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## Central Coast Regional Water Quality Control Board

December 9, 2024

Tomas Zambrano  
Site Manager  
Phillips 66 Company  
2555 Willow Road  
Arroyo Grande, CA 93420  
Email: [tomas.zambrano@p66.com](mailto:tomas.zambrano@p66.com)

**Via Electronic Mail and Certified Mail  
7020 1810 0002 0767 9916**

Dear Tomas Zambrano:

**ENFORCEMENT PROGRAM: EXPEDITED PAYMENT LETTER (EPL) R3-2024-0069, ACCEPTANCE OF CONDITIONAL OFFER AND WAIVER OF HEARING EXECUTED AS ADMINISTRATIVE CIVIL LIABILITY ORDER FOR PHILLIPS 66 COMPANY EFFLUENT VIOLATIONS OF WDR ORDER R3-2013-0028, SANTA MARIA REFINERY, SAN LUIS OBISPO COUNTY, NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM PERMIT CA0000051, WDID 3 402006002**

Enclosed is Acceptance of Conditional Offer and Waiver of Right to Hearing; Settlement Agreement and Stipulation for Entry of Administrative Civil Liability Order R3-2024-0069 (Order), countersigned by the California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board) Executive Officer. The Order resolves a mandatory minimum penalty for a violation of effluent limitations contained in Waste Discharge Requirements Order R3-2013-0028, National Pollutant Discharge Elimination System Permit CA0000051, that occurred on January 31, 2024, as shown in the attached Exhibit A, notice of violation. Central Coast Water Board staff publicly noticed the Order from November 4, 2024, to December 4, 2024, and received no comments.

As provided in the Order, the Phillips 66 Company is subject to a total expedited payment amount of \$3,000. **No later than January 8, 2025**, the Phillips 66 Company must submit payment to the State Water Resources Control Board (SWRCB) State Water Pollution Cleanup and Abatement Account by taking the following actions:<sup>1</sup>

1. Pay \$3,000 by check payable to "SWRCB Cleanup and Abatement Account", noting "ACL Order R3-2024-0069" on the check, and mailed to:

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<sup>1</sup> Please note that this due date supercedes any other due date that may be shown on invoices.

- a. Attn: ACL Payment  
SWRCB Accounting Office  
P.O. Box 1888  
Sacramento, CA 95812-1888
2. Submit a copy of the above payment by email to Todd Stanley at [todd.stanley@waterboards.ca.gov](mailto:todd.stanley@waterboards.ca.gov) or mailed to:
  - a. Central Coast Regional Water Quality Control Board  
Enforcement Unit, Attention: Todd Stanley  
895 Aerovista Place, Suite 101  
San Luis Obispo, CA 93401-7906

The SWRCB Division of Administrative Services Fee Branch [(916) 341-5247 or [FeeBranch@waterboards.ca.gov](mailto:FeeBranch@waterboards.ca.gov)] typically mails invoices within five business days after orders are issued, but delays are possible. If the Phillips 66 Company does not receive an invoice within 10 business days after the date of this transmittal letter, Central Coast Water Board staff advises the Phillips 66 Company to proceed with making the payment to avoid being late. Similarly, the Phillips 66 Company may simply elect to make its payment before receiving an invoice. **In either case, it is critical that the Phillips 66 Company's check refers to the Order number as instructed in Item #1 above.** If the Phillips 66 Company elects to pay before receiving the invoice, Central Coast Water Board staff advises the Phillips 66 Company to contact the Fee Branch to confirm that the payment is posted correctly.

The Phillips 66 Company also has the option to make the payment to the State Water Pollution Cleanup and Abatement Account by online electronic fund transfer (without surcharge) or credit card (with small surcharge) but must first wait to receive the above invoice because the invoice number is needed for the transaction. After receiving the invoice, the Phillips 66 Company may then go to the Fee Branch's "Make a Payment" website<sup>2</sup> for guidance on the available payment options.

Payment will conclude the Central Coast Water Board's enforcement action for violations identified in Expedited Payment Letter R3-2024-0069, dated October 9, 2024, and in Enclosure 2 of this letter.

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<sup>2</sup> Fee Branch payment website: [https://www.waterboards.ca.gov/make\\_a\\_payment/](https://www.waterboards.ca.gov/make_a_payment/)

If you have any questions, please contact Sarah Crable at [sarah.crable@waterboards.ca.gov](mailto:sarah.crable@waterboards.ca.gov) or (805) 549-3706, or Thea Tryon at [thea.tryon@waterboards.ca.gov](mailto:thea.tryon@waterboards.ca.gov) or (805) 542-4776.

Sincerely,

Ryan E. Lodge  
Executive Officer

Enclosures:

1. Acceptance of Conditional Offer and Waiver of Right to Hearing; Settlement Agreement and Stipulation for Entry of Administrative Civil Liability Order R3-2024-0069
2. Exhibit A - Notice of Violation

cc via email:

**Phillips 66 Company:**

John F. Carroll  
Senior Environmental Consultant  
[john.f.carroll@p66.com](mailto:john.f.carroll@p66.com)

Susie A. McKithan  
[susie.a.mckithan@p66.com](mailto:susie.a.mckithan@p66.com)

**Central Coast Water Board:**

Thea Tryon  
Tamara Anderson  
Harvey Packard  
Arwen Wyatt-Mair  
Sarah Crable  
Jesse Woodard  
Todd Stanley

File Location: R:\RB3\Shared\Enforcement\ACLs\MMP ACLO from EPL Offers\2024-0069 Phillips 66 ACLO\Phillips 66 MMP ACLO 24-0069 Ltr.docx

ECM Primary Indexing # 255671

**ACCEPTANCE OF CONDITIONAL OFFER  
AND WAIVER OF RIGHT TO HEARING;  
SETTLEMENT AGREEMENT AND STIPULATION FOR ENTRY OF  
ADMINISTRATIVE CIVIL LIABILITY (ACL) ORDER R3-2024-0069  
(UPON EXECUTION)**

Phillips 66 Company Santa Maria Refinery  
EPL R3-2024-0069  
Waste Discharge Requirements Order R3-2013-0028  
National Pollutant Discharge Elimination System (NPDES) Permit CA0000051  
WDID: 3 402006002

By signing below and returning this Acceptance of Conditional Offer and Waiver of Right to Hearing (Acceptance and Waiver) to the California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board), the Phillips 66 Company (Permittee) hereby accepts Expedited Payment Letter R3-2024-0069 (Conditional Offer) to participate in the expedited payment program relating to violations of the Permittee's NPDES permit for the Santa Maria Refinery, and waives the right to a hearing before the Central Coast Water Board to dispute the alleged violations described in the notice of violation (NOV) attached to the Conditional Offer as Exhibit A and incorporated herein by reference.

The Permittee agrees that the NOV shall serve as a complaint pursuant to Division 7, Chapter 5, Article 2.5 of the California Water Code and that no separate complaint is required for the Central Coast Water Board to assert jurisdiction over the alleged violations through its enforcement staff. The Permittee agrees to pay the penalties authorized by California Water Code section 13385, as specified in the NOV (expedited payment amount), which shall be deemed payment in full of any civil liability pursuant to Water Code sections 13385 and 13385.1 that otherwise might be assessed for the violations described in the NOV.

Expedited Payment Amount: \$3,000.

The Permittee understands that this Acceptance and Waiver does not address or resolve liability for any violation that is not specifically identified in the NOV.

Upon signature by the Permittee, the Permittee must return this Acceptance and Waiver to:

Thea Tryon  
Assistant Executive Officer  
Central Coast Water Board  
895 Aerovista Place, Suite 101  
San Luis Obispo, CA 93401

Expedited Payment Letter (EPL) R3-2024-0069  
Settlement Agreement and Stipulation for Entry of  
Administrative Civil Liability Order R3-2024-0069

The Permittee understands that federal regulations set forth in title 40, Code of Federal Regulations, section 123.27(d)(2)(iii) require the Central Coast Water Board to publish notice of any proposed settlement of this enforcement action and provide at least 30 days for public comment. Accordingly, Central Coast Water Board staff will publish this Acceptance and Waiver for public comment prior to execution by the Executive Officer of the Central Coast Water Board.

The Permittee understands that if significant comments are received in opposition to the Conditional Offer, then the Central Coast Water Board enforcement staff's offer to resolve the violations set forth in the NOV may be withdrawn. In that circumstance, Central Coast Water Board enforcement staff will advise the Permittee of the withdrawal, a revised offer or an administrative civil liability complaint may be issued, and the matter may be set for a hearing before the Central Coast 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.

If no comments are received within the notice period that cause the Executive Officer to reconsider the Conditional Offer, the Executive Officer will execute the Acceptance and Waiver as Settlement Agreement and Stipulation for Entry of Administrative Civil Liability Order R3-2024-0069 (Settlement and Order).

The Permittee understands that no payments are due at the time it returns the signed Acceptance and Waiver form to the Central Coast Water Board. The Permittee understands that after the signed Acceptance and Waiver is publicly noticed and executed by the Executive Officer of the Central Coast Water Board, Central Coast Water Board staff will transmit this Acceptance and Waiver as an executed Settlement and Order to the Permittee with payment instructions and due dates. Furthermore, the Permittee understands that full payment of the expedited payment amount by the hereby incorporated due date or dates specified in the transmittal letter and/or invoices associated with the executed Settlement and Order is a condition of this Acceptance and Waiver.

Expedited Payment Letter (EPL) R3-2024-0069  
Settlement Agreement and Stipulation for Entry of  
Administrative Civil Liability Order R3-2024-0069

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 and the terms of the Settlement and Order.

By:   
\_\_\_\_\_  
(Signed Name)

10/15/24  
\_\_\_\_\_  
(Date)

Tomas Zambrano  
\_\_\_\_\_  
(Printed or typed name)

Site Manager  
\_\_\_\_\_  
(Title)

Expedited Payment Letter (EPL) R3-2024-0069  
Settlement Agreement and Stipulation for Entry of  
Administrative Civil Liability Order R3-2024-0069

IT IS HEREBY ORDERED pursuant to Water Code section 13323, Government Code section 11415.60, and Resolution R3-2014-0043, on behalf of the California Regional Water Quality Control Board, Central Coast Region.

By: \_\_\_\_\_

Ryan E. Lodge  
Executive Officer  
Central Coast Water Board

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ECM Primary Indexing # 255671

**Exhibit A – Notice of Violation**  
**Phillips 66 Company Santa Maria Refinery**  
**Mandatory Minimum Penalty Violation Requiring Enforcement**  
**Alleged Violation Date: January 31, 2024**

The enforcement staff of the California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board) reviewed information submitted by this facility to determine whether the discharger is subject to mandatory minimum penalties (MMPs) pursuant to subdivisions (h) and (i) of California Water Code section 13385 and section 13385.1. The following table or tables list this facility’s alleged violations of Waste Discharge Requirements Order R3-2013-0028, National Pollutant Discharge Elimination System Permit CA0000051 on January 31, 2024, for which the Central Coast Water Board has not assessed an MMP. Final calculation of MMP amounts owed and definitions of some of the terms used in this document are listed below the table.

For additional information about the alleged violations listed in the table, please refer to [the State Water Resources Control Board CIWQS Public Reports webpage](#) and select the “Mandatory Minimum Penalty (MMP) Report” link located under the “Violations Reports” category. Once in the Mandatory Minimum Penalty Reports search page, select Region 3 along with the beginning and ending dates shown in this exhibit, select Run Report, and then select your facility to access the list of violations. Expand the “Effluent MMP Violations” and/or “Late Report MMP Violations” sections of that page by selecting the “+” icon to the left of the section titles. To view details of a violation, select the “Violation ID” number. For chronic (non-serious) effluent violations, select the “Chronic” link in the “MMP Type” column of the “Effluent Limit Violations” section to see a list of the three or more violations preceding each chronic violation within 180 days and thus qualifying the chronic violation as an MMP.



**Effluent MMP Violations Table**

#	Violation Number	Violation Date	Pollutant	Pollutant Type	Limit Period	Limit	Result	Units	% Over Limit	Serious or Non-Serious (Chronic) Violation	Date 180 Days Prior	Number of Violations within 180 days	Mandatory Minimum Penalty
1	1126049	1/31/24	TCDD Equivalents	Group 2	Monthly Average	0.3276	0.573	pg/L	75%	S	N/A	N/A	\$ 3,000

Total Penalty for Effluent Violation: \$3,000

Calculation of Total Mandatory Minimum Penalty Amount for Effluent Violation:  
 (1 Serious Violation + 0 Non-Serious Violations) × \$3,000 = \$3,000

For Group 2 pollutants, a violation is serious when the limit is exceeded by 20% or more.

Each serious violation is subject to a mandatory minimum penalty of \$3,000.

Term	Definition
Units	pg/L = picograms per liter
N/A	Not Applicable
CIWQS	California Integrated Water Quality System database used by the Water Boards to manage violation and enforcement activities, as well as other data types relevant to water quality protection.
Violation Number	Identification number assigned to a violation in CIWQS.

EPL R3-2024-0069 – Exhibit A  
Stipulated ACL Order R3-2024-0069  
Phillips 66 Company, Santa Maria Refinery

<b>Term</b>	<b>Definition</b>
Violation Date	Date that a violation occurred, with the exception that for some violation types, such as a monthly average, the last day of the reporting period is used. If the occurrence date is unknown, the date used is the day the violation was first discovered by staff, the Discharger, or a third party.
Pollutant Type: Group 2	Group of pollutants defined in the State Water Resources Control Board Water Quality Enforcement Policy. Also referred to as Category 2 or CAT2.

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