

**STATE OF CALIFORNIA
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION**

**EXECUTIVE OFFICER SUMMARY REPORT
MEETING DATE: May 12, 2010**

ITEMS: 9 through 22

SUBJECT: Multiple Dischargers – Hearings to Consider Administrative Civil Liability for Failure to Submit or Late Submittal of the Annual Monitoring Report Required Under the Statewide NPDES General Permit for Discharges of Storm Water Associated with Industrial Activities

DISCUSSION:

For items 9 through 22, the Board's Prosecution Team has proposed administrative civil liability penalties for Board consideration against dischargers who are alleged to have failed to have timely submitted their required 2008/2009 Annual Reports to the Board. This Executive Officer Summary Report describes issues common to all items 9 through 22, while individual Executive Officer Summary Reports have been prepared specific to each of the items.

The Statewide NPDES General Permit for Discharges of Storm Water Associated with Industrial Activities (State Board Order No. 97-03-DWQ) (Industrial Stormwater Permit or Permit) regulates discharges of stormwater that has been exposed to industrial activities. Industrial facility operators are required to file a "Notice of Intent to Comply" with the Industrial Stormwater Permit to be covered under it. Those covered by the Permit (permittees) are, in part, required to do the following:

- Operate their facility in a clean way and implement stormwater runoff controls pursuant to a Storm Water Pollution Prevention Plan, which is developed by and is specific to each industrial facility and incorporates the Permit's requirements;
- Make periodic observations of the effectiveness of their Storm Water Pollution Prevention Plan and associated runoff controls, and determine whether the facility's operations and runoff controls can be improved to operate in a cleaner way; and,
- Report once per year to Regional Water Boards regarding the discharges, if any, that occurred from the facility over the year and report any changes made to correct observed problems. This report, called the Annual Report, is due July 1 of each year, and is the only report permittees are required to make under the Permit.

As of July 1, 2009, approximately 1,400 industrial facilities in our region were covered under the Industrial Stormwater Permit and required to submit a 2008/2009 Annual Report to the Board. Each year, a number of these facilities fail to submit their reports on time, and the Water Code requires Regional Water Boards to take enforcement action against such facilities. This year, to both reduce the number of late reports and reduce staff time spent tracking all 1400 annual reports, this Board's staff initiated a new compliance system in coordination with the State

Board's Office of Enforcement as described in the September and October 2009 Executive Officer's Reports. On August 3, 2009, Board staff sent approximately 180 "Expedited Settlement Letters" to permittees who had not submitted their 2008/2009 Annual Report by one month after the July 1 due date. These letters noted the lateness of the permittee's 2008/2009 Annual Report and offered to settle the violation for \$1,000, conditioned on the Board's receipt of the late Annual Report and a signed Acceptance and Waiver Form by September 4, 2009. The Expedited Settlement Letter process resolved approximately 135 late submittals. However, some permittees failed to meet the conditions of the settlement offer as follows: (1) failed to submit their 2008/2009 Annual Report by the September 4, 2009, deadline; or (2) submitted their 2008/2009 Annual Report, but failed to submit a signed Acceptance and Waiver Form agreeing to the \$1,000 settlement.

On February 16, 2010, the Board's Prosecution Team staff issued 47 administrative civil liability complaints (Complaints) against the permittees who did not settle under the Expedited Settlement Letter process. The liabilities assessed in the Complaints range from \$2,825 to \$13,300, based on days late, with the highest amounts proposed when Board staff did not receive a 2008/2009 Annual Report from the Discharger prior to preparation of the Complaint. The assessed liabilities include \$1,800 for the recovery of staff costs incurred for enforcement of each matter.

Permittees receiving a Complaint have the right by law to a Board hearing on the Complaint within 90 days. As such, the Complaints the Board's Prosecution Team issued in February must be heard by the Board by May 17, settled within that period, or be waived within that period.

Of the 47 Complaints, a few were withdrawn due to changes in facility ownership, changes in permittee contact addresses, or other due process reasons. As reported in this month's Executive Officer's Report, 23 Complaints have been resolved by payment of the assessed liabilities. At the time the May Board meeting agenda was finalized, there were 17 outstanding unresolved Complaints, of which items 9 through 22 were scheduled to be considered at the May Board meeting. Since that time, two permittees (items 16 and 21) have settled their Complaints. The remaining cases are expected to be heard at the June or July Board meetings.

The individual Executive Officer Summary Reports for items 9 through 12 that follow describe the background, liability amount, and comment status of each Complaint and includes a tentative order prepared by the Board's Prosecution Team that would assess the liability amount proposed in each Complaint. The Board must consider each tentative order separately, and I will have a recommendation on each at the close of the hearing for each item.

ENFORCEMENT HEARING

**STATE OF CALIFORNIA
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION**

**EXECUTIVE OFFICER SUMMARY REPORT
MEETING DATE: MAY 12, 2010**

ITEM: 22

SUBJECT: **Kendyl Coast Corporation Obester Wine, Half Moon Bay, San Mateo County** – Hearing to Consider Administrative Civil Liability for Late Submittal of the Annual Monitoring Report Required Under the Statewide NPDES General Permit for Discharges of Storm Water Associated with Industrial Activities

CHRONOLOGY: February 2010 — Prosecution staff issued ACL Complaint

DISCUSSION: If adopted by the Regional Water Board, the Tentative Order (Attachment 1) would impose administrative civil liability in the amount of \$4,025 against Kendyl Coast Corporation Obester Wine (Discharger) for the failure to submit its 2008/2009 Annual Report by July 1, 2009. The Discharger submitted its 2008/2009 Annual Report on September 29, 2009, 89 days late. The Discharger operates a winery facility covered under the Industrial Stormwater Permit.

On February 16, 2010, the Assistant Executive Officer issued Administrative Civil Liability Complaint No. R2-2010-0043 (Attachment 3) in the amount of \$4,025 for the Discharger's failure to timely submit its 2008/2009 Annual Report as required by the Industrial Stormwater Permit. The Discharger has submitted a waiver form and information regarding its ability to pay prior to April 12, 2010. The Prosecution Team's response to the Discharger's comments was submitted to the Advisory Team and the Discharger on April 2, 2010. The Discharger did not submit any other written evidence in response to the Complaint as required under the "Submission of Evidence and Policy Statements" section set forth in the Hearing Procedure for this matter. The Prosecution Team's understanding is that the Discharger will appear at the Hearing.

At the Hearing, the Regional Water Board will have the opportunity to affirm, reject, or modify the proposed civil liability, or refer the matter to the California Attorney General. Note that, as part of the separation of staff functions for this matter, the Executive Officer heads the Board's Advisory Team and Assistant Executive Officers Tom Mumley and Dyan Whyte head the Board's Prosecution Team.

RECOMMENDATION: I will have a recommendation at the close of the Hearing.

Item 22, Attachment 1: Tentative Order for Administrative Civil Liability
Item 22, Attachment 2: Notice of Non Compliance
Item 22, Attachment 3: Administrative Civil Liability Complaint
Item 22, Attachment 4: Discharger Comments
Item 22, Attachment 5: Prosecution Team Response and Rebuttal (April 2 and April 22, 2010)
Item 22, Attachment 6: Discharger's 2008-2009 Annual Report (This item is not included in hard copy, but is available on the web under Item 22 for the May 12, 2010, Board meeting agenda: http://www.waterboards.ca.gov/sanfranciscobay/board_info/agenda.shtml)

WDID No.: 2 41I017222
CIWQS Place ID: 245649

Item 22

Attachment 1

**STATE OF CALIFORNIA
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION**

TENTATIVE ORDER
ORDER SETTING ADMINISTRATIVE CIVIL LIABILITY FOR:

KENDYL COAST OBESTER WINE CORPORATION
12342 SAN MATEO ROAD
HALF MOON BAY, SAN MATEO COUNTY

The California Regional Water Quality Control Board, San Francisco Bay Region (“Regional Water Board”), having held a public hearing on May 12, 2010, to hear evidence and comments on the allegations contained in Administrative Civil Liability Complaint No. R2-2010-0043 (“Complaint”) issued to Kendyl Coast Obester Wine Corporation (“Permittee” or “Discharger”), and deliberated on the evidence presented at the public hearing and in the record, after determining the allegations contained in the Complaint to be true, having provided public notice thereof and not less than thirty (30) days for public comment and on the recommendation for administrative assessment of Civil Liability in the amount of \$4,025 finds as follows:

1. Kendyl Coast Obester Wine Corporation operates a facility located in Half Moon Bay and discharges storm water associated with industrial activities.
2. Pursuant to federal regulations, the State Water Resources Control Board adopted Water Quality Order No. 97-03-DWQ, NPDES General Permit No. CAS000001, Waste Discharge Requirements for Discharges of Storm Water Associated with Industrial Activities (“General Permit”), to regulate storm water discharges and authorized non-storm water discharges associated with industrial activities set forth in the federal regulations. To obtain coverage under the General Permit, facility operators must submit a notice of intent (“NOI”) and comply with the terms and conditions of the General Permit. On May 2, 2002, the Discharger submitted a Notice of Intent to obtain coverage under the General Permit. The Discharger’s Waste Discharge Identification No. is 2 41I017222.
3. Section B—Monitoring Program and Reporting Requirements, Paragraph Number 14 of the General Permit requires all facility operators to submit an annual report documenting their sampling and analyses, observations, and an annual comprehensive site compliance evaluation, to the Executive Officer of the Regional Water Board responsible for the area in which the facility is located by July 1 of each year.
4. The Discharger violated Section B of the General Permit by failing to submit its 2008/2009 annual report by July 1, 2009.

5. On August 3, 2009, the Assistant Executive Officer issued a Notice of Noncompliance letter to the Discharger by certified mail, return receipt requested. This letter informed the Discharger that it was in violation of the General Permit and that the Executive Officer would recommend enforcement action, including, but not limited to, imposition of administrative civil liability up to \$10,000 per day. The Regional Water Board received the return receipt for this notice, which indicates the Discharger received the notice on August 17, 2009.
6. Regional Water Board staff did not receive any comment from the Discharger on the August 3, 2009, Notice of Non-compliance.
7. Pursuant to CWC Section 13385(a)(3), any person who violates any requirements established pursuant to CWC Section 13383 (reporting requirements established by the State Water Board), shall be civilly liable. CWC Section 13385(c)(1) states that civil liability may be imposed administratively by the Regional Water Board in an amount not to exceed ten thousand dollars (\$10,000) for each day in which the violation occurs.
8. The Discharger was in violation of the General Permit for a total of 89 days (July 2, 2009, through September 29, 2009).
9. On February 16, 2010, the Assistant Executive Officer issued Complaint No. R2-2010-0043 that alleged that the Discharger violated the requirements of the General Permit by failing to submit a 2008/2009 annual report by July 1, 2009. The Complaint proposed an administrative civil liability of \$4,025 for the alleged violation, which also recovers the costs incurred by the staff of the Regional Water Board for this matter as a "matter that justice may require."
10. In imposing the proposed administrative civil liability, the Regional Water Board has considered each of the factors prescribed in CWC Section 13385(e) based upon information in the record and the testimonies at the public hearing and information described in greater detail in Complaint No. R2-2010-0043 attached hereto and incorporated by this reference.
11. This Order is an action to enforce the laws and regulations administered by the Regional Water Board. Issuance of this Order is exempt from the provisions of the California Environmental Quality Act (Public Resources Code Section 21000, et seq.), in accordance with section 15321(a)(2), Chapter 3, Title 14, of the California Code of Regulations.

IT IS HEREBY ORDERED, pursuant to CWC Sections 13385 and 13323, that civil liability be imposed upon Kendyl Coast Obester Wine Corporation in the amount of \$4,025 for the failure to submit a 2008/2009 annual report for its facility covered by the General Permit by July 1, 2009, in violation of CWC section 13383.

1. Kendyl Coast Obester Wine Corporation shall submit a check to the Regional Water Board in the amount of \$4,025 made payable to the "San Francisco Bay Regional Water Quality Control Board" within thirty (30) days following adoption of this Order by the Regional Water Board.
2. Fulfillment of the obligation of Kendyl Coast Obester Wine Corporation under this Order constitutes full and final satisfaction of any and all liability for each allegation in Complaint No. R2-2010-0043.
3. Compliance with this Order is not a substitute for compliance with all applicable laws. Future violations of the type alleged in Complaint No. R2-2010-0043 may subject the Discharger to further enforcement, including additional administrative civil liability.
4. The Executive Officer of the Regional Water Board is authorized to refer this matter directly to the Attorney General for collection and/or other enforcement if the Discharger fails to comply with payment of the liability as detailed in paragraph 1.

I, Bruce H. Wolfe, Executive Officer, do hereby certify that the foregoing is a full, complete, and correct copy of an Order adopted by the Regional Water Board on May 12, 2010.

Bruce H. Wolfe
Executive Officer

Attachment 1: Complaint No. R2-2010-0043

Item 22

Attachment 2



Linda Adams
Secretary for
Environmental Protection

California Regional Water Quality Control Board San Francisco Bay Region

1515 Clay Street, Suite 1400, Oakland, California 94612
(510) 622-2300 • Fax (510) 622-2460
<http://www.waterboards.ca.gov/sanfranciscobay>



Arnold Schwarzenegger
Governor

!
August 3, 2009

Kendyl Coast Corp
Attn: Kendyl Kellogg
12341 San Mateo Rd
Half Moon Bay, CA 94019

VIA CERTIFIED MAIL
No. 7008 1830 0003 0496 6812
CIWQS Place ID: 245649
Project Tracking ID: 123

OFFER TO PARTICIPATE IN EXPEDITED PAYMENT PROGRAM FOR THE FAILURE TO SUBMIT AN ANNUAL REPORT AS REQUIRED BY STATE WATER RESOURCES CONTROL BOARD GENERAL PERMIT FOR STORMWATER DISCHARGES ASSOCIATED WITH INDUSTRIAL ACTIVITIES, ORDER NO. 97-DWQ, NPDES NO. CAS000001

**Facility Name: KENDYL COAST CORP OBESTER WINE (WDID No. 2 411017222)
Facility Address: 12341 SAN MATEO RD, HALF MOON BAY, CA 94019**

Dear Kendyl Kellogg:

This letter is to notify Kendyl Coast Corp (hereinafter "Permittee") of an alleged violation of the California Water Code regarding the failure to submit an annual report to the San Francisco Bay Regional Water Quality Control Board (hereinafter "Regional Water Board"), as required by the State Water Resources Control Board's General Permit for Stormwater Discharges Associated with Industrial Activities (hereinafter "General Permit"). This letter also notifies the Permittee of the opportunity to participate in the Regional Water Board's Expedited Payment Program for Annual Reporting Violations (hereinafter "Expedited Payment Program"). The Expedited Payment Program addresses liability that may be assessed pursuant to California Water Code section 13385.

NOTICE OF VIOLATION:

Based on the Regional Water Board's records, it is alleged that as of July 31, 2009, the Permittee has failed to submit an annual report by July 1, 2009, to the Regional Water Board as required under Section B.14 of the General Permit. Failure to submit such an annual report violates the requirements of the General Permit, the California Water Code, and the Federal Clean Water Act. This failure is identified in the Notice of Noncompliance (hereinafter "NON").

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STATUTORY LIABILITY:

Pursuant to California Water Code sections 13385(a)(2) and 13385(c)(1), the Permittee is subject to discretionary administrative civil liabilities of up to TEN THOUSAND DOLLARS (\$10,000.00) for each day in which a violation occurs (i.e., each day the Permittee fails to submit an annual report after July 1 of each year). These discretionary administrative civil liabilities may be assessed by the Regional Water Board, beginning with the date that the violation(s) first occurred. In this matter, and as set forth above, the days in violation will be calculated from July 2, 2009.

In addition, pursuant to California Water Code sections 13399.31(c) and 13399.33(c), the Permittee shall also be subject to a *minimum* penalty of *not less than* ONE THOUSAND DOLLARS (\$1,000.00) to be assessed by the Regional Water Board if the Permittee fails to submit an annual report within sixty (60) days after the first notice of such failure was sent. The statute requires that the Regional Water Board provide the Permittee with two separate notices of noncompliance (each at least thirty [30] days apart) outlining the Permittee's failure to submit an annual report. A copy of the first NON issued to the Permittee is attached. California Water Code section 13399.33(d) also allows the Regional Water Board to recover the enforcement costs it incurred regarding the Permittee's failure to submit an annual report.

The formal enforcement action that the Regional Water Board uses to assess such civil liabilities is an administrative civil liability complaint, although the Regional Water Board may instead refer such matters to the Office of the Attorney General for prosecution. If referred to the Attorney General for prosecution, the Superior Court may assess civil liability up to TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) per violation, as set forth in California Water Code section 13385(b)(1).

CONDITIONAL OFFER TO PARTICIPATE IN EXPEDITED PAYMENT PROGRAM:

The Permittee can avoid a formal enforcement action and settle the alleged annual reporting violation identified in the NON by participating in the Regional Water Board's Expedited Payment Program. Details of the proposed settlement are described in detail below, as well as in the "Acceptance of Conditional Resolution and Waiver of Right to Hearing, [Proposed] Order" (hereinafter "Acceptance and Waiver") enclosed herewith.

To promote resolution of the alleged annual reporting violation, the Regional Water Board makes the following conditional offer. The Permittee may accept this offer, waive its right to a hearing, submit its overdue annual report on or before September 4, 2009, and pay a ONE THOUSAND DOLLARS (\$1,000.00) administrative civil liability for the annual reporting violation identified in the NON. If the Permittee elects to do so, subject to the conditions set forth herein, the Regional Water Board will accept the Permittee's overdue annual report and the payment of the administrative civil liability in settlement of any enforcement action that would otherwise arise out of the annual reporting violation identified in the NON. After timely receipt of the Permittee's overdue annual

report and payment of the administrative civil liability, the Regional Water Board will forego issuance of a formal administrative civil liability complaint, will not refer said violations to the Attorney General, and will waive its right to seek any additional penalties or liabilities, including the Regional Water Board's costs of enforcement, for the annual reporting violation identified in the NON.

The Expedited Payment Program does not address liability for any violation that is not specifically identified in the NON.

PERMITTEE'S OPTIONS AND INSTRUCTIONS FOR RESPONDING TO OFFER:

ACCEPTING OFFER:

If the Permittee accepts this offer, please complete and return the Acceptance and Waiver enclosed herewith on or before September 4, 2009, by certified mail, return receipt requested addressed as follows:

San Francisco Bay Regional Water Quality Control Board
1515 Clay Street, Suite 1400
Oakland, CA 94612
Attn: Danny Pham

Additionally, submit an annual report as required under the General Permit on or before September 4, 2009, by certified mail, return receipt requested to the address referenced above or by submitting a signed, electronic copy of the report by e-mail to Danny Pham at dapham@waterboards.ca.gov. A blank copy of the annual report form may be downloaded from the State Water Resources Control Board web site:

http://www.waterboards.ca.gov/water_issues/programs/stormwater/annualreport.shtml

Further, the Permittee must also submit the ONE THOUSAND DOLLARS (\$1,000.00) administrative civil liability by cashier's check or by certified check made payable to the "State Water Pollution Cleanup and Abatement Account" to the Regional Water Board, at the address referenced above, no later than ten (10) calendar days after the date the Permittee receives written notice that the Executive Officer of the Regional Water Board has formally endorsed the "Acceptance and Waiver." Failure to pay the penalty within the required time period may subject the Permittee to further liability.

CONTESTING THE ALLEGED VIOLATION:

If the Permittee wishes to contest the annual reporting violation alleged in the NON, the challenge must be received on or by September 4, 2009. Please identify, in writing and sent by certified mail, return receipt requested to the address above, the basis for the Permittee's challenge (factual error, affirmative defense, etc.). The Regional Water Board staff will evaluate that basis and make one of the following determinations: If the

Regional Water Board staff determines that the alleged annual reporting violation is not supported, no further action will be taken against the Permittee for that violation, and the Permittee will be notified of that determination. If the Regional Water Board staff determines that the contested violation as alleged is meritorious, the Permittee should expect that a formal enforcement action will be pursued and that the Permittee will receive notice of any deadlines associated with that action. In a formal enforcement action, the liability amount sought and/or imposed may significantly exceed the liability amount set forth in this Conditional Offer. Moreover, the cost of enforcement is a factor that can be considered in assessing the liability amount.

REJECTING OFFER:

If the Permittee chooses to reject the Regional Water Board's offer and/or chooses not to complete and return the Acceptance and Waiver, the Permittee should expect that a formal enforcement action will be pursued and that it will receive notice of any deadlines associated with that action. As previously stated, in such an action, the liability amount sought and/or imposed may significantly exceed the liability amount set forth in this Conditional Offer. Moreover, the Regional Water Board's cost of enforcement is a factor that can be considered in assessing the Permittee's liability amount.

The Permittee should also note that in the event the Regional Water Board pursues a formal enforcement action for the annual reporting violation alleged in the NON attached hereto as Exhibit "A," the Regional Water Board shall review its records to determine whether the Permittee has previously failed to submit an annual report as required by the General Permit, and whether the Permittee has repeatedly failed to comply with that requirement. The Regional Water Board shall consider any such previous failures when assessing the Permittee's liability amount. This consideration may result in the liability amount being sought and/or imposed to significantly exceed the liability amount set forth in this Conditional Offer.

CONDITIONS FOR REGIONAL WATER BOARD'S ACCEPTANCE OF RESOLUTION:

This offer to participate in the Regional Water Board's Expedited Payment Program is conditioned upon the Regional Water Board's receipt of the Permittee's annual report, as required by the General Permit, on or before September 4, 2009. If the Permittee chooses not to, or fails to submit, an annual report on or before September 4, 2009, this offer will be deemed withdrawn and a formal enforcement action will be pursued. After the offer is deemed withdrawn, the Regional Water Board will notify the Permittee of the impending enforcement action and any associated deadlines.

Should the Permittee participate in the Expedited Payment Program, the settlement will be published in the following manner: Federal regulations require the Regional Water Board to publish notice of and to provide at least thirty (30) days for public comment on any settlement of an enforcement action addressing NPDES permit violations

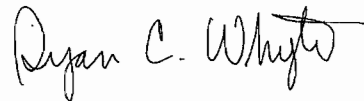
(40 C.F.R. section 123.27(d)(2)(iii)). Upon the receipt of the Permittee's Acceptance and Waiver and annual report on or before September 4, 2009, the Regional Water Board staff will publish a notice of the proposed resolution of the annual reporting violation alleged in the NON.

If no comments are received within the notice period, the Regional Water Board's Executive Officer will formally endorse the Acceptance and Waiver as a stipulated order assessing the uncontested penalty amount pursuant to California Water Code section 13385(c)(1), as described under the heading "Statutory Liability" herein.

If, however, significant comments are received in opposition to the settlement, this offer may be withdrawn. If the Regional Water Board's offer is withdrawn, the Permittee will be advised of that withdrawal, and the Permittee's waiver pursuant to the Acceptance and Waiver will also be treated as withdrawn. After the Regional Water Board's offer and the Permittee's waiver are deemed withdrawn, the unresolved violations will be addressed in a formal enforcement action. An administrative civil liability complaint may be issued and the matter may be set for a hearing before the Regional Water Board or the State Water Board. For such a liability hearing, the Permittee understands that this Acceptance and Waiver endorsed by the Permittee shall be treated as a settlement communication and shall not be used as evidence in that hearing.

Any questions about the Notice of Noncompliance, this Conditional Offer, and/or the Acceptance and Waiver, should be directed to Danny Pham at (510) 622-2402 or by email at dapham@waterboards.ca.gov.

Sincerely,



Dyan C. Whyte
Assistant Executive Officer

Enclosures:

- Exhibit "A"—Notice of Noncompliance
- Acceptance of Conditional Resolution and Waiver of Right to Hearing; (Proposed) Order

cc: Ann Carroll, Office of Enforcement, State Water Resources Control Board



Linda Adams
Secretary for
Environmental Protection

California Regional Water Quality Control Board San Francisco Bay Region

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Arnold Schwarzenegger
Governor

! August 3, 2009

Kendyl Coast Corp
Attn: Kendyl Kellogg
12341 San Mateo Rd
Half Moon Bay, CA 94019

VIA CERTIFIED MAIL
No. 7008 1830 0003 0496 6812
CIWQS Place ID: 245649
Project Tracking ID: 123

Exhibit "A"

NOTICE OF NONCOMPLIANCE

FAILURE TO SUBMIT AN ANNUAL REPORT AS REQUIRED BY STATE WATER RESOURCES CONTROL BOARD GENERAL PERMIT FOR STORMWATER DISCHARGES ASSOCIATED WITH INDUSTRIAL ACTIVITIES, ORDER NO. 97-DWQ, NPDES NO. CAS000001

**Facility Name: KENDYL COAST CORP OBESTER WINE (WDID No. 2 411017222)
Facility Address: 12341 SAN MATEO RD, HALF MOON BAY, CA 94019**

Dear Kendyl Kellogg:

Your facility, located at the above address, is regulated under the State Water Resources Control Board's General Permit for Stormwater Discharges Associated with Industrial Activities (hereinafter "General Permit"), which requires you to submit an annual report by July 1 of each year. According to our office's records, as of July 31, 2009, we have not received your facility's annual report. Please submit a complete annual report to this office by **September 4, 2009**, by certified mail, return receipt requested addressed as follows:

San Francisco Bay Regional Water Quality Control Board
1515 Clay Street, Suite 1400
Oakland, CA 94612
Attn: Danny Pham

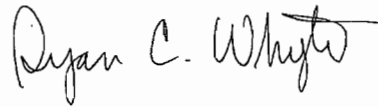
or by submitting a signed, electronic copy of the report by e-mail to Danny Pham at dapham@waterboards.ca.gov. A blank copy of the annual report form may be downloaded from the State Water Resources Control Board web site:

http://www.waterboards.ca.gov/water_issues/programs/stormwater/annualreport.shtml

Failure to submit your annual report violates the requirements of the General Permit, the California Water Code, and the Federal Clean Water Act. Thus, we are considering taking formal enforcement action against you.

If you have any questions, please contact Danny Pham at (510) 622-2402 or email dapham@waterboards.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Dyan C. Whyte". The signature is written in a cursive style with a horizontal line extending from the end of the name.

Dyan C. Whyte
Assistant Executive Officer

**ACCEPTANCE OF CONDITIONAL RESOLUTION
AND WAIVER OF RIGHT TO HEARING; (Proposed) ORDER**

Kendyl Coast Corp

Facility Name: KENDYL COAST CORP OBESTER WINE (WDID No. 2 411017222)

Facility Address: 12341 SAN MATEO RD, HALF MOON BAY, CA 94019

By signing below and returning this Acceptance of Conditional Resolution and Waiver of Right to Hearing (hereinafter "Acceptance and Waiver") to the San Francisco Bay Regional Water Quality Control Board ("Regional Water Board"), Kendyl Coast Corp (hereinafter "Permittee") hereby accepts the "Offer to Participate in the Regional Water Board's Expedited Payment Program for Annual Reporting Violations" (hereinafter "Conditional Offer") and waives the right to a hearing before the Regional Water Board to dispute the allegations of violations described in the Notice of Noncompliance (hereinafter "NON") and incorporated herein by reference.

Kendyl Coast Corp agrees that the NON shall serve as a complaint pursuant to Article 2.5 of the California Water Code and that no separate complaint is required for the Regional Water Board to assert jurisdiction over the alleged violations through its Executive Officer. Kendyl Coast Corp agrees to perform the following:

- (1) Submit an annual report as required under Section B.14 of the General Permit for Stormwater Discharges Associated with Industrial Activities (hereinafter "General Permit") on or before September 4, 2009, by certified mail, return receipt requested addressed as follows:

San Francisco Bay Regional Water Quality Control Board
1515 Clay Street, Suite 1400
Oakland, CA 94612
Attn: Danny Pham

or by submitting a signed, electronic copy of the report by e-mail to Danny Pham at dapham@waterboards.ca.gov; and

- (2) Pay discretionary penalties authorized by California Water Code section 13385(c)(1), in the sum of ONE THOUSAND DOLLARS (\$1,000.00) (hereinafter "Expedited Payment Amount") by cashier's check or by certified check made payable to the "State Water Pollution Cleanup and Abatement Account," which shall be deemed payment in full of any civil liability pursuant to California Water Code section 13385 or California Water Code section 13399.33 that otherwise might be assessed for the violations described in the NON.

Kendyl Coast Corp understands that this Acceptance and Waiver waives the Permittee's right to contest the allegations in the NON and the civil liability amount for such violations.

Kendyl Coast Corp understands that the failure to submit an annual report, as identified and described above, shall cause the Regional Water Board's Conditional Offer and the Permittee's waiver pursuant to this Acceptance and Waiver to be withdrawn. After the Regional Water Board's Conditional Offer and the Permittee's waiver are deemed withdrawn, the Permittee will be advised of the withdrawals, an administrative civil liability complaint may be issued, and the matter may be set for a hearing before the Regional Water Board or the State 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.

Kendyl Coast Corp understands that this Acceptance and Waiver does not address or resolve liability for any violation that is not specifically identified in the NON.

Upon execution by Kendyl Coast Corp, the Acceptance and Waiver shall be returned to the following:

Expedited Payment Program
San Francisco Bay Regional Water Quality Control Board
1515 Clay Street, Suite 1400
Oakland, CA 94612
Attn: Danny Pham

Kendyl Coast Corp understands that federal regulations set forth at title 40, Code of Federal Regulations, section 123.27(d)(2)(iii) require the Regional Water Board to publish notice of and provide at least thirty (30) days for public comment on any proposed resolution of an enforcement action. Accordingly, this Acceptance and Waiver, prior to being formally endorsed by the Executive Officer of the Regional Water Board, will be published as required by law for public comment.

If no comments are received within the notice period that cause the Executive Officer of the Regional Water Board to reconsider the Expedited Payment Amount, the Executive Officer will formally endorse this Acceptance and Waiver. Resolution of these violations by the Regional Water Board will preclude Regional Water Board action for the annual reporting violation alleged in the NON and incorporated by reference herein.

Kendyl Coast Corp understands that if significant comments are received in opposition to the Expedited Payment Amount, the offer on behalf of the Regional Water Board to resolve the violations set forth in the NON may be withdrawn. If the Regional Water Board's offer is withdrawn, the Permittee will be advised of that withdrawal, and the Permittee's waiver pursuant to the Acceptance and Waiver will also be treated as withdrawn. After the Regional Water Board's offer and the Permittee's waiver are

deemed withdrawn, the unresolved violations will be addressed in a formal enforcement action. An administrative civil liability complaint may be issued and the matter may be set for a hearing before the Regional Water Board or the State Water Board. For such a liability hearing, the Permittee understands that this Acceptance and Waiver endorsed by the Permittee shall be treated as a settlement communication and shall not be used as evidence in that hearing.

Kendyl Coast Corp understands that once this Acceptance and Waiver is formally endorsed by the Executive Officer of the Regional Water Board, the full payment required by the deadline set forth below is a condition of this Acceptance and Waiver. The Permittee shall pay the Expedited Payment Amount of ONE THOUSAND DOLLARS (\$1,000.00) by a cashier's check or certified check for the full amount made payable to the "State Water Resources Control Board Waste Discharge Permit Fund". The payment will be submitted to the Regional Water Board's Expedited Payment Program, at the address listed above no later than ten (10) calendar days after the date the Permittee receives written notice of that the Executive Officer of the Regional Water Board has formally endorsed 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.

(Permittee)

By: _____
(Signed Name)

(Date)

(Printed or typed name)

(Title)

IT IS SO ORDERED PURSUANT TO CALIFORNIA WATER CODE SECTION 13385

Date: _____

By: _____

Bruce H. Wolfe
EXECUTIVE OFFICER
San Francisco Bay Regional Water Quality Control Board

Item 22

Attachment 3



California Regional Water Quality Control Board

San Francisco Bay Region



Linda S. Adams
Agency Secretary

1515 Clay Street, Suite 1400, Oakland, California 94612
(510) 622-2300 • Fax (510) 622-2460
<http://www.waterboards.ca.gov/sanfranciscobay>

Arnold Schwarzenegger
Governor

Via Certified Mail – Return Receipt Requested

February 16, 2010
WDID No.: 2 411017222
CIWQS Place ID: 245649

Kendyl Coast Corporation
Attn: Kendyl M. Kellogg
Agent for Service of Process
12341 San Mateo Road
Half Moon Bay, CA 94019

Subject: Administrative Civil Liability Complaint No. R2-2010-0043

Dear Kendyl Kellogg:

Enclosed is Complaint No. R2-2010-0043 for Administrative Civil Liability in the amount of \$4,025. The Complaint alleges that Kendyl Coast Corporation has violated the requirements of the NPDES General Permit for Discharges of Storm Water Associated with Industrial Activities by failing to submit a 2008/2009 annual report by July 1, 2009, for its Obester Wine facility.

Kendyl Coast Corporation can respond to the Complaint by appearing before the Regional Water Board at a public hearing to contest the matter or by signing a waiver to pursue other options.

1. The Complaint can be contested before the Regional Water Board at the following meeting:

Date/Time: May 12, 2010, commencing at 9 a.m.
Place: First Floor Auditorium, State of California Building
1515 Clay Street, Oakland

At this meeting, the Regional Water Board will consider whether to impose administrative civil liability (as proposed in the Complaint or for a different amount), decline the administrative civil liability, or refer the matter to the Attorney General for judicial enforcement at a public hearing.

Please refer to the enclosed Public Notice and Hearing Procedure for the Complaint and the ACL Fact Sheet for additional information about the Regional Water Board's process, hearing procedures, and important deadlines (for submitting comments or evidence, obtaining designated party status, waiving or postponing a hearing, making objections or rebuttals to evidence, etc.).

Preserving, enhancing, and restoring the San Francisco Bay Area's waters for over 50 years

2. The public hearing that has been scheduled (above) can be waived to pursue one of the following options:
 - a. Pay the liability as proposed in the Complaint;
 - b. Request more time and postpone the date of the public hearing;
 - c. Promptly engage in settlement discussions with the Regional Water Board Prosecution Team.

The Waiver, attached to the Complaint, describes these options in further detail. To pursue one of these options, **the Waiver must be signed, dated, and received by the contacts listed below no later than 5:00 pm on March 18, 2010. It is at the discretion of the Regional Water Board Advisory Team to either accept or deny a waiver request.**

If you wish to communicate directly with the Prosecution Team regarding the Complaint, please contact Prosecution Team contact at (510) 622-3277 or LMeillier@waterboards.ca.gov.

Please refer to the letterhead for our mailing address and fax number.

Sincerely,



Thomas Mumley
Assistant Executive Officer

Enclosures:

Complaint No. R2-2010-0043
Public Notice for ACL Complaint No. R2-2010-0043
Hearing Procedure for ACL Complaint No. R2-2010-0043
Administrative Civil Liability Fact Sheet

cc (all via email):

Bruce H. Wolfe, Water Board
SWRCB, Office of the Chief Counsel – Dorothy Dickey
SWRCB, Division of Water Quality – Bruce Fujimoto
SWRCB, Office of Enforcement – Ann Carroll
Water Board Lyris Enforcement Email List

**STATE OF CALIFORNIA
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION**

COMPLAINT NO. R2-2010-0043

ADMINISTRATIVE CIVIL LIABILITY
IN THE MATTER OF
KENDYL COAST CORPORATION
OBESTER WINE FACILITY
12341 SAN MATEO ROAD
HALF MOON BAY, SAN MATEO COUNTY

This Complaint is issued to Kendyl Coast Corporation (“Discharger”) to assess administrative civil liability pursuant to California Water Code (“CWC”) Section 13385. The Complaint addresses the Discharger’s failure to submit a required annual report by July 1, 2009, as required by the State Water Resources Control Board’s (“State Water Board’s”) Water Quality Order No. 97-03-DWQ National Pollutant Discharge Elimination System (NPDES) General Permit No. CAS000001, Waste Discharge Requirements for Discharges of Storm Water Associated with Industrial Activities (“General Permit”). The violations cited herein occurred from July 2, 2009, through September 29, 2009).

The Assistant Executive Officer of the California Regional Water Quality Control Board, San Francisco Bay Region (“Regional Water Board”) hereby gives notice that:

1. The Discharger is alleged to have violated provisions of the law for which the Regional Water Board may impose civil liability pursuant to CWC Section 13385. This Complaint proposes to assess \$4,025 in penalties for the violations cited based on the considerations described herein. The deadline for comments on this Complaint is February 26, 2010, at 5 p.m.
2. Unless waived, the Regional Water Board will hold a hearing on this matter on May 12, 2010, in the Elihu M. Harris State Building, First Floor Auditorium, 1515 Clay Street, Oakland, California, 94612. The Discharger or its representative(s) will have an opportunity to be heard and to contest the allegations in this Complaint and the imposition of civil liability by the Regional Water Board. The Discharger will be mailed an agenda approximately ten days before the hearing date. The Discharger must submit any written evidence concerning this complaint to the Regional Water Board not later than 5 pm on March 18, 2010, so that such comments may be considered. Any written evidence submitted to the Regional Water Board after this date and time will not be accepted or responded to in writing.

3. At the hearing the Regional Water Board will consider whether to affirm, reject, or modify the proposed administrative civil liability, or whether to refer the matter to the Attorney General for recovery of judicial civil liability. If this matter proceeds to hearing, the Prosecution Team reserves the right to seek an increase in the civil liability amount to cover the costs of enforcement incurred subsequent to the issuance of this Complaint through hearing. The Discharger can waive its right to a hearing to contest the allegations contained in this Complaint by submitting a signed waiver and paying the civil liability in full as described in the attached waiver form.
4. Issuance of this Complaint is exempt from the provisions of the California Environmental Quality Act (Public Resources Code 21000 et seq.) in accordance with Section 15321 of Title 14, California Code of Regulations.

STATEMENT OF WATER CODE SECTIONS UPON WHICH LIABILITY IS BEING ASSESSED:

5. Pursuant to CWC Section 13385(a)(3), any person who violates any requirements established pursuant to CWC Section 13383 (reporting requirements established by the State Water Board), shall be civilly liable. CWC Section 13385(c)(1) states that civil liability may be imposed administratively by the Regional Water Board in an amount not to exceed ten thousand dollars (\$10,000) for each day in which the violation occurs.
6. In determining the amount of any liability imposed under CWC Section 13385, the Regional Water Board shall take into account the nature, circumstances, extent, and gravity of the violation or violations, whether the discharge is susceptible to cleanup or abatement, the degree of toxicity of the of the discharge, and, with respect to the violator, the ability to pay, the effect on its ability to continue its business, any voluntary cleanup efforts undertaken, any prior history of violations, the degree of culpability, economic benefit or savings, if any, resulting from the violation , and other matters that justice may require.

FACTUAL BASIS OF THE ALLEGED VIOLATIONS IN THIS MATTER:

7. Provision E(1) of the General Permit requires that all facility operators seeking coverage under the General Permit file a Notice of Intent (NOI) for each of the facilities they operate. The Discharger submitted a Notice of Intent (NOI) to the State Water Board to obtain coverage under the General Permit. The Discharger's Waste Discharge Identification Number is 2 411017222.
8. Section B—Monitoring and Reporting Requirements, Number 14 of the General Permit requires all facility operators to submit an annual report documenting its sampling and analyses, observations, and an annual comprehensive site compliance evaluation, by July 1 of each year.

9. The Discharger violated the General Permit by failing to submit its 2008/2009 annual report by the July 1, 2009, deadline. This is a violation of a reporting requirement established by the State Water Board pursuant to CWC Section 13383 for which administrative civil liability may be imposed pursuant to CWC Section 13385(a)(3).
10. On August 3, 2009, the Assistant Executive Officer issued a Notice of Noncompliance letter to the Discharger by certified mail, return receipt requested. This letter informed the Discharger that it was in violation of the General Permit and that the Executive Officer would recommend enforcement actions, including imposition of administrative civil liability up to \$10,000 per day, if an annual report was not submitted. The Regional Water Board received the return receipt for this notice, which indicates the Discharger received the notice on August 17, 2009.
11. Regional Water Board staff did not receive any comment from the Discharger on the August 3, 2009, Notice of Non-compliance.
12. The Discharger submitted its annual report on September 29, 2009.
13. Board staff confirmed that the facility was still in business at the above address via telephone and/or mail on September 17 and October 19, 2009.
14. The Discharger was in violation of the General Permit for a total of 89 days (July 2, 2009, through September 29, 2009).

FACTORS CONSIDERED

15. Under CWC Section 13385(e), the Regional Water Board's Assistant Executive Officer considered the following factors in determining the amount of civil liability to be imposed:

- a. The Nature, Circumstances, Extent, and Gravity of the Violation:

These annual reports are a key means of determining the quality of stormwater runoff from the Discharger's site and ensuring the Discharger is implementing appropriate control measures at the site. Additionally, they are one of the Discharger's primary tools to self-evaluate site compliance with the permit and to identify any needed improvements.

The Discharger was sent a Notice of Noncompliance letter and was contacted via internet (company changed name to La Nebbia Winery) and site inspection.

- b. Toxicity of Discharge and Susceptibility to Cleanup

The violation for which liability is proposed is a failure to submit a required report.

The report is required to include quantitative and qualitative information on the amounts and/or presence of certain pollutants in discharges from the subject facility, as well as information on remedial actions taken by the Discharger to halt or minimize polluted discharges from its facility. In the absence of this information, it is not possible to make a more specific determination on this factor, and civil liability is not proposed for a specific discharge.

c. Discharger's Ability to Pay:

It is believed that the Discharger will be able to pay the proposed civil liability. According to Manta.com online business records, Kendyl Coast Corporation was established in 2001 and incorporated in California. Manta.com records estimate the Discharger has an annual revenue of \$860,000 and employs a staff of 5.

d. Prior History of Violations:

The Regional Water Board does not have any records of permit violations from previous years for the Discharger.

e. Degree of Culpability:

The Discharger is fully culpable for violating the terms and conditions of the General Permit, which implements the Clean Water Act. Section 402(p) of the Federal Water Pollution Control Act ("Clean Water Act") establishes a framework for regulating municipal and industrial storm water discharges under the NPDES Program that is applicable to all specified industrial sites on a nationwide basis. The U.S. Environmental Protection Agency regulations allow authorized states, such as California, to issue general permits to regulate storm water discharges (e.g., the General Permit). By filing an NOI, the Discharger demonstrated its knowledge of and intent to comply with the General Permit requirements.

f. Savings Resulting from the Violation:

The Discharger has realized cost savings by failing to timely submit an annual report. The minimum savings for submitting a late report are estimated at \$1,000. The proposed liability of \$4,025 is greater than the economic benefit obtained from the delayed compliance.

g. Other Matters That Justice May Require:

Staff time to prepare this Complaint and supporting information is estimated to be 10 hours. Additionally, issuance of the Complaint requires publication of a Public Notice in a newspaper of general circulation at a cost of approximately \$300.

Based on an average cost to the State of \$150 per hour, the total staff cost is estimated to be \$1,800.

PROPOSED CIVIL LIABILITY

16. Based on the consideration of the above facts, the Assistant Executive Officer of the Regional Water Board proposes that an administrative civil liability be imposed in the amount of \$4,025. Of this amount, \$1,800 is for recovery of staff costs.
17. Further failure to comply with the General Permit or amendments thereof beyond the date of this Complaint may subject the Discharger to further administrative civil liability, and/or other appropriate enforcement action(s), including referral to the Attorney General.



Thomas Mumley
Assistant Executive Officer

February 16, 2010
Date

**WAIVER FORM
FOR ADMINISTRATIVE CIVIL LIABILITY COMPLAINT
NO. R2-2010-0043**

By signing this waiver, I affirm and acknowledge the following:

I am duly authorized to represent Kendyl Coast Corporation (“Discharger”) in connection with Administrative Civil Liability Complaint No. R2-2010-0043 (“Complaint”). I am informed that California Water Code section 13323, subdivision (b), states that, “a hearing before the regional board shall be conducted within 90 days after the party has been served [with the complaint]. The person who has been issued a complaint may waive the right to a hearing.”

OPTION 1: PAY THE CIVIL LIABILITY

(Check here if the Discharger waives the hearing requirement and will pay the civil liability in full.)

- a. I hereby waive any right the Discharger may have to a hearing before the Regional Water Board.
- b. I certify that the Discharger will remit payment for the proposed civil liability in the full amount of \$4,025 by check that references “ACL Complaint No. R2-2010-0043” made payable to the “San Francisco Bay Regional Water Quality Control Board.” Payment must be received by the Regional Water Board by not later than 30 days from the date the Complaint was issued or the Regional Water Board may adopt an Administrative Civil Liability Order requiring payment.
- c. I understand the payment of the above amount constitutes a proposed settlement of the Complaint, and that any settlement will not become final until after the 30-day public notice and comment period. Should the Regional Water Board receive significant new information or comments from any source (excluding the Regional Water Board Prosecution Team) during this comment period, the Regional Water Board’s Assistant Executive Officer may withdraw the complaint, return payment, and issue a new complaint. I understand that this proposed settlement is subject to approval by the Regional Water Board or its Executive Officer, and that the Regional Water Board may consider this proposed settlement in a public meeting or hearing. I also understand that approval of the settlement will result in the Discharger having waived the right to contest the allegations in the Complaint and the imposition of civil liability.
- d. I understand that payment of the above amount is not a substitute for compliance with applicable laws and that continuing violations of the type alleged in the Complaint may subject the Discharger to further enforcement, including additional civil liability.

OPTION 2: REQUEST A TIME EXTENSION

(Check here if the Discharger waives the 90-day hearing requirement in order to extend the hearing date and/or hearing deadlines. Attach a separate sheet with the amount of additional time requested and the rationale.)

I hereby waive any right the Discharger may have to a hearing before the Regional Water Board within 90 days after service of the Complaint. By checking this box, the Discharger requests that the Regional Water Board delay the hearing and/or hearing deadlines so that the Discharger may have additional time to prepare for the hearing. It remains within the discretion of the Regional Water Board Advisory Team to approve the extension.

OPTION 3: ENGAGE IN SETTLEMENT DISCUSSIONS

(Check here if the Discharger waives the 90-day hearing requirement in order to engage in settlement discussions.)

I hereby waive any right the Discharger may have to a hearing before the Regional Water Board within 90 days after service of the Complaint, but I reserve the ability to request a hearing in the future. I certify that the Discharger will contact the Regional Water Board Prosecution Team within five business days of submittal of this waiver to request that the Prosecution Team engage in settlement discussions to attempt to resolve the outstanding violation(s). By checking this box, the Discharger requests that the Regional Water Board Advisory Team delay the hearing so that the Discharger and the Prosecution Team can discuss settlement. It remains within the discretion of the Regional Water Board Advisory Team to agree to delay the hearing. Any proposed settlement is subject to the conditions described above under "Option 1c and d."

(Print Name and Title)

(Signature)

(Date)

HEARING PROCEDURE
FOR ADMINISTRATIVE CIVIL LIABILITY COMPLAINT

NO. R2-2010-0043

ISSUED TO

KENDYL COAST CORPORATION
OBESTER WINE FACILITY
INDUSTRIAL STORMWATER PERMITTEE
12341 SAN MATEO ROAD
HALF MOON BAY, SAN MATEO COUNTY

HEARING SCHEDULED FOR MAY 12, 2010

PLEASE READ THIS HEARING PROCEDURE CAREFULLY. FAILURE TO COMPLY WITH THE DEADLINES AND OTHER REQUIREMENTS CONTAINED HEREIN MAY RESULT IN THE EXCLUSION OF YOUR DOCUMENTS AND/OR TESTIMONY.

Background

The Assistant Executive Officer of the San Francisco Bay Regional Water Quality Control Board (“Regional Water Board”) has issued an Administrative Civil Liability Complaint (“Complaint”) pursuant to California Water Code Section 13385 against Kendyl Coast Corporation (“Discharger”) alleging that it has violated Water Code Section 13383 by failing to submit its 2008/2009 annual report by the July 1, 2009, deadline. The Complaint proposes that a civil liability in the amount of \$4,025 be imposed as authorized by Water Code Section 13385(a)(3).

Purpose of Hearing

The purpose of the hearing is to consider relevant evidence and testimony regarding the Complaint. At the hearing, the Regional Water Board will consider whether to issue an administrative civil liability (ACL) order assessing the liability proposed in the Complaint, or a higher or lower amount, reject the proposed liability, or refer the matter to the Attorney General for judicial enforcement. An agenda for the Regional Water Board meeting where the hearing will be held will be issued at least ten days before the meeting and posted on the Regional Water Board’s web site (<http://www.waterboards.ca.gov/sanfranciscobay/>).

Hearing Procedure

The hearing will be conducted in accordance with this Hearing Procedure. This Hearing Procedure has been pre-approved by the Regional Water Board Advisory Team in model format. A copy of the general procedures governing adjudicatory hearings before the Regional Water Board may be found at Title 23 of the California Code of Regulations (CCR), Section 648 et seq., and is available at <http://www.waterboards.ca.gov> or upon request. In accordance with Section 648, subdivision (d), any procedure not provided by this Hearing Procedure is deemed waived. Except as provided in Section 648 and herein, subdivision (b), Chapter 5 of the

Administrative Procedures Act (commencing with Section 11500 of the Government Code) does not apply to the hearing.

The procedures and deadlines herein may be amended by the Advisory Team at its discretion. **Any objections to this Hearing Procedure must be received by Sandia Potter (SMPotter@waterboards.ca.gov) by February 26, 2010 or they will be waived.**

Hearing Participants

Participants in this proceeding are designated as either “parties” or “interested persons.” Designated parties to the hearing may present evidence and cross-examine witnesses and are subject to cross-examination. Interested persons generally may not submit evidence, cross-examine witnesses, or be subject to cross-examination, but may present policy statements. Policy statements may include comments on any aspect of the proceeding, but may not include evidence (e.g., photographs, eye-witness testimony, monitoring data). Both designated parties and interested persons may be asked to respond to clarifying questions from the Regional Water Board, its staff or others, at the discretion of the Regional Water Board.

The following participants are hereby designated as parties in this proceeding:

- (1) The Regional Water Board Prosecution Team
- (2) Kendyl Coast Corporation, referred to as the Discharger

Kendyl Coast Corporation
12341 San Mateo Road
Half Moon Bay, CA 94019

Requesting Designated Party Status

Persons who wish to participate in the hearing as a designated party (who have not been designated as parties above) must request party status by submitting a request in writing (with copies to the existing designated parties) so that it is received by 5 p.m. on February 26, 2010 to Sandia Potter (SMPotter@waterboards.ca.gov). The request shall include an explanation of the basis for status as a designated party (e.g., how the issues to be addressed in the hearing and the potential actions by the Regional Water Board affect the person), the information required of designated parties as provided below, and a statement explaining why the party or parties designated above do not adequately represent the person’s interest. Any opposition to the request must be received by the Advisory Team, the person requesting party status, and all parties by 5 p.m. on March 3, 2010. The parties will be notified by 5 p.m. on March 8, 2010 in writing whether the request has been granted or denied.

Separation of Functions

To help ensure the fairness and impartiality of this proceeding, the functions of those who will act in a prosecutorial role by presenting evidence for consideration by the Regional Water Board (Prosecution Team) have been separated from those who will provide advice to the Regional Water Board (Advisory Team). Members of the Advisory Team and the Prosecution Team are:

Advisory Team:

Bruce Wolfe, Executive Officer, BWolfe@waterboards.ca.gov, 510-622-2314
Yuri Won, Attorney, YWon@waterboards.ca.gov, 510-622-2491
Sandia Potter, Technical Staff, SPotter@waterboards.ca.gov, 510-622-2426

Address: 1515 Clay Street, Suite 1400, Oakland, CA 94612
Primary Contact: Sandia Potter

Prosecution Team:

Thomas Mumley, Assistant Executive Officer, TMumley@waterboards.ca.gov, 510-622-2395
Dyan Whyte, Assistant Executive Officer, DWhyte@waterboards.ca.gov, 510-622-2441
Terry Seward, Groundwater Protection Division Chief, TSeward@waterboards.ca.gov, 510-622-2416
Keith Lichten, Section Leader, KLichten@waterboards.ca.gov, 510-622-2380
Habte Kifle, Technical Staff, HKifle@waterboards.ca.gov, 510-622-2371
Laurent Meillier, Technical Staff, LMeillier@waterboards.ca.gov, 510-622-3277
Ann Carroll, Staff Counsel, ACarroll@waterboards.ca.gov, 916-322-3227

Address: 1515 Clay Street, Suite 1400, Oakland, CA 94612
Primary Contact: Laurent Meillier

Any members of the Advisory Team who normally supervise any members of the Prosecution Team are not acting as their supervisors in this proceeding, and vice versa. Members of the Prosecution Team may have acted as advisors to the Regional Water Board in other, unrelated matters, but they are not advising the Regional Water Board in this proceeding. Members of the Prosecution Team have not had any ex parte communications with the members of the Regional Water Board or the Advisory Team regarding this proceeding.

Ex Parte Communications

The designated parties and interested persons are forbidden from engaging in ex parte communications regarding this matter with members of the Advisory Team or members of the Regional Water Board. An ex parte contact is any written or verbal communication pertaining to the investigation, preparation or prosecution of the Complaint between a member of a designated party or interested person on the one hand, and a Regional Water Board member or an Advisory Team member on the other hand, unless the communication is copied to all other designated parties (if written) or made in a manner open to all other designated parties (if verbal).

Communications regarding non-controversial procedural matters are not ex parte contacts and are not restricted. Communications among one or more designated parties and interested persons themselves are not ex parte contacts.

Hearing Time Limits

To ensure that all participants have an opportunity to participate in the hearing, the following time limits shall apply: each designated party shall have a combined 30 minutes to present evidence, cross-examine witnesses (if warranted), and provide a closing statement; and each interested person shall have three minutes to present a non-evidentiary policy statement. Participants with similar interests or comments are requested to make joint presentations, and participants are requested to avoid redundant comments. Participants who would like additional time must submit their request to the Advisory Team so that it is received no later than April 22, 2010, by 5 p.m. Additional time may be provided at the discretion of the Advisory Team (prior to the hearing) or the Regional Water Board Chair (at the hearing) upon a showing that additional time is necessary.

Submission of Evidence and Policy Statements

The following information must be submitted in advance of the hearing:

1. All evidence (other than witness testimony to be presented orally at the hearing) that the designated party would like the Regional Water Board to consider. Evidence and exhibits already in the public files of the Regional Water Board may be submitted by reference as long as the exhibits and their location are clearly identified in accordance with Title 23, CCR, Section 648.3.
2. All legal and technical arguments or analysis.
3. The name of designated party members, title and/or role, and contact information (email addresses, addresses, and phone numbers).
4. The name of each witness, if any, whom the designated party intends to call at the hearing, the subject of each witness' proposed testimony, and the qualifications of each expert witness.
5. (Discharger only) If the Discharger intends to argue an inability to pay the civil liability proposed in the Complaint (or an increased or decreased amount as may be imposed by the Regional Water Board), the Discharger should submit supporting evidence as set forth in the "ACL Fact Sheet" under "Factors that must be considered by the Board."

The Prosecution Team shall submit one hard copy and one electronic copy of the above information not already included in or with the Complaint to Sandia Potter (SMPotter@waterboards.ca.gov) and other designated parties no later than April 2, 2010, by 5 p.m.

The remaining designated parties shall submit one hard copy and one electronic copy of the above information to Sandia Potter (SMPotter@waterboards.ca.gov) and other designated parties no later than April 12, 2010, by 5 p.m.

Any designated party that would like to submit information that rebuts the information previously submitted by other designated parties shall submit one hard copy and one electronic copy to Sandia Potter (SMPotter@waterboards.ca.gov) and the other designated parties no later than April 22, 2010, by 5 p.m. Rebuttal information shall be limited to the scope of the information previously submitted by the other designated parties. Rebuttal information that is not responsive to information previously submitted by other designated parties may be excluded.

Interested persons who would like to submit written non-evidentiary policy statements are encouraged to submit them to the Advisory Team to Sandia Potter (SMPotter@waterboards.ca.gov) and each designated party no later than March 18, 2010, by 5 p.m. Interested persons do not need to submit written non-evidentiary policy statements in order to speak at the hearing.

For all submissions, the Advisory Team may require additional hard copies for those submittals that are either lengthy or difficult and expensive to reproduce.

In accordance with Title 23, CCR, Section 648.4, the Regional Water Board endeavors to avoid surprise testimony or evidence. Absent a showing of good cause and lack of prejudice to the parties, the Regional Water Board may exclude evidence and testimony that is not submitted in accordance with this Hearing Procedure. Excluded evidence and testimony will not be considered by the Regional Water Board and will not be included in the administrative record for this proceeding. PowerPoint and other visual presentations may be used at the hearing, but their content may not exceed the scope of other submitted written material. A copy of such material intended to be presented at the hearing must be submitted to the Advisory Team at or before the hearing for inclusion in the administrative record. Additionally, any witness who has submitted written testimony for the hearing shall appear at the hearing and affirm that the written testimony is true and correct, and shall be available for cross-examination.

Request for Pre-hearing Conference

A designated party may request that a pre-hearing conference be held before the hearing in accordance with Water Code Section 13228.15. Requests must contain a description of the issues proposed to be discussed during that conference, and must be submitted to the Advisory Team, with a copy to all other designated parties, as early as practicable.

Evidentiary Objections

Any designated party objecting to written evidence or exhibits submitted by another designated party must submit a written objection to Sandia Potter (SMPotter@waterboards.ca.gov) and all other designated parties no later than April 22, 2010, by 5 p.m. The Advisory Team will notify the parties about further action to be taken on such objections and when that action will be taken.

Evidentiary Documents and File

The Complaint and related evidentiary documents are on file and may be inspected or copied at the Regional Water Board's office. This file shall be considered part of the official administrative record for this hearing. Other submittals received for this proceeding will be added to this file and will become a part of the administrative record absent a contrary ruling by the Regional Water Board Chair. Many of these documents are also posted on the Regional Water Board's web site. Although the web page is updated regularly, to assure access to the latest information, you may contact Mr. Laurent Meillier (LMeillier@waterboards.ca.gov).

Questions

Questions concerning this proceeding may be addressed to Sandia Potter (SMPotter@waterboards.ca.gov).

IMPORTANT DEADLINES

Note: the Regional Water Board is required to provide a hearing within 90 days of issuance of the Complaint (Water Code Section 13323). The Advisory Team will generally adhere to this schedule unless the Discharger waives that requirement.

These deadlines apply to all cases upon issuance of the Complaint whether or not the 90-day hearing requirement is waived.

February 16, 2010	Prosecution Team issues the Complaint to Discharger
February 26, 2010	Deadline for objections, if any, to this Hearing Procedure
February 26, 2010	Deadline for requests for designated party status
March 3, 2010	Deadline for oppositions to requests for designated party status
March 8, 2010	Advisory Team issues decision on requests for designated party status, if any
March 18, 2010	Discharger's deadline for waiving right to hearing
March 18, 2010	Interested persons deadline for submission of written non-evidentiary policy statements

These deadlines apply to cases scheduled to be heard by the Regional Water Board (actual dates are subject to change if the 90-day hearing requirement is waived).

April 2, 2010	Prosecution Team's deadline for all information required under "Submission of Evidence and Policy Statements"
April 12, 2010	Remaining designated parties' deadline for all information required under "Submission of Evidence and Policy Statements"
April 22, 2010	All designated parties' deadline for rebuttal information, evidentiary objections, and requests for additional time, if any
May 12, 2010:	Regional Water Board Hearing

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION

NOTICE OF PENDING ENFORCEMENT ACTION
KENDYL COAST CORPORATION

The California Regional Water Quality Control Board, San Francisco Bay Region (Water Board) Prosecution Team issued a Complaint for Administrative Civil Liability (ACL) on February 16, 2010. The Complaint alleges that Kendyl Coast Corporation (Discharger) is responsible for not submitting an NPDES Industrial Stormwater Permit annual report by the July 1, 2009, reporting deadline, and proposes that the Discharger pay \$4,025.

The Complaint and related documents, including the procedure for Water Board hearings (with deadlines for submitting comments), are available at

http://www.waterboards.ca.gov/sanfranciscobay/public_notices/pending_enforcement.shtml.

The Prosecution Team may amend and re-notice its Complaint in response to comments from the Discharger and the public.

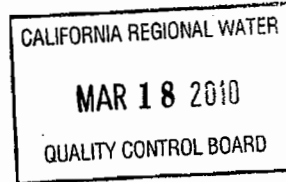
The Water Board will hold a hearing on May 12, 2010 to consider adoption of the ACL and/or referral of the matter to the Attorney General, unless the Discharger waives its right to a hearing within 90 days. The 90-day hearing requirement may be waived to pay the penalty as proposed, extend deadlines, or pursue settlement and/or a supplemental environmental project.

For additional information and updates, please contact Laurent Meillier at (510) 622-3277 or LMeillier@waterboards.ca.gov or check the Water Board's website link cited above.

Item 22

Attachment 4

Complaint No. R2-2010-0043
Kendyl Coast Corporation



**WAIVER FORM
FOR ADMINISTRATIVE CIVIL LIABILITY COMPLAINT
NO. R2-2010-0043**

By signing this waiver, I affirm and acknowledge the following:

I am duly authorized to represent Kendyl Coast Corporation ("Discharger") in connection with Administrative Civil Liability Complaint No. R2-2010-0043 ("Complaint"). I am informed that California Water Code section 13323, subdivision (b), states that, "a hearing before the regional board shall be conducted within 90 days after the party has been served [with the complaint]. The person who has been issued a complaint may waive the right to a hearing."

OPTION 1: PAY THE CIVIL LIABILITY

(Check here if the Discharger waives the hearing requirement and will pay the civil liability in full.)

- a. I hereby waive any right the Discharger may have to a hearing before the Regional Water Board.
- b. I certify that the Discharger will remit payment for the proposed civil liability in the full amount of \$4,025 by check that references "ACL Complaint No. R2-2010-0043" made payable to the "San Francisco Bay Regional Water Quality Control Board." Payment must be received by the Regional Water Board by not later than 30 days from the date the Complaint was issued or the Regional Water Board may adopt an Administrative Civil Liability Order requiring payment.
- c. I understand the payment of the above amount constitutes a proposed settlement of the Complaint, and that any settlement will not become final until after the 30-day public notice and comment period. Should the Regional Water Board receive significant new information or comments from any source (excluding the Regional Water Board Prosecution Team) during this comment period, the Regional Water Board's Assistant Executive Officer may withdraw the complaint, return payment, and issue a new complaint. I understand that this proposed settlement is subject to approval by the Regional Water Board or its Executive Officer, and that the Regional Water Board may consider this proposed settlement in a public meeting or hearing. I also understand that approval of the settlement will result in the Discharger having waived the right to contest the allegations in the Complaint and the imposition of civil liability.
- d. I understand that payment of the above amount is not a substitute for compliance with applicable laws and that continuing violations of the type alleged in the Complaint may subject the Discharger to further enforcement, including additional civil liability.

Complaint No. R2-2010-0043
Kendyl Coast Corporation

OPTION 2: REQUEST A TIME EXTENSION

(Check here if the Discharger waives the 90-day hearing requirement in order to extend the hearing date and/or hearing deadlines. Attach a separate sheet with the amount of additional time requested and the rationale.)

I hereby waive any right the Discharger may have to a hearing before the Regional Water Board within 90 days after service of the Complaint. By checking this box, the Discharger requests that the Regional Water Board delay the hearing and/or hearing deadlines so that the Discharger may have additional time to prepare for the hearing. It remains within the discretion of the Regional Water Board Advisory Team to approve the extension.

OPTION 3: ENGAGE IN SETTLEMENT DISCUSSIONS

(Check here if the Discharger waives the 90-day hearing requirement in order to engage in settlement discussions.)

I hereby waive any right the Discharger may have to a hearing before the Regional Water Board within 90 days after service of the Complaint, but I reserve the ability to request a hearing in the future. I certify that the Discharger will contact the Regional Water Board Prosecution Team within five business days of submittal of this waiver to request that the Prosecution Team engage in settlement discussions to attempt to resolve the outstanding violation(s). By checking this box, the Discharger requests that the Regional Water Board Advisory Team delay the hearing so that the Discharger and the Prosecution Team can discuss settlement. It remains within the discretion of the Regional Water Board Advisory Team to agree to delay the hearing. Any proposed settlement is subject to the conditions described above under "Option 1c and d."

Kendyl Kellogg, Pres
(Print Name and Title)

[Signature]
(Signature)

2/22/10
(Date)

Kendyl M Kellogg
Kendyl Coast Corp.
12341 San Mateo Rd.
Half Moon Bay, CA 94019
650-726-9463

March 9, 2010

Water Board
1515 Clay Street
Oakland, CA 9

Hello,

Kendyl Coast Corp. does business as La Nebbia Winery; it is a small company with 2 full-time employees reporting \$85K in total payroll for 2009. The winery is located in Half Moon Bay, and like many in our community we hold our environment in high regard and support anti-pollution practices. The winery processing area is serviced by a septic system, however we have not processed fruit at the winery since 2005.

Our 2009 taxes reflect a loss of income, consistent with previous years (copies attached). Due to a declining economy, we have continued to cut our expenditures and staff support. Given our current bank balance, the winery is not expected to meet its projected near term expenses; which includes an avalanche of annual expenses that hit our books every spring (listed below)

Payable:	Due date:	Amount:
Property taxes	April 10	\$6,200
Q1 BOE sales and use tax	4/15	\$2000.
BOE wine grower tax	4/15	\$ 900.
Business Insurance renewal	May 1	\$11,000
Worker's Comp Ins.	4/11	\$ 3,533.
Water Board	May 13	\$ 1,008.
Stormwater management	May 8	\$ 850.
Monthly payroll/rent/fixed costs	April 1	\$20,000.
	May 1	\$20,000.

As the owner and 1 of the 2 employees, my job description includes office administration, winery operations, facilities management and event staff. I work hard to maintain a pollution free environment. I completed my monthly maintenance reports on time (on-line via our stormwater group) but was not able to forward copies of the information to your office until the end of the summer, not because I disrespect the importance of clean water, but because I lack the admin support to maintain so much paperwork.

I am stunned at the amount of money you are seeking for this complaint and am unable to pay such an enormous fine. We are all suffering from this economic crisis, but the financial solution for the State of California cannot be from the back of the small businessman.

Respectfully, Kendyl M. Kellogg

33333

DO NOT WRITE

85120.75	10556.09
85120.75	5277.55
85120.75	1234.29
0.00	
0.00	

Kendyl Coast Corporation

12341 San Mateo Road
Half Moon Bay, CA 94019

0.00

C2366589

COPY

W-3 Transmittal to Wage and Tax Statements 2009

Send this entire page with the entire Copy A page of Form(s) W-2 to the Social Security Administration.

Do not send any payment (cash, checks, money orders, etc.) with Forms W-2 and W-3.

Reminder

Separate instructions. See the 2009 Instructions for Forms W-2 and W-3 for information on completing this form.

Purpose of Form

A Form W-3 Transmittal is completed only when paper Copy A of Form(s) W-2, Wage and Tax Statement, are being filed. Do not file Form W-3 alone. Do not file Form W-3 for Form(s) W-2 that were submitted electronically to the Social Security Administration (see below). All paper forms must comply with IRS standards and be machine readable. Photocopies and hand-printed forms are not acceptable. Use a Form W-3 even if only one paper Form W-2 is being filed. Make sure both the Form W-3 and Form(s) W-2 show the correct tax year and Employer Identification Number (EIN). Make a copy of this form and keep it with Copy D (For Employer) of Form(s) W-2 for your records.

Electronic Filing

The Social Security Administration strongly suggests employers report Form W-3 and W-2 Copy A electronically instead of on paper. SSA provides two e-file options:

- Free online, fill-in Forms W-2 for employers who file 20 or fewer Form(s) W-2.

- Upload a file for employers who use payroll/tax software to print Form(s) W-2, if the vendor software creates a file that can be uploaded to SSA.

For more information, go to www.socialsecurity.gov/employer and select "First Time Filers" or "Returning Filers" under "BEFORE YOU FILE."

When To File

Mail any paper Forms W-2 under cover of this Form W-3 Transmittal by March 1, 2010. Electronic fill-in forms or uploads are filed through SSA's Business Services Online (BSO) Internet site and will be on time if submitted by March 31, 2010.

Where To File Paper Forms

Send this entire page with the entire Copy A page of Form(s) W-2 to:

**Social Security Administration
Data Operations Center
Wilkes-Barre, PA 18769-0001**

Note. If you use "Certified Mail" to file, change the ZIP code to "18769-0002." If you use an IRS-approved private delivery service, add "ATTN: W-2 Process, 1150 E. Mountain Dr." to the address and change the ZIP code to "18702-7997." See Publication 15 (Circular E), Employer's Tax Guide, for a list of IRS-approved private delivery services.

U.S. Corporation Income Tax Return

OMB No. 1545-0123

For calendar year 2009 or tax year beginning _____, 2009, ending _____, 20

2009

▶ See separate instructions.

A Check if: 1a Consolidated return (attach Form 851) <input type="checkbox"/> b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached <input type="checkbox"/>		Name Kendyl Coast Corporation Number, street, and room or suite no. if a P.O. box, see instructions. 12341 San Mateo Road City or town, state, and ZIP code Half Moon Bay, CA 94019	B Employer identification number [REDACTED] C Date incorporated 12/1/2001 D Total assets (see instructions) \$ 305,048
--	--	---	--

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Income	1a	Gross receipts or sales	383,599	b	Less returns and allowances	0	c	Bal ▶	1c	383,599
	2	Cost of goods sold (Schedule A, line 8)					2		2	64,835
	3	Gross profit. Subtract line 2 from line 1c					3		3	318,764
	4	Dividends (Schedule C, line 19)					4		4	
	5	Interest					5		5	
	6	Gross rents					6		6	
	7	Gross royalties					7		7	
	8	Capital gain net income (attach Schedule D (Form 1120))					8		8	
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)					9		9	
	10	Other income (see instructions—attach schedule)					10		10	
	11	Total income. Add lines 3 through 10					▶		11	318,764

Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)		▶	12	48,000
	13	Salaries and wages (less employment credits)		▶	13	37,120
	14	Repairs and maintenance		▶	14	1,876
	15	Bad debts		▶	15	
	16	Rents		▶	16	114,000
	17	Taxes and licenses		▶	17	18,573
	18	Interest		▶	18	30,233
	19	Charitable contributions		▶	19	
	20	Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)		▶	20	21,708
	21	Depletion		▶	21	
	22	Advertising		▶	22	8,770
	23	Pension, profit-sharing, etc., plans		▶	23	
	24	Employee benefit programs		▶	24	9,996
	25	Domestic production activities deduction (attach Form 8903)		▶	25	
	26	Other deductions (attach schedule)		▶	26	60,560
	27	Total deductions. Add lines 12 through 26		▶	27	359,635
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		▶	28	-40,871

Tax, Refundable Credits, and Payments	29	Less: a Net operating loss deduction (see instructions)	29a	-48,593	29c	-48,593
		b Special deductions (Schedule C, line 20)	29b		29c	
	30	Taxable income. Subtract line 29c from line 28 (see instructions)			30	-89,464
	31	Total tax (Schedule J, line 10)			31	0
	32a	2008 overpayment credited to 2009	32a			
	b	2009 estimated tax payments	32b			
	c	2009 refund applied for on Form 4466	32c			
	d	Bal ▶	32d			
	e	Tax deposited with Form 7004	32e			
	f	Credits: (1) Form 2439 (2) Form 4136	32f			
g	Refundable credits from Form 3800, line 19c, and Form 8827, line 8c	32g		32h		
33	Estimated tax penalty (see instructions). Check if Form 2220 is attached			33		
34	Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed			34		
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid			35		
36	Enter amount from line 35 you want: Credited to 2010 estimated tax ▶ Refunded ▶			36		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: [Signature] Date: 13/5/10 Title: president

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no.	

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	129,015
2	Purchases	56,175
3	Cost of labor	
4	Additional section 263A costs (attach schedule)	
5	Other costs (attach schedule)	
6	Total. Add lines 1 through 5	185,190
7	Inventory at end of year	120,355
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1; line 2	64,835

9a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market
- (iii) Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries		100	
9 Total. Add lines 1 through 8. See instructions for limitation			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from affiliated group members		100	
12 Dividends from certain FSCs		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1 Kendyl Kellogg		100 %	100 %	%	48,000
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers					48,000
3 Compensation of officers claimed on Schedule A and elsewhere on return					0
4 Subtract line 3 from line 2. Enter the result here and on page 1, line 12					48,000

e L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
	Cash		61,270		26,803
2a	Trade notes and accounts receivable	897			
b	Less allowance for bad debts	()	897	()	0
3	Inventories		129,015		120,355
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets	92,945		194,237	
b	Less accumulated depreciation	(81,605)	11,340	(95,113)	99,124
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)	123,000		123,000	
b	Less accumulated amortization	(56,034)	66,966	(64,234)	58,766
14	Other assets (attach schedule)				
15	Total assets		269,488		305,048
Liabilities and Shareholders' Equity					
16	Accounts payable		0		921
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach schedule)				369
19	Loans from shareholders		97,224		172,365
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule)				
22	Capital stock: a Preferred stock				
	b Common stock	400,000	400,000	400,000	400,000
23	Additional paid-in capital				
24	Retained earnings—Appropriated (attach schedule)				
25	Retained earnings—Unappropriated		-227,736		-268,607
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock		()		()
28	Total liabilities and shareholders' equity		269,488		305,048

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions

1	Net income (loss) per books	-40,871	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$ _____	
3	Excess of capital losses over capital gains			_____	
4	Income subject to tax not recorded on books this year (itemize): _____			_____	
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$ _____			a Depreciation \$ _____	
b	Charitable contributions \$ _____			b Charitable contributions \$ _____	
c	Travel and entertainment \$ _____			_____	
6	Add lines 1 through 5	-40,871	9	Add lines 7 and 8	
			10	Income (page 1, line 28)—line 6 less line 9	-40,871

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	-227,736	5	Distributions: a Cash	
2	Net income (loss) per books	-40,871		b Stock	
3	Other increases (itemize): _____			c Property	
	_____		6	Other decreases (itemize): _____	
	_____		7	Add lines 5 and 6	
4	Add lines 1, 2, and 3	-268,607	8	Balance at end of year (line 4 less line 7)	-268,607

California Corporation
2009 Franchise or Income Tax Return

For calendar year 2009 or fiscal year beginning month day year and ending month day year

Corporation name: Kendyl Coast Corporation
Address: 12341 San Mateo Road
City: Half Moon Bay
State: CA
ZIP Code: 94019

Schedule Q Questions (continued on Side 2)
A 1. FINAL RETURN?
B 1. Is income included in a combined report of a unitary group?

Table with 36 rows and 4 columns: Description, Line Number, Amount, and Balance. Includes sections for State Adjustments, CA Net Income, Taxes, and Payments.

Refund or Amount Due	37 Franchise or income tax due. If line 31 is more than line 36, subtract line 36 from line 31. Go to line 40	37	0	00
	38 Overpayment. If line 36 is more than line 37, subtract line 31 from line 36	38	0	00
	39 Amount of line 38 to be credited to 2010 estimated tax	39		00
	40 Use tax. This is not a total line. See instructions	40	00	
	41 Refund. If the sum of line 39 and line 40 is less than line 38, then subtract the result from line 38. See instructions to have the refund directly deposited.	41		00
	a Routing number	41a		
	b Type: Checking <input type="checkbox"/> Savings <input type="checkbox"/> c Account number	41c		
	42 a Penalties and interest	42a		00
b <input type="checkbox"/> Check if estimate penalty computed using Exception B or C. See instructions.				
43 Total amount due. Add line 37, line 39, line 40, and line 42a. Then, subtract line 38 from the result.	43		0	00

Schedule Q Questions (continued from Side 1)

- C** If the corporation filed on a water's-edge basis pursuant to R&TC Sections 25110 and 25113 in previous years, enter the date the water's-edge election ended / /
- D** Was the corporation's income included in a consolidated federal return? Yes No
- E** Principal business activity code. (Do not leave blank): 3 1 2 3 0 1
Business activity _____
Product or service WINE
- F** Date incorporated: 12/11/2001
Where: State C.A. Country USA
- G** Date business began in California or date income was first derived from California sources 12/11/2001
- H** First return? Yes No If "Yes" and this corporation is a successor to a previously existing business, check the appropriate box.
 (1) sole proprietorship (2) partnership (3) joint venture
 (4) corporation (5) other
(attach statement showing name, address, and FEIN/SSN/ITIN of previous business)
- I** "Doing business as" name. See instructions:
- J** 1. For this taxable year, was there a change in control or majority ownership for this corporation or any of its subsidiaries that owned or (under certain circumstances) leased real property in California? Yes No
2. For this taxable year, did this corporation or any of its subsidiaries acquire control or majority ownership of any other legal entity that owned or (under certain circumstances) leased real property in California? Yes No
3. If this corporation or any of its subsidiaries owned or (under certain circumstances) leased real property in California, has more than 50% of the voting stock of any one of them cumulatively transferred in one or more transactions since March 1, 1975, which was not reported on a previous year's tax return? Yes No
(Penalties may apply - see instructions.)
- K** At any time during the taxable year, was more than 50% of the voting stock:
1. Of the corporation owned by any single interest? Yes No
2. Of another corporation owned by this corporation? Yes No

3. Of this and one or more other corporations owned or controlled, directly or indirectly, by the same interests? Yes No
If 1 or 3 is "Yes," enter the country of the ultimate parent _____
If 1, 2, or 3 is "Yes," furnish a statement of ownership indicating pertinent names, addresses, and percentages of stock owned. If the owner(s) is an individual, provide the SSN/ITIN.
- L** Has the corporation included a reportable transaction or listed transaction within this return? (See instructions for definitions) Yes No
If "Yes," complete and attach federal Form 8886 for each transaction.
- M** Is this corporation apportioning income to California using Schedule R? Yes No
- N** How many affiliates in the combined report are claiming immunity from taxation in California under Public Law 86-272? 0
- O** Corporation headquarters are: (1) Within California
 (2) Outside of California, within the U.S. (3) Outside of the U.S.
- P** Location of principal accounting records 12341 San Mateo Rd Half Moon Bay, CA 94019
- Q** Accounting method: (1) Cash (2) Accrual (3) Other
- R** Does this corporation or any of its subsidiaries have a Deferred Intercompany Stock Account (DISA)? Yes No
If "Yes," enter the total balance of all DISAs \$ _____
- S** Is this corporation or any of its subsidiaries a RIC? Yes No
- T** Is this corporation treated as a REMIC for California purposes? Yes No
- U** Is this corporation a REIT for California purposes? Yes No
- V** Is this corporation an LLC or limited partnership electing to be taxed as a corporation for federal purposes? Yes No
- W** Is this corporation to be treated as a credit union? Yes No
- X** Is the corporation under audit by the IRS or has it been audited by the IRS in a prior year? Yes No
- Y** Have all required information returns (e.g. federal Forms 1099, 5471, 5472, 8300, 8865, etc.) been filed with the Franchise Tax Board? N/A Yes No
- Z** Does the taxpayer (or any corporation of the taxpayer's combined group, if applicable) own 80% or more of the stock of an insurance company? Yes No
- AA** Did this corporation file the federal Schedule M-3 (Form 1120/1120-F)? Yes No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer <u>[Signature]</u>	Title <u>president</u>	Date <u>3/15/2010</u>	Telephone <u>(650) 726-9463</u>
	Preparer's signature <u>[Signature]</u>	Date _____	Check if self-employed <input type="checkbox"/>	Preparer's SSN/PTIN _____
Paid Preparer's Use Only	Firm's name (or yours, if self-employed) and address _____	FEIN _____	Telephone _____	
	May the FTB discuss this return with the preparer shown above? See instructions <input type="checkbox"/> Yes <input type="checkbox"/> No			

COPY

1120

Form Department of the Treasury Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2008 or tax year beginning 2008, ending 2008

OMB No. 1545-0123

2008

A Check if: 1a Consolidated return (attach Form 851) [] Use IRS label. Otherwise, print or type. Name: Kendyl Coast Corporation. Address: 12341 San Mateo Road, Half Moon Bay, CA 94019. B Employer identification number: [redacted]. C Date incorporated: 12/01/2001. D Total assets (see instructions): \$ 269,488. E Check if: (1) [] Initial return (2) [] Final return (3) [] Name change (4) [] Address change

Income section table with 11 rows. 1a Gross receipts or sales: 496,195. b Less returns and allowances: 1,204. c Bal: 494,991. 2 Cost of goods sold (Schedule A, line 8). 3 Gross profit. Subtract line 2 from line 1c: 336,856. 4 Dividends (Schedule C, line 19). 5 Interest. 6 Gross rents. 7 Gross royalties. 8 Capital gain net income (attach Schedule D (Form 1120)). 9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797). 10 Other income (see instructions—attach schedule). 11 Total income. Add lines 3 through 10: 336,856.

Deductions section table with 12-29 rows. 12 Compensation of officers (Schedule E, line 4): 48,000. 13 Salaries and wages (less employment credits): 45,326. 14 Repairs and maintenance: 31,862. 15 Bad debts. 16 Rents: 108,000. 17 Taxes and licenses: 34,949. 18 Interest. 19 Charitable contributions. 20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562): 22,090. 21 Depletion. 22 Advertising: 10,843. 23 Pension, profit-sharing, etc., plans. 24 Employee benefit programs: 4,538. 25 Domestic production activities deduction (attach Form 8903). 26 Other deductions (attach schedule): 79,801. 27 Total deductions. Add lines 12 through 26: 385,409. 28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11: -48,553. 29 Less: a Net operating loss deduction (see instructions). b Special deductions (Schedule C, line 20).

Tax, Refundable Credits, and Payments section table with 30-36 rows. 30 Taxable income. Subtract line 29c from line 28 (see instructions): -48,553. 31 Total tax (Schedule J, line 10): 0. 32a 2007 overpayment credited to 2008. 32b 2008 estimated tax payments. 32c 2008 refund applied for on Form 4466. d Bal. 32d. 32e. 32f. 32g. 32h. 33 Estimated tax penalty (see instructions). Check if Form 2220 is attached. 34 Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed: 0. 35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid: 0. 36 Enter amount from line 35 you want: Credited to 2009 estimated tax. Refunded: 0.

Sign Here Signature of officer Date Title Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. May the IRS discuss this return with the preparer shown below (see instructions)? Yes [] No []

Paid Preparer's Use Only Preparer's signature Date Check if self-employed [x] Preparer's SSN or PTIN Firm's name (if yours if self-employed), address, and ZIP code EIN Phone no.

California Corporation 2008 Franchise or Income Tax Return

For calendar year 2008 or fiscal year beginning month day year, and ending month day year

Corporation name Kendyl Coast Corporation			California corporation number [REDACTED]
Address (including suite, room, or PMB no.) 12341 San Mateo Road			FEIN [REDACTED]
City Half Moon Bay	State CA	ZIP Code 94019	

Schedule Q Questions (continued on Side 2)

A. FINAL RETURN? Dissolved Surrendered (withdrawn)
 Merged/Reorganized IRC Section 338 sale QSub election
 Enter date _____

B. 1. Is income included in a combined report of a unitary group? Yes No

2. If "Yes," indicate: wholly within CA (R&TC 25101.15)
 within and outside of CA

3. Is there a change in the members listed in Schedule R-7 from the prior year? Yes No

4. Enter the number of members (including parent or key corporation) listed in the Schedule R-7, Part I, Section A, subject to income or franchise tax _____

5. Is form FTB 3544 attached to the return? Yes No

		Whole dollars only	
State Adjustments	1 Net income (loss) before state adjustments. See instructions	• 1	(48,553) 00
	2 Amount deducted for foreign or domestic tax based on income or profits from Schedule A	• 2	00
	3 Amount deducted for tax under the provisions of the Corporation Tax Law from Schedule A	• 3	800 00
	4 Interest on government obligations	• 4	00
	5 Net California capital gain from Schedule D, line 11	• 5	00
	6 Depreciation and amortization in excess of amount allowed under California law. Attach form FTB 3885	• 6	250 00
	7 Net income from corporations not included in federal consolidated return. See instructions	• 7	00
	8 Other additions. Attach schedule(s)	• 8	00
	9 Total. Add line 1 through line 8	• 9	(47,503) 00
CA Net Income	10 Intercompany dividend deduction. Attach Schedule H (100)	• 10	00
	11 Dividends received deduction. Attach Schedule H (100)	• 11	00
	12 Additional depreciation allowed under CA law. Attach form FTB 3885	• 12	00
	13 Capital gain from federal Form 1120, line 8	• 13	00
	14 Contributions	• 14	00
	15 EZ, LAMBRA, or TTA business expense and EZ net interest deduction	• 15	00
	16 Other deductions. Attach schedule(s)	• 16	00
	17 Total. Add line 10 through line 16	• 17	00
18 Net income (loss) after state adjustments. Subtract line 17 from line 9	• 18	(47,503) 00	
Taxes	19 Net income (loss) for state purposes. Complete Schedule R if apportioning income. See instructions	• 19	(47,503) 00
	20 Net operating loss (NOL) carryover deduction. See instructions	• 20	00
	21 Pierce's disease, EZ, LARZ, TTA, or LAMBRA NOL carryover deduction. See instructions	• 21	00
	22 Disaster loss carryover deduction. See instructions	• 22	00
	23 Net income for tax purposes. Combine line 20 through line 22. Then, subtract from line 19	• 23	(47,503) 00
	24 Tax. _____% x line 23 (not less than minimum franchise tax, if applicable)	• 24	800 00
	25 Credit name _____ code no. _____ amount	▶ 25	00
26 Credit name _____ code no. _____ amount	▶ 26	00	
27 To claim more than two credits, see instructions	• 27	00	
Payments	28 Add line 25 through line 27	• 28	00
	29 Balance. Subtract line 28 from line 24 (not less than minimum franchise tax, if applicable)	• 29	800 00
	30 Alternative minimum tax. Attach Schedule P (100). See instructions	• 30	00
	31 Total tax. Add line 29 and line 30	• 31	800 00
	32 Overpayment from prior year allowed as a credit	• 32	00
	33 2008 Estimated tax payments. See instructions	• 33	800 00
	34 2008 Nonresident or real estate withholding. See instructions	• 34	00
	35 Amount paid with extension of time to file tax return	• 35	00
	36 Total payments. Add line 32 through line 35	• 36	800 00

U.S. Corporation Income Tax Return

OMB No. 1545-0123

For calendar year 2007 or tax year beginning _____, 2007, ending _____, 2007
▶ See separate instructions.

A Check if: 1a Consolidated return (attach Form 851) <input type="checkbox"/> b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached <input type="checkbox"/>		Name Kendyl Coast Corporation Number, street, and room or suite no. If a P.O. box, see instructions. 12341 San Mateo Road City or town, state, and ZIP code Half Moon Bay, CA 94019	B Employer identification number 94 C Date incorporated 12/01/2001 D Total assets (see instructions) \$ 336,279
E Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change			

Income	1a	Gross receipts or sales	496,544	b	Less returns and allowances		c Bal ▶	1c	496,544
	2	Cost of goods sold (Schedule A, line 8)						2	162,601
	3	Gross profit. Subtract line 2 from line 1c						3	333,943
	4	Dividends (Schedule C, line 19)						4	
	5	Interest						5	
	6	Gross rents						6	
	7	Gross royalties						7	
	8	Capital gain net income (attach Schedule D (Form 1120))						8	
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)						9	
	10	Other income (see instructions—attach schedule)						10	
	11	Total income. Add lines 3 through 10						11	333,943

Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)		12	48,000	
	13	Salaries and wages (less employment credits)		13	33,426	
	14	Repairs and maintenance		14	6,954	
	15	Bad debts		15		
	16	Rents		16	108,000	
	17	Taxes and licenses		17	9,493	
	18	Interest		18		
	19	Charitable contributions		19		
	20	Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)		20	25,751	
	21	Depletion		21		
	22	Advertising		22	12,483	
	23	Pension, profit-sharing, etc., plans		23		
	24	Employee benefit programs		24	7,448	
	25	Domestic production activities deduction (attach Form 8903)		25		
	26	Other deductions (attach schedule)		26	74,229	
	27	Total deductions. Add lines 12 through 26		27	325,784	
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		28	8,159	
	29	Less: a Net operating loss deduction (see instructions)	29a	-187,342	29c	-187,342
		b Special deductions (Schedule C, line 20)	29b		29c	

Tax and Payments	30	Taxable income. Subtract line 29c from line 28 (see instructions)		30	-179,183	
	31	Total tax (Schedule J, line 10)		31	0	
	32a	2006 overpayment credited to 2007	32a			
	b	2007 estimated tax payments	32b			
	c	2007 refund applied for on Form 4466	32c			
	d	Bal ▶	32d			
	e	Tax deposited with Form 7004	32e			
	f	Credits: (1) Form 2439 (2) Form 4136	32f		32g	
	33	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>			33	
	34	Amount owed. If line 32g is smaller than the total of lines 31 and 33, enter amount owed			34	0
35	Overpayment. If line 32g is larger than the total of lines 31 and 33, enter amount overpaid			35	0	
36	Enter amount from line 35 you want: Credited to 2008 estimated tax ▶ Refunded ▶			36		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input checked="" type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no.	

TAXABLE YEAR

California Corporation 2007 Franchise or Income Tax Return

FORM

100

For calendar year 2007 or fiscal year beginning month _____ day _____ year _____, and ending month _____ day _____ year _____

California corporation number _____ FEIN _____
Check if corporation has: Refund on line 41
or Amount due on line 43

Corporation name
Kendyl Coast Corporation

Address (including suite, room, or PMB no.)
12341 San Mateo Road

City State ZIP Code
Half Moon Bay CA 94019

Schedule Q Questions

A FINAL RETURN? Dissolved Surrendered (withdrawn)
 Merged/Reorganized IRC Section 338 sale QSub election
 Enter date _____

B 1. Is income included in a combined report of a unitary group? Yes No

2. If "Yes," indicate: wholly within CA (R&TC 25101.15)
 within and outside of CA

3. Is there a change in the members listed in Schedule R-7 from the prior year? Yes No

4. Enter the number of members (including parent or key corporation) listed in the Schedule R-7, Part I, subject to income or franchise tax. _____

(continued on Side 2)

		Whole dollars only	
State Adjustments	1 Net income (loss) before state adjustments. See instructions	● 1	8,159 00
	2 Amount deducted for foreign or domestic tax based on income or profits from Schedule A	● 2	00
	3 Amount deducted for tax under the provisions of the Corporation Tax Law from Schedule A	● 3	800 00
	4 Interest on government obligations	● 4	00
	5 Net California capital gain from Schedule D, line 11	● 5	00
	6 Depreciation and amortization in excess of amount allowed under California law. Attach form FTB 3885	● 6	00
	7 Net income from corporations not included in federal consolidated return. See instructions	● 7	00
	8 Other additions. Attach schedule(s)	● 8	00
	9 Total. Add line 1 through line 8	● 9	8,959 00
	10 Intercompany dividend deduction. Attach Schedule H (100)	● 10	00
11 Dividends received deduction	● 11	00	
12 Additional depreciation allowed under CA law. Attach form FTB 3885	● 12	0 00	
13 Capital gain from federal Form 1120, line 8	● 13	00	
14 Contributions	● 14	00	
15 EZ, LAMBRA, or TTA business expense and EZ net interest deduction	● 15	00	
16 Other deductions. Attach schedule(s)	● 16	00	
17 Total. Add line 10 through line 16	● 17	0 00	
18 Net income (loss) after state adjustments. Subtract line 17 from line 9. See instructions	● 18	8,959 00	
CA Net Income	19 Net income (loss) for state purposes. Complete Schedule R if apportioning income. See instructions	● 19	8,959 00
	20 Net operating loss (NOL) carryover deduction. See instructions	● 20	(91,481) 00
	21 Pierce's disease, EZ, LARZ, TTA, or LAMBRA NOL carryover deduction. See instructions	● 21	00
	22 Disaster loss carryover deduction. See instructions	● 22	00
23 Net income for tax purposes. Combine line 20 through line 22. Then, subtract from line 19	● 23	(82,522) 00	
Taxes	24 Tax _____ % x line 23 (not less than minimum franchise tax, if applicable)	● 24	800 00
	25 Credit name _____ code no. _____ amount	▶ 25	00
	26 Credit name _____ code no. _____ amount	▶ 26	00
	27 To claim more than two credits, see instructions	● 27	00
	28 Add line 25 through line 27	● 28	0 00
	29 Balance. Subtract line 28 from line 24 (not less than minimum franchise tax, if applicable)	● 29	800 00
30 Alternative minimum tax. Attach Schedule P (100). See instructions	● 30	00	
31 Total tax. Add line 29 and line 30	● 31	800 00	
Payments	32 Overpayment from prior year allowed as a credit	● 32	00
	33 2007 Estimated tax payments. See instructions	● 33	800 00
	34 2007 Nonresident or real estate withholding. See instructions	● 34	00
	35 Amount paid with extension of time to file tax return	● 35	00
	36 Total payments. Add line 32 through line 35	● 36	800 00

Form **1120**

Department of the Treasury
Internal Revenue Service (77)

U.S. Corporation Income Tax Return

For calendar year 2006 or tax year beginning _____, 2006, ending _____

OMB No. 1545-0123



▶ See separate instructions.

A Check if:		Name	B Employer identification number
<input type="checkbox"/> 1 Consolidated return (attach Form 851)	Use IRS label. Otherwise, print or type.	Kendyl Coast Corporation	[REDACTED]
<input type="checkbox"/> 2 Personal holding company (attach Schedule PH)		Number, street, and room or suite number. If a P.O. box, see instructions.	C Date incorporated
<input type="checkbox"/> 3 Personal service corp (see instructions)		12341 San Mateo Road	12/01/2001
<input type="checkbox"/> 4 Schedule M-3 required (attach Sch M-3)		City or town state ZIP code	D Total assets (see instructions)
		Half Moon Bay CA 94019	\$ 332,617.

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

INCOME	1 a Gross receipts or sales	410,979.	b Less returns & allowances		c Balance	1 c	410,979.
	2 Cost of goods sold (Schedule A, line 8)				2	178,274.	
	3 Gross profit. Subtract line 2 from line 1c				3	232,705.	
	4 Dividends (Schedule C, line 19)				4		
	5 Interest				5		
	6 Gross rents				6		
	7 Gross royalties				7		
	8 Capital gain net income (attach Schedule D (Form 1120))				8		
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)				9		
	10 Other income (see instructions - attach schedule)				10		
	11 Total income. Add lines 3 through 10				11	232,705.	
DEDUCTIONS SEE INSTRUCTIONS	12 Compensation of officers (Schedule E, line 4)				12	48,000.	
	13 Salaries and wages (less employment credits)				13	33,647.	
	14 Repairs and maintenance				14	17,000.	
	15 Bad debts				15		
	16 Rents				16	108,000.	
	17 Taxes and licenses				17	19,328.	
	18 Interest				18	134.	
	19 Charitable contributions				19		
	20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)				20	13,695.	
	21 Depletion				21		
	22 Advertising				22	20,181.	
	23 Pension, profit-sharing, etc, plans				23		
	24 Employee benefit programs				24		
	25 Domestic production activities deduction (attach Form 8903)				25		
	26 Other deductions (attach schedule) . See Other Deductions Statement.				26	64,209.	
	27 Total deductions. Add lines 12 through 26				27	324,194.	
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11				28	-91,489.	
29 Less: a Net operating loss deduction (see instructions)	29 a						
b Special deductions (Schedule C, line 20)	29 b			29 c			
30 Taxable income. Subtract line 29c from line 28 (see instructions)				30	-91,489.		
31 Total tax (Schedule J, line 10)				31			
32 a 2005 overpayment credited to 2006	32 a						
b 2006 estimated tax payments	32 b						
c 2006 refund applied for on Form 4466	32 c			d Bal	32 d		
e Tax deposited with Form 7004				32 e			
f Credits: (1) Form 2439 (2) Form 4136				32 f			
g Credit for federal telephone excise tax paid (attach Form 8913)				32 g	32 h		
33 Estimated tax penalty (see instructions). Check if Form 2220 is attached				33			
34 Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed				34			
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid				35			
36 Enter amount from line 35 you want. Credited to 2007 estimated tax				Refunded	36		

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature _____ Date _____ Preparer's SSN or PTIN _____

Firm's Name (or yours if self-employed), address, and ZIP code _____ EIN _____

Phone no. _____

<input type="checkbox"/> Void <input type="checkbox"/> Employee's social security number OMB No. 1545-0008	
b Employer identification number (EIN) [REDACTED]	
c Employer's name, address, and ZIP code La Nebbia Winery 12341 San Mateo Road Half Moon Bay, CA 94019	
d Control number [REDACTED]	
e Employee's name, address, city and ZIP code Suff. Kendyl Kellogg 12341 San Mateo Rd. Half Moon Bay, CA 94019	
1 Wages, tips, other compensation 48000.00	2 Federal income tax withheld 8007.60
3 Social security wages 48000.00	4 Social security tax withheld 2976.00
5 Medicare wages and tips 48000.00	6 Medicare tax withheld 696.00
7 Social security tips 0.00	8 Allocated tips
9 Advance EIC payment 0.00	10 Dependent care benefits
11 Nonqualified plans Suff.	12a See instructions for box 12
13 Satisfactory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	12b
14 Other	12c
15 State Employer's state ID number [REDACTED]	16 State wages, tips, etc. 48000.00
17 State income tax 2373.12	18 Local wages, tips, etc. 0.00
19 Local income tax 0.00	20 Locality name

2009

Form W-2 Wage and Tax Statement

Copy 1—For State, City, or Local Tax Department
 Copy D—For Employer.

Department of the Treasury—Internal Revenue Service
 For Privacy Act and Paperwork Reduction Act Notice, see the back of Copy D.
 FORM 5204

COPY

Form 1040

Department of the Treasury - Internal Revenue Service U.S. Individual Income Tax Return 2008

(99) IRS Use Only - Do not write or staple in this space.

Label (See instructions.)

For the year Jan 1 - Dec 31, 2008, or other tax year beginning 2008, ending 20 OMB No. 1545-0074

Use the IRS label. Otherwise, please print or type.

Your first name MI Last name Kendyl M Kellogg Your social security number

If a joint return, spouse's first name MI Last name Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apartment no. You must enter your social security number(s) above.

12341 San Mateo Rd City, town or post office. If you have a foreign address, see instructions. State ZIP code CA 94019

Presidential Election Campaign

Half Moon Bay CA 94019 Checking a box below will not change your tax or refund.

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions) You Spouse

Filing Status

- 1 [X] Single 4 [] Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here.
2 [] Married filing jointly (even if only one had income)
3 [] Married filing separately. Enter spouse's SSN above & full name here.
5 [] Qualifying widow(er) with dependent child (see instructions)

Check only one box.

Exemptions

- 6a [X] Yourself. If someone can claim you as a dependent, do not check box 6a.
b [] Spouse
c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) [X] if qualifying child for child tax credit (see instr)
d Total number of exemptions claimed 1

If more than four dependents, see instructions.

Income

- 7 Wages, salaries, tips, etc. Attach Form(s) W-2 7 48,000.
8a Taxable interest. Attach Schedule B if required 8a 1.
b Tax-exempt interest. Do not include on line 8a 8b
9a Ordinary dividends. Attach Schedule B if required 9a
b Qualified dividends (see instrs) 9b
10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions) 10
11 Alimony received 11
12 Business income or (loss). Attach Schedule C or C-EZ 12
13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here 13 -3,000.
14 Other gains or (losses). Attach Form 4797 14
15a IRA distributions 15a b Taxable amount (see instrs) 15b
16a Pensions and annuities 16a b Taxable amount (see instrs) 16b
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17 13,433.
18 Farm income or (loss). Attach Schedule F 18
19 Unemployment compensation 19
20a Social security benefits 20a b Taxable amount (see instrs) 20b
21 Other income 21
22 Add the amounts in the far right column for lines 7 through 21. This is your total income. 22 58,434.

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

Adjusted Gross Income

- 23 Educator expenses (see instructions) 23
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24
25 Health savings account deduction. Attach Form 8889 25
26 Moving expenses. Attach Form 3903 26
27 One-half of self-employment tax. Attach Schedule SE 27
28 Self-employed SEP, SIMPLE, and qualified plans 28
29 Self-employed health insurance deduction (see instructions) 29
30 Penalty on early withdrawal of savings 30
31a Alimony paid b Recipient's SSN 31a
32 IRA deduction (see instructions) 32
33 Student loan interest deduction (see instructions) 33
34 Tuition and fees deduction. Attach Form 8917 34
35 Domestic production activities deduction. Attach Form 8903 35
36 Add lines 23 - 31a and 32 - 35 36
37 Subtract line 36 from line 22. This is your adjusted gross income 37 58,434.

BAA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see instructions.

FDIA0112 10/13/08

Form 1040 (2008)

Tax and Credits
 38 Amount from line 37 (adjusted gross income) **38** **58,434.**
 39a Check You were born before January 2, 1944, Blind. Total boxes checked **39a**
 if: Spouse was born before January 2, 1944, Blind. **39b**
 b If your spouse itemizes on a separate return, or you were a dual-status alien, see instrs and ck here **39c**
 c Check if standard deduction includes real estate taxes or disaster loss (see instructions) **39c**

Standard Deduction for -
 • People who checked any box on line 39a, 39b, or 39c or who can be claimed as a dependent, see instructions.
 • All others:
 Single or Married filing separately, \$5,450
 Married filing jointly or Qualifying widow(er), \$10,900
 Head of household, \$8,000

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) **40** **19,653.**
 41 Subtract line 40 from line 38 **41** **38,781.**
 42 If line 38 is over \$119,975, or you provided housing to a Midwestern displaced individual, see instructions. Otherwise, multiply \$3,500 by the total number of exemptions claimed on line 6d **42** **3,500.**
 43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- **43** **35,281.**
 44 Tax (see instrs). Check if any tax is from: a Form(s) 8814 **44** **5,163.**
 b Form 4972 **45**
 45 Alternative minimum tax (see instructions). Attach Form 6251 **45**
 46 Add lines 44 and 45 **46** **5,163.**
 47 Foreign tax credit. Attach Form 1116 if required **47**
 48 Credit for child and dependent care expenses. Attach Form 2441 **48**
 49 Credit for the elderly or the disabled. Attach Schedule R **49**
 50 Education credits. Attach Form 8863 **50**
 51 Retirement savings contributions credit. Attach Form 8880 **51**
 52 Child tax credit (see instructions). Attach Form 8901 if required **52**
 53 Credits from Form: a 8396 b 8839 c 5695 **53**
 54 Other crs from Form: a 3800 b 8801 c **54**
 55 Add lines 47 through 54. These are your total credits **55**
 56 Subtract line 55 from line 46. If line 55 is more than line 46, enter -0- **56** **5,163.**

Other Taxes
 57 Self-employment tax. Attach Schedule SE **57**
 58 Unreported social security and Medicare tax from Form: a 4137 b 8919 **58**
 59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required **59**
 60 Additional taxes: a AEIC payments b Household employment taxes. Attach Schedule H **60**
 61 Add lines 56-60. This is your total tax **61** **5,163.**

Payments
 62 Federal income tax withheld from Forms W-2 and 1099 **62** **8,008.**
 63 2008 estimated tax payments and amount applied from 2007 return **63**
 64a Earned income credit (EIC) **64a**
 b Nontaxable combat pay election **64b**
 65 Excess social security and tier 1 RRTA tax withheld (see instructions) **65**
 66 Additional child tax credit. Attach Form 8812 **66**
 67 Amount paid with request for extension to file (see instructions) **67**
 68 Credits from Form: a 2439 b 4136 c 8801 d 8885 **68**
 69 First-time homebuyer credit. Attach Form 5405 **69**
 70 Recovery rebate credit (see worksheet) **70** **0.**
 71 Add lines 62 through 70. These are your total payments **71** **8,008.**

Refund
 Direct deposit? See instructions and fill in 73b, 73c, and 73d or Form 8888.
 72 If line 71 is more than line 61, subtract line 61 from line 71. This is the amount you overpaid **72** **2,845.**
 73a Amount of line 72 you want refunded to you. If Form 8888 is attached, check here **73a** **2,845.**
 ▶ b Routing number **XXXXXXXXXX** ▶ c Type: Checking Savings
 ▶ d Account number **XXXXXXXXXXXXXXXXXXXX**
 74 Amount of line 72 you want applied to your 2009 estimated tax **74**
 75 Amount you owe. Subtract line 71 from line 61. For details on how to pay, see instructions **75**

Amount You Owe
 76 Estimated tax penalty (see instructions) **76**

Third Party Designee
 Do you want to allow another person to discuss this return with the IRS (see instructions)? Yes. Complete the following. No
 Designee's name _____ Phone no. _____ Personal identification number (PIN) _____

Sign Here
 Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.
 Your signature _____ Date _____ Your occupation **General Manager** Daytime phone number _____
 Spouse's signature. If a joint return, both must sign. _____ Date _____ Spouse's occupation _____

Paid Preparer's Use Only
 Preparer's signature **[Signature]** Date **4/17/09** Check if self-employed
 Firm's name (or yours if self-employed) _____ EIN _____
 address, and ZIP code _____ CA 94019 Phone no. _____

COPY

Form 1040

Department of the Treasury — Internal Revenue Service
U.S. Individual Income Tax Return 2007

IRS Use Only — Do not write or staple in this space.

Label (See instructions.)

For the year Jan 1 - Dec 31, 2007, or other tax year beginning , 2007, ending , 20

OMB No. 1545-0074

Use the IRS label. Otherwise, please print or type.

Your first name MI Last name Kendyl M Kellogg

Your social security number

If a joint return, spouse's first name MI Last name

Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apartment no.

12341 San Mateo Rd

You must enter your social security number(s) above.

City, town or post office. If you have a foreign address, see instructions. State ZIP code

Half Moon Bay

CA 94019

Checking a box below will not change your tax or refund.

Presidential Election Campaign

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions) You Spouse

Filing Status

- 1 [X] Single
2 [] Married filing jointly (even if only one had income)
3 [] Married filing separately. Enter spouse's SSN above & full name here
4 [] Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here
5 [] Qualifying widow(er) with dependent child (see instructions)

Exemptions

- 6a [X] Yourself. If someone can claim you as a dependent, do not check box 6a
b [] Spouse

Boxes checked on 6a and 6b 1

Table with columns: (1) First name, Last name, (2) Dependent's social security number, (3) Dependent's relationship to you, (4) if qualifying child for child tax credit (see instrs). Includes rows for dependents and a total count of 1.

If more than four dependents, see instructions.

d Total number of exemptions claimed 1

Income

Table of income items: 7 Wages, salaries, tips, etc. Attach Form(s) W-2 (48,000); 8a Taxable interest (4); 9a Ordinary dividends; 10 Taxable refunds, credits, or offsets of state and local income taxes; 11 Alimony received; 12 Business income or (loss); 13 Capital gain or (loss) (-3,000); 14 Other gains or (losses); 15a IRA distributions; 16a Pensions and annuities; 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E (25,670); 18 Farm income or (loss); 19 Unemployment compensation; 20a Social security benefits; 21 Other income; 22 Add the amounts in the far right column for lines 7 through 21. This is your total income (70,674).

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

Adjusted Gross Income

Table of adjusted gross income items: 23 Educator expenses; 24 Certain business expenses of reservists, performing artists, and fee-basis government officials; 25 Health savings account deduction; 26 Moving expenses; 27 One-half of self-employment tax; 28 Self-employed SEP, SIMPLE, and qualified plans; 29 Self-employed health insurance deduction; 30 Penalty on early withdrawal of savings; 31a Alimony paid; 32 IRA deduction; 33 Student loan interest deduction; 34 Tuition and fees deduction; 35 Domestic production activities deduction; 36 Add lines 23 - 31a and 32 - 35; 37 Subtract line 36 from line 22. This is your adjusted gross income (70,674).

BAA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see instructions.

FDIA0112 12/06/07

Form 1040 (2007)

Standard Deduction for -

- People who checked any box on line 39a or 39b or who can be claimed as a dependent, see instructions.
- All others:
 - Single or Married filing separately, \$5,350
 - Married filing jointly or Qualifying widow(er), \$10,700
 - Head of household, \$7,850

38	Amount from line 37 (adjusted gross income)	38	70,674.
39a	Check <input type="checkbox"/> You were born before January 2, 1943, <input type="checkbox"/> Blind. Total boxes checked <input type="checkbox"/> 39a		
	if: <input type="checkbox"/> Spouse was born before January 2, 1943, <input type="checkbox"/> Blind. Total boxes checked <input type="checkbox"/> 39b		
	b If your spouse itemizes on a separate return, or you were a dual-status alien, see instrs and ck here 39b		
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	20,082.
41	Subtract line 40 from line 38	41	50,592.
42	If line 38 is \$117,300 or less, multiply \$3,400 by the total number of exemptions claimed on line 6d. If line 38 is over \$117,300, see the instructions	42	3,400.
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	47,192.
44	Tax (see instrs). Check if any tax is from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/> Form(s) 8889	44	8,218.
45	Alternative minimum tax (see instructions). Attach Form 6251	45	
46	Add lines 44 and 45	46	8,218.
47	Credit for child and dependent care expenses. Attach Form 2441	47	
48	Credit for the elderly or the disabled. Attach Schedule R	48	
49	Education credits. Attach Form 8863	49	
50	Residential energy credits. Attach Form 5695	50	
51	Foreign tax credit. Attach Form 1116 if required	51	
52	Child tax credit (see instructions). Attach Form 8901 if required	52	
53	Retirement savings contributions credit. Attach Form 8880	53	
54	Credits from: a <input type="checkbox"/> Form 8396 b <input type="checkbox"/> Form 8859 c <input type="checkbox"/> Form 8839	54	
55	Other credits: a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8801 c <input type="checkbox"/> Form	55	
56	Add lines 47 through 55. These are your total credits	56	
57	Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-	57	8,218.
58	Self-employment tax. Attach Schedule SE	58	
59	Unreported social security and Medicare tax from: a <input type="checkbox"/> Form 4137 b <input type="checkbox"/> Form 8919	59	
60	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	60	
61	Advance earned income credit payments from Form(s) W-2, box 9	61	
62	Household employment taxes. Attach Schedule H	62	
63	Add lines 57-62. This is your total tax	63	8,218.
64	Federal income tax withheld from Forms W-2 and 1099	64	8,008.
65	2007 estimated tax payments and amount applied from 2006 return	65	
66a	Earned income credit (EIC)	66a	
	b Nontaxable combat pay election 66b		
67	Excess social security and tier 1 RRTA tax withheld (see instructions)	67	
68	Additional child tax credit. Attach Form 8812	68	
69	Amount paid with request for extension to file (see instructions)	69	
70	Payments from: a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136 c <input type="checkbox"/> Form 8885	70	
71	Refundable credit for prior year minimum tax from Form 8801, line 27	71	
72	Add lines 64, 65, 66a, and 67 through 71. These are your total payments	72	8,008.
73	If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid	73	
74a	Amount of line 73 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/> 74a		
	b Routing number XXXXXXXXXXXX c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	d Account number XXXXXXXXXXXXXXXXXXXX		
75	Amount of line 73 you want applied to your 2008 estimated tax 75		
76	Amount you owe. Subtract line 72 from line 63. For details on how to pay, see instructions	76	210.
77	Estimated tax penalty (see instructions) 77		

Other Taxes

Payments

If you have a qualifying child, attach Schedule EIC.

Refund

Direct deposit? See instructions and fill in 74b, 74c, and 74d or Form 8888.

Amount You Owe

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? Yes. Complete the following. No

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See instructions.
Keep a copy for your records.

Your signature	Date	Your occupation	Daytime phone number
		General Manager	
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
Firm name (or yours if self-employed), address, and ZIP code	EIN	Phone no.	

Self-Prepared

Label (See instructions.)

Use the IRS label. Otherwise, please print or type.

Presidential Election Campaign

For the year Jan 1 - Dec 31, 2006, or other tax year beginning 2006, ending 20
Your first name MI Last name
Kendyl M Kellogg
If a joint return, spouse's first name MI Last name
Home address (number and street). If you have a P.O. box, see instructions. Apartment no.
12341 San Mateo Rd
City, town or post office. If you have a foreign address, see instructions. State ZIP code
Half Moon Bay CA 94019
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions) [] You [] Spouse

Filing Status

- 1 [X] Single
2 [] Married filing jointly (even if only one had income)
3 [] Married filing separately. Enter spouse's SSN above & full name here
4 [] Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here
5 [] Qualifying widow(er) with dependent child (see instructions)

Exemptions

6a [X] Yourself. If someone can claim you as a dependent, do not check box 6a
b [] Spouse
c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) [X] if qualifying child for child tax credit (see instrs)
d Total number of exemptions claimed 1

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

Table with 2 columns: Description and Amount. Rows include: 7 Wages, salaries, tips, etc. Attach Form(s) W-2 (48,000); 8a Taxable interest (7); 9a Ordinary dividends (0); 10 Taxable refunds, credits, or offsets of state and local income taxes (1,730); 11 Alimony received (0); 12 Business income or (loss) (0); 13 Capital gain or (loss) (-3,000); 14 Other gains or (losses) (0); 15a IRA distributions (0); 16a Pensions and annuities (0); 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E (10,792); 18 Farm income or (loss) (0); 19 Unemployment compensation (0); 20a Social security benefits (0); 21 Other income (0); 22 Add the amounts in the far right column for lines 7 through 21. This is your total income (57,529).

Adjusted Gross Income

Table with 2 columns: Description and Amount. Rows include: 23 Archer MSA deduction (0); 24 Certain business expenses of reservists, performing artists, and fee-basis government officials (0); 25 Health savings account deduction (0); 26 Moving expenses (0); 27 One-half of self-employment tax (0); 28 Self-employed SEP, SIMPLE, and qualified plans (0); 29 Self-employed health insurance deduction (0); 30 Penalty on early withdrawal of savings (0); 31a Alimony paid b Recipient's SSN (0); 32 IRA deduction (see instructions) (2,000); 33 Student loan interest deduction (0); 34 Jury duty pay you gave to your employer (0); 35 Domestic production activities deduction (0); 36 Add lines 23 - 31a and 32 - 35 (2,000); 37 Subtract line 36 from line 22. This is your adjusted gross income (55,529).

Tax and Credits

Standard Deduction for - People who checked any box on line 39a or 39b or who can be claimed as a dependent, see instructions. All others: Single or Married filing separately, \$5,150 Married filing jointly or Qualifying widow(er), \$10,300 Head of household, \$7,550

Table with 3 columns: Line number, Description, and Amount. Includes lines 38-57 for Adjusted Gross Income, Deductions, and Credits.

Other Taxes

Table with 3 columns: Line number, Description, and Amount. Includes lines 58-63 for Self-employment tax, Social Security/Medicare tax, and Advance earned income credit.

Payments

If you have a qualifying child, attach Schedule EIC.

Table with 3 columns: Line number, Description, and Amount. Includes lines 64-72 for Federal income tax withheld, Earned Income Credit, and Total Payments.

Refund

Direct deposit? See instructions and fill in 74b, 74c, and 74d or Form 8888.

Table with 3 columns: Line number, Description, and Amount. Includes lines 73-75 for Refund and Amount of line 73 you want applied to your 2007 estimated tax.

Amount You Owe

Table with 3 columns: Line number, Description, and Amount. Includes lines 76-77 for Amount you owe and Estimated tax penalty.

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? Yes. Complete the following. [X] No

Sign Here

Joint return? See instructions. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Paid Preparer's Use Only

Preparer's signature, Date, Preparer's SSN or PTIN, Check if self-employed, EIN, Phone no.

Self-Prepared



ACCOUNT:
DOCUMENTS:

PAGE: 1
02/26/2010
33

COPY

*****AUTO**5-DIGIT 94019

██
 KENDYL COAST CORPORATION
 12341 SAN MATEO RD
 HALF MOON BAY CA 94019-7113

30-0
0
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HALF MOON BAY BRANCH
 756 MAIN ST
 HALF MOON BAY, CA 94019

TELEPHONE: 650-726-6373

IMPORTANT NOTICE:

BEGINNING JANUARY 9, 2010, OUR PORTOLA BRANCH WILL BE CLOSED ON SATURDAYS. THE NEW PORTOLA BRANCH BUSINESS HOURS WILL BE M-TH 9-5PM AND FRIDAY 9-6.

REGULAR BUSINESS ACCOUNT ██████████

DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
BALANCE LAST STATEMENT			01/29/10	31,419.08
BKCD PROCESSING BKCD DEPST ██████████		146.84	02/01/10	31,565.92
CHECK # ██████████	169.72		02/01/10	31,396.20
CHECK # ██████████	138.56		02/01/10	31,257.64
CHECK # ██████████	1,400.00		02/01/10	29,857.64
CHECK # ██████████	9,500.00		02/01/10	20,357.64
BKCD PROCESSING BKCD DEPST ██████████		55.89	02/02/10	20,413.53
BKCD PROCESSING BKCD DEPST ██████████		529.73	02/02/10	20,943.26
BKCD PROCESSING BKCD DEPST ██████████		1,193.11	02/02/10	22,136.37
AMERICAN EXPRESS COLLECTION ██████████	4.95		02/02/10	22,131.42
HRTLAND PMT SYS TXNS/FEES ██████████	28.50		02/02/10	22,102.92
BKCD PROCESSING BKCD M DSC ██████████	256.18		02/02/10	21,846.74
BOE E-FILEEFBOARDOFEQUALIZELF* ██████████	5,830.00		02/02/10	16,016.74
BKCD PROCESSING BKCD DEPST ██████████		46.69	02/03/10	16,063.43
AMERICAN EXPRESS SETTLEMENT ██████████		89.93	02/03/10	16,153.36
CHECK # ██████████	836.87		02/03/10	15,316.49
CHECK # ██████████	1,392.47		02/03/10	13,924.02
DEPOSIT		560.00	02/04/10	14,484.02
AMERICAN EXPRESS SETTLEMENT ██████████		13.95	02/04/10	14,497.97
BKCD PROCESSING BKCD DEPST ██████████		47.95	02/04/10	14,545.92

*** CONTINUED ***

KENDYL COAST CORPORATION

REGULAR BUSINESS ACCOUNT

DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
IRTLAND PMT SYS TXNS/FEES		1,842.98	02/17/10	21,408.47
IRTLAND PMT SYS TXNS/FEES		2,511.35	02/17/10	23,919.82
IRTLAND PMT SYS TXNS/FEES		14,390.57	02/17/10	38,310.39
CHECK # 5640	174.00		02/17/10	38,136.39
CHECK # 5654	2,345.50		02/17/10	35,790.89
AMERICAN EXPRESS SETTLEMENT		244.20	02/18/10	36,035.09
IRTLAND PMT SYS TXNS/FEES		507.61	02/18/10	36,542.70
HEARTLNDPMTSYS RECEIVABLE	2.19		02/18/10	36,540.51
CHECK # 5629	138.45		02/18/10	36,402.06
AMERICAN EXPRESS SETTLEMENT		55.75	02/19/10	36,457.81
IRTLAND PMT SYS TXNS/FEES		361.35	02/19/10	36,819.16
CHECK # 5656	328.53		02/19/10	36,490.63
DEPOSIT		1,222.81	02/22/10	37,713.44
DEPOSIT		4,049.36	02/22/10	41,762.80
AMERICAN EXPRESS SETTLEMENT		64.89	02/22/10	41,827.69
IRTLAND PMT SYS TXNS/FEES		383.65	02/22/10	42,211.34
CHECK # 5658	26.88		02/22/10	42,184.46
CHECK # 5659	904.41		02/22/10	41,280.05
CHECK # 5630	415.49		02/22/10	40,864.56
CHECK # 5657	850.11		02/22/10	40,014.45
CHECK # 5655	1,392.47		02/22/10	38,621.98
AMERICAN EXPRESS SETTLEMENT		103.99	02/23/10	38,725.97
IRTLAND PMT SYS TXNS/FEES		452.85	02/23/10	39,178.82
IRTLAND PMT SYS TXNS/FEES		936.77	02/23/10	40,115.59
IRTLAND PMT SYS TXNS/FEES		6,383.05	02/23/10	46,498.64
IRTLAND PMT SYS TXNS/FEES		107.10	02/24/10	46,605.74
AMERICAN EXPRESS SETTLEMENT		1,121.43	02/24/10	47,727.17
BOE E-FILEEFBOARDOFEQUALIZELF*	1,074.00		02/24/10	46,653.17
IRTLAND PMT SYS TXNS/FEES		48.40	02/25/10	46,701.57
AMERICAN EXPRESS SETTLEMENT		621.81	02/25/10	47,323.38
AMERICAN EXPRESS SETTLEMENT		34.48	02/26/10	47,357.86
IRTLAND PMT SYS TXNS/FEES		108.93	02/26/10	47,466.79
SERVICE CHARGE	8.06		02/26/10	47,458.73
BALANCE THIS STATEMENT			02/26/10	47,458.73
TOTAL CREDITS (49)	49,513.70	MINIMUM BALANCE		13,555.89
TOTAL DEBITS (41)	33,474.05	AVG AVAILABLE BALANCE		25,791.81
		AVERAGE BALANCE		25,791.81

*** CONTINUED ***

ACCOUNT:
DOCUMENTS:

KENDYL COAST CORPORATION

REGULAR BUSINESS ACCOUNT

DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
CHECK # [REDACTED]	25.20		02/04/10	14,520.72
CHECK # [REDACTED]	852.93		02/04/10	13,667.79
BKCD PROCESSING BKCD DEPS		152.80	02/05/10	13,820.59
CHECK # [REDACTED]	104.06		02/05/10	13,716.53
CHECK # [REDACTED]	160.64		02/05/10	13,555.89
AMERICAN EXPRESS SETTLEMENT		234.01	02/08/10	13,789.90
BKCD PROCESSING BKCD DEPST		257.53	02/08/10	14,047.43
AMERICAN EXPRESS EXP DISCNT				
	56.88		02/08/10	13,990.55
BKCD PROCESSING BKCD DEPST		423.41	02/09/10	14,413.96
BKCD PROCESSING BKCD DEPST		763.78	02/09/10	15,177.74
BKCD PROCESSING BKCD DEPST		996.76	02/09/10	16,174.50
BKCD PROCESSING BKCD DEPST		289.72	02/10/10	16,464.22
AMERICAN EXPRESS SETTLEMENT		444.42	02/10/10	16,908.64
CHECK # 5647	320.00		02/10/10	16,588.64
AMERICAN EXPRESS SETTLEMENT		30.48	02/11/10	16,619.12
BKCD PROCESSING BKCD DEPST		930.93	02/11/10	17,550.05
CHECK # 5639	104.00		02/11/10	17,446.05
CHECK # 5649	830.00		02/11/10	16,616.05
AMERICAN EXPRESS SETTLEMENT		36.75	02/12/10	16,652.80
HRTLAND PMT SYS TXNS/FEES		236.09	02/12/10	16,888.89
BKCD PROCESSING BKCD DEPST		1,208.84	02/12/10	18,097.73
CHECK # 5644	111.44		02/12/10	17,986.29
CHECK # 5648	200.00		02/12/10	17,786.29
CHECK # 5650	561.86		02/12/10	17,224.43
CHECK # 5641	666.02		02/12/10	16,558.41
AMERICAN EXPRESS SETTLEMENT		111.82	02/16/10	16,670.23
AMERICAN EXPRESS SETTLEMENT		144.00	02/16/10	16,814.23
HRTLAND PMT SYS TXNS/FEES		940.89	02/16/10	17,755.12
AMERICAN EXPRESS SETTLEMENT		1,375.24	02/16/10	19,130.36
CHECK # 5643	77.90		02/16/10	19,052.46
CHECK # 5646	123.00		02/16/10	18,929.46
CHECK # 5642	137.34		02/16/10	18,792.12
CHECK # 5645	198.22		02/16/10	18,593.90
CHECK # 5653	202.22		02/16/10	18,391.68
CHECK # 5652	560.00		02/16/10	17,831.68
CHECK # 5651	365.00		02/16/10	17,466.68
HRTLAND PMT SYS TXNS/FEES		905.13	02/17/10	16,561.55
AMERICAN EXPRESS SETTLEMENT		1,793.68	02/17/10	18,355.23

*** CONTINUED ***



Kendyl Kellogg

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**County of San Mateo
Tax Collector/Treasurer**

Welcome Guest

Wednesday March 24, 2010. 05:19:29 PM PDT

[Tax Home](#)

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1st INSTALLMENT PAID

Secured Property Tax			2009	Note: Penalties only apply to late payments			
Parcel	Tax Rate Area	Assessment Year	Roll Year		Installment 1	Installment 2	Total
	87-019	2009	2009	General Tax	6,444.92	6,444.92	\$12,889.84
Owner Address				Total Special Charges	27.66	27.66	\$55.32
*Name private per CA AB2238				Total Taxes	6,472.58	6,472.58	\$12,945.16
12341 SAN MATEO RD				Penalty + Cost + Fee	0.00	0.00	\$0.00
HALF MOON BAY CA 94019-7113				Total Amount	\$6,472.58	\$6,472.58	\$12,945.16
Property Location (Unincorporated Area)				Due Date	Nov 01, 2009	Feb 01, 2010	
				Late After	Dec 10, 2009	Apr 12, 2010	
12341 SAN MATEO RD				PAID DATE	DEC 10, 2009		
HALF MOON BAY				Detail Special Charges		Phone Contact	Amount
Values		Additional Values		HMB Fire Special Tax	(650) 726-5213	35.60	
Improvements		114,717		FedCA&NPDES Storm Fee	(650) 599-1417	3.16	
Fixtures		62,954		SMC Mosquito Abate Benefit Assessment	(800) 273-5167	\$16.56	
Exemptions				Composite Rate	1.0679	Penalty Rate	10.0%
Homeowner Exemption				7,000			
Net value				\$1,207,027			
Legal Description				PARCEL 1 .98 AC MOL PARCEL MAP VOL 9/17			

Be aware that during peak periods, it may take up to **10 days** to receive and process your payments.

Tax bills that remain unpaid as of June 30th are in default and subject to additional penalties and fees.

To Pay Taxes On Line

Please select payment method and click on the desired tax installment button below.

Note: A Service fee of approximately 2.5% of Total Amount Due will be charged by our partner Official Payments for all Credit Card payments.

To Pay By ECheck , Enter Property Owner's Last Name for Verification:

Pay By Credit Card OR Pay By ECheck

[Pay Installment 2](#)

[Back To List](#)

[Payment History](#)

2008 © Tax Collector, County of San Mateo
Please email comments to taxmaster@co.sanmateo.ca.us

From: La Nebbia Winery [REDACTED]
To: <lmeillier@waterboards.ca.gov>
Date: 4/2/2010 10:50 AM
Subject: Kendyl Coast Corp Assets

Kendyl Coast Corp. leases its space and sells direct to visitor (so we do not have land, buildings, or an Accounts Receivables)

We bottle our wines via a mobile bottling truck service, therefore the equipment we do have is not the most modern (all of our production equipment was bought by the previous owners and acquired in 2002 in the purchase of the winery)

The equipment we have:

Hoper
corking machine
stainless tanks (9 X 500 gal vertical, 1 X 1500 gal, 1 X 2000 gal)
wood barrels (45 X 55 gal)

Bulk Wine (in bond/taxes owed, not bottled)
Cased Goods (in bond/taxes owed)
1972 Forklift
2004 Van (leased from Ford)
Office equipment (2 computers & a printer)
9 picnic tables

On our books we have:

good will
Brand investment
covenant not to compete

* all of which are non-tangible assets.

Thanks

Kendyl

La Nebbia Winery
12341 San Mateo Rd. HWY 92
Half Moon Bay, CA 94019
650.726.9463
fax: 650.726.7074
<http://www.lanebbiawinery.com>

Item 22

Attachment 5



California Regional Water Quality Control Board

San Francisco Bay Region



Linda S. Adams
Secretary for
Environmental Protection

1515 Clay Street, Suite 1400, Oakland, California 94612
(510) 622-2300 • Fax (510) 622-2460
<http://www.waterboards.ca.gov/sanfranciscobay>

Arnold Schwarzenegger
Governor

April 2, 2010

S.F Bay Regional Water Quality Control Board
Advisory Team
Attn. Mr. Bruce Wolfe, Executive Officer
1515 Clay Street, Suite 1400
Oakland, CA 94612

Subject: Water Board Prosecution Team Response to Comments for Industrial Stormwater Annual Report Administrative Civil Liability Complaints

Dear Mr. Wolfe:

On February 16, 2010, the Water Board Prosecution Team issued Administrative Civil Liability Complaints (ACLs) to forty-five Dischargers who failed to timely submit their 2008-2009 annual reports required under the NPDES Statewide Industrial Stormwater Permit. The public comment period for these ACLs closed on March 18, 2010. For all cases, we did not receive any comments from a third party or the general public. However, 14 dischargers opted to engage settlement by opting Option 3 of the waiver form. Five of these 14 dischargers provided comment letters to complement their waiver forms.

Enclosed please find the Prosecution Team's response to those comments we received from five dischargers who provided written comments.

The witnesses for the Prosecution Team for the late Annual Report civil liability cases that will be heard before the Board include Thomas E. Mumley, Keith Lichten, Habte Kifle, and Laurent Meillier of the Prosecution Team and Christine Boschen, Cecil Felix, Michelle Rembaum-Fox, and Danny Pham of the Industrial Stormwater Section of the Watershed Management Division.

Preserving, enhancing, and restoring the San Francisco Bay Area's waters for over 50 years

If you have any questions in this matter, please contact Laurent Meillier at (510) 622-3277, or via e-mail at LMeillier@waterboards.ca.gov.

Sincerely,
Laurent M. Meillier
Engineering Geologist, P.G.

Signed for:
Thomas E. Mumley, P.E.
Assistant Executive Officer

cc (via email):

SWRCB, Office of the Chief Counsel – Dorothy Dickey
SWRCB, Office of Enforcement - Ann Carroll
Sandia Potter, Regional Water Board Advisory Team

SWRCB, Division of Water Quality – Bruce Fujimoto
SWRCB, Office of Enforcement – Reed Sato
Regional Water Board Lyris email list
Discharger mailing list

**Water Board Prosecution Team
Response to Comments**

Discharger: Kendyl Coast Corporation
ACL Complaint No.: R2-2010-0043

Discharger Comment #1: On March 18, 2010, the Discharger submitted a signed waiver form (Option 3) to engage in settlement discussions. The Discharger also submitted financial records intended to demonstrate an inability to pay the proposed liability of \$4,025.

Regional Water Board Staff Response: The Water Board Prosecution Team does not recommend a change in the proposed liability, based on Prosecution Team staff's review of the federal and state tax information submitted by the Discharger on March 18, 2010.

The submitted U.S. Corporate Income Tax Returns show negative income ranging between \$89,464 and \$91,489 reported over the 2006-2009 time period. Net income reported to the State's Board of Equalization was also negative ranging between \$40,071 and \$82,522 over the 2007-2009 time period. However, the corporate bank account showed a positive cash flow over the February 2010 time period with a minimum balance of \$13,555.89. Based on the information submitted, the Discharger has cash on hand sufficient to pay the proposed liability.

In addition, according to our April 1, 2010, phone call with the Discharger, the Discharger has assets in the form of equipment (e.g., barrels and forklifts) and wine inventory. The Discharger rents the property where the business is located and does not hold any real estate assets.

Income Tax Return Statements Analysis
 Kandy Coast, Oberster Wine
 Laurent Weiller
 March 24, 2010

2010 First and second Quarter Liabilities	Costs as reported
Property Taxes	\$5,200
Q1 BOE Sales and use tax	\$2,000
BOE Wine grower tax	\$900
Business Insurance renewal	\$11,000
Worker's Comp Insurance	\$3,533
Water Bond	\$1,000
Stormwater Management	\$650
April Monthly payroll/ rent/ fixed costs	\$20,000
May Monthly payroll/ rent/ fixed costs	\$20,000
Total Liabilities	\$65,491

Business Property Assessment according to San Mateo County Assessor's Office March 2010

\$1,207,027

Corporate Bank Acct. Analysis Feb 2010	Balance
Beginning Balance	\$31,419.08
End Balance	\$47,458.73
Minimum Balance	\$13,555.89
Avg balance	\$26,791.81

U.S. Corporation Income Tax Return IRS Form 1120	Taxable Income Reported
2009	-\$89,454
2008	-\$48,553
2007	-\$179,183
2006	-\$91,489
Average	-\$102,172

To IRS/BOE by Business Owners	Gross Income
2009	\$46,000
2008	\$58,434
2007	\$70,874
2006	\$55,529
Average	\$56,169

BOE Income Tax Return	Net Income Reported
2009	-\$40,071
2008	-\$47,503
2007	-\$82,522
2006	N/A
Average	-\$56,689

Total Income Reported to IRS by Corporation	Gross Income
2009	\$316,764
2008	\$336,656
2007	\$333,843
2006	\$232,705
Average	\$305,967

PROSECUTION TEAM EVIDENCE LIST

The Prosecution Team references the following items already in the public files of the Regional Water Board to be included in the Administrative Record for the San Francisco Regional Water Quality Control Board (Regional Water Board) hearing regarding Administrative Civil Liability Complaint No. R2-2010-0043, KENDYL COAST CORP OBESTER WINE (Permittee). This matter is scheduled to be heard at the May 12, 2010 Regional Water Board meeting. These items have been provided to the Permittee or have been provided by the Permittee.

Item	Title of Document	Location
1	Administrative Civil Liability Complaint (ALC) R2-2010-0043	Permittee's public file located at the Regional Water Board's Office; Regional Water Board website: http://www.waterboards.ca.gov/sanfranciscobay/public_notices/pending_enforcement.shtml
2	Water Quality Order No. 97-03-DWQ NPDES General Permit No. CAS000001	State Water Board Website: http://www.waterboards.ca.gov/water_issues/programs/stormwater/docs/induspm1.pdf
3	Settlement Offer with Notice of noncompliance (with Certified Mail Receipt): Project Tracking No. 123	Permittee's public file located at the Regional Water Board's Office
4	Permittee's 2008/2009 Annual Report	Permittee's public file located at the Regional Water Board's Office

Response to Comments

The Prosecution Team received a waiver form from the Permittee and information regarding the Permittee's ability to pay prior to April 12, 2010. Please reference the "Water Board Prosecution Team Response to Comments for Industrial Stormwater Annual report Administrative civil Liability Complaints" dated April 2, 2010, for a summary of the information received and considered by the Prosecution Team. This document was provided to the Advisory Team and the Permittee. The Prosecution Team has not received any other information from the Permittee as required under the "Submission of Evidence and Policy Statements" section set forth in the Hearing Procedure for this matter. The deadline for such information was April 12, 2010.

Item 22

Attachment 6

Discharger's 2008-2009 Annual Report (This item is not included in hard copy, but is available on the web under Item 22 for the May 12, 2010, Board meeting agenda http://www.waterboards.ca.gov/sanfranciscobay/board_info/agenda.shtml)