

**SETTLEMENT AGREEMENT
ADMINISTRATIVE CIVIL LIABILITY
COMPLAINT NOS. R4-2009-0053 AND R4-2009-0054**

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CALIFORNIA REGIONAL WATER

This Settlement Agreement ("Agreement") is made and entered into by Donald Henderson and the Prosecution Team of the California Regional Water Quality Control Board, Los Angeles Region ("Regional Board") (collectively, the "Parties") with reference to the following facts:

RECITALS:

- A. Donald Henderson owns and operates a commercial irrigated farming operation on two parcels in Santa Paula, California. On the parcel with Assessor Parcel Number (APN) 098-0-010-025, Mr. Henderson grows oranges. On the parcel with APN 098-0-010-265, Mr. Henderson grows vegetable row crops. Both parcels are subject to the Regional Board's Conditional Waiver of Waste Discharge Requirements for Discharges from Irrigated Lands within the Los Angeles Region, Order No. R4-2005-0080 ("Conditional Waiver").
- B. On May 5, 2009, the Chief Deputy Executive Officer issued two administrative civil liability complaints to Donald and Marlene Henderson. Complaint No. R4-2009-0053 concerned APN 098-0-010-025 and Complaint No. R4-2009-0054 concerned APN 098-0-010-265 (collectively, the "Complaints"). This Agreement is in settlement of both Complaints.
- C. The Complaints allege that Donald and Marlene Henderson violated California Water Code section 13260 by failing to submit a Notice of Intent to comply with the Regional Board's Conditional Waiver or, alternatively, by failing to submit a report of waste discharge for an individual waste discharge permit, despite at least two requests by the Regional Board. Collectively, the Complaints proposed to assess a total administrative civil liability of \$7,518 against Donald and Marlene Henderson for these violations.
- D. In addition to seeking civil liability, the intent of the Complaints was to encourage compliance with the Conditional Waiver. Accordingly, the Complaints sought higher penalties if Donald and Marlene Henderson did not enroll under the Condition Waiver within 30 days from the date of the Complaints.
- E. In response to the Complaints, Donald Henderson enrolled in the Conditional Waiver on May 24, 2009 by joining the Ventura County Agriculture Irrigated Lands Group, which is a Regional Board approved Discharger Group.
- F. Subsequent to the issuance of the Complaints, the Parties entered into settlement negotiations because of a desire to resolve this matter and settle the allegations described herein without a formal hearing. The Prosecution Team learned at that time that Marlene Henderson passed away in November 2008.

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- G. The Parties, through their respective representatives, have reached this settlement for the violations alleged in the Complaints. The terms of the settlement are that Donald Henderson will pay \$5,000 to resolve the allegations in the Complaints. In order to facilitate the approval of the proposed settlement, and to carry out its terms, this proposed settlement includes the issuance of an Administrative Civil Liability Stipulated Order (“Stipulated Order”).
- H. This proposed settlement is subject to public comment and approval by the Regional Board.

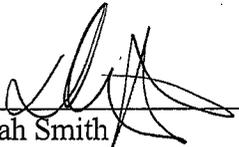
NOW, THEREFORE, the Parties agree as follows:

1. Donald Henderson waives his right to a hearing before the Regional Board to dispute the allegations of violations described in the Complaints.
2. In settlement of the violations alleged in the Complaints, Donald Henderson agrees to pay administrative civil liability in the amount of \$5,000 by check that references “ACL Complaint Nos. R4-2009-0053 and R4-2009-0054” made payable to the “State Water Pollution Cleanup and Abatement Account.” Full payment must be submitted to the Regional Board no later than 10 days after the date Donald Henderson receives written notice that the proposed Stipulated Order has become effective.
3. Donald Henderson promises and agrees that he will not contest or otherwise challenge this Agreement before the Regional Board, the State Water Resources Control Board, or any court. The Prosecution Team likewise promises and agrees that it will not contest or otherwise challenge this Agreement before the Regional Board, the State Water Resources Control Board, or any court, provided that it does not exercise its authority to declare this Agreement to be null and void as the result of public comment, as specifically detailed below.
4. Within 7 days of execution of this Agreement by Donald Henderson and the Prosecution Team, the Prosecution Team will post this Agreement on the Regional Board’s website for the purpose of accepting public comments on this Agreement for a period of at least 30 days. If the Prosecution Team receives significant new information that reasonably affects the propriety of entering into this Agreement, the Prosecution Team may unilaterally declare this Agreement null and void. Otherwise, within 7 days of the close of the public comment period, the Prosecution Team will present this Agreement and Stipulated Order on Complaint Nos. R4-2009-0053 and R4-2009-0054 to the Executive Officer for the Regional Board’s approval. The Stipulated Order shall become effective immediately upon the Executive Officer’s signature.
5. In the event that this Agreement does not take effect, the Parties acknowledge that they expect to proceed to a contested evidentiary hearing for the Regional Board to determine whether to assess administrative civil liabilities for the underlying alleged violations in the Complaints.
6. Each person executing this Agreement in a representative capacity represents and warrants that he or she is authorized to execute this Agreement on behalf of and to bind the person or entity on whose behalf he or she executes this Agreement.

7. Donald Henderson understands that this settlement is not a substitute for compliance with applicable laws and that continuing violations of the type alleged in the Complaints may subject Mr. Henderson to further enforcement, including additional civil liability.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the dates set forth below.

FOR THE REGIONAL BOARD PROSECUTION TEAM:

By: 
Deborah Smith
Chief Deputy Executive Officer

Date: 3-1-10

FOR DONALD HENDERSON:

By: 
(Signed Name)

2-20-10
Date

Donald Henderson
(Printed or typed name)

OWNER
(Title)