

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between 4T Ranch LLC (“Respondent”) and the State Water Resources Control Board (“State Water Board” or “Board”), Division of Water Rights Prosecution Team (the “Prosecution Team”), referred to hereinafter jointly as the Parties. This Agreement is executed on last date of the signatures below.

RECITALS

1. On May 10, 2021, the Governor issued Executive Order N-10-21 declaring a state of emergency based on drought conditions in the Scott River and Shasta River watersheds.
2. On August 17, 2021, the State Water Resources Control Board (“State Water Board” or “Board”) adopted emergency regulations, titled Establishment of Minimum Instream Flow Requirements, Curtailment Authority, and Information Order Authority in the Klamath River Watershed. The Emergency Regulations went into effect on August 30, 2021, when they were approved by the Office of Administrative Law and filed with the Secretary of State. The State Water Board adopted the Emergency Regulations and described the need for the Emergency Regulations and their intent. Resolution No. 2021-0029 adopted the Emergency Regulations and describes the need for the Emergency Regulations and their intent.
3. On June 21, 2022, the State Water Board readopted the Emergency Regulations, which went into effect on July 29, 2022. The updated regulations contain a provision that extends previously issued curtailment orders under the amended regulation. (Cal. Code Regs., tit. 23, § 875, subd. (d)(3).)
4. Under the Emergency Regulation, the Deputy Director for the Division of Water Rights ("Division") may issue an information order to some or all landowners in the Scott River and Shasta River watersheds, requiring them to provide information related to diversion and use of water relevant to implementing the regulation. (Cal. Code Regs., tit. 23, sec. 875.8.) The Emergency Regulation requires the Deputy Director, in determining whether to impose information orders, to consider the need for the information and the burden of producing it and take reasonable efforts to avoid requiring duplicative reporting of information the State Water Board already possesses. (Cal. Code Regs., tit. 23, §875.8, subd. (a).)
5. The Respondent is the owner of record for Water Right IDs SG003335 and SG003055. These Water Right IDs divert and use water from the Scott River and Kidder Creek. They are subject to the Emergency Regulation.
6. The Division of Water Rights sent an Information Order for Water Use in the Scott River Watershed ("Information Order") (Order WR 2022-0171-DWR) to the Respondent on November 22, 2022. Information Order was delivered to the individual on November 28, 2022.

7. The Information Order required a response by December 6, 2022. There was no response by that date.
8. Water Code section 1846 authorizes the State Water Board to impose administrative civil liability, pursuant to Water Code section 1055, on any person or entity that violates a regulation or order adopted by the Board. Under these statutes, the Board may impose administrative civil liability in an amount not to exceed five hundred dollars (\$500) per day for each day in which the violation occurs.
9. On January 20, 2023, the Assistant Deputy Director for the Division, under delegated authority, issued an Administrative Civil Liability (“ACL”) complaint to the Respondent for failing to respond to the Information Order. The ACL complaint recommended a civil liability of \$10,000.
10. John Burrone received the ACL complaint on March 2, 2023 after being served by a process server. Mr. Burrone submitted a hearing request on March 10, 2023. Mr. Burrone identified himself as the owner of 4T Ranch (subsidiary of 4T Ranch, LLC). According to Mr. Burrone, 4T Ranch, LLC financed the property and leases it to 4T Ranch to operate. Mr. Burrone represented himself as being authorized to represent and sign for 4T Ranch, LLC.
11. In lieu of a hearing on the matter, the Parties agree to settle the violation(s) alleged in the ACL complaint, issued January 20, 2023, through this Agreement.
12. This Agreement will be submitted to the AHO for approval and adoption pursuant to Government Code section 11415.60 as a decision by settlement and will become effective when the State Water Board’s Executive Director issues an order approving settlement.

STIPULATIONS

In consideration of these Recitals and in consideration of the mutual covenants set forth in this Agreement, the Parties agree to settle the ACL complaint as follows:

1. **Recitals Incorporated.** The preceding Recitals are incorporated herein.
2. **Settlement Conditionally Confidential.** Unless and until the State Water Board’s Executive Director issues an order approving this Agreement, this Agreement is a confidential settlement document subject to all the limitations on admissibility set forth in California Evidence Code sections 1152 and 1154. Furthermore, pursuant to Government Code section 11415.60, this Agreement is not admissible in an adjudicative proceeding or civil action for any purpose.
3. **Actions to be Taken by Respondent.** To settle the alleged violation, the Respondent agrees to the following:
4. Work with the Prosecution Team to jointly submit this Agreement to the AHO prior to the scheduled hearing date and request a notice of cancellation of the hearing be

issued.

5. **Administrative Civil Liability.** The Respondent accepts an ACL of Ten-Thousand Dollars (\$10,000) for the January 20, 2023 ACL complaint. The Respondent must pay no less than Five-Hundred Dollars (\$500) by the end of each month, starting at the end of the second full month, after issuance of the order implementing this Agreement, until the full ACL amount has been paid. Any remaining balance must be paid immediately if any payment is not timely made. Payments must be made by check or money order made payable to the “State Water Resources Control Board – Water Rights Fund.” Properly execute and deliver payment to:

State Water Resources Control Board
Division of Water Rights
Attention: Enforcement Section — Scott River Curtailment
P.O. Box 2000
Sacramento, CA 95812-2000

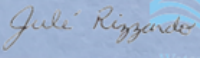
6. **Satisfaction of Administrative Civil Liability Complaint.** Respondent’s completion of the terms and conditions in this Agreement constitute a complete and final satisfaction of the administrative civil liability described in the ACL complaint, and the State Water Board will not bring any further administrative civil liability or other enforcement action regarding the alleged violation(s) described in that ACL complaint.
7. **Enforcement of this Settlement Agreement.** If Stipulation 5 is unpaid after 30 days of the date of the Deputy Director’s finding, the Deputy Director will seek a judgment against the Respondent in accordance with Water Code section 1055.4.
8. **State Water Board Authority.** This Agreement is not intended to and shall not be construed to limit or preclude the State Water Board from exercising its authority under any statute, regulation, ordinance, or other law. Nothing in this Agreement shall excuse Respondent from meeting any other requirements that may be imposed hereafter by applicable legally binding legislation, regulation, or other authority.
9. **Waiver of Reconsideration.** Respondent waives its rights to request reconsideration of the State Water Board Executive Directors’ Order approving this Agreement, provided no material modifications to this Agreement or additional requirements beyond the requirements of this Agreement are included in that Order.
10. **Successors.** This Agreement is binding on any successors or assigns of the Parties.
11. **Independent Judgment.** Each Party represents and declares that in executing this Agreement it is relying solely on its own judgment, knowledge and belief concerning the nature, extent and duration of its rights and claims, and that it has not been influenced to any extent whatsoever in the execution of this Agreement by any representations or statements regarding any matters made by other parties

hereto or by any person representing them.

12. **No Precedent.** This Agreement involves unique facts and legal issues and shall not be used as a precedent decision of the State Water Board.
13. **Additional Documents.** Each party agrees that it will cooperate fully in executing any additional documents necessary to give full effect to this Agreement.
14. **Entire Agreement.** This Agreement reflects and represents the entire agreement between and among the Parties and supersedes all prior understandings, representations, and agreements whether written or unwritten. Each Party represents that it has not relied on any inducements, promises or representations made by the other party other than those contained in this Agreement.
15. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.
16. **Reasonableness of Settlement.** The Parties represent and warrant that this Agreement is made in good faith and in full recognition of the implications of such agreement.
17. **Section Headings.** The parties intend that the paragraph headings of this Agreement be used solely as a convenient reference and that they shall not in any manner amplify, limit, modify or otherwise aid in the interpretation of this Settlement Agreement.
18. **Effective Date.** This Agreement shall become effective immediately upon the State Water Board Executive Director's Order Approving the Settlement Agreement.
19. **Choice of Law.** This Agreement shall be interpreted and governed by the laws of the State of California.
20. **Authorization.** Each Party warrants that the individual executing this Agreement on behalf of such Party is duly authorized to do so.
21. **State Water Board Is Not Liable.** Neither the State Water Board members nor the Board's staff, attorneys, or representatives shall be liable for any injury or damage to persons or property resulting from acts or omissions by the Respondent or its employees, agents, representatives, or contractors in carrying out activities pursuant to this Agreement, nor shall the State Water Board, its members or staff be held as parties to or guarantors of any contract entered into by the Respondent or its employees, agents, representatives, or contractors in carrying out activities pursuant to this Agreement.

IT IS SO STIPULATED

State Water Board, Division of Water Rights' Prosecution Team

By:  Digitally signed by Jule Rizzardo
Date: 2023.06.06 15:23:44
-07'00'

6-6-2023
Date

Julé Rizzardo
Division of Water Rights

Respondent

Respondent

By: 

6-5-2023
Date

John Burrone

Exhibit 1: Proposed Order Approving Settlement Agreement