
**UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER QUALITY**

IN THE MATTER OF:

Blue Water Resort, LLC
2126 South Bear Lake Boulevard
Garden City, UT 84028

**ADMINISTRATIVE SETTLEMENT
AGREEMENT**

Docket No. GW21-01

This Administrative Settlement Agreement (“Settlement”) is entered into voluntarily by and between the Director of the Utah Division of Water Quality (“Director”), under the Director’s legal authorities described below, and Blue Water Resort, LLC (“Blue Water”) in its capacity as the owner or operator legally responsible for the operation of the above ground storage tank and associated piping located at Blue Water Beach Resort, 2126 South Bear Lake Boulevard, Garden City, Utah (“Facility”), jointly referred to hereafter as “the Parties.” By entering into this Agreement, the Parties wish, without further administrative or judicial proceedings, to stipulate to civil penalties and associated administrative costs arising out of alleged violations of the Utah Water Quality Act, Utah Code §§ 19-5-101 through -126 (the “Act”), and corresponding regulations in the Utah Admin. Code R317-1-1 through R317-801-6 (“Water Quality Rules”) and R305-7-101 through R305-7-611.

1. The Director has authority to administer the Act pursuant to Utah Code § 19-1-105(1)(e), and to enforce the Water Quality Rules in Utah Admin. Code R317 through the issuance of orders, as specified in Utah Code §§ 19-5-106(2)(d) and -111. The Director also has authority to settle any civil action initiated to compel compliance with the Act and implementing regulations pursuant to Utah Code § 19-5-106(2)(k).
2. Blue Water is a “person” as that term is defined in Utah Code § 19-1-103(4).
3. For the purposes of this Settlement, the Parties agree to and stipulate to the findings and violations identified in the January 05, 2022 Notice of Violation and Compliance Order (“NOV/CO”), Docket No. GW21-01, and as described below.
4. Blue Water was ordered to submit a proposed schedule for the submission of a Groundwater Contamination Investigation Report and subsequent Corrective Action Plan that met the requirements of Utah Admin. Code R317-6-6.15.D.1 and R317-6-6.15.D.2, respectively, by February 4, 2022. Blue Water submitted to the Division an initial contamination investigation report on February 23, 2022 (nineteen (19) days after the deadline).

5. Blue Water was ordered within fourteen (14) calendar days of issuance of the NOV/CO to submit a written Cleanup Plan that identified the location of any readily identifiable and readily removable contamination, including a schedule of milestones. Blue Water submitted to the Division an NOV/CO Status and Schedule of Milestones Report on March 15, 2022 (fifty-five (55) days after the deadline).
6. Blue Water was ordered to immediately commence cleanup of any readily identifiable and readily removable contamination. In the Schedule of Milestones Report, Blue Water provided the following justification for the delay of cleanup of contamination, "*With the onset of freezing daytime and nighttime temperatures, the contaminated groundwater was no longer readily removable as the CAP called for pumping the water into a tank for several weeks of treatment, and the soil and groundwater removal operation had to happen concurrently, so initiation of the CAP operation was postponed until temperatures were more favorable.*".
7. Blue Water submitted a Contamination Excavation Report to the Division on June 07, 2022. According to the report, excavation of impacted soils began on March 21, 2022 and was completed on March 25, 2022. Thirteen (13) confirmation soil samples were collected from the bottom and sidewall of the excavation and submitted to Utility Testing Laboratory for analyses. Lab results reported that all constituents in the confirmation soil samples were below detectable levels. Approximately 886-cubic tons of contaminated soil was excavated and removed from the site and transported to the Rich County Landfill.
8. The Contamination Excavation Report also states that approximately 10,500-gallons of impacted ground water was pumped into a frac tank and treated onsite. Treated water samples were collected from the frac tank on April 6, 2022. Results from sampling event showed that all constituents were below detectable levels. On April 20, 2022, the treated water was transported to Bear Lake Special Service District wastewater lagoons for disposal.
9. Blue Water was ordered to submit documentation that verified proper disposal of all contaminated material within fourteen (14) calendar days of waste hauled off site. Blue Water provided documentation of proper disposal of impacted excavated soils on April 04, 2022.
10. Blue Water submitted a Groundwater Monitoring Report and Request for Closure on September 08, 2022. The report informs the Division that on August 11, 2022 a temporary monitoring well was installed immediately downgradient of the excavation area. Ground water samples were submitted to Utility Testing Laboratory for analyses. Lab results of analysis reported that all constituents in the ground water samples were below detectable levels.
11. The Parties voluntarily entered into a Tolling Agreement on February 07, 2023 which allowed for a tolling period commencing on February 01, 2023 and ending on September 01, 2023.

12. Blue Water has complied with the requirements in the NOV/CO to the Director's satisfaction, such that no further remedial action to address the violations is necessary.
13. The Parties voluntarily enter into this Settlement to resolve the NOV/CO without the necessity of further administrative or judicial proceedings.
14. Blue Water agrees to pay a total amount of \$13,785.00, which is made up of the following sums:
 - a. A penalty in the amount of \$6,250.00 based on the Division's application of the penalty policy outlined in Utah Admin. Code R317-1-8; and
 - b. Associated investigative costs in the amount of \$7,535.00.
15. This Settlement and penalty is subject to a thirty (30) day notice and comment period. The Parties each reserve the right to withdraw from this Settlement if comments received during the notice period result in a modification to the terms and conditions.
16. This Settlement will be final after the thirty (30) day notice and comment period, on the date the Director signs the Settlement.
17. Blue Water agrees that within thirty (30) calendar days of receiving the signed and final Settlement from the Director, Blue Water shall submit payment in the amount specified in paragraph 14 above, using one of the following methods:
 - a. CHECK – Payable to the Division of Water Quality. The payment shall be sent to:

Division of Water Quality
PO Box 144870
Salt Lake City, Utah 84114-4870
 - b. OTHER – For other available payment options, please contact the Division of Water Quality Finance staff at eqwqfinance@utah.gov
18. Blue Water agrees that if it fails to make the required payment within thirty (30) calendar days of receiving the signed and final Settlement from the Director, the Director reserves the right to rescind the Settlement and seek the full penalty amount authorized under the Act, currently authorized at \$10,000 per violation per day.
 - a. Prior to rescinding the Settlement, the Director shall provide written notice to Blue Water of its default and will provide fourteen (14) calendar days to cure the default. If payment is not received within the fourteen (14) calendar day default period, the Director is authorized, without providing written notice to Blue Water, to begin a civil action for all appropriate relief provided under the Act, including seeking the full penalty amount authorized under the Act.
 - b. Upon satisfaction of the required payment, the NOV/CO shall be fully resolved and Blue Water, its successors and assigns, and any unrelated persons who own the Facility shall be released as to the violations identified in the NOV/CO. Resolution of the NOV/CO does not prevent future enforcement against Blue Water, its successors and assigns, and

any unrelated persons who own the Facility, for new violations of the Water Quality Act.


19. Blue Water agrees to the terms, conditions and requirements of this Settlement. By signing this Settlement, Blue Water understands, acknowledges and agrees that it waives: (1) the opportunity for an administrative hearing pursuant to Utah Code § 19-1-301; (2) the right to contest the finding(s) in the NOV/CO; and (3) the opportunity for judicial review.
20. The Parties mutually agree that this Settlement is entered in good faith and is an appropriate means to resolve the matters specified herein.
21. The violations described herein will constitute part of Blue Water compliance history where such history is relevant, including any subsequent violations by Blue Water but not as to any other persons or the Facility if owned by any person other than Blue Water. Blue Water understands and agrees that this Settlement is not and cannot be raised as a defense to any other action to enforce any federal, state or local law.
22. This Settlement, when final, is binding upon Blue Water and any corporate subsidiaries or parents, their officers, directors, employees, successors in interest, and assigns. The undersigned warrants that it is authorized to legally bind their respective principals to this Settlement.

FOR THE UTAH DIVISION OF WATER QUALITY

By: _____
John K. Mackey, P.E.
Director, Utah Division of Water Quality

Date: _____ (Effective Date)

FOR Blue Water Resort, LLC

By: Norman Mecham 
Title: Owner Manager for Blue Water Resort, LLC
Date: 6-13-23