



REGION 8

DENVER, CO 80202

FILED

Aug 03, 2026

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**U.S. EPA REGION 8
HEARING CLERK**

IN THE MATTER OF:

**CF&I Steel, L.P., dba
Rocky Mountain Steel Mills**

2100 South Freeway
Pueblo, CO 81004

Respondent

CONSENT AGREEMENT

Docket No. CWA-08-2026-0009

I. INTRODUCTION

1. This is an administrative penalty assessment proceeding pursuant to Sections 22.13(b) and 22.18(b)(2) and (3) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules of Practice), as codified at 40 C.F.R. Part 22.
2. Complainant and Respondent, having agreed settlement of this action is in the public interest, consent to the entry of this consent agreement (Agreement) without adjudication of any issues of law or fact herein, and Respondent agrees to comply with the terms of this Agreement.
3. This proceeding is subject to the Consolidated Rules of Practice, under which a proceeding may be simultaneously commenced and concluded by a final order from a Regional Judicial Officer or Regional Administrator ratifying a consent agreement. 40 C.F.R. §§ 22.13(b), 22.18(b), 22.4(b).

II. JURISDICTION

4. This Agreement is issued under the authority of Section 309(g) of the Clean Water Act (Act), 33 U.S.C. § 1319(g).

5. The State of Colorado has been provided an opportunity to consult with the EPA regarding this matter in accordance with the requirements of 40 C.F.R. § 22.38(b) and Section 309(g)(1) of the Act, 33 U.S.C. § 1319(g)(1).

III. GOVERNING LAW

Pollutant Discharge Prohibition

6. The “discharge of any pollutant by any person,” to waters of the United States is prohibited, except, inter alia, in compliance with a National Pollutant Discharge Elimination System (NPDES) permit issued by the EPA or an authorized state pursuant to Section 402 of the Act, 33 U.S.C. § 1342. 33 U.S.C. § 1311(a).
7. The EPA may issue NPDES permits that authorize discharges of pollutants into waters of the United States, subject to conditions and limitations set forth in such permits. 33 U.S.C. § 1342(a).
8. A state may establish its own NPDES program and, after receiving EPA approval, issue NPDES permits. 33 U.S.C. § 1342(b). The State of Colorado has been authorized to administer the NPDES program in Colorado since March 27, 1975. 40 Fed. Reg. 16713 (April 14, 1975). Permits issued by the State of Colorado in this capacity are sometimes known as Colorado Discharge Permit System (CDPS) permits.
9. The regulatory authority is directed to prescribe conditions and limitations, including effluent limitations, for NPDES permits to assure compliance with the requirements of the Act. 33 U.S.C. § 1342(a)(2); *see also* 33 U.S.C. § 1311.
10. Effluent limitations, as defined in Section 502(11) of the Act, 33 U.S.C. § 1362(11), are restrictions on quantity, rate, and concentration of chemical, physical, biological, and other constituents that are discharged from point sources.

Clean Water Act: NPDES Industrial Wastewater Program

11. The term “process wastewater” is defined in 40 C.F.R. 122.2 as any water which, during manufacturing or processing, comes into direct contact with or results from the production or use of any raw material, intermediate product, finished product, byproduct, or waste product.
12. The Colorado Department of Health and Environment (CDPHE) issued CDPS Permit No. CO0000621, effective April 1, 2011, (Wastewater Permit), under which Respondent was authorized to discharge from its wastewater treatment facility. The expiration date for Modification #3 of the Wastewater Permit was March 31, 2016; however, CDPHE administratively extended the Wastewater Permit and it remains administratively extended as of the Effective Date of this Agreement.

Enforcement

13. Any person who discharges a pollutant to navigable waters without a permit in violation of Section 301(a) of the Act, 33 U.S.C. § 1311(a), may be assessed an administrative civil penalty by the EPA, according to Section 309(g)(1) of the Act, 33 U.S.C. § 1319(g)(1). As adjusted for inflation pursuant to 40 C.F.R. Part 19, the maximum administrative Class II penalty under Section 309(g)(2) of the Act, 33 U.S.C. § 1319(g)(2), for violations occurring after November 2, 2015, when penalties are assessed on or after January 8, 2025, is \$27,378 per day for each day during which the violation continues, with a maximum of \$342,218. *See* 90 Fed. Reg. 1375, 1377 (January 8, 2025).

IV. RESPONDENT

14. Respondent CF&I Steel, L.P. is a Delaware limited partnership registered to do business in Colorado under the trade name Rocky Mountain Steel Mills.
15. Respondent is a “person” for purposes of Section 502(5) of the Act, 33 U.S.C. § 1362(5), and 40 C.F.R. § 122.2.
16. Respondent owns and operates the Rocky Mountain Steel Mills located at 2100 South Freeway in Pueblo, Colorado (the Facility).

V. ALLEGATIONS OF FACT AND LAW

The following allegations apply at all times relevant to this Agreement:

17. The Wastewater Permit authorizes Respondent to discharge, under specified conditions, from the Facility into the Arkansas River.
18. The Arkansas River is a traditional navigable water. It is an interstate water that originates in Colorado and flows into Nebraska. It is also a perennial stream that is navigable-in-fact.
19. The Arkansas River is a “water of the United States” within the meaning of Section 502(7) of the Act, 33 U.S.C. § 1362(7), 40 C.F.R. §§ 122.2 (1993) and 232.2 (1993). The Arkansas River is also “State waters” within the meaning of Colo. Rev. Stat. § 25-8-103(19) and the CDPS Permit.
20. The Arkansas River is a relatively permanent water that constitutes “navigable waters” as defined in Section 502(7) of the Act, 33 U.S.C. § 1362(7).
21. On June 12-28, 2023, the EPA conducted a compliance evaluation inspection with sampling (Inspection) of the Facility pursuant to Section 308(a) of the Act, 33 U.S.C. § 1318(a), to evaluate Respondent’s compliance with the Act and the CDPS Permit. During the Inspection, or shortly thereafter, the EPA reviewed Respondent’s records and obtained copies of documents related to the Facility.
22. The EPA sent Respondent an inspection report on January 16, 2024. Respondent

provided a response to the inspection report on March 15, 2024.

23. The Wastewater Permit contains numeric effluent limitations for discharges of certain pollutants in wastewater, including:
 - a. At Outfall 001-A, a limit of 3,527 net pounds per day (lbs/day) of Total Suspended Solids (TSS) for the daily maximum.
 - b. At Outfall 001-A, a limit of 2,460 net lbs/day of Oil and Grease for the daily maximum.
 - c. At Outfall 001-A, a limit of 64 net lbs/day of Oil and Grease for the 30-day average.
 - d. At Outfall 001-A, a limit of 10.39 net lbs/day of Zinc for the 30-day average.
24. The Wastewater Permit requires Respondent to submit discharge monitoring reports (DMRs) monthly. DMRs are reports certified by Respondent that provide the results of discharge monitoring required by the Wastewater Permit.

VI. ALLEGED VIOLATIONS OF LAW

The Complainant alleges the following violations:

Count 1: Discharge of Pollutants in Violation of Effluent Limits

25. TSS, Oil and Grease, and Zinc are “pollutants” within the meaning of Section 502(6) of the Act, 33 U.S.C. § 1362(6).
26. The outfall, including Outfall 001-A, permitted by the Wastewater Permit at the Facility is discernible, confined, and a discrete conveyance and is, therefore, a “point source” within the meaning of Section 502(14) of the Act, 33 U.S.C. § 1362(14).
27. Based on DMRs submitted by Respondent to the CDPHE, Respondent discharged pollutants from a permitted outfall at the Facility in excess of the Wastewater Permit’s effluent limitations on fourteen occasions from April 2020 to July 2025, as follows:
 - a. For the monitoring period ending on April 30, 2020, Respondent reported a 30-day average of Oil and Grease of 179.3 net lbs/day at Outfall 001-A. Following the applicable CDPHE guidance, the EPA determined the actual 30-day average of Oil and Grease for this monitoring period was 325.7 net lbs/day.
 - b. For the monitoring period ending on November 30, 2020, Respondent reported a daily maximum of TSS of 15,892.3 net lbs/day at Outfall 001-A. Following the applicable CDPHE guidance, the EPA determined the actual daily maximum of TSS for this monitoring period was 16,873.3 net lbs/day.
 - c. For the monitoring period ending on February 28, 2021, Respondent reported a daily maximum of Oil and Grease of 4384.3 net lbs/day at Outfall 001-A.

Following the applicable CDPHE guidance, the EPA determined the actual daily maximum of Oil and Grease for this monitoring period was 5,441 net lbs/day.

- d. For the monitoring period ending on February 28, 2021, Respondent reported a 30-day average of Oil and Grease of 548 net lbs/day at Outfall 001-A. Following the applicable CDPHE guidance, the EPA determined the actual 30-day average of Oil and Grease for this monitoring period was 680.1 net lbs/day.
 - e. For the monitoring period ending on March 31, 2021, Respondent reported a 30-day average of Zinc of 11.4 net lbs/day at Outfall 001-A.
 - f. For the monitoring period ending on September 30, 2021, Respondent reported a daily maximum of TSS of 9,859.1 net lbs/day at Outfall 001-A. Following the applicable CDPHE guidance, the EPA determined the actual daily maximum of TSS for this monitoring period was 11,414.10 net lbs/day.
 - g. For the monitoring period ending on March 31, 2022, Respondent reported a daily maximum of TSS of 4074.9 net lbs/day at Outfall 001-A.
 - h. For the monitoring period ending on September 30, 2022, Respondent reported a daily maximum of TSS of 17,547.1 net lbs/day at Outfall 001-A.
 - i. For the monitoring period ending on July 31, 2024, Respondent reported a daily maximum of TSS of 4,100.8 net lbs/day at Outfall 001-A.
 - j. For the monitoring period ending on March 31, 2025, Respondent reported a 30-day average of Oil and Grease of 604 net lbs/day at Outfall 001-A.
 - k. For the monitoring period ending on April 30, 2025, Respondent reported a 30-day average of Oil and Grease of 365.3 net lbs/day at Outfall 001-A.
 - l. For the monitoring period ending on April 30, 2025, Respondent reported a daily maximum of Oil and Grease of 3,288 net lbs/day at Outfall 001-A.
 - m. For the monitoring period ending on June 30, 2025, Respondent reported a 30-day average of Oil and Grease of 156.8 net lbs/day at Outfall 001-A.
 - n. For the monitoring period ending on July 31, 2025, Respondent reported a 30-day average of Oil and Grease of 120 net lbs/day at Outfall 001-A.
28. Each discharge of pollutants described above is a violation of the Wastewater Permit and Sections 301(a) and 402 of the Act, 33 U.S.C. §§ 1311(a) and 1342.

Count 2: Improper Operations and Maintenance

- 29. The Wastewater Permit requires proper operation and maintenance of all facilities and systems of treatment and control (and related appurtenances) that are installed or used by the permittee to achieve compliance with the conditions of the permit.
- 30. At the time of the Inspection, the EPA inspectors observed that Respondent was not properly maintaining all facilities and systems of treatment and control. Oily

substances and sheens were observed spilled around the production mills and at both the North and South Mill treatment systems.

31. Respondent's failure to properly operate and maintain all facilities and systems of treatment and control as described above between April 2020 to present, is a violation of the Wastewater Permit.

Count 3: Failure to Follow Approved Sampling Methodology

32. The Wastewater Permit requires that all sampling shall be performed by the permittee according to specified methods in 40 C.F.R. Part 136; methods approved by EPA pursuant to 40 C.F.R. Part 136; or methods approved by the Division, in the absence of a method specified in or approved pursuant to 40 C.F.R. Part 136.
33. The applicable sampling method for oil and grease is EPA approved method 1664 Revision A or B. 40 C.F.R. Part 136.3 Table 1B.41.
34. At the time of the Inspection, the EPA inspectors observed Facility personnel were incorrectly collecting oil and grease wastewater samples using a steel dipper cup to fill the sample container.
35. Respondent's sampling procedure indicates that personnel must triple rinse the dipper before collecting samples and may collect samples in the dipper up to three separate times, pouring each sample into a container with preservative. The procedure further indicates that staff may collect a sample using a 2.5-gallon glass jar and then use that sample to fill two separate 1 liter glass jars. Respondent's staff attempt to collect duplicate samples using these same procedures.
36. The observed and documented oil and grease sampling procedures described above are inconsistent with EPA approved method 1664 Revision A or B and violate the Wastewater Permit.

VII. TERMS OF CONSENT AGREEMENT

37. For this proceeding, Respondent, by signing this Agreement:
 - a. admits the jurisdictional allegations in Section II of this Agreement;
 - b. neither admits nor denies the factual allegations in Sections IV and V of this Agreement;
 - c. consents to the assessment of a civil penalty as stated below;
 - d. acknowledges this Agreement constitutes an enforcement action for purposes of considering Respondent's compliance history in any subsequent enforcement actions;
 - e. waives any right to contest the alleged violations of law set forth in Section VI of this Agreement;

- f. acknowledges that the EPA has provided an opportunity for a hearing and waives any right to a hearing in this proceeding;
- g. waives any right to appeal the Final Order accompanying this Agreement; and
- h. waives any rights or defenses that Respondent has or may have for this matter to be resolved in federal court, including but not limited to any right to a jury trial, and waives any right to challenge the lawfulness of the Final Order accompanying this Agreement.

VIII. CIVIL PENALTY

- 38. Section 309(g) of the Act, 33 U.S.C. § 1319(g) authorizes EPA to assess a civil penalty in this matter.
- 39. In determining the amount of the penalty to be assessed, the EPA considered the nature, circumstances, extent and gravity of the violations, and, with respect to the violator, ability to pay, any prior history of such violations, the degree of culpability, economic benefit or savings (if any) resulting from the violations, and such other matters as justice may require in accordance with Section 309(g)(3) of the Act, 33 U.S.C. § 1319(g)(3).
- 40. Based on the allegations in Sections V and VI above, and having considered the penalty assessment factors cited above, the Complainant has determined a civil penalty of **\$308,173** is appropriate to settle this proceeding.
- 41. Respondent agrees to pay a civil penalty of \$308,173 (Penalty) within 30 calendar days after the Effective Date.
- 42. Respondent must pay the penalty and any interest, fees, or other charges due using any method, or combination of appropriate method, as provided on the website: <https://www.epa.gov/financial/makepayment>. For additional instructions see: <https://www.epa.gov/financial/additional-instructions-making-payments-epa>.
- 43. When making a payment, Respondent must:
 - a. identify each and every payment with Respondent's name and the docket number that appears on the Final Order; and
 - b. Respondent must send proof of payment to the Regional Hearing Clerk at r8_hearing_clerk@epa.gov, Stephanie Meyers at meyers.stephanie@epa.gov, and EPA Cincinnati Finance Center at CINWD_AcctsReceivable@epa.gov within 24 hours of payment of the EPA Penalty.

“Proof of payment” means, confirmation of credit card or debit card payment, confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate payment has been made according to the EPA requirements, in the amount due, and identified with the docket number and Respondent's name).

44. **Interest, Charges, and Penalties on Late Payments.** Pursuant to 31 U.S.C. § 3717, 31 C.F.R. § 901.9, and 40 C.F.R. § 13.11, if Respondent fails to timely pay the full amount of the Penalty per this Agreement, EPA is authorized to recover, in addition to the amount of the unpaid Penalty, the following amounts:
- a. **Interest.** Interest begins to accrue from the Effective Date. If the Penalty is paid in full within 30 days, interest accrued is waived. If the Penalty is not paid in full within 30 days, interest will continue to accrue until any unpaid portion of the Penalty as well as any interest, penalties, and other charges are paid in full. To protect the interests of the United States the rate of interest is set at the Internal Revenue Service (IRS) standard underpayment rate, any lower rate would fail to provide Respondent adequate incentive for timely payment.
 - b. **Handling Charges.** Respondent will be assessed monthly a charge to cover EPA's costs of processing and handling overdue debts. If Respondent fails to pay the Penalty in accordance with this Agreement, EPA will assess a charge to cover the costs of handling any unpaid amounts for the first 30-day period after the Effective Date. Additional handling charges will be assessed every 30 days, or any portion thereof, until the unpaid portion of the Penalty as well as any accrued interest, penalties, and other charges are paid in full.
 - c. **Late Payment Penalty.** A late payment penalty of six percent per annum, will be assessed monthly on all debts, including any unpaid portion of the Penalty, interest, penalties, and other charges, that remain delinquent more than 90 days. Any such amounts will accrue from the Effective Date.
45. **Late Penalty Actions.** In addition to the amounts described in the prior paragraph, if Respondent fails to timely pay any portion of the Penalty, interest, or other charges and penalties per this Agreement, EPA may take additional actions. Such actions EPA may take include, but are not limited to, the following:
- a. Refer the debt to a collection agency or a credit reporting agency, per 40 C.F.R. §§ 13.13 and 13.14.
 - b. Collect the debt by administrative offset (i.e., the withholding of money payable by the United States government to, or held by the United States government for, a person to satisfy the debt the person owes the United States government), which includes, but is not limited to, referral to the IRS for offset against income tax refunds. 40 C.F.R. part 13, subparts C and H.
 - c. Suspend or revoke Respondent's licenses or other privileges, or suspend or disqualify Respondent from doing business with EPA or engaging in programs EPA sponsors or funds. 40 C.F.R. § 13.17.
 - d. Refer this matter to the United States Department of Justice for litigation and collection. 40 C.F.R. § 13.33.
46. **Allocation of Payments.** A partial payment of debt will be applied first to outstanding handling charges, second to late penalty charges, third to accrued

interest, and last to the principal that is the outstanding Penalty amount. 31 C.F.R. § 901.9(f) and 40 C.F.R. § 13.11(d),

47. **Tax Treatment of Penalties.** Penalties, interest, and other charges paid pursuant to this Agreement are not deductible for purposes of federal taxes.
48. Upon incorporation into a final order this Consent Agreement applies to and is binding upon the parties, and Respondent's officers, directors, members, employees, agents, successors and assigns. Any change in ownership or business organization of Respondent, including but not limited to any transfer of assets or real or personal property will not alter Respondent's responsibilities under this Consent Agreement.

IX. TAX REPORTING

49. **Tax Reporting.** EPA is required to annually send to the IRS a completed IRS Form 1098-F ("Fines, Penalties, and Other Amounts") with respect to any court order or settlement agreement (including administrative settlements) that require a payor to pay an aggregate amount that EPA reasonably believes will be equal to, or in excess of, \$50,000 for the payor's violation of any law or the investigation or inquiry into the payor's potential violation of any law, including amounts paid for "restitution or remediation of property" or to come "into compliance with a law." 26 U.S.C. § 6050X and 26 C.F.R. § 1.6050X-1. EPA is required to furnish a written statement, which provides the same information provided to the IRS, to each payor (i.e., a copy of IRS Form 1098-F). Respondent's failure to comply with providing IRS Form W-9 or Tax Identification Number (TIN), as described below, may subject Respondent to a penalty. 26 U.S.C. § 6723, 26 U.S.C. § 6724(d)(3), and 26 C.F.R. § 301.6723-1. To provide EPA with sufficient information to enable it to fulfill these obligations, Respondent must complete the following actions as applicable.
 - a. Respondent must complete an IRS Form W-9 ("Request for Taxpayer Identification Number and Certification"), which is available at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>.
 - b. Respondent must therein certify that its completed IRS Form W-9 includes Respondent's correct TIN or that Respondent has applied and is waiting for issuance of a TIN.
 - c. Respondent must email its completed Form W-9 to EPA's Cincinnati Finance Division at chalifoux.jessica@epa.gov on or before the date that Respondent's initial penalty payment is due pursuant to this Agreement, or within 7 days of the Effective Date should the order become effective between December 15 and December 31 of the calendar year. EPA recommends encrypting IRS Form W-9 email correspondence.
 - d. In the event that Respondent has certified in its completed IRS Form W-9 that it does not yet have a TIN but has applied for a TIN, Respondent must provide EPA's Cincinnati Finance Division with Respondent's TIN, via email, within 5 days of Respondent's receipt of a TIN issued by the IRS.

VII. EFFECT OF CONSENT AGREEMENT AND FINAL ORDER

50. Completion of the terms of this Agreement resolves only Respondent's liability under Section 309(g) of the Act, 33 U.S.C. § 1319(g), for federal civil penalties for the violations alleged above. 40 C.F.R. § 22.18(c).
51. By signing this Agreement, Respondent acknowledges this Agreement will be available to the public and agrees this Agreement does not contain any confidential business information or personally identifiable information.
52. The undersigned representative of Respondent certify they are fully authorized to execute and enter into the terms and conditions of this Agreement and has the legal capacity to bind the party they represent to this Agreement.
53. The parties agree this Agreement may be signed in any number of counterparts, each of which will be deemed an original and, when taken together, constitute one agreement; the counterparts are binding on the parties individually as fully and completely as if the parties had signed one single instrument, so that the rights and liabilities of the parties will be unaffected by the failure of any of the undersigned to execute any or all of the counterparts; any signature page and any copy of a signed signature page may be detached from any counterpart and attached to any other counterpart of this Agreement and any signature page with digital certificates for signatures may be transmitted electronically (e.g., a PDF file).
54. By signing this Agreement, both parties agree each party's obligations under this Agreement constitute sufficient consideration for the other party's obligations.
55. By signing this Agreement, Respondent certifies that the information it has supplied concerning this matter was at the time of submission true, accurate, and complete for each such submission, response, and statement. Respondent acknowledges there are significant penalties for submitting false or misleading information, including the possibility of fines and imprisonment for knowing submission of such information, under 18 U.S.C. § 1001.
56. Each party bears its own attorneys' fees, costs, and disbursements incurred in this proceeding.
57. This Agreement constitutes the entire agreement and understanding of the parties and supersedes any prior agreements or understandings, whether written or oral, among the parties with respect to the subject matter hereof.
58. EPA reserves its legal and equitable rights if EPA finds that any information provided by Respondent was materially false or inaccurate at the time the information was provided to EPA.
59. This Agreement does not relieve Respondent of the duty to comply with all applicable provisions of the Act and other federal, state, tribal, or local laws, restrict EPA's authority to seek compliance with any applicable laws or regulations, or be

construed to be a ruling on, or determination of, any issue related to any federal, state, tribal, or local permit.

60. This agreement does not limit EPA's power to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment to the public health, welfare, or the environment.
61. Each party consents to service of the Final Order approving this Consent Agreement by e-mail at the following valid e-mail addresses: dimascio.nicholas@epa.gov (for Complainant), and adam@devoe-law.com (for Respondent).

VIII. PUBLIC NOTICE

62. The EPA will provide public notice of this Agreement and a reasonable opportunity to comment on the matter prior to submitting this Agreement to the Regional Judicial Officer or Regional Administrator for approval. The EPA may modify or withdraw its consent to this Agreement if comments received disclose facts or considerations indicating this Agreement is inappropriate, improper, or inadequate, or if a hearing is requested. 33 U.S.C. § 309(g)(4), 33 U.S.C. §§ 1319(g)(4), and 40 C.F.R. § 22.45.

IX. EFFECTIVE DATE

63. This Agreement and subsequently issued Final Order become effective on the date indicated in the Final Order.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, REGION 8

COLLEEN
RATHBONE

Digitally signed by COLLEEN
RATHBONE
Date: 2026.06.15 12:47:26
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Colleen Rathbone
Water Enforcement Branch Manager
Enforcement and Compliance Assurance Division

Complainant.

**CF&I STEEL, L.P., dba
Rocky Mountain Steel Mills**

 
Eric Shuster, President
Rocky Mountain Steel Mills

Respondent.