This SETTLEMENT AGREEMENT (hereinafter "AGREEMENT") is between NORTH UTAH COUNTY WATER CONSERVANCY DISTRICT (hereinafter “OPERATOR”) and the DIRECTOR OF THE UTAH DIVISION OF WATER QUALITY (hereinafter the “DIRECTOR”), concerning violations of the Utah Water Quality Act (the Act), Utah Code Annotated, and the Utah Administrative Code.

1. The DIRECTOR has authority to administer the Utah Water Quality Act, as amended 1953, as specified in UCA 19-5-106(2)(d) (hereinafter the “ACT”).

2. The DIRECTOR 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 met on November 30, 2016 to discuss the NOTICE OF VIOLATION and the facts and circumstances surrounding the incident, and 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 DIRECTOR will administer the terms and provisions of this AGREEMENT.

5. This AGREEMENT resolves the NOTICE OF VIOLATION and ORDER, Docket Number I16-07 (hereinafter the "NOTICE"), between the OPERATOR and the DIRECTOR, issued to the OPERATOR in September 28, 2016, by the DIRECTOR. 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. In resolution of said NOTICE in Paragraph 5 of this AGREEMENT;

   A. The OPERATOR agrees to pay a penalty in the amount of $52,500 and associated costs incurred by the Division of Water Quality in the amount of $92,622.55 for a total of $145,122.55, which was calculated and adjusted for circumstances in conformance with the penalty policy outlined in UAC 317-1-8, according to the following payment schedule:

   - Within 30 days of the Settlement Agreement being signed by the Director of the Division of Water Quality, NUCWCD will remit payment in the amount of $70,802.05. This amount is to reimburse monitoring costs that DWQ incurred from August 23 through September 5th.
• On or before January 1, 2018, NUCWCD will remit payment in the amount of $21,820.50 to DWQ for labor costs associated with Tibble Fork investigations from August 23rd through November 4th.
• On or before January 1, 2019, January 1, 2020, and January 1, 2021, NUCWCD will remit payments in the amount of $17,500 for penalties assessed to resolve the NOV.

Payments are to begin within thirty (30) days of the effective date of this AGREEMENT by online payment, or 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 a restoration and monitoring project(s) for the American Fork River in order to return it to its pre-incident state. The plan(s) for these project(s) must be completed and approved by the Division of Water Quality and initiated within 30 days of the effective date of this AGREEMENT.

The OPERATOR’s participation in the restoration and monitoring project(s) must fully adhere to UAC R317-1-8. 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 these projects.

C. The OPERATOR may be required to submit updates, based on the approved project(s). Updates must be submitted every 3 months. The updates must include how the project is progressing and any known setbacks that may impact the progress of the mitigation and recovery.

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

8. If an agreement between the OPERATOR and the DIRECTOR cannot be reached in a dispute arising under any provision of this AGREEMENT, then the OPERATOR or the DIRECTOR 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 ________________, 2017.

NORTH UTAH COUNTY WATER CONSERVANCY DISTRICT

By __________________________
Authorized Agent

UTAH DIVISION OF WATER QUALITY

By __________________________
Director