

California Regional Water Quality Control Board
Central Valley Region

FOR IMMEDIATE RELEASE
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**REGIONAL WATER BOARD SENDS PROPOSED HILMAR
SETTLEMENT BACK TO NEGOTIATORS**

RANCHO CORDOVA – The Central Valley Regional Water Quality Control Board, meeting in open session, today unanimously deferred consideration of a draft settlement agreement to settle a case with Hilmar Cheese and Hilmar Whey Protein, Inc. of Merced County. The board requested lawyers for both sides to attempt to reach a better resolution before the Regional Board issues a final ruling on the case.

The Central Valley Regional Water Quality Control Board has investigated discharges of cheese processing wastewater to fields near the plant in Hilmar (an unincorporated community). The State Water Resources Control Board staff has also investigated the situation.

Prosecuting attorneys for the Regional Board and lawyers for Hilmar had reached a proposed settlement last month, after the Regional Board filed an Administrative Civil Liability complaint January 2005.

The Board's original complaint proposed a payment of \$4,000,000 by Hilmar. The draft settlement would have accepted \$3,000,000, of which \$2,000,000 would have gone to the state and \$1,000,000 to fund a study of the management of salinity of food processing wastewater. Of the money going to the state, \$150,000 would have reimbursed the California Attorney General's office for work on the case, and the balance to the Waste Permit Discharge Fund.

Central Valley Water Board chair Robert Schneider commented, "There were problems with the current proposal. After discussions, the Board requested both sides to reenter negotiations to see if an acceptable resolution could be reached."

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