- 1	'	
1	XAVIER BECERRA	
2	Attorney General of California TRACY L. WINSOR	Total Control Control
3	Supervising Deputy Attorney General COURTNEY COVINGTON (SBN 259723)	
4	KELLY A. WELCHANS (SBN 253191) Deputy Attorneys General	MAY 3 1 2019
5	1300 I Street, Suite 125 P.O. Box 944255 Sacramento, CA 94244-2550	CLERK OF THE SUPERIOR COURT COUNTY OF TRINITY BY: LACY HAYTH, DEPUTY CLERK
6	Telephone: (916) 210-7804	•
7	Fax: (916) 327-2319 E-mail: Kelly.Welchans@doj.ca.gov	
8	E-mail: Courtney.Covington@doj.ca.gov	
9	Attorneys for Plaintiff	Per Government Code § 6103, State of California is exempt from filing
10		fee
11	. SUPERIOR COURT OF THE STATE OF CALIFORNIA	
12	•	
13	COUNTY OF TRINITY	
14	PEOPLE OF THE STATE OF	Case No. 17CV066
15	CALIFORNIA, EX REL. THE REGIONAL	Case No. 17C v 000
16	WATER QUALITY CONTROL BOARD, NORTH COAST REGION,	
17	Plaintiff,	STIPULATED FINAL JUDGMENT
18	<b>v.</b>	Dept: 2 Judge: Hon. Eric Heryford
19		Action Filed: Sept. 11, 2017
20	INDEPENDENCE CORPORATE OFFICES, INC., a California Corporation;	
21	CLAY TUCKER, an individual; RINCON LAND HOLDINGS LLC, an	
22	Arizona Corporation; and DOES 1 through 50, inclusive,	
23	Defendants.	
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## INTRODUCTION

This Stipulated Final Judgment (Stipulated Judgment) is entered into by and between Plaintiff People of the State of California ex rel. The Regional Water Quality Control Board, North Coast Region (the Regional Board) and Defendants Independence Corporate Offices, Inc. (ICO), Clay Tucker (Tucker), Rincon Land Holdings LLC (Rincon), and Barnett S. Brenner (Brenner) (ICO, Tucker, Rincon, and Brenner are collectively referred to as Defendants).

## **RECITALS**

- A. The Regional Board is a public agency of the State of California. The Regional Board's jurisdiction includes the protection of beneficial uses of waters of the State of California, and establishment and enforcement of water quality control plans and policies.
  - B. Defendants Tucker and Brenner are individuals.
- C. Defendant ICO is a California corporation. Tucker is an officer of ICO. Tucker represents that he has full authority to bind ICO to this Stipulated Judgment.
- D. Defendant Rincon is an Arizona corporation. Brenner is an officer of Rincon. Brenner represents that he has full authority to bind Rincon to this Stipulated Judgment.
- E. On September 11, 2017, the Regional Board filed the complaint (Complaint) in this action to address the Defendants' violations of the federal Clean Water Act, California Water Code, and North Coast Region Basin Plan (Basin Plan).
- F. After arms-length negotiations, the Regional Board and Defendants have reached and entered into a settlement agreement by way of this Stipulated Judgment in a good faith effort to avoid the uncertainty and expense of protracted litigation.

#### **TERMS**

Therefore, the Regional Board and Defendants stipulate as follows:

## Jurisdiction and Venue

- 1. This Court has jurisdiction over the subject matter of this action and the parties to this Stipulated Judgment.
- Trinity County is the appropriate venue for this action because the violations of the
   Water Code and Basin Plan occurred in Trinity County.

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## Admission of Liability

3. Defendants admit that their conduct in developing certain properties in Trinity County resulted in actual discharges of silt, soil, and other materials into waterways in the Indian Creek watershed. Defendants further admit that their conduct in developing certain properties in Trinity County resulted in deposits of silt, soil, and other materials placed in locations where they could pass into a stream or watercourse in the basin in quantities which could be deleterious to fish, wildlife, or other beneficial uses. Defendants admit that such actions give rise to liability under the California Water Code.

# **Civil Penalties**

- 4. Tucker and ICO agree to pay, and are jointly and severally liable for payment of, \$175,000 in civil penalties, payable to the Regional Board over five years in twenty (20) equal quarterly installments of \$8,750.00, with the first payment to be made no later than 30 days after this Stipulated Judgment is entered by the Court. Payments shall be made in the manner provided in paragraph 6 below.
- 5. Brenner and Rincon agree to pay, and are jointly and severally liable for payment of, \$124,341.88 in civil penalties, payable to the Regional Board over five years, in twenty (20) quarterly installments, with the first payment to be made no later than 30 days after this Stipulated Judgment is entered by the Court.
  - The first eight (8) installments shall be in the amount of \$4,292.74, made in the manner provided in paragraph 6 below.
  - b. The final twelve (12) installments shall be in the amount of \$7,500, made in the manner provided in paragraph 6 below.
  - 6. Payments of civil penalties shall be made as follows:
    - The first payment shall be due within 30 days after this Stipulated Judgment is entered by the Court.
    - The remaining 19 quarterly payments shall be due on August 1, November 1, February 1, and May 1 of each year, beginning August 1, 2019, with the final installment due on or before February 1, 2024.

c. The payments described above in paragraphs 6.a. and 6.b. shall be by certified or cashiers check made payable to **State Water Resources Control Board Cleanup** and **Abatement Account**, with reference to Trinity County Case No. 17CV066, and shall be delivered by hand or express mail to:

SWRCB Attn: ACL Payment Accounting Office PO Box 1888 Sacramento, CA 95812-1888

Notice of transmission of copies of all certified or cashier's checks transmitted in the manner set forth above shall be provided to the California Attorney General's Office on the same day that any such checks are delivered by hand or express mail to the State Water Resources Control Board, by scanning and emailing a copy of the checks and transmitting the copies via email to Deputy Attorneys General Kelly Welchans at kelly welchans@doj.ca.gov and Courtney S. Covington at courtney.covington@doj.ca.gov, in addition to any other individuals the California Attorney General's Office may subsequently designate to receive such notice and copies.

- d. Defendants may increase the amount of any payment due under this Stipulated Judgment without penalty. Such excess amounts will apply to reduce the total balance due, however, such increased payments will not reduce the amounts of any future payments due, and subsequent payments in the amounts identified in paragraphs 4 and 5 above, will remain due, in the same amount, as detailed in paragraphs 6.b and 6.c, until the total balance of the civil liability has been paid in full.
- e. In the event any installment payment specified in paragraphs 4-6, above, is not timely received by the Regional Board, the Regional Board's counsel may apply to the Court, ex parte, to amend the judgment to reflect that the entire remaining amount of the judgment is immediately due and owing to the Regional Board, reflected in paragraphs 4-6 above, and CDFW, as reflected in paragraphs 9-10

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below. The Regional Board shall give 15 days' notice of any exparte application to the Court to amend the judgment. The exparte application to the Court shall be by way of written declaration which shall specify that the payment was not timely received and which shall state that written notice of the Regional Board's failure to timely receive payment was sent, via email, to Defendants' counsel, Paul Meidus at paul.meidus@rswslaw.com, and that five days have elapsed since said notice was sent and that payment has not been received. The written notice to Defendants' counsel may serve as notice of the Regional Board's intent to apply ex parte to the Court to amend the judgment as to any or all of the Defendants. In the event that the Court determines that the payment was not timely, the Regional Board shall be entitled to have a judgment entered in the full amount due, less any credit given to Defendants for all payments actually received, plus any postiudgment interest that has accrued on any late payments and all of the Regional Board's attorney fees and costs incurred in obtaining said judgment. Defendants expressly acknowledge the Regional Board's right to apply ex parte to the Court to enter judgment for immediate payment of all liability, rather than monthly installment payments, plus any interest owing on any late payments, as well as the Regional Board's right to recover from Defendants its attorney fees and costs for obtaining said judgment, as incentive for all payments to be made timely, and as a penalty for failure to make payment when due.

# **Suspended Civil Penalties**

- 7. Tucker is individually liable for suspended civil penalties, which shall become due and payable in full, on a lump-sum basis, within 15 days of entry of any amended judgment, only if Tucker engages in conduct that violates the California Water Code, directs others to engage in conduct that violates the California Water Code, or finances conduct that violates the California Water Code, within five years of the entry of this Stipulated Judgment as follows:
  - a. Tucker shall pay \$200,000 in civil penalties, in the manner described in paragraph

- 6.c, if the unlawful conduct occurs anywhere on the road system covered by Cleanup and Abatement Order No. R1-2018-0036; and
- b. Tucker shall pay \$50,000 in civil penalties, in the manner described in paragraph6.c, if the unlawful conduct occurs anywhere else in California.
- 8. Tucker and the Regional Board agree that in the event Tucker commits, directs, or finances violations of the Water Code within five years from entry of this Stipulated Judgment, the Regional Board may move the Court ex parte, on 15 days' notice, for an order amending this Stipulated Judgment to include the suspended penalty amounts as provided in paragraph 7. The parties may submit evidence by declarations. The parties jointly request that, should a motion to impose the suspended civil penalties be necessary, the Court determine, by the preponderance of the evidence standard, sitting without a jury, whether Tucker committed, directed, or financed one or more violations of the California Water Code, and if the Court so determines, enter judgment against Tucker as set forth in paragraph 7. Nothing in this Stipulated Judgment limits the Regional Board's ability to obtain an ex parte order for injunctive relief should Tucker violate provisions of the Water Code.

#### **Investigative Costs**

- 9. Brenner and Rincon agree to pay, and are jointly and severally liable for payment of \$25,658.12 in investigative costs, to reimburse the California Department of Fish and Wildlife (CDFW) for costs associated in investigating the claims at issue in this matter. These payments shall be made in eight (8) equal, quarterly, installments of \$3,207.26, with the first payment to be made no later than 30 days after this Stipulated Judgment is entered by the Court. Payments shall be made in the manner provided in paragraph 10 below.
  - 10. Payments of investigative costs shall be made as follows:
    - a. The **first payment shall be due within 30 days** after this Stipulated Judgment is entered by the Court.
    - b. The remaining 7 quarterly payments shall be due on August 1, November 1, February 1, and May 1 of each year, beginning August 1, 2019, with the final installment due on or before February 1, 2021.

c. The payments described above in paragraphs 10.a. and 10.b. shall be by certified or cashiers check made payable to California Department of Fish and Wildlife, with reference to CDFW Investigation Costs, Trinity County Case No. 17CV066, and shall be delivered by hand or express mail to:

CDFW Law Enforcement Division Attn: Alexandra Davis 1416 9<sup>th</sup> Street, Suite 1326 Sacramento, CA 95814

Notice of transmission of copies of all certified or cashier's checks transmitted in the manner set forth above shall be provided to the California Attorney General's Office on the same day that any such checks are delivered by hand or express mail to CDFW, by scanning and emailing a copy of the checks and transmitting the copies via email to Deputy Attorneys General Kelly Welchans at kelly.welchans@doj.ca.gov and Courtney S. Covington at courtney.covington@doj.ca.gov, in addition to any other individuals the California Attorney General's Office may subsequently designate to receive such notice and copies.

- d. Defendants may increase the amount of any payment due under this Stipulated Judgment without penalty. Such excess amounts will apply to reduce the total balance due, however, such increased payments will not reduce the amounts of any future payments due, and subsequent payments in the amounts identified in paragraphs 9 above, will remain due, in the same amount, as detailed in paragraphs 10.b and 10.c, until the total balance of the investigative cost reimbursement has been paid in full.
- e. In the event any installment payment specified in paragraphs 9-10, above, is not timely received by CDFW, the Regional Board's counsel may apply to the Court, ex parte, to amend the judgment to reflect that the entire remaining amount of the judgment is immediately due and owing to the Regional Board reflected in paragraphs 4-6, and CDFW, as reflected in paragraphs 9-10. The Regional Board

Attorneys' Fees

22 11. 23 imposed under this Stipulated Judgment, in accordance with Government Code section 12513.1,

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26 penalty. If Tucker commits, directs, or finances additional California Water Code violations,

necessitating a motion by the Regional Board to impose the suspended civil penalties pursuant to

Defendants shall be required to pay interest, reasonable attorneys' fees and costs for collection or

enforcement proceedings to enforce the payment or obligation, in addition to that liability or civil

and as a penalty for failure to make payment when due.

shall give 15 days' notice of any ex parte application to the Court to amend the

judgment. The ex parte application to the Court shall be by way of written

declaration which shall specify that the payment was not timely received and

which shall state that written notice of the Regional Board's failure to timely

receive payment was sent, via email, to Defendants' counsel, Paul Meidus at

paul.meidus@rswslaw.com, and that five days have elapsed since said notice was

counsel may serve as notice of the Regional Board's intent to apply ex parte to the

Court to amend the judgment as to any or all of the Defendants. In the event that

the Court determines that the payment was not timely, the Regional Board shall be

entitled to have a judgment entered in the full amount due, less any credit given to

Defendants for all payments actually received, plus any post-judgment interest that

has accrued on any late payments and all of the Regional Board's attorney fees and

costs incurred in obtaining said judgment. Defendants expressly acknowledge the

Regional Board's right to apply ex parte to the Court to enter judgment for

immediate payment of all liability under this Stipulated Judgment, rather than

monthly installment payments, plus any interest owing on any late payments, as

well as the Regional Board's right to recover from Defendants its attorney fees and

costs for obtaining said judgment, as incentive for all payments to be made timely,

If Defendants fail to perform any obligation or pay any liability or civil penalty

sent and that payment has not been received. The written notice to Defendants'

paragraphs 7 and 8, Tucker shall be required to pay interest, reasonable attorneys' fees and costs

1	for any proceedings to impose and collect the suspended civil penalties, in addition to those		
2	suspended civil penalties. Except as provided in this paragraph, all parties to this Stipulated		
3	Judgment shall bear their own attorneys' fees and costs up through the date the Stipulated		
4	Judgment is entered.		
5	Notice/Correspondence		
6	12. All notices pertaining to this Stipulated Judgment shall be sent by regular or		
7	overnight mail, with a courtesy copy via email, as follows:		
8	To Defendants: Paul Meidus Reese, Smalley, Wiseman & Schweitzer, LLP		
9	1265 Willis Street		
10 11	P.O. Box 994647  Redding, CA 96099-4647  paul.meidus@rswslaw.com		
12	To the Regional Board: Kelly Welchans		
13	1301 I Street, Ste. 125		
14	P.O. Box 944255 Sacramento, CA 94244-2550		
15	kelly.welchans@doj.ca.gov		
16	Delay in Action, Waiver of Appeal Right		
17	13. Defendants hereby waive any rights they may have to seek dismissal for any dela		
18	in entry of judgment, prosecuting the action, or bringing the action to trial, including under Cod		
19	of Civil Procedure sections 583.110-583.430.		
20	14. The parties agree to waive their right to appeal from this Stipulated Judgment.		
21	Nothing in this Stipulated Judgment shall be construed as a waiver of any party's right to appeal		
22	from an order that arises from an action to enforce the terms of this Stipulated Judgment.		
23	Scope of Stipulated Judgment, Matters Covered		
24	15. This Stipulated Judgment is made and entered into by and on behalf of the		
25	Regional Board and Defendants only. Except as expressly provided in this Stipulated Judgment		
26	nothing in this Stipulated Judgment is intended or shall be construed to preclude the Attorney		
27	General from exercising his or her authority as an independent Constitutional officer under any		
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law, statute, or regulation. Furthermore, except as expressly provided in this Stipulated Judgment, nothing in this Stipulated Judgment is intended or shall be construed to preclude any state, local, or federal agency, board (including the State Water Resources Control Board or any other Regional Water Quality Control Board in California), department, office, commission, or entity from exercising its authority under any law, statute, regulation, or ordinance.

16. This Stipulated Judgment is a final and binding resolution and settlement of all claims, violations, or causes of action alleged by the Regional Board in the Complaint, and of all claims, violations, or causes of action which could have been asserted by the Regional Board against Defendants based on the facts that are the subject of the Complaint. The matters described in the previous sentence are "Covered Matters." The parties reserve the right to pursue any claim that is not a Covered Matter (Reserved Claim) and to defend against any Reserved Claim.

## **Mutual Releases**

- 17. Upon the date this Stipulated Judgment is entered by the Court, Defendants shall and do release, discharge and covenant not to sue the Regional Board, the State of California or any of their employees, including each and every constituent agency, board, department, office, commission, fund or other entity thereof, and successors and assigns of each and every constituent of the State of California, for any and all claims or causes of action, of every kind and nature whatsoever, in law and in equity, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, which arise out of or are related to this lawsuit or the administrative or investigative actions that preceded it.
- 18. Except as expressly provided in this Stipulated Judgment, the Regional Board shall and does release, discharge, and covenant not to sue Defendants with respect to the Covered Matters. This covenant not to sue shall become effective only upon the occurrence of both of the following: (1) the Regional Board's receipt of the final payments to be made by Defendants pursuant to paragraphs 4-6 of this Stipulated Judgment; and (2) the expiration of the five-year period following entry of this Stipulated Judgment, as described in paragraph 7. This covenant not to sue shall not act to release from liability any person or entity other than Defendants.

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have a financial interest in, properties subject to Cleanup and Abatement Order No. R1-2018-0036, or conduct, direct, finance, or participate in activity on properties subject to Cleanup and Abatement Order No. R1-2018-0036, from the date Rincon executes this Stipulated Judgment through and including the final installation payment due under this Stipulated Judgment, the Regional Board will refrain from seeking Rincon's specific performance as to Cleanup and Abatement Order No. R1-2018-0036. Nothing in this paragraph shall require or prevent actions. such as for contribution, from other parties named in Cleanup and Abatement Order No. R1-2018-0036.

The Regional Board agrees that, to the extent Rincon remains in compliance with

## Jurisdiction, Interpretation

19.

- 20. This Court shall retain jurisdiction to interpret, modify, and enforce the terms and conditions of this Stipulated Judgment. This Stipulated Judgment shall be governed by and construed in accordance with the laws of the State of California
- 21. This Stipulated Judgment was drafted equally by all parties. The parties agree that the rule of construction holding that ambiguity is construed against the drafting party shall not apply to the interpretation of this Stipulated Judgment.

## Integration

22. This Stipulated Judgment contains all of the terms and conditions agreed upon by the parties relating to the matters covered by this Stipulated Judgment, and supersedes any and all prior and contemporaneous agreements, negotiations, correspondence, understandings, and communications of the parties, whether oral or written, respecting the matters covered by this Stipulated Judgment. This Stipulated Judgment may be amended or modified only by a writing signed by the parties or their authorized representatives, and then by order of the Court.

#### **Knowing, Voluntary Agreement**

23. Each party to this Stipulated Judgment acknowledges that it has been represented by legal counsel, and that each party has reviewed, and has had the benefit of legal counsel's advice concerning, all of the terms and conditions of this Stipulated Judgment.

24. Each party to this Stipulated Judgment represents and warrants that the person who has signed this Stipulated Judgment on its behalf is duly authorized to enter into this Stipulated Judgment, and to bind that party to the terms and conditions of this Stipulated Judgment.

25. This Stipulated Judgment may be executed by the parties in counterpart originals with the same force and effect as if fully and simultaneously executed as a single, original document. The parties agree all genuine copies of their and their counsel's signatures on this Stipulated Judgment, such as photocopies and scanned copies, may be used as though originals.

No Third Party Beneficiaries

26. This Stipulated Judgment is made for the sole benefit of the parties, and no other person or entity shall have any rights or remedies under or by reason of this Stipulated Judgment. unless otherwise expressly provided for herein.

IT IS SO STIPULATED.

Dated: April . 2019

Dated: April 1, 2019

Dated: April\_\_\_, 2019

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INDEPENDENCE CORPORATE OFFICES, INC.

Clay Tucker, President, Independence Corporate Offices

CLAY TUCKER

Clay Tucker, an individual

RINCON LAND HOLDINGS LLC

Barnett S. Brenner, Manager, Rincon Land **Holdings** 

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Holdings

Barnett S. Brenner, Manager, Rincon Land

1.		BARNETT S. BRENNER
2	•	Bainet G. Menner
3	Dated: April $\frac{97}{7}$ , 2019	1
4		Barnett S. Brenner, an individual
5		REGIONAL WATER QUALITY
6	·	CONTROL BOARD, NORTH COAST REGION
7		
8	Dated: April, 2019	
9		Matt St. John, Executive Officer, Regional Water Quality Control Board, North Coast Region
10		
11	APPROVED AS TO FORM:	
12	Dated April 12-2010	Duil 1841
13	Dated: April 12, 2019	Paul C. Meidus
14 15		Attorney for Defendants INDEPENDENCE CORPORATE OFFICES, INC., CLAY TUCKER, RINCON LAND HOLDINGS
16		LLC, and BARNETT S. BRENNER
17		
18	Dated: April, 2019	
19		Kelly A. Welchans Attorney for Plaintiff REGIONAL WATER
20		QUALITY CONTROL BOARD, NORTH COAST REGION
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22	· · · · · · · · · · · · · · · · · · ·	
23	IT IS SO ORDERED.	
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25	Dated: 5/3/ ,2019	(5) Heryford
26	Dated:, 2019	HON. ERIC HERYFORD
27	CA20162010D2	
28	SA2016301003 13463082.docx	

1		BARNETT S. BRENNER
2	·	Bunity. Menner
3	Dated: April 7, 2019	з принаментичности и принаментичний принаментичной
4		Barnett S. Brenner, an individual
5		REGIONAL WATER QUALITY
6		CONTROL BOARD, NORTH COAST REGION
7		
8	Dated: April, 2019	MATOSTAL.
9	- American	Matt St. John, Executive Officer, Regional Water Quality Control Board, North Coast
10		Region
11		
12	APPROVED AS TO FORM:	
13	Dated: April, 2019	matery as the companion of the companion
14		Paul C. Meidus Attorney for Defendants INDEPENDENCE
15	·	CORPORATE OFFICES, INC., CLAY TUCKER, RINCON LAND HOLDINGS
16		LLC. and BARNETT S. BRENNER
17		A. Allata
18	Dated: April 17, 2019	all and
	Account of the second of the s	Kelly A. Welchans
19		Attorney for Plaintiff REGIONAL WATER QUALITY CONTROL BOARD, NORTH
20		COAST REGION
21		
22		
23	IT IS SO ORDERED.	
24	,	
25	Dated: 5/3] .2019	15 llo marmil
26	Dated: _5/.5] , 2019	HON. ERIC HERYFORD
27		
28	\$A2016301003 13463082.docx	

#### DECLARATION OF SERVICE BY U.S. MAIL

Case Name: Regional Water Quality Control Board, North Coast Region v. Independence

Corporate Offices, Inc., et al.

Case No.: Trinity County Superior Court, No. 17-CV-066

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service with postage thereon fully prepaid that same day in the ordinary course of business.

On May 30, 2019, I served the attached **STIPULATED FINAL JUDGMENT** by placing a true copy thereof enclosed in a sealed envelope in the internal mail collection system at the Office of the Attorney General at 1300 I Street, Suite 125, P.O. Box 944255, Sacramento, CA 94244-2550, addressed as follows:

Paul C. Meidus, Esq.
Reese, Smalley, Wiseman & Schweitzer, LLP
1265 Willis Street
Redding, CA 96001
Attorneys for Rincon Land Holdings, LLC,
Independence Corporate Offices, Inc., Clay
Tucker and Barnett S. Brenner

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on May 30, 2019, at Sacramento, California.

Signature

Jennifer L. Taggart

Declarant

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