



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 2
290 BROADWAY
NEW YORK, NY 10007-1866

U.S. ENVIRONMENTAL
PROTECTION AGENCY-REG. II
2008 JAN -3 PM 2:09
REGIONAL HEARING
CLERK

DEC 28 2007

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Article Number: 7005 3110 0000 5931 8911

Mr. Malik Shalhout
Dorothea Condominium Association
P.O. Box 1085
St. Thomas, Virgin Islands 00804

RE: In the Matter of: Dorothea Condominium Association Public Water System
(PWS ID No. VI 1000072)
Complaint for Penalty (Docket No. SDWA-02-2008-8400)

Dear Mr. Shalhout:

Enclosed you will find a Complaint which the United States Environmental Protection Agency ("EPA" or "Agency"), the Complainant, is issuing to Dorothea Condominium Association (the "Respondent") as a result of our determination that Respondent failed to comply with the requirements of the Consumer Confidence Report (CCR) Rule under the Safe Drinking Water Act ("SDWA"), as implemented by EPA's regulation at 40 CFR §141.152, 141.153, 141.154 and 141.155, and failed to comply with the Administrative Order ("AO") (Docket No. SDWA-02-2007-8037) issued by EPA on May 29, 2007. The Complainant requests that a penalty of **\$6,000** be assessed against this public water system for these violations.

As the Respondent, you have the right to a hearing to contest the factual allegations in the Complaint. If you admit the allegations, or they are found to be true after you have had an opportunity for a hearing on them, you have the right to contest the penalty proposed in the Complaint.

Enclosed is a copy of the "Consolidated Rules of Practice" ("CROP") (40 C.F.R. Part 22) which the EPA follows in cases of this kind. Please note the requirements for an Answer at §22.15 of the CROP. **If you wish to contest the allegations in the Complaint or the penalty proposed in the Complaint, you must file an Answer within thirty (30) days of your receipt of the enclosed Complaint with the EPA Regional Hearing Clerk at the following address:**

**Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 2
290 Broadway - 16th Floor
New York, NY 10007-1866**

You must also send a copy of your Answer to:

**Melva J. Hayden, Esq.
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 2
290 Broadway - 16th Floor
New York, NY 10007-1866**

If you do not file an Answer within thirty (30) days of receipt of the Complaint, you may be judged to have defaulted (See, §22.17 of the CROP). If a default order is entered, the entire proposed penalty may be assessed.

You may informally confer with EPA concerning the alleged violations and the amount of the proposed penalty. EPA encourages all parties against whom it files a Complaint to pursue the possibility of settlement as a result of such informal conference with the Agency. You may represent yourself or be represented by an attorney at any stage of the proceedings, including any informal discussions, whether in person or by telephone. Please note that a request for an informal conference does not substitute for a written Answer or effect what you may choose to say in the Answer, nor does it extend the thirty (30) days by which you must file an Answer requesting a hearing. Any hearings held in this matter will be conducted in accordance with the CROP, including Subpart I thereof, unless, in your Answer, you request a hearing on the record in accordance with section 554 of the APA, in which case Subpart I of the CROP will not apply.

Offer of Settlement

In an effort to promptly settle this matter, enclosed for your consideration is a proposed Consent Agreement and Final Order ("CA/FO"). The Agency would be prepared to enter into the enclosed CA/FO provided the Respondent:

1. Prepares and delivers a combined CCR which includes all the information required by 40 C.F.R. §141.153 and §141.154 to all of the Respondent's consumers with data from calendar years 2005 and 2006 as required by 40 C.F.R. Part 141, Subpart O, within thirty (30) days, and
2. Copies of the Respondent's CCR(s) are mailed to EPA and VIDPNR at the same time they are mailed or delivered to the Respondent's consumers, and
3. By March 3, 2008, Respondent provides EPA and VIDPNR with a certification that the report(s) has/have been distributed to customers, and that the information is correct and consistent with the compliance monitoring data previously submitted to the primacy agency, as required by 40 C.F.R. §141.155(c), and
4. Pays a penalty of **\$500** within thirty (30) days of the effective date of the CA/FO.

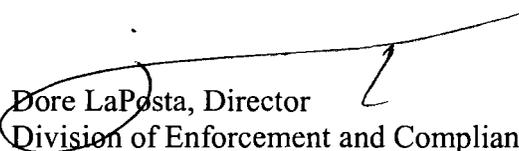
If you wish to resolve this matter without further proceedings, please sign the enclosed CA/FO and return it to EPA with the required CCR within thirty (30) days of your receipt of this letter. Do not submit payment to EPA until after you receive an executed CA/FO.

If EPA does not receive the CA/FO, signed by you or your authorized representative, within the thirty (30) day period referenced in the above paragraph, then the Agency's offer of settlement is

effectively withdrawn and EPA will thereafter seek the full amount of the penalty proposed in the Complaint.

EPA urges your prompt attention to this matter. If you have any questions or wish to discuss a settlement of this matter with EPA by an informal conference, please immediately contact Melva J. Hayden, Esq., Assistant Regional Counsel, at (212) 637-3230.

Sincerely,


Dore LaPosta, Director
Division of Enforcement and Compliance Assistance

Enclosures

1. Complaint
2. Consolidated Rules of Practice
3. Consent Agreement and Final Order
4. Administrative Order (Docket No. SDWA-02-2007-8037)
5. CCR Rule

cc: Karen Maples, EPA Regional Hearing Clerk (w/Complaint and CA/FO)
Harold Mark, VIDPNR

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 2**

U.S. ENVIRONMENTAL
PROTECTION AGENCY-REGION 2
2008 JAN -3 PM 2:09
REGIONAL HEARINGS
CLERK

IN THE MATTER OF:

Dorothea Condominium Association
St. Thomas, Virgin Islands
PWS ID: VI 1000072

Respondent

Proceeding Pursuant to §1414(g)(3)(B)
of the Safe Drinking Water Act, 42
U.S.C. §300g-3(g)(3)(B)

Proceeding to Assess Civil Penalty
Under Section 1414(g)(3)(B) of the
Safe Drinking Water Act

Docket No.
SDWA-02-2008-8400

**COMPLAINT,
FINDINGS OF VIOLATION, NOTICE OF PROPOSED ASSESSMENT OF A CIVIL
PENALTY AND NOTICE OF OPPORTUNITY TO REQUEST A HEARING**

I. Statutory Authority

1. This Complaint, Findings of Violation, Notice of Proposed Assessment of a Civil Penalty and Notice of Opportunity to Request a Hearing (“Complaint”) is issued under the authority vested in the Administrator of the U.S. Environmental Protection Agency (“EPA”) by Section 1414(g)(3)(B) of the Safe Drinking Water Act (“SDWA” or “Act”), 42 U.S.C. §300g-3(g)(3)(B) and duly delegated to the Director of the Division of Enforcement and Compliance Assistance of EPA Region 2 (“Complainant”).
2. Pursuant to Section 1414(g)(3)(B) of the Act, and in accordance with the “Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders, and the Revocation, Termination or Suspension of Permits” (“CROP”), 40 C.F.R. Part 22, a copy of which is attached, Complainant hereby requests that a civil penalty be assessed against the Dorothea Condominium Association (“Respondent”) for the violation of an administrative order issued pursuant to Section 1414(g) of the SDWA requiring compliance with an applicable requirement of the Act at its public water system (Dorothea Condominium Association public water system), located in St. Thomas, United States Virgin Islands.

II. Findings of Violation

1. Respondent owns and/or operates the Dorothea Condominium Association “public water system,” within the meaning of Section 1401(4) of the SDWA, 42 U.S.C. §300f(4), and 40 C.F.R. §141.2, located in St. Thomas, United States Virgin Islands.
2. Respondent is a “supplier of water” within the meaning of Section 1401 (5) of the SDWA, 42 U.S.C. §300f(5), and 40 C.F.R. §141.2.
3. Respondent, is a “person” as defined in Section 1401(12) of SDWA, 42 U.S.C. §300f(12), and 40 C.F.R. §141.2, and is subject to an Administrative Order issued under Section 1414(g)(1) of the SDWA, 42 U.S.C. §300g-3(g)(1).
4. The Dorothea Condominium Association public water system provides piped water for human consumption and regularly serves a population of at least 25 individuals, and is, therefore, a “community water system” (“CWS”) is defined by Section 1401(15) of the SDWA, 42 U.S.C. §300f(15) and 40 C.F.R. §141.2.
5. On August 19, 1998, as required by Section 1414(c)(4)(A) of the SDWA, EPA promulgated a final rule requiring community water systems to provide an annual Consumer Confidence Report (CCR) to their consumers. Effective September 18, 1998 and regulated by 40 C.F.R. Part 141, Subpart O, the CCR Rule is intended to provide consumers of drinking water from community water systems information on the quality of the water delivered by the systems and characterize the risks (if any) from exposure to contaminants detected in the drinking water in an accurate and understandable manner.
6. The Virgin Islands Department of Planning and Natural Resources (“VIDPNR”) administers the Public Water Supply Supervision Program in the U.S. Virgin Islands pursuant to Section 1413 of the SDWA. The approval of primary enforcement authority from EPA to the VIDPNR was effected as of September 22, 1979. However, the VIDPNR has not yet obtained primary enforcement responsibility for the CCR Rule. Therefore, as of the date of this Complaint, EPA has primary responsibility for enforcement of the CCR Rule.
7. 40 C.F.R. §141.152(b) requires CWSs to prepare and distribute their CCR annually by July 1.
8. 40 C.F.R. §141.155(c) and (d) requires CWSs to mail a copy of the CCR to the primacy agency (VIDPNR), as well as any other agency or clearinghouse VIDPNR designates, no later than the date the CCR is required to be delivered to its customers as required by 40 C.F.R. §141.152(b).
9. 40 C.F.R. §141.153 and §141.154 contain a summary of the CCR Rule requirements, which is divided into two detailed categories: (1) report content requirements and (2) required additional health information. 40 C.F.R. §141.153 and §141.154 requires Respondent to include the following eight (8) items of information in their CCR:

- (A) Information about the water system
- (B) Sources of water
- (C) Definitions
- (D) Levels of detected contaminants
- (E) Information of Cryptosporidium, Radon and other contaminants
- (F) Required additional health information
- (G) Information on violations of National Primary Drinking Water Regulations (NPDWR)
- (H) Variance or Exemption Information (if applicable)

10. Based on the information provided to EPA by the VIDPNR on October 30, 2006, Respondent has failed to comply with 2005 CCR requirements.
11. On May 29, 2007, the Environmental Protection Agency (EPA) issued an Administrative Order ("AO" or "Order"), Docket No. SDWA-02-2007-8037, requiring Respondent to prepare and deliver a combined CCR which includes all the information required by 40 C.F.R. §141.153 and §141.154 to all of the Respondent's consumers with data from calendar years 2005 and 2006 as required by 40 C.F.R. Part 141, Subpart O, in no case later than July 1, 2007.
12. Based on the information provided to EPA by the VIDPNR on September 26, 2007, Respondent has failed to comply with Ordered requirements of the Order described in paragraph 11, by failure to deliver a combined CCR, which included data for calendar years 2005 and 2006 by July 1, 2007.
13. Based on the information available to EPA, the Respondent has failed to prepare and deliver a combined CCR by July 1, 2007, as specified in the SDWA and 40 C.F.R. Part 141, Subpart O, for the 2005 and 2006 calendar years for the Dorothea Condominium Association, in violation of 40 C.F.R. §141.152(b), §141.153, §141.154 and §141.155.

COUNT 1

14. 40 C.F.R. Part 141, Subpart O requires Respondent to prepare and deliver to its consumers a Consumer Confidence Report annually by July 1.
15. Respondent has failed to demonstrate to EPA and VIDPNR that the required annual Consumer Confidence Reports were prepared and delivered to its consumers for 2005 and 2006.
16. Respondent has failed, therefore, to demonstrate its compliance with the Consumer Confidence Report requirements specified in 40 C.F.R. Part 141, Subpart O, and Paragraphs 1, 2, 3, 4, and 5 of the AO.

III. Notice of Proposed Order Assessing a Civil Penalty

Based on the foregoing Findings of Violation, and pursuant to the authority of Section 1414(g)(3)(b) of the Act, 42 U.S.C. §300g-3(g)(3)(B), EPA, Region 2 hereby proposes to issue a Final Order Assessing Administrative Penalties ("Final Order") to Respondent assessing a penalty of **Six Thousand Dollars (\$6,000.00)**. EPA determined the proposed penalty after taking into account the applicable factors identified at Section 1414(b) of the Act, 42 U.S.C. §300g-3(g)(b). EPA has taken into account the seriousness of the violation(s), the population at risk and other appropriate factors, in light of information currently available to it.

IV. Procedures Governing This Administrative Litigation

The rules of procedure governing this civil administrative litigation have been set forth in 40 C.F.R. Part 22. This proceeding will be conducted in accordance with the CROP, including Subpart I thereof; unless, in your Answer, you request a hearing on the record in accordance with Section 554 of the Administrative Procedures Act, 5 U.S.C. §554, in which case Subpart I shall not apply.

A. Answering the Complaint

Where Respondent intends to contest any material fact upon which the Complaint is based, to contend that the proposed penalty is inappropriate or to contend that Respondent is entitled to judgment as a matter of law, Respondent must file with the Regional Hearing Clerk of EPA, Region 2, both an original and one copy of a written Answer to the Complaint, and such Answer must be filed within thirty (30) days after service of the Complaint. 40 C.F.R. §22.15(a). The address of the Regional Hearing Clerk of EPA, Region 2, is:

Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 2
290 Broadway, 16th floor
New York, New York 10007-1866

Respondent shall also then serve one copy of the Answer to the Complaint upon Complainant and any other party to the action, 40 C.F.R. §22.15(a).

Respondent's Answer to the Complaint must clearly and directly admit, deny, or explain each of the factual allegations that are contained in the Complaint and with regard to which Respondent has any knowledge. 40 C.F.R. §22.15(b). Where Respondent lacks knowledge of a particular factual allegation and so states in its Answer, the allegation is deemed denied. 40 C.F.R. § 22.15(b). The Answer shall also set forth: (1) the circumstances or arguments that are alleged to constitute the grounds of defense, (2) the facts that Respondent disputes (and thus intends to place at issue in the proceeding), (3) the basis for opposing the proposed relief and (4) whether Respondent requests a hearing. 40 C.F.R. §22.15(b).

Respondent's failure affirmatively to raise in the Answer facts that constitute or that might constitute the grounds of its defense may preclude Respondent, at a subsequent stage in

this proceeding, from raising such facts and/or from having such facts admitted into evidence at a hearing.

B. Opportunity to Request a Hearing

If requested by Respondent in its Answer, a hearing upon the issues raised by the Complaint and Answer may be held. 40 C.F.R. §22.15(c). If, however, Respondent does not request a hearing, the Presiding Officer (as defined in 40 C.F.R. §22.3) may hold a hearing if the Answer raises issues appropriate for adjudication. 40 C.F.R. §22.15(c).

Any hearing in this proceeding will be held at a location determined in accordance with 40 C.F.R. § 22.21(d). A hearing of this matter will be conducted in accordance with the applicable provisions of the Administrative Procedure Act, 5 U.S.C. §§551-59, and the procedures set forth in Subpart D of 40 C.F.R. Part 22.

C. Failure to Answer

If Respondent fails in its Answer to admit, deny, or explain any material factual allegation contained in the Complaint, such failure constitutes an admission of the allegation. 40 C.F.R. §22.15(d). If Respondent fails to file a timely [i.e. in accordance with the 30-day period set forth in 40 C.F.R. §22.15(a)] Answer to the Complaint, Respondent may be found in default upon motion. 40 C.F.R. §22.17(a). Default by Respondent constitutes, for purposes of the pending proceeding only, an admission of all facts alleged in the Complaint and a waiver of Respondent's right to contest such factual allegations. 40 C.F.R. §22.17(a). Following a default by Respondent for a failure to timely file an Answer to the Complaint, any order issued therefore shall be issued pursuant to 40 C.F.R. §22.17(c).

Any penalty assessed in the default order shall become due and payable by Respondent without further proceedings thirty (30) days after the Default Order becomes final pursuant to 40 C.F.R. §22.27(c). 40 C.F.R. §22.17(d). If necessary, EPA may then seek to enforce such Final Order of Default against Respondent, and to collect the assessed penalty amount, in federal court.

V. Informal Settlement Conference

Whether or not Respondent requests a formal hearing, EPA encourages settlement of this proceeding consistent with the provisions of the Act and its applicable regulations. 40 C.F.R. §22.18(b). At an informal conference with a representative(s) of Complainant, Respondent may comment on the charges made in this Complaint, and Respondent may also provide whatever additional information that it believes is relevant to the disposition of this matter, including: (1) actions Respondent has taken to correct any or all of the violations herein alleged, (2) any information relevant to Complainant's calculation of the proposed penalty, (3) the effect the proposed penalty would have on Respondent's ability to continue in business and/or (4) any other special facts or circumstances Respondent wishes to raise.

Complainant has the authority to modify the amount of the proposed penalty, where appropriate, to reflect any settlement agreement reached with Respondent, to reflect any relevant

information previously not known to Complainant or to dismiss any or all of the charges, if Respondent can demonstrate that the relevant allegations are without merit and that no cause of action as herein alleged exists. Respondent is referred to 40 C.F.R. §22.18.

Any request for an informal conference or any questions that Respondent may have regarding this Complaint should be directed to:

Melva J. Hayden, Esq.
Assistant Regional Counsel
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 2
290 Broadway, 16th floor
New York, New York 10007-1866
(212) 637-3230

The parties may engage in settlement discussions irrespective of whether Respondent has requested a hearing. 40 C.F.R. §22.18(b)(1). Respondent's requesting a formal hearing does not prevent it from also requesting an informal settlement conference; the informal conference procedure may be pursued simultaneously with the formal adjudicatory hearing procedure. A request for an informal settlement conference constitutes neither an admission nor a denial of any of the matters alleged in the Complaint. Complainant does not deem a request for an informal settlement conference as a request for a hearing as specified in 40 C.F.R. §22.15(c).

A request for an informal settlement conference does not affect Respondent's obligation to file a timely Answer to the Complaint pursuant to 40 C.F.R. §22.15. No penalty reduction, however, will be made simply because an informal settlement conference is held.

Any settlement that may be reached as a result of an informal settlement conference shall be embodied in a written Consent Agreement. 40 C.F.R. §22.18(b)(2). In accepting the Consent Agreement, Respondent waives its right to contest the allegations in the Complaint and waives its right to appeal the Final Order that is to accompany the Consent Agreement. 40 C.F.R. §22.18(b)(2). In order to conclude the proceeding, a Final Order ratifying the parties' agreement to settle will be executed. 40 C.F.R. §22.18(b)(3).

Respondent's entering into a settlement through the signing of such Consent Agreement and its complying with the terms and conditions set forth in such Consent Agreement terminates this administrative litigation and the civil proceedings arising out of the allegations made in the Complaint. Respondent's entering into a settlement does not extinguish, waive, satisfy or otherwise affect its obligation and responsibility to comply with all applicable statutory and regulatory requirements, and to maintain such compliance.

VI. Resolution of this Proceeding Without Hearing or Conference

Instead of filing an Answer, Respondent may choose to pay the total amount of the proposed penalty within 30 days after receipt of the Complaint, provided that Respondent files with the Regional Hearing Clerk, Region 2 (at the address noted above), a copy of the check or

other instrument of payment. 40 C.F.R. §22.18(a). A copy of the check or other instrument of payment should be provided to the EPA Assistant Regional Counsel identified on the previous page. Payment of the penalty assessed should be made by sending a cashier's or certified check payable to the "Treasurer, United States of America", in the full amount of the penalty assessed in this complaint to the following addressee:

U. S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
PO Box 979077
St. Louis, MO 63197-9000

Pursuant to 40 C.F.R. § 22.18(a)(3), if Respondent elects to pay the full amount of the penalty proposed in the Complaint within thirty (30) days of receiving the Complaint, then, upon EPA's receipt of such payment, the Regional Administrator of EPA, Region 2 (or, if designated, the Regional Judicial Officer), shall issue a Final Order in accordance with 40 C.F.R. §22.18(a)(3). In accordance with 40 C.F.R. §22.45(c)(3), no Final Order shall issue until at least ten (10) days after the close of the comment period on this Complaint. Issuance of a Final Order terminates this administrative litigation and the civil proceedings arising out of the allegations made in the Complaint. Further, pursuant to 40 C.F.R. §22.18(a)(3), the making of such payment by Respondent shall constitute a waiver of Respondent's right both to contest the allegations made in the Complaint and to appeal said Final Order to federal court. Such payment does not extinguish, waive, satisfy or otherwise affect Respondent's obligation and responsibility to comply with all applicable statutory and regulatory requirements, and to maintain such compliance.

VII. Filing of Documents

1. The Answer and any Hearing Request and all subsequent documents filed in this action should be sent to:

Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 2
290 Broadway - 16th Floor
New York, New York 10007-1866

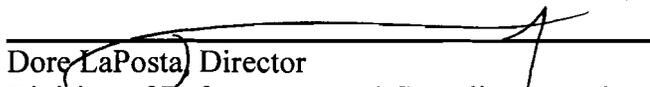
2. A copy of the Answer, any Hearing Request and all subsequent documents filed in this action shall be sent to:

Melva J. Hayden, Esq., Assistant Regional Counsel
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 2
290 Broadway, 16th floor
New York, New York 10007-1866
(212) 637-3230

VIII. General Provisions

1. Respondent has a right to be represented by an attorney at any stage of these proceedings.
2. This Complaint does not constitute a waiver, suspension or modification of the requirements of the Act, regulations promulgated thereunder, or any applicable permit.
3. Neither assessment nor payment of an administrative civil penalty pursuant to Section 1414(g)(3)(B) of the Act, 42 U.S.C. §300g-3(g)(3)(B), will affect Respondent's continuing obligation to comply with the Act, and with regulations promulgated thereunder.

ISSUED THIS 23rd DAY OF DECEMBER 2007.


Dore LaPosta Director
Division of Enforcement and Compliance Assistance
United States Environmental Protection Agency – Region 2
290 Broadway
New York, New York 10007-1866

To: Mr. Malik Shalhout
Dorothea Condominium Association
P.O. Box 1085
St. Thomas, VI 00804