UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

JUN 22 2017

CERTIFIED MAIL 7016 0600 0000 3846 8197
RETURN RECEIPT REQUESTED

Mr. Michael Patrick, P.E.
Director, Waste Resources Division
City of Chattanooga
455 Moccasin Bend Road
Chattanooga, Tennessee 37405

Re: U.S. District Court Civil Action 1:12-cv-00245
City of Chattanooga Consent Decree
Demand for Stipulated Penalties

Dear Mr. Patrick:

The U.S. Environmental Protection Agency Region 4 has reviewed the City of Chattanooga's (Chattanooga's) Quarterly Reports that were submitted from the Third Quarter of 2014 (dated October 29, 2014) to the Fourth Quarter of 2016 (dated January 26, 2017) under Section IX (Reporting Requirements) of the Consent Decree.

Pursuant to Paragraph 48.a. of the Consent Decree, the United States may assess a stipulated penalty for each sanitary sewer overflow (SSO) which reaches waters of the United States in a dollar amount that is dependent on the size of the SSO and when the SSO occurred. Stipulated penalties totaling $37,100 for the 106 SSOs that reached waters of the United States within 24 months of the Effective Date of the Consent Decree and $140,000 for the 280 SSOs that reached waters of the United States between 24 and 60 months of the Effective Date of the Consent Decree could thus be assessed. As a result of the circumstances surrounding some of the SSOs that reached waters of the United States, and as permitted by the Consent Decree, the EPA has decided to exercise its enforcement discretion to not demand the full amount of stipulated penalties that could be assessed. Therefore, after review of the submitted documentation, the EPA hereby demands stipulated penalties pursuant to Paragraph 48.a. of the Consent Decree in the amount of $93,850 for the period of July 1, 2014 to December 31, 2016.

In accordance with Paragraph 50 of the Consent Decree, Chattanooga shall pay within 30 days of receipt of this letter $93,850 to the United States. Payment shall be made pursuant to Paragraphs 29 and 53 of the Consent Decree.

If you should have any questions, please have your attorneys contact Mr. William Bush, Associate Regional Counsel assigned to this matter, at (404) 562-9538.

Sincerely,

Denisse D. Diaz, Chief
NPDES Permitting and Enforcement Branch
Water Protection Division

cc: Mr. Karl Fingerhood
U.S. Department of Justice, Washington, D.C.

Mr. Phillip Hilliard
Office of the Attorney General

Ms. Jessica Murphy
Tennessee Department of Environment and Conservation

Mr. Donald L. Norris
City of Chattanooga

Mr. Wade Hinton
City of Chattanooga

Mr. Adam Sowatzka
King & Spalding LLP

Ms. Shelby Ward
Tennessee Clean Water Network