

ITEM: 10

SUBJECT: City of Redding, Clear Creek Wastewater Treatment Plant, Stillwater Wastewater Treatment Plant, and the City of Redding Sanitary Sewer System, Shasta County

BOARD ACTION: *Consideration of Settlement Agreement and Stipulation Order*

BACKGROUND: Two administrative civil liability complaints (R5-2011-0570 & R5-2011-0587) were issued to the City of Redding for effluent violations from the Stillwater and Clear Creek wastewater treatment plants. Regional Board staff had also issued Notices of Violation for other alleged permit violations, including but not limited to the alleged failure to comply with terms and conditions of the State Water Resources Control Board General Order WQ-2006-0003 for Sanitary Sewer Systems (sewer system overflows), and NPDES Permits R5-2003-0130, R5-2010-0096, and R5-2007-0058 for alleged bypasses from the Clear Creek and Stillwater Wastewater Treatment Plants. To resolve the administrative civil liability complaints, outstanding Notices of Violation, and any other alleged violations, the City of Redding and Regional Board staff determined that it was in the interest of judicial efficiency, the citizens of Redding and the citizens of California to enter into a global settlement agreement that would address all outstanding penalties and alleged violations. Accordingly, the City of Redding and the prosecution team have agreed to the imposition of \$1,450,000 in administrative civil liability, including \$800,000 toward a Supplemental Environmental Project ("SEP"), \$225,000 to the State Water Pollution Cleanup and Abatement Account, \$21,000 in mandatory minimum penalties, and the balance in stipulated penalties. A total of \$425,000 in liability will be progressively suspended if the City of Redding meets annual milestones related to completion of the SEP.

ISSUES: The proposed settlement agreement provides for a SEP involving the replacement of private sewer laterals and a cash payment to the Cleanup and Abatement Account. The SEP portion of the settlement exceeds 50% of the total penalty. Pursuant to the Enforcement Policy on SEPs, the proposed agreement was posted for a 30 day public review and received the approval of the Director of the Office of Enforcement. On 10 September 2012, counsel from Lawyers for Clean Water, representing California Sportfishing Protection Alliance (CSPA), submitted comments and requested a public hearing. CSPA contends that the settlement agreement does not include the necessary, comprehensive injunctive measures that will bring the City of Redding into compliance with the Clean Water Act (CWA). The Prosecution Team believes the settlement is appropriate given the facts of the case and is in the best interest of the people of the State of California. The City of Redding has already undertaken

major infrastructure improvements to meet all permit terms and to reduce inflow and infiltration (I/I) from its collection system. The SEP addresses I/I from private laterals outside the City's jurisdiction, it resolves outstanding minimum mandatory penalties, it provides a significant deterrent for future violations, and it benefits the citizens of Redding by keeping penalty dollars in the area.

RECOMMENDATION: Adopt the proposed order.

Mgmt. Review__bjs_____

Legal Review_____

6/7 December 2012
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