

**STATE OF CALIFORNIA
REGIONAL WATER QUALITY CONTROL BOARD
LOS ANGELES REGION**

In the matter of:	)	Stipulation for Entry of Order, (proposed)
	)	Order
	)	No. R4-2008-0116-M
Santa Clarita Valley Sanitation	)	Mandatory Minimum Penalty
District of Los Angeles County	)	for Violation of
	)	California Water Code
	)	And
Saugus Water Reclamation	)	Order Nos. 95-080, R4-2003-0143, R4-2003-
Plant	)	0144, & R4-2005-0031
	)	(NPDES No. CA0053716)

WHEREAS:

1. This is a stipulation between the Los Angeles Regional Water Quality Control Board prosecution team (Regional Board Prosecution Team) and the Santa Clarita Valley Sanitation District of Los Angeles County (Discharger or SCVSDLAC) (hereinafter collectively referred to as "the Parties") to resolve alleged violations of requirements contained in Regional Board Order No. R4-2008-0116-M, for which the Los Angeles Regional Water Quality Control Board (Regional Board) may impose administrative civil liability under California Water Code (CWC) § 13385. The Parties intend that the terms of this stipulation become incorporated into an Order of the Regional Board. The Stipulation and the proposed Order shall be referred to as the Stipulated Order.
2. As required by the Clean Water Act (33 U.S.C. § 1251 et seq.), the Regional Board has issued National Pollutant Discharge Elimination System (NPDES) Permits to the Discharger authorizing discharge of treated wastewater from the Saugus Water Reclamation Plant.
3. CWC § 13385(h) requires the Regional Board to assess a mandatory minimum penalty of three thousand dollars (\$3,000) for each serious violation. Pursuant to CWC § 13385(h)(2) "a serious violation is defined as any waste discharge that violates the effluent limitations contained in the applicable waste discharge requirements for a Group II pollutant by 20 percent or more, or for a Group I pollutant by 40 percent or more. Appendix A of Part 123.45 of Title 40 of the Code of Federal Regulations specifies the Group I and II pollutants."
4. CWC § 13385(i) requires the Regional Board to assess a mandatory minimum penalty of three thousand dollars (\$3,000) for each violation whenever the Discharger violates a waste discharge requirement effluent limitation in any

period of six consecutive months, except that the requirement to assess the mandatory minimum penalty shall not be applicable to the first three violations within that time period.

5. A portion of the penalty not to exceed fifteen thousand dollars (\$15,000) plus fifty percent (50%) of the penalty amount that exceeds fifteen thousand dollars (\$15,000) may be directed to a Supplemental Environmental Project (SEP) pursuant to CWC § 13385(l).
6. The maximum amount of administrative civil liability assessable pursuant to CWC § 13385(c) is \$10,000 per day of violation plus \$10 times the number of gallons by which the volume discharged but not cleaned up exceeds 1,000 gallons.
7. On December 2, 2008, the Chief Deputy Executive Officer issued the Permittee Settlement Offer No. R4-2008-0116-M to participate in the Expedited Payment Program (Settlement Offer) (Appendix A). The Settlement Offer included an NOV notifying the Permittee of seventy (70) effluent limit violations that occurred between January 2001 and January 2006. These violations were assessed mandatory minimum penalties for a total penalty of \$204,000.
8. Since the issuance of the Settlement Offer, Regional Board enforcement staff dismissed eleven (11) effluent violations, reclassified eleven (11) effluent violations from "serious" to chronic", and included five (5) additional effluent violations.
9. Sixty-four (64) violations of the Orders were noted in the Permittee's self-monitoring reports during the period January 2001 and July 2010. These violations include sixty-four (64) effluent limit violations of chloride, residual chlorine, and turbidity, sixty (60) of which are subject to mandatory minimum penalties. The violations are identified in Table 1 attached hereto and incorporated herein by reference.
10. The Parties have agreed to settle this matter without hearing pursuant to the terms in this Stipulated Order. The Parties enter into this Stipulated Order pursuant to a compromise and settlement of the allegations. The Parties believe that the resolution embodied in this Stipulated Order is fair and reasonable and in the best interests of the public.

THE PARTIES AGREE AND STIPULATE TO THE FOLLOWING:

1. DEFINITIONS

"Cleanup and Abatement Account" – the State Water Pollution Cleanup and Abatement Account.

“Designated Water Board Representative” – the representative from the Los Angeles Water Board responsible for oversight of the SEP. This person is Ms. Kristie Kao.

“Implementing Party” – an independent third party with whom the Discharger has contracted with or otherwise engaged to implement the SEP. The Implementing Party is the City of Santa Clarita (City).

“Milestone Requirement” – a requirement with an established time schedule for meeting/ascertaining certain identified measurements of completed work. Upon the timely and successful completion of each milestone requirement, an amount of liability will be permanently suspended or excused as set forth in the description of the SEP below.

“SEP Completion Date” – the date in which the SEP will be completed in its entirety.

2. ADMINISTRATIVE CIVIL LIABILITY

a. Total Administrative Civil Liability

Discharger shall be subject to administrative civil liability in the total amount of \$180,000. The civil liability includes an initial liability payment of \$82,500 and a suspended administrative civil liability amount of \$97,500 pending the completion of a SEP. The cost of the SEP to the Discharger, in the amount of \$97,500, will be referred to as the SEP Amount.

b. Payment and Costs

The initial liability payment shall be made within 30 days of the Discharger's receipt of the Stipulated Order executed on behalf of the Regional Board. Payment shall be made by check to the Cleanup and Abatement Account. The payment of Water Board staff costs incurred for overseeing the implementation of the SEP is addressed in paragraph 6, below.

Payment shall be submitted to the Regional Board at the following address:

Ms. Kristie Kao
Los Angeles Regional Water Quality Control Board
320 West 4th Street, Suite 200
Los Angeles, CA 90013.
(213) 620-6368
kkao@waterboards.ca.gov

c. Funding of Supplemental Environmental Projects

In lieu of the payment of additional administrative civil liability, Discharger agrees to fund the SEP, the Upper Santa Clara River Watershed Arundo/Tamarisk Removal Plan Site Specific Project, as described further in Paragraph 3.

3. DESCRIPTION OF THE SEP

The Permittee will contribute the SEP Amount to the City of Santa Clarita, also known as the Implementing Party, within 30 days of receipt of the Stipulated Order executed on behalf of the Regional Board, to assist with the Upper Santa Clara River Watershed Arundo/Tamarisk Removal Plan Site Specific Project (SEP). Both the Project and the violations have a shared nexus, which is the Santa Clara River.

The Project was developed in 2006 to facilitate future arundo and/or tamarisk removal projects within the Upper Santa Clara River watershed. The SEP Amount will be used to complete the abatement of arundo in an area of ongoing remediation known as Area E, to plant willow cuttings, and to continue communication and coordination with the Ventura County Agricultural Commissioner's office and the Ventura County stakeholders.

A SEP workplan containing a complete project description, how the project benefits water quality, a timetable for project implementation, and a detailed budget is attached as Appendix B.

Compliance with the timetable for project implementation is a requirement of this Order.

4. REPRESENTATIONS AND AGREEMENTS REGARDING SEPS

a. Representation of the Implementing Party

As a material consideration for the Regional Board's acceptance of this Stipulated Order, the Implementing Party represents that it will utilize the funds provided to it by the Discharger to implement the SEP in accordance with the Schedule for Performance set forth in the Stipulated Order. The Implementing Party understands that its promise to implement the SEP, in its entirety and in accordance with the schedule for implementation, is a material condition of this settlement of liability between the Discharger and the Regional Board. The Implementing Party agrees to expend the SEP money in accordance with any related orders of the Regional Board.

b. Agreement of Third-Party to Accept SEP Funds and Implement SEP

The Implementing Party shall provide a written representation to the Regional Board that the recipient will 1) spend the SEP payment as described in the Stipulated Order; and 2) provide a certified, written report to the Regional Board consistent with the terms of this Stipulated Order detailing the implementation of the SEP. The written representation is attached hereto as Appendix C. The Implementing Party agrees that the Regional Board has the right to require an audit of the funds provided to it by the Discharger and expended by it to implement the SEP.

5. PUBLICITY

Whenever the Discharger or its agents or subcontractors or the Implementing Party publicizes one or more elements of the SEP, they shall state in a **prominent manner** that the project is being undertaken as part of the settlement of an enforcement action by the Regional Board against the Discharger.

6. REGIONAL BOARD OVERSIGHT COSTS

Discharger shall pay \$6,000 in addition to the administrative civil liability to the State Water Pollution Cleanup and Abatement Account to cover the Regional Board's estimated costs of overseeing the implementation of the SEP. This amount represents 40 hours at \$150/hour needed to review the plans, reports, and further communications with the Discharger and Implementing Party.

7. SUBMITTAL OF PROGRESS REPORTS

Discharger and/or the Implementing Party shall provide quarterly reports of progress to the Designated Regional Board Representative according to the schedule below. The first report is due on the 1st day of the second month of the quarter after the project commences.

<u>Reporting Period</u>	<u>Report Due Date</u>
January – March	May 1
April – June	August 1
July – September	November 1
October – December	February 1

8. SITE INSPECTIONS

Discharger and/or the Implementing Party shall permit inspection of the SEP by the Regional Board staff at any time without notice during normal business hours.

9. AUDITS AND CERTIFICATION OF ENVIRONMENTAL PROJECT

Certification of Completion

Within 30 days of completion of the SEP, the Discharger shall submit a certified statement of completion of the SEP (Certification of Completion). A responsible corporate official representing the Discharger shall submit the Certification of Completion under penalty of perjury, to:

Ms. Kristie Kao
Los Angeles Regional Water Quality Control Board
320 West 4th Street, Suite 200
Los Angeles, CA 90013
(213) 620-6368
kkao@waterboards.ca.gov

the Designated Regional Water Board Representative

And

SEP Reporting
C/O Toru Okamoto
Division of Financial Assistance
State Water Resources Control Board
1001 I Street, 17th Floor
Sacramento, CA 94244

the State Water Resources Control Board's Division of Financial Assistance.

The Certification of Completion shall include the following:

a. Certification of Expenditures

Certification documenting all expenditures by the Discharger and/or the Implementing Party during the completion period for the SEP. For the Discharger, the expenditures may be limited to documentation of payment of the SEP Amount to the Implementing Party. For the Implementing Party, the expenditures may include external payments to outside vendors or contractors implementing the SEP. [If applicable, the expenditures may include the costs of internal Environmental Management resources and internal Business Unit resources, provided that such expenditures are directly related to development and implementation of the SEP.] In making such certification, the official may rely upon normal company project tracking systems that capture employee time expenditures and external payments to outside vendors such as environmental and information technology contractors or consultants. Discharger and/or Implementing Party shall provide any additional information requested by the Regional Board staff which is reasonably necessary to verify Discharger's and/or Implementing Party's SEP expenditures. The certification need not address any costs incurred by the Regional Board for oversight.

b. Certification of Performance of Work

Certification that the SEP has been completed in accordance with the terms of this Stipulated Order. The Discharger and/or the Implementing Party shall submit a report, submitted under penalty of perjury, stating that the SEP has been completed in accordance with the terms of this Stipulated Order. Such documentation may include photographs, invoices, receipts, certifications, and other materials reasonably necessary for the Regional Board to evaluate the completion of the SEP and the costs incurred by the Discharger and/or Implementation Party.

c. Certification that Work Performed on SEP Met or Exceeded Requirements of CEQA and other Environmental Laws

Certification that that the SEP meets or exceeds the requirements of CEQA and or other environmental laws. Unless the Implementing Party is exempted from compliance with CEQA, the Discharger and/or the Implementing Party shall, before the SEP implementation date, consult with other interested State Agencies regarding potential impacts of the SEP. Other interested State Agencies include, but are not limited to, the California Department of Fish and Game. To ensure compliance with CEQA where necessary, the Discharger and/or the Implementing Party shall submit documentation, if necessary, under penalty of perjury, stating that the SEP meets or exceeds the applicable requirements of CEQA and or other environmental laws to the Regional Board with the following documents from the lead agency:

- i. Categorical or statutory exemptions;
- ii. Negative Declaration if there are no "significant" impacts;
- iii. Mitigated Negative Declaration if there are potential "significant" impacts but revisions to the project have been made or may be made to avoid or mitigate those potential significant impacts;
- iv. Environmental Impact Report (EIR) if there are "significant" impacts.

d. Third Party Audit

In addition to the certification, within 90 days of the completion of the SEP and at the discretion of the Designated Regional Board Representative which shall be exercised only for cause in consideration of the Discharger's payment in full of the SEP Amount and the nature of the Implementing Party as a government entity, the Designated Regional Board Representative, may require, and the Discharger shall submit, at its sole cost, a report prepared by an independent third party(ies) acceptable to the Regional Board staff providing such party(ies)'s professional opinion that Discharger and/or the Implementing Party has expended money in the amounts claimed by the Discharger and/or the Implementing Party. In the event of such an audit, the Discharger and the

Implementing Party agree that they will provide the third-party auditor with access to all documents which the auditor requests. Such information shall be provided to the Designated Regional Board Representative within three (3) months of the completion of the Settling Respondent's SEP obligations for audit by the Designated Regional Board Representative. The audit need not address any costs incurred by the Regional Board for oversight.

10. REGIONAL BOARD ACCEPTANCE OF COMPLETED SEP

Upon the Discharger's satisfaction of its obligations under this Stipulated Order, the completion of the SEP and any audits, the Designated Water Board Representative, with notice to the regional Enforcement Coordinator, shall request that the Regional Board or its delegated representative issue a "Satisfaction of Order". The issuance of the Satisfaction of Order shall terminate any further obligations of the Settling Discharger and/or the Implementing Party under this Stipulated Order.

11. FAILURE TO EXPEND ALL SUSPENDED ADMINISTRATIVE CIVIL LIABILITY FUNDS ON THE APPROVED SEP

In the event that Discharger is not able to demonstrate to the reasonable satisfaction of the Regional Board staff that the entire SEP Amount was spent for the completed SEP, Discharger shall pay the difference between the Suspended Administrative Civil Liability and the amount Discharger can demonstrate it actually spent on the SEP, as an administrative civil liability.

12. FAILURE TO COMPLETE THE SEP

If the SEP is not fully implemented within the SEP Completion Period required by this Stipulated Order or there has been a material failure to satisfy a Milestone Requirement, the Designated Water Board Representative shall issue a Notice of Violation. As a consequence, Discharger shall be liable to pay the entire Suspended Liability or some portion thereof less the value of any adequately completed SEP requirements. The amount of the liability owed shall be determined by the Executive Officer, or the Executive Officer's delegee. Upon notification of the amount assessed for failure to meet any requirements for implementing the SEP, the amount assessed shall be paid to the State Water Pollution Cleanup and Abatement Account within 30 days of the date of the notification. In addition, the Discharger shall be liable for the Regional Board's reasonable costs of enforcement, including but not limited to legal costs and expert witness fees which will be added to the amount assessed. Payment of the total demanded amount (suspended penalty and costs) will satisfy the Discharger's further obligations to implement the SEP.

13. REGIONAL BOARD IS NOT LIABLE

Neither the Regional Board members nor the Regional Board staff, attorneys, or representatives shall be liable for any injury or damage to persons or property resulting from acts or omissions by Discharger (or the Implementing Party where applicable) its directors, officers, employees, agents, representatives or contractors in carrying out activities pursuant to this Stipulated Order, nor shall the Regional Board, its members or staff be held as parties to or guarantors of any contract entered into by Discharger; its directors, officers, employees, agents, representatives or contractors in carrying out activities pursuant to this Stipulated Order.

14. COVENANT NOT TO SUE

The Discharger and the Implementing Party covenant not to sue or pursue any administrative or civil claim or claims against the Regional Board, the State Water Resources Control Board, any State Agency or the State of California, or their officers, employees, representatives, agents, or attorneys arising out of or relating to any matter expressly addressed by the this Stipulated Order or the SEP.

15. NO THIRD PARTY BENEFITS

Nothing in this Stipulated Order shall be deemed to create any rights in favor of, or to inure to the benefit of, any persons, who are not a signatory to this Stipulation (third party), or to waive or release any defense or limitation against third party claims.

16. NOTICE

All submissions and notices required by this Stipulated Order shall be sent to:

For Regional Board:

Ms. Paula Rasmussen, Chief
Compliance and Enforcement Section
Los Angeles Regional Water Quality Control Board
320 West Fourth Street, Suite 200
Los Angeles, CA 90013

For Discharger:

Mr. Stephen R. Maguin
Chief Engineer and General Manager
Sanitation Districts of Los Angeles County
1955 Workman Mill Road
Whittier, CA 90607-4998

For Implementing Party:

Mr. Travis Lange, Manager
Environmental Services Division
City of Santa Clarita
23920 Valencia Boulevard, Suite 300
Santa Clarita, CA 91355
661-255-4337

Any Party may change its notice name and address by informing the other Party in writing, but no change is effective until it is received. All notices and other communications required or permitted under this Stipulated Order that are properly addressed as provided in this Paragraph are effective upon delivery if delivered personally or by overnight mail, or are effective five (5) days following deposit in the United States mail, postage prepaid, if delivered by mail.

17. AUTHORITY OF EXECUTIVE DIRECTOR TO EXTEND DUE DATES

The Executive Officer may extend any of the due dates in this Stipulated Order upon the joint request of the Parties. Such extensions must be in writing.

18. EFFECTIVE DATE OF ORDER

The Effective Date of this Stipulated Order shall be the date on which it is executed on behalf of the Regional Board.

19. RESOLUTION OF VIOLATIONS

This Stipulated Order relates only to administrative civil liability for violations that were expressly alleged in Table 1. The Regional Board and its Executive Officer reserve all rights to take additional enforcement actions, including without limitation the issuance of administrative civil liability complaints or orders for violations not expressly identified in Table 1.

20. INTEGRATION

This Stipulated Order constitutes the entire agreement between the Parties and may not be amended or supplemented except as provided for in the Stipulated Order.

21. PUBLIC COMMENT PERIOD

The Discharger understands that this Stipulation and the Order must be noticed for at least a 30-day public review and comment period prior to consideration by the Regional Board. In the event objections are raised during the public comment period for this Stipulation and the Order, the Regional Board may, under certain circumstances, require a public hearing regarding the Order. In that event, the Parties agree to meet

and confer concerning any such objections, and may agree to revise or adjust the Stipulation as necessary or advisable under the circumstances.

22. IF THE STIPULATED ORDER DOES NOT TAKE EFFECT

In the event that this Stipulated Order does not take effect because it is not executed by the Regional Board, or vacated in whole or in part by the State Water Resources Control Board or a court, the Parties acknowledge that they expect to proceed to a contested evidentiary hearing before the Regional Board to determine whether to assess administrative civil liabilities for the underlying alleged violations, unless the Parties agree otherwise. The Parties agree that all oral and written statements and agreements made during the course of settlement discussions will not be admissible as evidence in the hearing. The Parties also agree to waive any and all objections related to their efforts to settle this matter, including, but not limited to: 1) objections related to prejudice or bias of any of the Regional Board members or their advisors and any other objections that are premised in whole or in part on the fact that the Region Board members or their advisors were exposed to some of the material facts and the Parties' settlement positions, and therefore may have formed impressions or conclusions, prior to conducting any contested evidentiary hearing on the alleged violations in this matter; or 2) laches or delay or other equitable defenses based on the time period that the order or decision by settlement may be subject to administrative or judicial review.

23. AUTHORITY TO ENTER INTO STIPULATED ORDER

Each person executing this Stipulated Order in a representative capacity represents and warrants that he or she is authorized to execute this Order on behalf of and to bind the entity on whose behalf he or she executes the Order.

24. INTERPRETATION

This Stipulated Order shall not be construed against the party preparing it, but shall be construed as if the Parties jointly prepared it and any uncertainty and ambiguity shall not be interpreted against any one party.

25. NO ORAL MODIFICATION

This Stipulated Order shall not be modified by any of the Parties by oral representation made before or after the execution of this Order. All modifications must be made in writing and approved by the Executive Officer of the Regional Board.

26. COUNTERPART SIGNATURES

This Stipulated Order may be executed by the parties and delivered in any number of counterparts, each of which when executed and delivered shall be deemed to be an

original, but such counterparts shall together constitute one document. The Parties, after opportunity for review by counsel, hereby stipulate and consent to the entry of an Order incorporating the terms herein.

IT IS SO STIPULATED:

**California Regional Water Quality Control Board,
Los Angeles Region Prosecution Team**

By: Paula Rasmussen 12-6-11
Ms. Paula Rasmussen, Chief Date
Compliance and Enforcement Section

Santa Clarita Valley Sanitation Districts of Los Angeles County

By: Stephen R. Maguin 12-6-11
Mr. Stephen R. Maguin Date
Chief Engineer and General Manager

City of Santa Clarita

By: Dina Haddad for City Manager 11-30-11
Date
Title: Assistant to the City Manager
ATTEST:
Diana Caputo
for CITY CLERK

IT IS HEREBY ORDERED:

HAVING CONSIDERED THE ALLEGATIONS DESCRIBED ¹²⁻¹⁻¹¹ ~~DATE~~ ABOVE AND THE PARTIES' STIPULATIONS, THE LOS ANGELES REGIONAL WATER QUALITY CONTROL BOARD, BY AND THROUGH ITS EXECUTIVE OFFICER, FINDS THAT:

1. Issuance of this Stipulated Order is exempt from the provisions of the California Environmental Quality Act (Public Resources Code section 21000 et seq.), in accordance with sections 15061(b)(3) and 15321(a)(2), of Title 14 of the California Code of Regulations.
2. In adopting this Stipulated Order, the Executive Officer has considered all the factors prescribed in California Water Code section 13327. The Executive Officer's consideration of these factors is based upon information and comments provided by the Parties and by members of the public.

3. The foregoing Stipulation is incorporated into this Order.
4. In the event that the Discharger fails to comply with the requirements of this Order on Settlement Offers No. R4-2008-0116-M, the Executive Officer is authorized to refer this matter to the Office of Attorney General for enforcement.

IT IS SO ORDERED, pursuant to section 13385 of the California Water Code and section 11415.60 of the California Government Code.

Samuel Unger
Executive Officer
Los Angeles Regional Water Quality Control Board

Date