | Compliance |
| April | Copper | 0.175 mg/L | 0.290 mg/L | Compliance |
| May | Copper | 0.120 mg/L | 0.290 mg/L | Compliance |
| June | Copper | 0.425 mg/L | 0.290 mg/L | Violation |

TRC Non-Compliance Percentage = 33.33%

TRC SNC = 33% or greater

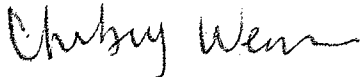
As required by the National Pretreatment Program regulations and the Phoenix City Code, the

Ms. Sonal Brahmhatt
January 28, 2019
Page 2 of 2

City must publish Liquid Environmental Solutions of Arizona, LLC. in the Arizona Republic as being in Significant Noncompliance with applicable pretreatment requirements during the calendar year 2018. This publication will take place in the first or second quarter of 2019.

Should you have any questions regarding how SNC status was determined please contact me at phone № (602) 495-5926, or e-mail at chelsey.weaver@phoenix.gov. My office hours are from 7:00 a.m. to 3:30 p.m., Monday through Friday.

Respectfully,



Chelsey Weaver
Chief Water Quality Inspector

Enclosure: Determination of Chronic and TRC Significant Non-Compliance (SNC)

e-copy: Jennifer Calles
Linda Palumbo
Monique Coady
Chelsey Weaver
Jesse Flores
Julie Gentry



City of Phoenix
 WATER SERVICES DEPARTMENT
 ENVIRONMENTAL SERVICES DIVISION
 Quality Reliability Value

March 15, 2019

Ms. Sonal Brahmhatt
 Plant Manager
 Liquid Environmental Solutions of Arizona, LLC
 5159 West Van Buren Street
 Phoenix, AZ 85043-3720

Certified Mail

Return Receipt Requested

NOTICE OF VIOLATION

RE: Effluent Limits (City-Monitoring)
 Wastewater Discharge Permit № 1709-21741
 Phoenix City Code Section 28-45
 40 CFR 437.2(p)

The discharge to sewer from Liquid Environmental Solutions of Arizona, LLC. (LES) exceeded the maximum allowable concentration for the following parameters as established in Wastewater Discharge Permit № 1709-21741 at Compliance Sample Point 21741.05. The City of Phoenix verified that the sample collection and analysis met all QA/QC criteria for these results on February 4, 2019.

At the time of sample collection, the facility requested a split sample. The results from the split sample were submitted by LES on February 15, 2019. After the submittal of the split sample results, the City of Phoenix conducted an audit of samples 400404987 and 400404999 which were completed on March 6 and March 7, 2019, respectively. The audit verified, again, that the sample collection and analysis met all QA/QC criteria.

| <u>COMPLIANCE POINT</u> | <u>DATE</u> | <u>PARAMETER</u> | <u>DISCHARGE CONCENTRATION</u> | <u>DISCHARGE LIMITATION</u> |
|-------------------------|-------------|------------------|--------------------------------|-----------------------------|
| 21741.05 | 12/31/2018 | Copper | 0.254 mg/L | 0.242 mg/L (MAV) |

* D = Daily Maximum MAV = Monthly Average I = Instantaneous Limit P = Prohibited

Requirements

1. LES, is required to submit to the City of Phoenix Industrial Pretreatment Program a detailed written report no later than March 29, 2019, outlining the reason(s) the exceedance occurred and the corrective action(s) taken to prevent future violations. At a minimum, this report must address the following:

Ms. Sonal Brahmhatt
March 15, 2019
Page 2

- A. Names and positions of all people involved with the investigation into why the violation occurred.
- B. A summary of the events of the investigation, including dates and amount of time expended on the investigation.
- C. The conclusions reached.
- D. The corrective action(s) taken or to be taken and date(s), including completion date(s).
- E. How this action(s) will prevent future violations from occurring.

Failure to comply with the requirements of this letter will subject LES to further enforcement action(s). This Notice does not preclude the City from taking additional enforcement action(s) under Chapter 28 of the Phoenix City Code.

Should you require additional time to complete the report, a written request for an extension must be submitted to the City of Phoenix Industrial Pretreatment Program prior to the above due date.

If you have any questions, please contact me at phone № (602) 534-1362, or e-mail at julie.gentry@phoenix.gov. My office hours are from 6:30 a.m. to 3:00 p.m., Monday through Friday.

Sincerely,



Julie Gentry
Water Quality Inspector

e-copy: Linda Palumbo
Chelsey Weaver
Jesse Flores
Julie Gentry



City of Phoenix
 WATER SERVICES DEPARTMENT
 ENVIRONMENTAL SERVICES DIVISION
 Quality Reliability Value

June 25, 2019

Ms. Sonal Brahmhatt
 Plant Manager
 Liquid Environmental Solutions of Arizona, LLC.
 5159 West Van Buren Street
 Phoenix, Arizona 85043-3720

Certified Mail

Return Receipt Requested

NOTICE OF VIOLATION

RE: Effluent Limits (City-Monitoring)

Wastewater Discharge Permit No 1709-21741.
 Phoenix City Code Section 28-45

The discharge to sewer from Liquid Environmental Solutions of Arizona, LLC. (LES) exceeded the maximum allowable concentration, at sampling point 21741.05, for the following parameter as established in Wastewater Discharge Permit No 1709-21741. The City of Phoenix verified that sample collection and analysis met all QA/QC criteria for these results on June 14, 2019.

| <u>DATE</u> | <u>PARAMETER</u> | <u>DISCHARGE CONCENTRATION</u> | <u>DISCHARGE LIMITATION</u> |
|-------------|------------------|--------------------------------|-----------------------------|
| 05/23/2019 | Mercury | 0.0044 mg/L | 0.0023 mg/L (D) |

* D = Daily Maximum MAV = Monthly Average I = Instantaneous Limit P = Prohibited

Requirements

1. LES is required to submit to the City of Phoenix Industrial Pretreatment Program a detailed written report no later than July 10, 2019, outlining the reason(s) the exceedance occurred and the corrective action(s) taken to prevent future violations. At a minimum, this report must address the following:
 - A. Names and positions of all people involved with the investigation into why the violation occurred.
 - B. A summary of the events of the investigation, including dates and amount of time expended on the investigation.
 - C. The conclusions reached.
 - D. The corrective action(s) taken or to be taken and date(s), including completion date(s).

Ms. Sonal Brahmhatt
June 25, 2019
Page 2

- E. How this action(s) will prevent future violations from occurring.
2. Automatic 30-day resampling and analysis are not required by the Permittee where the City of Phoenix has performed the sampling and analysis in lieu of the Permittee. The City of Phoenix will perform the 30-day resampling and analysis unless it notifies the Permittee of the violation AND requires the Permittee to perform the 30-day resampling and analysis.

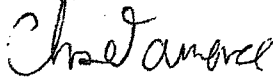
The City of Phoenix collected the 30-day resample on May 24, 2019; therefore, LES is not required to do so.

Failure to comply with the requirements of this letter will subject LES to further enforcement action(s). This Notice does not preclude the City from taking additional enforcement action(s) under Chapter 28 of the Phoenix City Code.

Should you require additional time to complete the report, a written request for an extension must be submitted to the City of Phoenix Industrial Pretreatment Program prior to the above due date.

Should you have any questions regarding this notice, please contact me at 602-534-2078. My office hours are 7:00 a.m. to 3:30 p.m., Monday through Friday.

Sincerely,



Chase Torrence
Water Quality Inspector

Enclosures: Temporary Increase in Self-Monitoring (TISM) Letter
TISM Sample Reporting Forms

e-copy: Linda Palumbo
Chelsey Weaver
Jesse Flores
Julie Gentry
Chase Torrence



City of Phoenix
WATER SERVICES DEPARTMENT
ENVIRONMENTAL SERVICES DIVISION
Quality Reliability Value

June 25, 2019

Ms. Sonal Brahmhatt
Plant Manager
Liquid Environmental Solutions of Arizona, LLC.
5159 West Van Buren Street
Phoenix, Arizona 85043-3720

Enclosure to NOV

Dated June 25, 2019

Dear Ms. Brahmhatt,

RE: Temporary Increase in Self-Monitoring (TISM) For Mercury

As detailed in the preceding Notice of Violation dated June 25, 2019, LES exceeded the maximum allowable limit at sampling point 21741.03 for Mercury on May 23, 2019, as established in Wastewater Discharge Permit No 1709-21741.

REQUIREMENTS

As a result of these violations, LES is required to **sample for Mercury once per week for four (4) consecutive weeks, to begin the week of July 1, 2019.**

- a. All samples must be collected as flow proportional composite samples and analyzed both in accordance with Permit Standard Conditions Section B and D.
- b. This sampling is separate from any other sampling required under the Permit.
- c. Written results of each TISM sample must be received by the City of Phoenix Industrial Pretreatment Program within five (5) days from the contracted laboratory report date, and in no case more than 30-days from the TISM sampling date.
- d. Twenty four (24) hour notification shall be made to the City of Phoenix Industrial Pretreatment Program for any additional known or suspected violations resulting from the TISM.

Failure to comply with the requirements of this letter will subject LES to further enforcement action(s). Furthermore, the requested action does not preclude the City from taking additional action under Chapter 28 of the Phoenix City Code.

Should you have any questions regarding this notice, please contact me at 602-534-2078. My office hours are 7:00 a.m. to 3:30 p.m., Monday through Friday.

Sincerely,

Chase Torrence
Water Quality Inspector

Enclosures: TISM Sample Reporting Forms



City of Phoenix
 WATER SERVICES DEPARTMENT
 ENVIRONMENTAL SERVICES DIVISION
 Quality Reliability Value

June 25, 2019

Ms. Sonal Brahmhatt
 Plant Manager
 Liquid Environmental Solutions of Arizona, LLC.
 5159 West Van Buren Street
 Phoenix, Arizona 85043-3720

Certified Mail

Return Receipt Requested

NOTICE OF VIOLATION

RE: Effluent Limits (City-Monitoring)

*Wastewater Discharge Permit No 1709-21741.
 Phoenix City Code Section 28-45*

The discharge to sewer from Liquid Environmental Solutions of Arizona, LLC. (LES) exceeded the maximum allowable concentration, at sampling point 21741.03, for the following parameter as established in Wastewater Discharge Permit No 1709-21741. The City of Phoenix verified that sample collection and analysis met all QA/QC criteria for these results on June 14, 2019.

| <u>DATE</u> | <u>PARAMETER</u> | <u>DISCHARGE CONCENTRATION</u> | <u>DISCHARGE LIMITATION</u> |
|-------------|------------------|--------------------------------|-----------------------------|
| 05/23/2019 | Mercury | 0.00281 mg/L | 0.0023 mg/L (D) |

* D = Daily Maximum MAV = Monthly Average I = Instantaneous Limit P = Prohibited

Requirements

1. **LES is required to submit to the City of Phoenix Industrial Pretreatment Program a detailed written report no later than July 10, 2019, outlining the reason(s) the exceedance occurred and the corrective action(s) taken to prevent future violations. At a minimum, this report must address the following:**
 - A. Names and positions of all people involved with the investigation into why the violation occurred.
 - B. A summary of the events of the investigation, including dates and amount of time expended on the investigation.
 - C. The conclusions reached.
 - D. The corrective action(s) taken or to be taken and date(s), including completion date(s).

Ms. Sonal Brahmhatt
June 25, 2019
Page 2

E. How this action(s) will prevent future violations from occurring.

2. Automatic 30-day resampling and analysis are not required by the Permittee where the City of Phoenix has performed the sampling and analysis in lieu of the Permittee. The City of Phoenix will perform the 30-day resampling and analysis unless it notifies the Permittee of the violation AND requires the Permittee to perform the 30-day resampling and analysis.

The City of Phoenix collected the 30-day resample on May 24, 2019; therefore, LES is not required to do so.

Failure to comply with the requirements of this letter will subject LES to further enforcement action(s). This Notice does not preclude the City from taking additional enforcement action(s) under Chapter 28 of the Phoenix City Code.

Should you require additional time to complete the report, a written request for an extension must be submitted to the City of Phoenix Industrial Pretreatment Program prior to the above due date.

Should you have any questions regarding this notice, please contact me at 602-534-2078. My office hours are 7:00 a.m. to 3:30 p.m., Monday through Friday.

Sincerely,



Chase Torrence
Water Quality Inspector

Enclosures: Temporary Increase in Self-Monitoring (TISM) Letter,
TISM Sample Reporting Forms

e-copy: Linda Palumbo
Chelsey Weaver
Jesse Flores
Julie Gentry
Chase Torrence



City of Phoenix
WATER SERVICES DEPARTMENT
ENVIRONMENTAL SERVICES DIVISION
Quality Reliability Value

June 25, 2019

Ms. Sonal Brahmhatt
Plant Manager
Liquid Environmental Solutions of Arizona, LLC.
5159 West Van Buren Street
Phoenix, Arizona 85043-3720

Enclosure to NOV

Dated June 25, 2019

Dear Ms. Brahmhatt,

RE: Temporary Increase in Self-Monitoring (TISM) For Mercury

As detailed in the preceding Notice of Violation dated June 25, 2019, LES exceeded the maximum allowable limit at sampling point 21741.05 for Mercury on May 23, 2019, as established in Wastewater Discharge Permit No 1709-21741.

REQUIREMENTS

As a result of these violations, LES is required to **sample for Mercury once per week for four (4) consecutive weeks, to begin the week of July 1, 2019.**

- a. All samples must be collected as flow proportional composite samples and analyzed both in accordance with Permit Standard Conditions Section B and D.
- b. This sampling is separate from any other sampling required under the Permit.
- c. Written results of each TISM sample must be received by the City of Phoenix Industrial Pretreatment Program within five (5) days from the contracted laboratory report date, and in no case more than 30-days from the TISM sampling date.
- d. Twenty four (24) hour notification shall be made to the City of Phoenix Industrial Pretreatment Program for any additional known or suspected violations resulting from the TISM.

Failure to comply with the requirements of this letter will subject LES to further enforcement action(s). Furthermore, the requested action does not preclude the City from taking additional action under Chapter 28 of the Phoenix City Code.

Should you have any questions regarding this notice, please contact me at 602-534-2078. My office hours are 7:00 a.m. to 3:30 p.m., Monday through Friday.

Sincerely,

Chase Torrence
Water Quality Inspector

Enclosures: TISM Sample Reporting Forms



City of Phoenix
 WATER SERVICES DEPARTMENT
 ENVIRONMENTAL SERVICES DIVISION
 Quality Reliability Value

June 27, 2019

Ms. Sonal Brahmhatt
 Plant Manager
 Liquid Environmental Solutions of Arizona, LLC.
 5159 West Van Buren Street
 Phoenix, Arizona 85043-3720

Certified Mail

Return Receipt Requested

NOTICE OF VIOLATION

RE: Effluent Limits (City-Monitoring)

*Wastewater Discharge Permit № 1709-21741.
 Phoenix City Code Section 28-45
 40 CFR 437.2(p)*

The discharge to sewer from Liquid Environmental Solutions of Arizona, LLC. (LES) exceeded the maximum allowable concentration at compliance sample point 21741.05 for the following parameter as established in Wastewater Discharge Permit № 1709-21741. The City of Phoenix verified that sample collection and analysis met all QA/QC criteria for these results on June 24, 2019.

| <u>DATE</u> | <u>PARAMETER</u> | <u>DISCHARGE CONCENTRATION</u> | <u>DISCHARGE LIMITATION</u> |
|-------------|------------------|--------------------------------|-----------------------------|
| 05/23/2019 | Copper | 1.62 mg/L | 0.5 mg/L (D) |
| 05/31/2019 | Copper | 0.736 mg/L | 0.242 mg/L (MAV) |

* D = Daily Maximum MAV = Monthly Average I = Instantaneous Limit P = Prohibited

Requirements

1. **LES is required to submit to the City of Phoenix Industrial Pretreatment Program a detailed written report no later than July 11, 2019**, outlining the reason(s) the exceedance occurred and the corrective action(s) taken to prevent future violations. At a minimum, this report must address the following:
 - A. Names and positions of all people involved with the investigation into why the violation occurred.
 - B. A summary of the events of the investigation, including dates and amount of time expended on the investigation.

- C. The conclusions reached.
 - D. The corrective action(s) taken or to be taken and date(s), including completion date(s).
 - E. How this action(s) will prevent future violations from occurring.
2. Automatic 30-day resampling and analysis are not required by the Permittee where the City of Phoenix has performed the sampling and analysis in lieu of the Permittee. The City of Phoenix will perform the 30-day resampling and analysis unless it notifies the Permittee of the violation AND requires the Permittee to perform the 30-day resampling and analysis.

The City of Phoenix collected the 30-day resample on May 24, 2019; therefore, LES is not required to do so.

Failure to comply with the requirements of this letter will subject LES to further enforcement action(s). This Notice does not preclude the City from taking additional enforcement action(s) under Chapter 28 of the Phoenix City Code.

Should you require additional time to complete the report, a written request for an extension must be submitted to the City of Phoenix Industrial Pretreatment Program prior to the above due date.

Should you have any questions regarding this notice, please contact me at 602-534-2078. My office hours are 7:00 a.m. to 3:30 p.m., Monday through Friday.

Sincerely,



Chase Torrence
Water Quality Inspector

Enclosures: Temporary Increase in Self-Monitoring (TISM) Letter
TISM Sample Reporting Forms

e-copy: Linda Palumbo
Chelsey Weaver
Jesse Flores
Julie Gentry
Chase Torrence



City of Phoenix
WATER SERVICES DEPARTMENT
ENVIRONMENTAL SERVICES DIVISION
Quality Reliability Value

June 27, 2019

Ms. Sonal Brahmbhatt
Plant Manager
Liquid Environmental Solutions of Arizona, LLC.
5159 West Van Buren Street
Phoenix, Arizona 85043-3720

Enclosure to NOV

Dated June 27, 2019

Dear Ms. Brahmbhatt:

RE: Temporary Increase in Self-Monitoring (TISM) For Copper

As detailed in the preceding Notice of Violation dated June 27, 2019, LES exceeded the maximum allowable limit for Copper on May 23, 2019, as established in Wastewater Discharge Permit No 1709-21741.

REQUIREMENTS

As a result of the violation LES is required to **sample for Copper once per week for four (4) consecutive week, to begin the week of July 8, 2019.**

- a. All samples must be collected as flow proportional composite samples and analyzed both in accordance with Permit Standard Conditions Section B and D.
- b. This sampling is separate from any other sampling required under the Permit.
- c. Written results of each TISM sample must be received by the City of Phoenix Industrial Pretreatment Program within five (5) days from the contracted laboratory report date, and in no case more than 30-days from the TISM sampling date.
- d. Twenty four (24) hour notification shall be made to the City of Phoenix Industrial Pretreatment Program for any additional known or suspected violations resulting from the TISM.

Failure to comply with the requirements of this letter will subject LES to further enforcement action(s). Furthermore, the requested action does not preclude the City from taking additional action under Chapter 28 of the Phoenix City Code.

Should you have any questions regarding this notice, please contact me at 602-534-2078. My office hours are 7:00 a.m. to 3:30 p.m., Monday through Friday.

Sincerely,

Chase Torrence
Water Quality Inspector

Enclosures: TISM Sample Reporting Forms

Exhibit 2



RECEIVED

AUG 02 2019

WATER SERVICES
ENVIRONMENTAL SERVICES
DIVISION

08/2/2019

Linda Palumbo
Environmental Programs Manager
City of Phoenix
Water Services Department
Environmental Services Div.
2474 S. 22nd Ave, Building 31
Phoenix, AZ 85009

RE: Response to Show Cause Notice dated July 1, 2019

Dear Ms. Palumbo

Liquid Environmental Solutions of Arizona (LES) is in receipt of your letter dated July 1, 2019. On Wednesday 7/31/2019, Chelsey Weaver of your office responded to and granted a request for extension for this response to Friday 8/2/2019.

First, LES has responded to each of the five notices of violation you noted in your letter. We would like to advise the Wastewater Services Department that our 3rd party analysis results from split samples given to us by the City Inspector do not agree with the City results. We would like to re-introduce those responses as part of this show cause response. The Water Services Department is in possession of those individual response as well.

Additionally, LES has been in contact with your department with a request to repurpose treatment equipment to aid in settling and preventing the discharge of pollutants in the oils outfall. Specifically, we would like to repurpose a mini clarifier currently being used on the metals treatment train to the oils treatment train. We believe this mini clarifier will increase the surface area to allow for the settling of solids prior to discharge to the City of Phoenix. We would like to introduce the project details during our Show Cause meeting scheduled for 8/14/2019 at 10am at the Water Services Building.

Consistent with our Core Value of Continuous Improvement and Commitment to the Environment, LES-Phoenix is working diligently to significantly improve its wastewater compliance. Should you have any questions please contact me at the below phone number or email address.

Sincerely,

A handwritten signature in black ink, appearing to read "Sonal Brahmbhatt", written over a horizontal line.

Sonal Brahmbhatt
Plant Manager III
Liquid Environmental Solutions- Phoenix VB
Phone: (602)-278-3442 x2335
Cell: 602-316-2340
Sonal.Brahmbhatt@liquidenviro.com