

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LAHONTAN REGION**

**MEETING OF MAY 23 AND 24, 2007
LANCASTER, CALIFORNIA**

ITEM NO. 3

SUBJECT: Consideration of a Settlement for Claims of Administrative Civil Liability through the Adoption of an Administrative Civil Liability Order for: County Sanitation District No. 14 of Los Angeles County- Lancaster Water Reclamation Plant for Violation of Waste Discharge Requirements (Board Order No. R6V-2002-053) and Cease and Desist Order (Board Order No. R6V-2004-0038); and County Sanitation District No. 20 of Los Angeles County – Palmdale Water Reclamation Plant, for Violation of Waste Discharge Requirements (Board Order Nos. 6-89-31, 6-93-18 and 6-00-57) and Cease and Desist Order (Board Order No. R6V-2004-0039)

CHRONOLOGY:

Date	District No. 14 - Lancaster	District No. 20 - Palmdale
June 14, 2000		Revised Waste Discharge Requirements
September 11, 2002	Revised Waste Discharge Requirements	
November 12, 2003		Cleanup and Abatement Order
April 14, 2004		Amended Waste Discharge Requirements
July 26, 2004		Amended Waste Discharge Requirements
October 13, 2004	Cease and Desist Order	Cease and Desist Order
April 13, 2005		Policy Resolution Adopted
July 13, 2005	Amended Waste Discharge Requirements	Amended Waste Discharge Requirements
March 8, 2006	Master Recycling Permit	
September 14, 2006	Waste Discharge Requirements	
November 8, 2006	Waste Discharge Requirements	
March 14, 2007	Waste Discharge Requirements	

DISCUSSION: In October 2004 the Water Board adopted cease and desist orders (CDOs) against the two Districts. The CDOs required the Districts to eliminate violations and threatened violations of Waste Discharge Requirements (WDRs). The CDOs are the subject of Petitions for Writ of Mandate in Superior Court.

The Water Board’s prosecution team and the Districts began settlement

negotiations covering the Districts' petitions. These negotiations were expanded to include discussion of the potential administrative civil liability associated with violations of WDRs, CDOs and a Cleanup and Abatement Order (CAO). The prosecution team and the Districts have reached a proposed settlement (Enclosure 1) of both the Districts' petitions and the Water Board's claim for administrative civil liability. The proposed settlement would impose a \$4 million civil liability on the Districts and provide additional time for the Districts to come into compliance with the WDRs. The settlement would be implemented through the Water Board adoption of the proposed Administrative Civil Liability Order (Enclosure 2) and adoption of amended CDOs for each District (please refer to Item Nos. 4 and 5 on the Water Board's May 2007 meeting agenda). Following these actions the Districts would dismiss their petitions.

The settlement includes all three proposed orders as a package; if changes are proposed there must be agreement between the prosecution team and the Districts. If the Water Board determines that the proposed orders are not acceptable, then the prosecution team respectfully withdraws these proposed orders from consideration. In that event, the prosecution team will present modified proposed orders for Water Board consideration at a future date. The prosecution team is not prepared to present these orders as anything other than a proposed settlement.

The proposed Administrative Civil Liability is intended to resolve all claims for violations of WDRs, CDOs and the CAO. It is the prosecution team's position that the Districts' violations can be attributed to delayed actions to plan and implement facilities to keep pace with the rapid growth that has occurred in the service areas of these Districts. While the Districts are currently designing and implementing projects to eliminate the violations and threatened violations of WDRs, the proposed Administrative Civil Liability is designed to address the lack of timely action by the Districts and the resulting water quality impacts and threat of such impacts.

The proposed settlement incorporates the funding for a supplemental environmental project (SEP) in the amount of \$3.8 million (a portion of the \$4 million civil liability) in lieu of placing these funds in the State's Waste Discharge Permit Fund. The SEP will pay for portions of the Antelope Valley Recycled Water Project, which is intended to deliver recycled water to various users in the Antelope Valley. The SEP is more fully described in Attachment 2 to Enclosure 2.

The Water Board accepted comments on the proposed administrative civil liability order at its March 2007 meeting. At the request of the Water Board, the prosecution team held two public workshops on April 4 in Palmdale. The public comment period on the proposed administrative civil liability order and the two proposed cease and desist orders closed on April 13, 2007. Three comment letters were received (Enclosures 3, 4 and 5). Responses to these comments will be provided prior to the May 2007 Board meeting. Additionally, the Water Board's Advisory Team posed a number of questions and suggestions to the Prosecution Team and Districts in an April 20, 2007 Memorandum (Enclosure 6). Responses to the questions and suggestions

are provided in the correspondence included as Enclosure 7.

RECOMMENDATION:

The prosecution team recommends that the Water Board adopt the proposed Administrative Civil Liability Order and the associated proposed cease and desist orders.

Enclosures:

1. [Settlement Agreement and Mutual Release](#)
2. [Proposed Administrative Civil Liability Order](#)
3. [April 10, 2007 letter from United States Fish and Wildlife Service](#)
4. [April 13, 2007 letter from Iverson, Yoakum, Papiano & Hatch](#)
5. [April 13, 2007 letter from Nebeker Ranch](#)
6. [April 20, 2007 Memorandum from the Advisory Team to the Prosecution Team and Districts](#)
7. [May 8, 2007 Letter from Steven H. Blum and Nicole Granquist to Advisory Team with attachment](#)