

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

In the matter of:

**WILLIAMS HOMES, INC.
TRACT 5984, WOOLEY ROAD
OXNARD, VENTURA COUNTY
WDID 456C389406**

**ORDER NO. R4-2025-0163
SETTLEMENT AGREEMENT AND
STIPULATION FOR ENTRY OF
ADMINISTRATIVE CIVIL LIABILITY ORDER;
ORDER**

Section I: INTRODUCTION

This Settlement Agreement and Stipulation for Entry of Administrative Civil Liability Order (“Stipulated Order” or “Order”) is entered into by and between the Assistant Executive Officer of the Regional Water Quality Control Board, Los Angeles Region (“Regional Water Board”), on behalf of the Regional Water Board Prosecution Team (“Prosecution Team”) and Williams Homes, Inc. (“Settling Respondent”) (collectively “Parties”) and is presented to the Regional Water Board¹, for adoption as an Order by settlement, pursuant to Water Code section 13323 and Government Code section 11415.60.

Section II: RECITALS

1. On May 9, 2024, the Assistant Executive Officer of the Regional Water Board issued an Offer to Settle Administrative Civil Liability (“Settlement Offer”) to Williams Homes, Inc. for alleged violations related to construction work at the Tract 5984 construction site on Wooley Road in Oxnard. (“Site”). Specifically, the Settlement Offer sought to impose \$363,999 in administrative civil liability for alleged violations of the National Pollutant Discharge Elimination System (NPDES) General Permit for Storm Water Discharges Associated with Construction and Land Disturbance Activities (Construction General Permit) Order No. 2009-009-DWQ as amended by Order No. 2010-0014-DWQ and Order No. 2012-0006-DWQ. The Settlement Offer is attached hereto as Attachment A and incorporated by reference.

2. The Parties have engaged in settlement negotiations and agree to fully settle the violations alleged in the Settlement Offer without administrative or civil litigation and by presenting this Stipulated Order to the Regional Water Board for adoption as an Order by settlement, pursuant to Water Code sections 13323 and Government Code section 11415.60. The Prosecution Team believes that the resolution of the alleged violations is fair and reasonable and that no further action is warranted concerning the specific violations alleged in the Settlement Offer, except as provided in this Stipulated Order and that this Stipulated Order is in the best interest of the public.

Section III: STIPULATIONS

The Parties stipulate to the following:

¹ The Regional Water Board’s delegee may act on behalf of the Regional Water Board.

3. **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 Stipulation.

4. **Administrative Civil Liability:** The Settling Respondent agrees to the imposition of THREE HUNDRED SIXTY-THREE THOUSAND NINE HUNDRED NINETY-NINE DOLLARS (\$363,999) in administrative civil liability to resolve the violations specifically alleged in the Settlement Offer. As provided below, the full amount of administrative civil liability will be suspended pending successful completion of a supplemental environmental project (SEP) to remove Arundo in the Santa Clara River, the *Santa Clara River Arundo Removal Project: Priority Removal and Retreatment* SEP (Arundo Removal SEP or SEP).

5. **Supplemental Environmental Projects Benefitting EJ/DACs:** The State Water Board's May 3, 2018 Policy on Supplemental Environmental Projects (SEP Policy), section VIII.B. provides that the Director of the Office of Enforcement (OE) may approve a proposed settlement to fund a SEP in an amount greater than 50 percent of the total adjusted monetary assessment in cases where the SEP is located in or benefits a disadvantaged community, an environmental justice community, a community that has a financial hardship, or where the SEP substantially furthers the human right to water.

6. **SEP Notice and Approval:** Pursuant to the Director of OE's April 30, 2021 memorandum on approving disadvantaged community and environmental justice SEPs greater than 50 percent of the total adjusted monetary assessment (SEP Memo), more than 50 percent of the total adjusted monetary assessment may be dedicated to the Arundo Removal SEP because it is located in and/or benefits a disadvantaged community as described in the detailed SEP description provided in Attachment B, herein incorporated by reference. The Prosecution Team provided written notification of the Arundo Removal SEP to the Director of OE and obtained approval to exceed 50 percent of administrative civil liability. Therefore, the entirety of the administrative liability amount is directed to the Arundo Removal SEP.

7. **SEP Payment:** No later than 30 days after the Regional Board, or its delegee, signs this Order, the Settling Respondent shall submit a check for THREE HUNDRED SIXTY-THREE THOUSAND NINE HUNDRED NINETY-NINE DOLLARS (\$363,999) (SEP Amount) to the Rose Foundation for Communities and the Environment (Rose Foundation) for implementation of the Santa Clara River Conservancy's (SEP Implementing Party's) Arundo Removal SEP. The check shall be made payable to the "Rose Foundation for Communities and the Environment", reference the Order number on page one of this Order, and be mailed to:

Rose Foundation for Communities and the Environment
Attn: Pamela Arauz and Jodene Isaacs
201 4th Street, Suite 102
Oakland, California 94607

8. Settling Respondent shall provide a copy of the check via email to the State Water Board, Office of Enforcement (David.Boyers@waterboards.ca.gov) and the Regional Board (Pavlova.Vitale@waterboards.ca.gov).

9. **SEP Requirements:** The Parties agree that the SEP Amount specified in paragraph 7 is for the Arundo Removal SEP and that the SEP Amount shall be treated as a suspended administrative civil liability until the time of project completion for purposes of this Stipulated Order. The Regional Board is entitled to recover any SEP funds that are not expended in

accordance with this Stipulated Order. Detailed project descriptions, including milestones, budgets, and performance measures are provided in Attachment B.

10. SEP Oversight: The Rose Foundation will oversee SEP implementation in lieu of Regional Board staff oversight. Settling Respondent shall not have any implementation or oversight role for the SEP. The Rose Foundation's oversight costs are included in the direct costs of the SEP as allowed under section VIII.G. of the SEP Policy since the SEP directly benefits disadvantaged communities. Oversight costs are within the ten (10) percent limit for SEPs performed by third party administrators. (SEP Policy, section VIII.G.)

11. Reporting Requirements for the SEPs: The Rose Foundation has agreed on the Settling Respondent/SEP Implementing Party's behalf, to submit the following reports on SEP implementation to the Regional Board:

- A. **Quarterly Reports:** Quarterly Reports must be submitted in accordance with the schedule provided in Attachment B. The Quarterly Reports must describe the tasks completed during the previous quarter, the costs incurred and funds expended and released to the SEP Implementing Party during the quarter and a cumulative summary of both for the project to date, whether the SEP is in compliance with the milestones and deadlines contained in Attachment B, and if not, the cause(s) of the delay(s) and the anticipated date of compliance with this Stipulated Order. The Quarterly Reports may also include descriptions and photos of activities completed during the previous quarter and an analysis of the SEP's progress.
- B. **Certification of SEP Completion:** No later than the deadlines contained in Attachment B, the Rose Foundation, on the Settling Respondent/ Implementing Party's behalf, must submit a final report that documents SEP completion and provides a certified statement of SEP completion (Certification of SEP Completion), signed under penalty of perjury, that documents the following:
 - 1. Certification of completion in accordance with the terms of this Stipulated Order, addressing how the expected outcome(s) for the project were met,
 - 2. Certification documenting all SEP expenditures, and
 - 3. Certification that implementation of the SEP followed all applicable environmental laws and regulations, including the California Environmental Quality Act, Porter-Cologne Water Quality Control Act, and federal Clean Water Act.
 - 4. Documentation of SEP completion may include photographs, invoices, receipts, certifications, and other materials reasonably necessary for the Regional Board to evaluate SEP completion and the costs incurred.

12. Publicity Associated with the SEP: Whenever the Settling Respondent or its agent(s), publicizes one or more SEP elements, it shall state in a prominent manner that the project is undertaken as part of a settlement of a Regional Board enforcement action against the Settling Respondent.

13. SEP is Above and Beyond the Settling Respondent's Obligations: The SEP included in this Stipulated Order contains only measures that go above and beyond the Settling

Respondent's obligations. The SEP is not part of the Settling Respondent's normal business nor is the Settling Respondent otherwise legally required to implement any portion of the SEP.

14. No Benefit to Regional Board Functions, Members, or Staff: The SEP provides no direct fiscal benefit to the Regional Board's functions, its members, its staff, or any family member of staff.

15. Regional Board 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 the negligent or intentional acts or omissions by the Settling Respondent or its respective directors, officers, employees, agents, representatives, or contractors in carrying out activities pursuant to this Order, nor shall the Regional Board, its members, staff, attorneys, or representatives be held as parties to or guarantors of any contract entered into by the Settling Respondent, or its directors, officers, employees, agents, representatives, or contractors, and any third party in carrying out activities pursuant to this Order.

16. Third Party Audit: If the Regional Board obtains information reasonably indicating that the Rose Foundation and/or the SEP Implementing Party has not expended money in the amounts claimed, or the SEP Implementing Party has not adequately completed the work in the SEP, the Regional Board or its delegee may require, and the Rose Foundation shall submit, a report prepared by an independent third party(ies) acceptable to the Regional Board or its delegee, stating that in its professional opinion, the Rose Foundation and/or the SEP Implementing Party has or has not expended money in the amounts claimed. Consistent with the June 25, 2018 MOU, if the audit constitutes an "extraordinary cost," the Regional Board and Rose Foundation will work out a supplementary agreement, as needed. Otherwise, the cost of the audit shall be considered part of the Rose Foundations oversight costs. In the event of such an audit, the Rose Foundation and the SEP Implementing Party agree that the third-party auditor will be provided with access to all documents that the auditor requests. Such information must be provided to the Regional Board within three months of the date on which the Regional Board or its delegee requires the audit.

17. Request for Extension of Completion Date: If the Settling Respondent, Rose Foundation, and/or the SEP Implementing Party anticipate delay in the schedule for any milestone or deadline resulting in the need to extend the SEP Completion Date, the Settling Respondent, or the Rose Foundation and/or the SEP Implementing Party on the Settling Respondent's behalf, shall notify the Executive Officer in writing at least thirty (30) days prior to the deadline or completion date of the event or circumstance that caused delay. The notice shall describe the reason for the inability to complete the milestone deadline or the SEP by the SEP Completion Date and specifically refer to this Paragraph. The notice shall describe the anticipated length of time the delay may persist, the cause or causes of the delay including whether the circumstance(s) was beyond the reasonable control of the Settling Respondent, Rose Foundation and/or the SEP Implementing Party, the measures taken or to be taken to minimize the delay and provide an updated milestone schedule by which the measures will be implemented. The Rose Foundation and/or the SEP Implementing Party are expected to adopt all reasonable measures to avoid and minimize such delays.

The determination as to whether the circumstances were beyond the reasonable control of the Settling Respondent, Rose Foundation and/or the SEP Implementing Party will be made by the Executive Officer. Where the Executive Officer concurs that compliance was or is impossible, despite timely good faith efforts, due to circumstances beyond the control of the Settling Respondent, Rose Foundation and/or the SEP Implementing Party that could not have been reasonably foreseen and prevented by the exercise of reasonable diligence, a new compliance

deadline shall be established. The Executive Officer will endeavor to grant a reasonable extension of time if warranted.

18. Failure to Expend the SEP Amount on the Approved SEP: If the Rose Foundation and/or the SEP Implementing Party are not able to demonstrate to the reasonable satisfaction of the Executive Officer that the entire SEP Amount was spent on the completed SEP(s), the Settling Respondent shall pay the difference between the SEP Amount and the amount the Settling Respondent can demonstrate was actually spent on the SEP(s) (the Difference). The Assistant Executive Officer shall issue a "Notice of Violation" to the Rose Foundation and the Settling Respondent that will require payment of the Difference to the State Water Pollution Cleanup and Abatement Account within 30 days of the Notice of Violation's issuance date. The Settling Respondent shall instruct the Rose Foundation to pay the Difference on its behalf. Payment of the Difference shall satisfy the Settling Respondent's obligations to implement the SEP.

19. Failure to Complete the SEP: If the SEP is not fully implemented by the SEP Completion Date listed in Attachment B, or if there has been a material failure to satisfy a project milestone, the Assistant Executive Officer shall issue a "Notice of Failure to Complete SEP" to the Rose Foundation and the Settling Respondent. The amount of suspended liability owed shall be determined via a Motion for Payment of Suspended Liability before the Regional Board or its delegee. The Settling Respondent shall be liable to pay the entire SEP Amount, or, if shown by the Settling Respondent, some portion thereof less the value of any completed milestones as stipulated to by the Parties in writing, or as determined by the Motion for Payment of Suspended Liability. Unless the Regional Board or its delegee determines otherwise, the Settling Respondent shall not be entitled to any credit, offset, or reimbursement from the Regional Board for expenditures made on the SEP prior to the issuance date of the Notice. Within 30 days of the Regional Board's or its delegee's determination of the suspended liability amount assessed for the Settling Respondent to pay, the Settling Respondent shall instruct the Rose Foundation to pay the suspended liability amount, or any portion thereof, on its behalf based on the funds the Rose Foundation still possesses. If the funds in the Rose Foundation's possession are insufficient to satisfy the suspended liability amount assessed for the Discharger to pay, the Settling Respondent will provide additional funds for full payment. Payment shall be made in accordance with the directions provided in the Regional Board's determination. Payment of the assessed amount shall satisfy the Settling Respondent's obligations to implement the SEP.

20. Regional Board Acceptance of Completed SEP: Upon the Settling Respondent's satisfaction of its obligations under this Stipulated Order, the completion of the SEP, and any audits, the Assistant Executive Officer shall issue a "Satisfaction of Order." The issuance of the Satisfaction of Order will terminate any further obligation of the Settling Respondent under this Stipulated Order and permanently suspend the SEP Amount.

21. Compliance with Applicable Laws and Regulatory Changes: The Settling Respondent understands that payment of an administrative civil liability in accordance with the terms of this Stipulated Order and/or compliance with the terms of this Stipulated Order is not a substitute for compliance with applicable laws, and that additional violations of the type alleged may subject it to further enforcement, including additional administrative civil liabilities. Nothing in this Stipulated Order shall excuse the Settling Respondent from meeting any more stringent requirements which may be imposed hereafter by changes in applicable and legally binding legislation or regulations.

22. Party Contacts for Communications Related to Stipulated Order:

A. For the Regional Board:

Pavlova Vitale
Los Angeles Regional Water Quality Control Board
320 West 4th Street Suite 200, Los Angeles, CA 90013
Pavlova.Vitale@waterboards.ca.gov

B. For the Settling Respondent:

Martin Mendoza
Williams Homes, Inc.
21080 Centre Pointe Parkway, Suite 101
Santa Clarita, CA 91350
mmendoza@williamshomes.com

23. Evidence of Prior Enforcement: Settling Respondent agrees that in the event of any future enforcement actions by the Regional Water Board, the State Water Board or any other Regional Water Quality Control Board, this Stipulated Order may be used as evidence of a prior enforcement action against them regardless of any denial of liability made herein, consistent with Water Code section 13327 or section 13385, subdivision (e).

24. Publication: Settling Respondent understand that this Stipulated Order must be noticed for a 30-day public review and comment period prior to consideration by the Regional Water Board. If significant new information is received that reasonably affects the propriety of presenting this Stipulated Order to the Regional Water Board for adoption, the Assistant Executive Officer may unilaterally declare this Stipulated Order void and decide not to present it to the Regional Water Board. Settling Respondent agrees that they may not rescind or otherwise withdraw their approval of this proposed Stipulated Order.

25. Addressing Objections Raised During Public Comment Period: The Parties agree that the procedure contemplated for the Regional Water Board's adoption of the Order, and public review of this Stipulated Order is lawful and adequate. The Parties understand that the Regional Water Board has the authority to require a public hearing to consider adoption of this Stipulated Order. In the event procedural objections are raised or the Regional Water Board requires a public hearing prior to the Stipulated Order becoming effective, the Parties agree to meet and confer concerning any such objections and may agree to revise or adjust the procedure and/or this Stipulated Order as necessary or advisable under the circumstances.

26. Attorney's Fees and Costs: Except as otherwise provided herein, each Party shall bear all attorneys' fees and costs arising from the Party's own counsel in connection with the matters set forth herein.

27. Interpretation: This Stipulated Order shall be construed as if the Parties prepared it jointly. Any uncertainty or ambiguity shall not be interpreted against any one Party. The Parties are represented by counsel in this matter.

28. Modification: The Parties shall not modify this Stipulated Order by oral representation made before or after its execution. All modifications must be in writing, signed by all Parties, and approved by the Regional Water Board.

29. If the Stipulated Order Does Not Take Effect: In the event that the Stipulated Order does not take effect because the Regional Water Board does not approve it, or the State Water

Resources Control Board (State Water Board) or a court vacates it in whole or in part, the Parties acknowledge that they expect to proceed to a contested evidentiary hearing before the Regional Water Board to determine whether to assess administrative civil liabilities for the underlying alleged violation(s), 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 agree to waive any and all objections based on settlement communications in this matter, including, but not limited to the following:

- A. Objections related to prejudice or bias of any of the Regional Water Board members or their advisors and any other objections that 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 as a consequence of reviewing the Stipulated Order, and therefore may have formed impressions or conclusions prior to any contested evidentiary hearing on the alleged violations; or
- B. Laches or delay or other equitable defenses based on the time period for administrative or judicial review to the extent this period has been extended by these settlement proceedings.

30. Waiver of Hearing: Settling Respondent has been informed of the rights Water Code section 13323, subdivision (b) provides, and hereby waive their right to a hearing before the Regional Water Board prior to the Stipulated Order's adoption.

31. Waiver of Right to Petition or Appeal: Settling Respondent hereby waives its right to petition the Regional Water Board's adoption of the Stipulated Order for review by the State Water Board, and further waives their rights, if any, to appeal the same to a California Superior Court and/or any California appellate level court.

32. Covenant Not to Sue: Settling Respondent covenants not to sue or pursue any administrative or civil claim(s) against any State agency or the State of California, their officers, Board Members, employees, representatives, agents, or attorneys arising out of or relating to any matter expressly addressed by the Complaint or this Stipulated Order.

33. No Waiver of Right to Enforce: The failure of the Prosecution Team or the Regional Water Board to enforce any provision of this Order shall in no way be deemed a waiver of such provision, or in any way affect the validity of the Order. The failure of the Prosecution Team or Regional Water Board to enforce any such provision shall not preclude it from later enforcing the same or any other provision of this Order.

34. Necessity for Written Approvals: All approvals and decisions of the Regional Water Board under the terms of this Stipulated Order shall be communicated to the Settling Respondent in writing. No oral advice, guidance, suggestions, or comments from Regional Water Board employees or officials regarding submissions or notices shall be construed to relieve the Settling Respondent of its obligation to obtain any final written approval this Stipulated Order requires.

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


36. No Third-Party Beneficiaries: This Stipulated Order is not intended to confer any rights or obligations on any third party or parties, and no third party or parties shall have any right of action under this Stipulated Order for any cause whatsoever.

37. **Severability:** This Stipulated Order is severable; should any provision be found invalid, the remainder shall remain in full force and effect.

38. **Counterpart Signatures; Facsimile and Electronic Signature:** This Stipulated 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. Further, this Stipulated Order may be executed by facsimile or electronic signature, and any such facsimile or electronic signature by any Party hereto shall be deemed to be an original signature and shall be binding on such Party to the same extent as if such facsimile or electronic signature were an original signature.

39. **Effective Date:** This Stipulated Order shall be effective and binding on the Parties upon the date the Regional Water Board enters the Order incorporating the terms of this Stipulation.

IT IS SO STIPULATED.

By:  Russ Colby
Assistant Executive Officer (Acting)
Regional Water Board Prosecution
Team

Date

By: original signed by Martin Mendoza
Martin Mendoza
Williams Homes, Inc.

July 2, 2025

Date

HAVING CONSIDERED THE PARTIES' STIPULATIONS, THE LOS ANGELES REGIONAL WATER QUALITY CONTROL BOARD FINDS THAT:

1. The foregoing Stipulation is fully incorporated herein and made part of this Order.
2. This is an action to enforce the laws and regulations administered by the Regional Water Board. The Regional Water Board finds that issuance of this Order is exempt from the provisions of the California Environmental Quality Act (Public Resources Code, sections 21000 et seq.), in accordance with section 15321, subdivision (a)(2), Title 14, of the California Code of Regulations.
3. The Executive Officer of the Regional Water Board is authorized to refer this matter directly to the Attorney General for enforcement if the Settling Respondent fails to perform any of its obligations under this Order.

Pursuant to Water Code section 13323 and Government Code section 11415.60, **IT IS HEREBY ORDERED** on behalf of the California Regional Water Quality Control Board, Los Angeles Region.

By: _____
Susana Arredondo
Executive Officer

Date