This SETTLEMENT AGREEMENT (hereinafter "AGREEMENT") is between CENTRAL DAVIS SEWER DISTRICT (hereinafter "OPERATOR") and the UTAH WATER QUALITY BOARD (hereinafter the "BOARD"), concerning violations of the Utah Water Quality Act (the Act), Utah Code Annotated, and the Utah Administrative Code.

1. The BOARD has authority to administer the Utah Water Quality Act, as amended 1953, (hereinafter the "ACT").

2. The BOARD has been delegated authority by the U.S. Environmental Protection Agency (EPA) to administer the National Pollutant Discharge Elimination System (NPDES) permit program under the Federal Clean Water Act (CWA).

3. The parties now desire to resolve this matter fully without further administrative proceedings except to the extent provided herein by entering into this AGREEMENT. Entering into this AGREEMENT is not an admission of liability or factual allegation set out in the NOTICE, nor is it an admission of or an agreement to any disputed facts or disputed legal theories, nor is it an admission of any violation of any law, rule, regulation or permit by the OPERATOR.

4. The EXECUTIVE SECRETARY of the BOARD (hereinafter the "EXECUTIVE SECRETARY") will administer the terms and provisions of this AGREEMENT.

5. This AGREEMENT resolves the NOTICE OF VIOLATION and ORDER, Docket Number M11-06 (hereinafter the "NOTICE"), between the OPERATOR and the BOARD, issued to the OPERATOR on July 20, 2011, by the BOARD. It does not in any way relieve the OPERATOR from any other obligation imposed under the Act or any other State or Federal laws.

6. The OPERATOR agrees to the following settlement terms:

   A. The OPERATOR agrees to pay a penalty in the amount of $100.00 within thirty (30) days of the effective date of this AGREEMENT by check made payable to the State of Utah delivered or mailed to:

      Department of Environmental Quality
      Division of Water Quality
      P. O. Box 144870
      Salt Lake City, Utah 84114-4870
B. The OPERATOR further agrees to fund the mitigation project, in the amount of $1,900 as a part of the penalty assessment pursuant to UAC R317-1-9.4. The mitigation project funds must be utilized by no later than one year from the effective date of this AGREEMENT.

The OPERATOR must submit within ninety (90) days of the effective date of this AGREEMENT for EXECUTIVE SECRETARY approval, a project implementation plan for each project that includes a detailed description of the mitigation project, a cost breakdown showing how the funds will be used, and a plan for implementation of the project, which shall include a time frame for implementation and completion of the project and submission of final document(s) indicating completion of the project. The implementation plan should also include a funding schedule which specifies who receives the mitigation funds and when.

The OPERATOR participation in the mitigation projects must fully adhere to UAC R317-1-9.4. The OPERATOR agrees not to attempt to gain or generate any positive publicity, and further agrees not to deduct or otherwise attempt to obtain a tax benefit from the foregoing funding of the mitigation projects.

C. If the OPERATOR fails to fund the mitigation projects or fails to submit the outlines as described in Paragraph 6.B. above, or if the mitigation projects will not utilize the full funds allotted, the OPERATOR shall remit the remaining unspent funds as per the method and address in Paragraph 6.A. within thirty (30) days of demand to do so by the EXECUTIVE SECRETARY.

D. The OPERATOR must submit all documentation to the EXECUTIVE SECRETARY including receipts, once the funds have been spent for the approved mitigation project. This information must include who was paid, what the payment was for, and the dates of when the payment was made.

7. Nothing contained in this AGREEMENT shall preclude the BOARD from taking additional actions to include additional penalties against the OPERATOR for permit violations not resolved by this AGREEMENT.

8. If an agreement between the OPERATOR and the EXECUTIVE SECRETARY cannot be reached in a dispute arising under any provision of this AGREEMENT, then the OPERATOR or the EXECUTIVE SECRETARY may commence a proceeding with the BOARD under the Administrative Procedures Act to resolve the dispute. A final decision in any adjudicative proceeding shall be subject to judicial review under applicable state law.

9. Nothing in this AGREEMENT shall constitute a waiver by the OPERATOR to raise in defense any legal or factual contention for future allegations of noncompliance.

10. Nothing in this AGREEMENT shall constitute or be considered as a release from any claims, to include natural resource damage claims, cause of action, or demand in law or equity which
the STATE may have against the OPERATOR, or any other person, firm, partnership or corporation for any liability arising out of or relating in any way to the release of pollutants to waters of the State.

AGREED to this _____ day of _________________, 2011.

CENTRAL DAVIS SEWER DISTRICT
By___________________________
Authorized Agent

UTAH WATER QUALITY BOARD
By___________________________
Executive Secretary