

Exhibit 2 Settlement Offer Liability Summary

**Administrative Civil Liability Settlement Offer No. R9-2021-0141
City of San Marcos
San Marcos Creek District Infrastructure Project**

Allegation of Violation	Maximum	Minimum	Initial	Base	Final
1. Failure to implement measures to control all non-stormwater discharges during construction.	\$10,000	See below.	\$5,500	\$7,150	\$7,150
2. Failure to apply linear sediment controls.	\$10,000	See below.	\$5,500	\$7,150	\$7,150
3. Failure to implement material stockpile BMPs.	\$10,000	See below.	\$5,500	\$7,150	\$7,150
4. Failure to stabilize construction entrances and exits.	\$10,000	See below.	\$3,500	\$3,500	\$4,200

Total \$25,650

Economic benefit = \$1	The Prosecution Team estimated that the corrective measures implemented by the City for the Project cost \$4,042. Based on the BMPs being a delayed cost using USEPA's BEN model, the economic benefit is calculated as \$1. See Exhibit 4, Economic Benefit Analysis.
Minimum civil liability = \$1.10	Per the 2017 Water Quality Enforcement Policy the minimum civil liability should equal Economic Benefit plus 10% so liabilities are not perceived as the "cost of doing business." This represents the minimum liability for all the violations combined. The final liability for all of the alleged violations is greater than the minimum civil liability.
Maximum civil liability = \$40,000	The maximum civil liability was calculated pursuant to Water Code section 13385. The final liability for all of the alleged violations is less than the maximum civil liability.
Ability to pay and continue in business: Yes	Based upon publicly available information, the Prosecution Team concludes that the City has the ability to pay the Total Final Liability.
Other factors: Reimbursement of staff costs = \$6,604	Refer to Exhibit 3 for a summary of staff costs incurred.

Final Liability including staff costs \$32,254