

ILLINOIS POLLUTION CONTROL BOARD
April 20, 2006

PEOPLE OF THE STATE OF ILLINOIS,)	
)	
Complainant,)	
)	
v.)	PCB 06-157
)	(Enforcement - Water)
BELVIDERE NATIONAL BANK AND)	
TRUST COMPANY TRUST NUMBER 1600,)	
a trust, and CORDAY BROTHERS, INC., an)	
Illinois corporation, and as sole beneficiary of)	
Trust No. 1600,)	
)	
Respondents.)	

ORDER OF THE BOARD (by G.T. Girard):

On April 12, 2006, the Office of the Attorney General, on behalf of the People of the State of Illinois (People), filed a four-count complaint against Belvidere National Bank and Trust Company Trust Number 1600 (Bank) and Corday Brothers, Inc. (Corday Brothers) (collectively respondents). See 415 ILCS 5/31(c)(1) (2004); 35 Ill. Adm. Code 103.204. The complaint concerns respondents' deposition of soil in piles on 25 acres of vacant land on the north side of U.S. Route 20 in Bonus Township, east of Belvidere and east of Coon Creek and south of the Kishwaukee River, in Boone County. The soil is overburden from Corday Brothers' gravel quarry operations located on 45 acres of land operated on the north side of Kishwaukee River from the 25 vacant acres. For the reasons below, the Board accepts the complaint for hearing.

Under the Environmental Protection Act (Act) (415 ILCS 5/1 *et seq.* (2004)), the Attorney General and the State's Attorneys may bring actions before the Board to enforce Illinois' environmental requirements on behalf of the People. See 415 ILCS 5/31 (2004); 35 Ill. Adm. Code 103. Corday Brothers is the sole beneficiary of Trust 1600 at the Bank. In this case, the People allege that respondents violated Section 12(a), (d), and (f) of the Act (415 ILCS 5/12(a), (d), and (f) (2004)) and 35 Ill. Adm. Code 404.101(a)(2). The People further allege that respondents violated these provisions by (1) causing, threatening, or allowing water pollution by depositing the soil on the land without erosion controls sufficient to prevent silt discharges into the Kishwaukee River and Coon Creek; (2) creating a water pollution hazard; (3) threatening to allow or allowing stormwater discharges from the vacant property without first obtaining coverage under the general stormwater permit; and (4) failing to obtain a mining permit for its gravel quarry operations. The People ask the Board to order respondents to cease and desist from further violation and pay a civil penalty of \$50,000 per violation and \$10,000 for each day the violations continued.

The Board finds that the complaint meets the content requirements of the Board's procedural rules and accepts the complaint for hearing. See 35 Ill. Adm. Code 103.204(c), (f),

103.212(c). A respondent's failure to file an answer to a complaint within 60 days after receiving the complaint may have severe consequences. Generally, if respondents fail within that timeframe to file an answer specifically denying, or asserting insufficient knowledge to form a belief of, a material allegation in the complaint, the Board will consider respondents to have admitted the allegation. 35 Ill. Adm. Code 103.204(d).

The Board directs the hearing officer to proceed expeditiously to hearing. Among the hearing officer's responsibilities is the "duty . . . to ensure development of a clear, complete, and concise record for timely transmission to the Board." 35 Ill. Adm. Code 101.610. A complete record in an enforcement case thoroughly addresses, among other things, the appropriate remedy, if any, for the alleged violations, including any civil penalty.

If a complainant proves an alleged violation, the Board considers the factors set forth in Sections 33(c) and 42(h) of the Act to fashion an appropriate remedy for the violation. *See* 415 ILCS 5/33(c), 42(h) (2004). Specifically, the Board considers the Section 33(c) factors in determining, first, what to order the respondent to do to correct an ongoing violation, if any, and, second, whether to order the respondent to pay a civil penalty. The factors provided in Section 33(c) bear on the reasonableness of the circumstances surrounding the violation, such as the character and degree of any resulting interference with protecting public health, the technical practicability and economic reasonableness of compliance, and whether the respondent has subsequently eliminated the violation.

With Public Act 93-575, effective January 1, 2004, the General Assembly changed the Act's civil penalty provisions, amending Section 42(h) and adding a new subsection (i) to Section 42. Section 42(h)(3) now states that any economic benefit to respondent from delayed compliance is to be determined by the "lowest cost alternative for achieving compliance." The amended Section 42(h) also requires the Board to ensure that the penalty is "at least as great as the economic benefits, if any, accrued by the respondent as a result of the violation, unless the Board finds that imposition of such penalty would result in an arbitrary or unreasonable financial hardship."

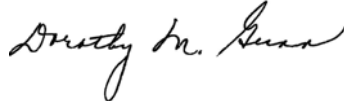
Under these amendments, the Board may also order a penalty lower than a respondent's economic benefit from delayed compliance if the respondent agrees to perform a "supplemental environmental project" (SEP). A SEP is defined in Section 42(h)(7) as an "environmentally beneficial project" that a respondent "agrees to undertake in settlement of an enforcement action . . . but which the respondent is not otherwise legally required to perform." SEPs are also added as a new Section 42(h) factor (Section 42(h)(7)), as is whether a respondent has "voluntary self-disclosed . . . the non-compliance to the [Illinois Environmental Protection] Agency" (Section 42(h)(6)). A new Section 42(i) lists nine criteria for establishing voluntary self-disclosure of non-compliance. A respondent establishing these criteria is entitled to a "reduction in the portion of the penalty that is not based on the economic benefit of non-compliance."

Accordingly, the Board further directs the hearing officer to advise the parties that in summary judgment motions and responses, at hearing, and in briefs, each party should consider: (1) proposing a remedy for a violation, if any (including whether to impose a civil penalty), and supporting its position with facts and arguments that address any or all of the Section 33(c)

factors; and (2) proposing a civil penalty, if any (including a specific total dollar amount and the portion of that amount attributable to the respondent's economic benefit, if any, from delayed compliance), and supporting its position with facts and arguments that address any or all of the Section 42(h) factors. The Board also directs the hearing officer to advise the parties to address these issues in any stipulation and proposed settlement that may be filed with the Board.

IT IS SO ORDERED.

I, Dorothy M. Gunn, Clerk of the Illinois Pollution Control Board, certify that the Board adopted the above order on April 20, 2006, by a vote of 4-0.

A handwritten signature in cursive script that reads "Dorothy M. Gunn".

Dorothy M. Gunn, Clerk
Illinois Pollution Control Board