

**STATE OF CALIFORNIA
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SANTA ANA REGION**

In the Matter of:

Western Riverside County Regional)
Wastewater Authority)
14205 Meridian Parkway)
Riverside, CA 92518)
Attn: Jeffrey D. Sims, Administrator)

ORDER No. R8-2014-0021

SETTLEMENT AGREEMENT AND STIPULATIONS
FOR ENTRY OF MANDATORY MINIMUM
PENALTIES (STIPULATED ORDER)

This Settlement Agreement and Stipulation for Entry of Mandatory Minimum Penalties (“Order” or “Stipulated Order”) is entered into by and between the Division Chief of the California Regional Water Quality Control Board, Santa Ana Region (“Regional Water Board”), on behalf of the Regional Water Board Prosecution Team (“Prosecution Team”) and the Western Riverside County Regional Wastewater Authority (the “Respondent”) (collectively “Parties”), and is presented by the Prosecution Team and the Respondent to the Regional Water Board, or its delegee, for adoption as an Order by settlement, pursuant to Government Code section 11415.60.

SECTION 1: RECITALS

Background

1. The Respondent owns the Western Riverside County Regional Water Reclamation Plant (“RWRP”), which is a tertiary treatment facility that treats up to 8 million gallons per day and serves the cities of Norco and Corona, and the Jurupa Communities Services District, Home Gardens Sanitary District, and Western Municipal Water District. Treated municipal wastewater is discharged into the Santa Ana River, a water of the United States.
2. On 18 July 2008, the Regional Water Board adopted Waste Discharge and Producer/User Reclamation Requirements (“WDRs”), Order No. R8-2008-0005, NPDES No. CA8000316, for the Respondent for the discharge of wastewater from its RWRP.
3. Self-Monitoring reports, submitted by the Respondent for the RWRP, show a total of 31 reported effluent limit violations of total coliforms during the period of October 2011 through June 2013, 25 of which are subject to Mandatory Minimum Penalties (MMPs) pursuant to California Water Code section 13385 subdivision (i). The violations are summarized in Attachment A of this Order.

Legal Authority

4. California Water Code section 13385 subdivision (i) requires assessment of mandatory minimum penalties and states, in relevant part, the following:

Notwithstanding any other provision of this division, and except as provided in subdivisions (j), (k), and (l), a mandatory minimum penalty of three thousand dollars (\$3,000) shall be assessed for each violation whenever the person does any of the following four or more times 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:

- A) Violates a waste discharge requirement effluent limitation.
 - B) Fails to file a report pursuant to Section 13260.
 - C) Files an incomplete report pursuant to Section 13260.
 - D) Violates a toxicity effluent limitation contained in the applicable waste discharge requirements where the waste discharge requirements do not contain pollutant-specific effluent limitations for toxic pollutants.
5. WDRs Order R8-2008-0005 Effluent Limitations IV.A (e)(2) sets the following limits for disinfected effluent:
- b.) The weekly average concentration of total coliform bacteria shall not exceed a Most Probable Number (MPN) of 2.2 total coliform bacteria per 100 milliliters (ml).
 - c.) The number of total coliform bacteria shall not exceed an MPN of 23 total coliform bacteria per 100 ml in more than one sample in any 30-day period.
 - d.) No total coliform bacteria sample shall exceed an MPN of 240 total coliform bacteria per 100 ml.
6. California Water Code section 13385 subdivision (l) states:
- a. In lieu of assessing penalties pursuant to subdivision (h) or (i), the state board or the regional board, with the concurrence of the discharger, may direct a portion of the penalty amount to be expended on a supplemental environmental project in accordance with the enforcement policy of the state board. If the penalty amount exceeds fifteen thousand dollars (\$15,000), the portion of the penalty amount that may be directed to be expended on a supplemental environmental project may not exceed fifteen thousand dollars (\$15,000) plus 50 percent of the penalty amount that exceeds fifteen thousand dollars (\$15,000).
 - b. For the purposes of this section, a "supplemental environmental project" means an environmentally beneficial project that a person agrees to undertake, with the approval of the regional board, that would not be undertaken in the absence of an enforcement action under this section.
 - c. This subdivision applies to the imposition of penalties pursuant to subdivision (h) or (i) on or after January 1, 2003, without regard to the date on which the violation occurs.

Alleged Violations

7. The Respondent is alleged to have violated Order No. R8-2008-0005 and the California Water Code by discharging wastewater with constituents in excess of permit limitations to waters of the United States. These violations are subject to mandatory minimum penalties.
8. According to the Respondent's self-monitoring reports, the Respondent committed the following violations for the effluent limitations described above: Two in October 2011, three in November 2011, one in January 2012, six in March 2012, two in April 2012, five in May 2012, four in January 2013, four in February 2013, one in March 2013, two in April 2013, and one in June 2013.
9. Of those violations, 25 are subject to mandatory minimum penalties under Water Code section 13385 subdivision (i).

Accordingly, the **total mandatory minimum penalty is seventy-five thousand dollars (\$75,000)** (25 x \$3,000 = \$75,000).

Settlement

10. This settlement only resolves the 25 violations listed in Attachment A that are subject to mandatory minimum penalties.
11. The Parties have engaged in settlement negotiations and agree to fully settle the matter without administrative or civil litigation and by presenting this Stipulated Order to the Regional Water Board's Executive Officer for adoption as an Order by settlement, pursuant to Government Code section 11415.60. The Prosecution Staff believes that no further action is warranted concerning the 25 violations subject to mandatory minimum penalties for violations listed in Attachment A, except as provided in this Stipulated Order, and that this Stipulated Order is in the best interest of the public.
12. To resolve by consent and without further administrative proceedings, the Parties have agreed to the imposition of **seventy-five thousand dollars (\$75,000)** in mandatory minimum penalties against the Respondent for alleged violations of the California Water Code and Order No. R8-2008-0005, as set forth in Attachment A. The Respondent shall pay **thirty-seven thousand five hundred dollars (\$37,500)** in penalties to the Orange County Water District ("OCWD" or SEP Proponent) to support a Supplemental Environmental Project ("SEP") called the "Quantification of Effectiveness of Treatment Wetlands in the Removal of Chemical Contaminants" no later than 30 days following the execution of this Stipulated Order. The SEP outlined in Attachment B shall be incorporated into this Stipulated Order and satisfies the provisions of the State Water Resources Control Board Policy on Supplemental Environmental Projects. The remaining **thirty-seven thousand five hundred dollars (\$37,500)** shall be paid to the State Water Resources Control Board Cleanup and Abatement Account.

SECTION II: STIPULATIONS

The Parties incorporate Paragraphs 1 through 12 by this reference, as if set forth fully herein, and stipulate to the entry of this Order as set forth below, and recommend that the Regional Water Board issue this Stipulated Order to effectuate the settlement:

13. This Stipulated Order is entered into by the Parties to resolve by consent and without further administrative proceedings 25 alleged violations of Order No. R8-2008-0005 as set forth in Attachment A.
14. **Mandatory Minimum Penalty:** Within thirty (30) days of adoption of this Stipulated Order, Respondent shall remit, by check, **thirty-seven thousand five hundred dollars (\$37,500)** payable to the *State Water Resources Control Board Cleanup and Abatement Account*, to the following address ("Order No. R8-2014-0021" shall be indicated on the check):

State Water Resources Control Board
Division of Administrative Services
ATTN: Accounting
1001 "I" Street, 18th Floor
Sacramento, California 95814

A copy of the check shall also be mailed to the following address:

Najah Amin
Santa Ana Regional Water Quality Control Board
3737 Main Street, Suite 500
Riverside, CA 92501-3348

15. **Supplemental Environmental Project:** The Respondent shall pay **thirty-seven thousand five hundred dollars (\$37,500)** to OCWD, for the SEP project. This is the suspended liability payment and is also due within 30 days of adoption of this Order. A check in that amount, made payable to the Orange County Water District, shall be mailed to the Regional Water Board office at:

Najah Amin
Santa Ana Regional Water Quality Control Board
3737 Main Street, Suite 500
Riverside, CA 92501-3348

- a. The suspended liability shall be deemed satisfied once the Respondent funds the SEP project and the project is completed by the SEP Proponent in accordance with the schedule proposed in the SEP Proposal (Attachment B). The Respondent shall ensure that the SEP allocation of thirty-seven thousand five hundred dollars (\$37,500) is used

as per the proposed budget in accordance with the schedule included in Attachment B of this Order.

- b. **Description of the SEP:** See Attachment B.
- c. **Deliverable Products from SEP:** See Attachment B.
- d. **Budget and Milestones:** See Attachment B.

16. **Waiver of Hearing:** Respondent has been informed of the rights provided by Water Code section 13323, subdivision (b), and hereby waives its right to a hearing before the Regional Water Board prior to the adoption of the Stipulated Order.

17. **Jurisdiction:** The Parties agree that the Regional Water Board has subject matter jurisdiction over the matters alleged in this action and personal jurisdiction over the Parties to this Stipulated Order.

18. **Scope of Order:** Upon adoption by the Regional Water Board's Executive Officer, this Stipulated Order represents a final and binding resolution and settlement of all claims, violations, or causes of action alleged in this Order or which could have been asserted on the 25 violations that are subject to mandatory minimum penalties alleged in Attachment A or this Stipulated Order against the Respondent as of the effective date of this Stipulated Order. The provisions of this Paragraph are expressly conditioned on the Respondent's full payment of the administrative civil liability by the specified deadlines.

19. **Timely Payment:** Failure to make timely payment of the thirty-seven thousand five hundred dollars (\$37,500) in Paragraph 14 to the State Water Resources Control Board within thirty (30) days of the adoption of this Order shall cancel the SEP provisions for suspended penalty and that suspended penalty amount will be immediately due and payable.

20. **Denial of Liability:** Neither this Stipulated Order, nor any payment pursuant to the Order, shall constitute evidence of, or be construed as, a finding, adjudication, or acknowledgement of any fact, law, or liability, nor shall it be construed as an admission of violation of any law, rule, or regulation. However, this Order and/or any actions of payment pursuant to the Order may constitute evidence in actions seeking compliance with this Order. This Order may be used as evidence of a prior enforcement action in future actions by the Regional Water Board, against the Respondent.

21. **Covenant not to Sue:** Upon the effective date of this Stipulated Order, the Respondent shall and does release, discharge, and covenant not to sue or pursue any civil or administrative claims against the Regional Water Board, including its officers, agents, directors, employees, contractors, subcontractors, attorneys, representatives, predecessors-in-interest, and successors and assigns for any and all claims or causes of action, of every kind and nature whatsoever, in law and equity, whether known or unknown, suspected or

unsuspected, foreseen or unforeseen, which arise out of or are related to this action.

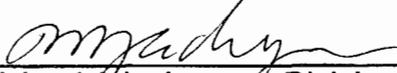
22. **Public Notice:** The Parties agree that the proposed Stipulated Order, as signed by the Parties, will be noticed for a 30-day public comment period prior to being presented to the Regional Water Board, or its delegee, for adoption. In the event objections are raised during the public review and comment period, the Regional Water Board, or its delegee, may, under certain circumstances, require a public hearing regarding the Stipulation and Order. In that event, the Parties agree to meet and confer concerning any such objections, and may agree to revise or adjust the proposed Order as necessary or advisable under the circumstances. Except in such event, the Respondent agrees that it may not rescind or otherwise withdraw its approval of this proposed Stipulated Order.
23. **Procedure:** The Parties agree that the procedure that has been adopted for the approval of the settlement by the Parties and review by the public, as reflected in this Order, will be adequate. In the event procedural objections are raised prior to this Stipulated Order becoming effective, the Parties agree to meet and confer concerning any such objections, and may agree to revise or adjust the procedure as necessary or advisable under the circumstances.
24. **Waivers:** In the event that this Stipulated Order does not take effect because it is not approved by the Regional Water Board's Executive Officer, or is vacated in whole or in part by the State Water Resources Control Board or a court, the Parties acknowledge that the Prosecution Staff may proceed to a contested evidentiary hearing before the Regional Water Board to determine whether to assess administrative civil liability for the underlying alleged violations, or may continue to pursue settlement. 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 any subsequent administrative or judicial proceeding or hearing. The Parties also agree to waive any and all objections related to their efforts to settle this matter, including, but not limited to:
 - e. Objections related to prejudice or bias of any of the Regional Water Board members or their advisors and any other objections to the extent that they are premised in whole or in part on the fact that the Regional Water 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 in this matter; or
 - f. 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.
25. **Appeals:** The Respondent hereby waives its right to appeal this Stipulated Order to a California Superior Court and/or any California appellate level court.
26. **Effect of Stipulated Order:** Except as expressly provided in this Stipulated Order, nothing in this Stipulated Order is intended nor shall it be construed to preclude the Prosecution Staff or any state agency, department, board or entity

or any local agency from exercising its authority under any law, statute, or regulation.

27. **Water Boards not Liable:** Neither the Regional Water Board members nor the Regional Water Board staff, attorneys, or representatives shall be liable for any injury or damage to persons or property resulting from the negligent or intentional acts or omissions by the Respondent or its respective directors, officers, employees, agents, representatives or contractors in carrying out activities pursuant to this Order, nor shall the Regional Water Board, its members, or staff be held as parties to or guarantors of any contract entered into by Respondent, or its directors, officers, employees, agents, representatives or contractors in carrying out activities pursuant to this Order.
28. **No Waiver of Right to Enforce:** The failure of the Prosecution Staff or Regional Water Board to enforce any provision of this Stipulated Order shall in no way be deemed a waiver of such provision, or in any way affect the validity of this Stipulated Order. The failure of the Prosecution Staff or Regional Water Board to enforce any such provision shall not preclude it from later enforcing the same or any other provision of this Stipulated Order. No oral advice, guidance, suggestions or comments by employees or officials of any Party regarding matters covered under this Stipulated Order shall be construed to relieve any Party regarding matters covered in this Stipulated Order. This Order relates only to the mandatory minimum penalty for 25 violations out of 31 that were listed in Attachment A of this Order. The Regional Water Board reserves all rights to take additional enforcement actions, including without limitation the issuance of administrative civil liability complaints or orders for violations other than those addressed by this Order.
29. **Regulatory Changes:** Nothing in this Stipulated Order shall excuse Respondent from meeting any more stringent requirements which may be imposed hereafter by changes in applicable and legally binding legislation or regulations.
30. **Authority to Enter 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.
31. **Integration:** This Stipulated Order constitutes the entire agreement between the Parties and may not be amended or supplemented except as provided for in this Stipulated Order.
32. **Modification:** This Order shall not be modified by any of the Parties by oral representation whether made before or after the execution of this Order. All modifications must be made in writing and approved by Respondent and the Regional Water Board or its Executive Officer.
33. **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.

34. **Third Party Claims:** Nothing in this Order shall be deemed to create any rights in favor of, or to inure to the benefit of, any third party or parties, or to waive or release any defense or limitation against third party claims.
35. **Extensions:** The Executive Officer may extend any of the due dates in this Order upon the joint request of the Parties. Such extensions must be in writing.
36. **Effective Date:** The effective date of this Order shall be the date on which it is adopted by the Executive Officer.
37. **Disputes:** In the event of a dispute, the Respondent shall file a "Notice of Dispute" with the Executive Officer or the Executive Officer's Designee within ten (10) days of discovery of the problem. The Regional Water Board and Respondent shall then attempt to negotiate a resolution of such claim and, if appropriate, process an amendment to implement the terms of any such resolution. If the Regional Water Board and the Respondent are unable to resolve the dispute, the decision of the Executive Officer or the Executive Officer Designee shall be final, unless appealed to a court of competent jurisdiction.
38. **Counterpart Signatures:** This Order may be executed 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.
39. **Incorporated Attachments:** Attachment "A," Attachment "B," "Attachment C", and Attachment D are incorporated by reference.

IT IS SO STIPULATED¹:



Michael Adackapara, Division Chief
For the Regional Water Board Prosecution Team

2-6-14
Date



Jeffrey D. Sims, Administrator
For WRCRWA

3-26-14
Date

HAVING CONSIDERED THE PARTIES' STIPULATIONS, THE SANTA ANA REGIONAL WATER QUALITY CONTROL BOARD, BY AND THROUGH ITS EXECUTIVE OFFICER, FINDS THAT:

40. Issuance of this Stipulated Order is exempt from the provisions of the California Environmental Quality Act (Public Resources Code section 21000

¹ The final version of this document may include more than one page with the same page number to accommodate the various executing signatures.

et seq.), in accordance with sections 15061(b)(3) and 15321(a)(2), of Title 14 of the California Code of Regulations.

41. The foregoing Stipulation is fully incorporated herein and made part of this Order.

PURSUANT TO SECTION 13385 OF THE CALIFORNIA WATER CODE AND SECTION 11415.60 OF THE CALIFORNIA GOVERNMENT CODE, THE EXECUTIVE OFFICER **HEREBY ADOPTS THIS ORDER.**

Kurt V. Berchtold
Executive Officer
Santa Ana Regional Water Quality Control Board

Date

ATTACHMENT A

Effluent Limit Violations of Order No. R8-2008-0005 Western Riverside County Regional Wastewater Treatment Plant

Permit Limits	Coliform			Total Violations	Violations subject to Mandatory Penalties
	Weekly Average Violations	>23 more than once per month Violations	Daily Maximum Violations	Number of Violations	Number of Violations
Month/Year	2.2 MPN/100ml	23 MPN/100ml	240 MPN/100ml		
Oct - 2011	1	1	0	2	0
Nov - 2011	2	1	0	3	2
Jan - 2012	1	0	0	1	1
Mar - 2012	4	1	1	6	6
Apr - 2012	2	0	0	2	2
May - 2012	3	1	1	5	5
Jan - 2013	4	0	0	4	1
Feb - 2013	4	0	0	4	4
Mar - 2013	0	0	1	1	1
Apr - 2013	2	0	0	2	2
Jun- 2013	1	0	0	1	1
Total Violations	24	4	3	31	25

Note: Two violations that occurred in October 2011, one violation that occurred in November 2011, and three violations that occurred in January 2013 were exempted pursuant to Water Code section 13385(i)(1).

ATTACHMENT B

Supplemental Environmental Project Proposal: “Quantification of Effectiveness of Treatment Wetlands in the Removal of Chemical Contaminants Project”

The California Regional Water Quality Control Board, Santa Ana Region, Prosecution Team (“Prosecution Team”) and the Western Riverside County Regional Wastewater Authority (“Respondent”) (collectively “Parties”) agree that this Stipulated Order includes a supplemental environmental project (“SEP”) as provided for as follows:

Definitions

“Cleanup and Abatement Account” is the State Water Pollution Cleanup and Abatement Account.

“Designated Water Board Representative” is the California Regional Water Quality Control Board, Santa Ana Region (“Regional Water Board”) contact for the supplemental environmental project (SEP). The contact information for the representative is as follows:

Najah N. Amin
Santa Ana Regional Water Quality Control Board
3737 Main Street, Suite 500
Riverside, CA 92501
(951) 782-3238
madackapara@waterboards.ca.gov

“SEP Proponent” is an independent third party with whom the Respondent has contracted or otherwise engaged to implement the SEP.

Administrative Civil Liability

The Respondent shall be subject to a mandatory minimum penalty in the total amount of seventy-five thousand dollars (\$75,000). The penalty includes a payment, by check, of the costs of a SEP in the amount thirty-seven thousand five hundred dollars (\$37,500). The cost of the SEP (“SEP amount”) shall be treated as a suspended penalty. The penalty also includes a payment, by check, of thirty-seven thousand five hundred dollars (\$37,500) to the State Water Resources Control Board Cleanup and Abatement Account.

Payment

Payment of the mandatory minimum penalty shall be made in the manner described in Paragraphs 14 and 15 of the Stipulated Order.

Description of SEP

1. Name of Project

Quantification of Effectiveness of Treatment Wetlands in the Removal of Chemical Contaminants

2. Name of Organization

Orange County Water District
18700 Ward St.
Fountain Valley, CA 92708

3. Contact

Jason Dadakis
Director of Health & Regulatory Affairs
Orange County Water District
714) 378-3364
jdadakis@ocwd.com

4. Project Summary

This project is a scientific study to be conducted by the Orange County Water District ("OCWD") at the OCWD Prado Wetlands. The purpose of the study is to evaluate and quantify the removal of chemical contaminants using an alternative to the current conventional wetlands treatment scheme. Although treatment wetlands have been shown to be effective in removing nitrates and other contaminants, these natural systems typically lack design and operational guidelines, leading to variable treatment performance. Hence, it is difficult to rely upon these systems for consistent removal of multiple compounds with different physicochemical properties, especially with respect to regulatory compliance where water quality impairments must be addressed.

5. Project Description

The proposed study will test a linked series of three individual unit processes that are hypothesized to better and more efficiently remove a variety of contaminants in comparison to conventional wetlands treatment. Three shallow, open-water treatment cells have recently been constructed within the existing Prado Wetlands. The cells will be evaluated for the attenuation of trace organic contaminants, including both regulated and unregulated (e.g., pharmaceuticals and personal care products) trace organics, as well as nutrients. In addition to sampling system influent and effluent for laboratory analysis, the site will be instrumented with a variety of sensors that allow for the remote real-time monitoring of flow, pond depth, pH, electrical conductivity, nitrate, and other parameters of interest. The mechanisms of chemical removal and the effects of wetland design, operation and maintenance on system performance will be analyzed. The project is scheduled to be completed by the end of 2015.

6. Project Partners

Project partners include the National Science Foundation (NSF), ReNUWIt (Re-Inventing the Nation's Urban Water Infrastructure) Engineering Research Center (ERC) and its associated researchers from Stanford University, University of California, Berkeley, and the Colorado School of Mines. OCWD will provide approximately ninety thousand dollars (\$90,000) of in-kind services, including grading and construction of the three open-water cells, installation of flow control devices and other instrumentation, system monitoring and maintenance, and water quality analyses. ReNUWIt will provide funding of approximately one hundred and thirty-two thousand dollars (\$132,000) to support the equivalent of two graduate students on research fellowships for one-third of their time over the next two years, including required travel to the site and associated water quality analyses.

7. Project Goals

SEP funds will be used to conduct research that will quantify the effectiveness of treatment wetlands in the removal of chemical contaminants. Results of the study will be used to improve the design and operation of treatment wetlands so that wetlands will be more effective and efficient in removing chemical contaminants. Work products from the study will include several scholarly articles to be published in peer-reviewed scientific journals and conference presentations, as key performance indicator metrics used by NSF to evaluate ReNUWIt's performance. Annual reports will be produced by ReNUWIt documenting project status to NSF and its Industrial Advisory Board (IAB), the latter of which OCWD is a member. The annual reports will be submitted to the Regional Water Board at the end of each year as well as copies of articles published in scientific journals when they become available.

8. Project Schedule

February 2013 – December 2015.

9. Budget

Thirty (30) days following the execution of the Stipulated Order, the SEP amount of thirty-seven thousand five hundred dollars (\$37,500) shall be sent in support of the SEP project. In addition to the SEP amount of thirty-seven thousand five hundred dollars (\$37,500), OCWD will be contributing in-kind services of approximately ninety thousand dollars (\$90,000) to complete this project. In-kind services will include staff time and use of equipment to grade and construct three-open water cells and install flow control devices, maintain and monitor the wetlands for the duration of the study, purchase of necessary monitoring equipment, and sample analysis. In addition, the National Science Foundation (NSF) supported ReNUWIt Engineering Research Center (ERC) will be contributing approximately one hundred and thirty-two thousand dollars (\$132,000).

10. Nexus

During a period from 2011 through June 2013 the Western Riverside County Regional Wastewater Authority's treatment plant (WRCRWTP) suffered a number of Total Coliform violations resulting in an assessment of Mandatory Minimum Penalties (MMPs). The total MMPs assessed is \$75,000.00 (\$3000.00 x 25 violations).

The WRCRWTP discharges into a channel that drains through the Prado Wetlands to Chino Creek. OCWD maintains the channel to convey water from the Santa Ana River into the Prado Wetlands. The Prado Wetlands are operated to treat approximately half of the baseflow of the Santa Ana River to improve the quality of the water that OCWD diverts off the river below Prado Dam into recharge basins to infiltrate into the Orange County Groundwater Basin.

The wastewater discharge from the WRCRWTP was conveyed through the Prado Wetlands and ultimately into the Santa Ana River.

Representations and Agreements Regarding SEP

As a material consideration for the Regional Water Board acceptance of this Stipulated Order, OCWD ("SEP Proponent") represents that it will utilize the funds provided to it by Respondent to implement the SEP in accordance with the Project Schedule. The Respondent understands that its promise to oversee the implementation of the SEP, in its entirety and in accordance with the Project Schedule, is a material condition of this settlement of liability between the Respondent and the Regional Water Board. The Respondent agrees that the Regional Water Board has the right to require SEP Proponent to implement the SEP in accordance with the terms of this Stipulated Order if it has received funds for that purpose from Respondent. The SEP Proponent agree to submit to the jurisdiction of the Regional Water Board to enforce the terms of this Stipulated Order and the implementation of the SEP.

A Memorandum of Agreement, or similar vehicle, between the Respondent and the SEP Proponent details the respective obligations and responsibilities of Respondent and the SEP Proponent. The primary responsibility of Respondent will be to provide thirty-seven thousand five hundred dollars (\$37,500) to the SEP Proponent for completion of the SEP Project. Respondent will be tracking the progress of the SEP Project in order to determine that target dates will be met. A copy of the Memorandum of Agreement has been provided to the Regional Water Board and is attached the Order as Attachment D.

Publicity

Wherever the Respondent or its subcontractors or agents or the SEP proponent or its agents or subcontractors publicizes one or more elements of the SEP project, 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 Water Board against the Respondent.

Staff Costs

Regional Water Board staff does not anticipate any staff oversight costs for the proposed SEP.

Submittal of Progress Reports

The Respondent shall ensure that quarterly progress reports are provided to the Designated Regional Water Board Representative and to the Division of Financial Assistance of the State Water Resources Control Board. The first quarterly report is due on January 15, 2015.

SEP Program Audit

The SEP Proponent shall allow Regional Water Board staff to audit the SEP project during normal business hours.

Completion Report

After completion of the SEP Project, the Respondent shall ensure that a report by responsible officials representing the SEP Proponent is submitted, under penalty of perjury, to the Regional Water Board and the Division of Financial Assistance of the State Water Board, declaring the completion of the SEP Project and addressing how the expected outcomes or performance standards for the project were met. This report shall be executed on the Certificate of Completion form (Attachement D to this Settlement Agreement).

Accounting Certification

The Respondent shall provide the Regional Water Board with a final, certified, post-project accounting of expenditures unless the Regional Water Board determines that such an audit is unduly onerous and the Regional Water Board has other means to verify expenditures of work. That final accounting must be paid for by the Respondent and performed by an independent third-party acceptable to the Regional Water Board.

Regional Water Board's Acceptance of Completed SEP

Upon the Respondent's satisfaction of its obligations under this Order, the completion of the SEP and any audits, the Designated Regional Water Board Representative, shall request that the Executive Officer issue a "Satisfaction of SEP Letter." The issuance of the Satisfaction of SEP Letter shall terminate any further obligations of the SEP Proponent and the Respondent under this Order.

Failure to Expend All Suspended Liability on the Approved SEP Project

In the event that the Respondent is not able to demonstrate to the reasonable satisfaction of the Regional Water Board staff that it or the SEP Proponent has spent the entire SEP Amount for the completed SEP, the Respondent shall pay, the difference between the SEP funds and the actual amount expended, to the State Water Resources Control Board.

Failure to Complete the SEP

If the SEP is not fully implemented as per the Project Schedule or there has been a material failure to satisfy a Milestone Requirement, if applicable, the Designated Regional Water Board Representative shall issue a Notice of Violation to the Respondent. As a consequence, the Respondent shall be liable to pay the entire SEP funds or, some portion thereof less the value of the completion of any Milestone Requirements, if applicable. Unless otherwise ordered, the Respondent shall not be entitled to any credit, offset, or reimbursement from the Regional Water Board for expenditures made on the SEP prior to the date of the "Notice of Violation" by the Designated Regional Water Board Representative. The amount of the SEP funds owed shall be determined via a "Motion for Payment of SEP Funds" before the Regional Water Board. Upon a determination by the Regional Water Board of the amount of the SEP funds, the amount owed shall be paid to the State Water Resources Control Board within thirty (30) days after the service of the Regional Water Board's determination. In addition, the SEP Proponent shall be liable for the Regional Water Board's reasonable costs of enforcement, including but not limited to legal costs and expert witness fees. Payment of the suspended liability amount will satisfy the SEP Proponent's obligations to implement the SEP.

ORANGE COUNTY WATER DISTRICT PRADO WETLANDS



WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER TREATMENT PLANT WITH DISCHARGE POINT TO DIVERSION CHANNEL



Memorandum of Understanding

This shall serve as a Memorandum of Understanding by and between the Orange County Water District ("SEP Proponent") and the Western Riverside County Regional Wastewater Authority ("Authority") for the Supplemental Environmental Project (SEP) "Quantification of Effectiveness of Treatment Wetlands in the Removal of Chemical Contaminants"

SEP Proponent commits to receive funding and serve as the implementing party for the Quantification of Effectiveness of Treatment Wetlands in the Removal of Chemical Contaminants project, as detailed in the California Regional Water Quality Control Board, Santa Ana Region's, Stipulated Order, Order No. R8-2014-0021. The SEP Proponent will use the SEP funds of thirty-seven thousand five hundred dollars (\$37,500) in accordance with the terms of Stipulated Order No. R8-2014-0021. The SEP Proponent will maintain documentation of SEP expenditures on the *Quantification of Effectiveness of Treatment Wetlands in the Removal of Chemical Contaminants* project and will provide that documentation to the Authority or the California Regional Water Quality Control Board, Santa Ana Region, upon request.

Agree:

SEP PROPONENT



Signature

MICHAEL R. MARKUS
GENERAL MANAGER, OCWD

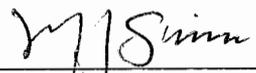


Signature

SHAWN DEWANE
PRESIDENT, OCWD

2-19-14
Date

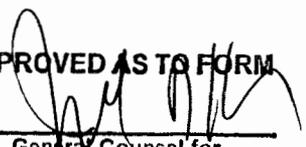
Authority



Signature

JEFFREY D. SIMS
WESTERN RIVERSIDE COUNTY REGIONAL
WASTEWATER AUTHORITY

3-26-14
Date

APPROVED AS TO FORM

By _____
General Counsel for
Orange County Water District

ATTACHMENT D

**Supplemental Environmental Project (SEP)
Certificate of Completion**

The following information is provided as proof of completion of the SEP project described below.

Project Proponent: *Orange County Water District*

Contact Person: *Jason Dadakis*

Phone: *714) 378-3364* E-Mail: *jdadakis@ocwd.com*

Name of Project: *Quantification of Effectiveness of Treatment Wetlands in the Removal of Chemical Contaminants*

Project Summary: (you may attach a final project report or additional sheets for project summary)

Date Project Started: _____

Date of Completion: _____

SEP Money Allocated for the Project: \$37,500

Enforcement Order No. and Name of Discharger: *R8-2014-0021, Western Riverside County Regional Wastewater Authority*

Total Project Cost (including funds from other sources): \$ _____

How was the SEP Fund Used for This Project?¹

Overhead/Management	\$ _____
Design/Consultation	\$ _____
Construction/Implementation	\$ _____
Lab and analytical costs	\$ _____
Other expenses (explain)	\$ _____
Total Project Cost (SEP \$ only)	\$ _____

¹ This may include external payments to outside vendors or contractors implementing the SEP. In making such certification, the official may rely upon the Implementing Party's normal project tracking systems that capture employee time expenditures and external payments to outside vendors such as environmental and information technology contractors or consultants. To substantiate the expenses, the Implementing Party may provide copies of invoices, receipts, etc. The certification need not address any costs incurred by the Regional Water Board for oversight.

Under penalty of perjury under the laws of the State of California, I certify that: (1) the entire amount of the SEP funding received has been used for the project as indicated above; (2) the portion of the project for which this SEP funding was earmarked has been completed in accordance with Order No. R8-2014-0021; (3) the Implementing Party followed all applicable environmental laws and regulations in the implementation of the SEP including, but not limited to the California Environmental Quality Act (CEQA), the federal Clean Water Act, and the Porter-Cologne Act.

SIGNATURE: _____ **Date:** _____

Name: _____ **Title:** _____