

## SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Bruce and Lisa Walker (“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 Authority in the Klamath River Watershed. The Emergency Regulations provide curtailment authority throughout the Klamath River watershed and establish minimum instream flow requirements and information order authority in the Scott River and Shasta River watersheds. The minimum instream flow requirements were established to protect fall-run Chinook salmon and threatened Southern Oregon/Northern California Coast coho salmon. 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. The Respondent is the Primary Owner of record for Water Right IDs SG003359, SG003324, and SG003066. These Water Right IDs divert and use surface water or groundwater from the Scott River watershed for irrigation purposes. They are subject to the Emergency Regulation.
5. On September 10, 2021, the State Water Board issued an Order Imposing Water Right Curtailment, Increased Coordination, and Reporting Requirements for Adjudicated Groundwater Rights in the Scott River Watershed (Order WR 2021-0083-DWR). The Respondent received Order WR 2021-0083-DWR on September 13, 2021. The order requires the Respondent to cease diversions and comply with minimum flow requirements in the Scott River for diversions under statement SG003066. According to the order, these rights are adjudicated groundwater diversions identified in Schedule C of the Scott Adjudication [Decree entered on

January 30, 1980, in Siskiyou County Superior Court Case No. 30662, In the Matter of Determination of the Rights of the Various Claimants to the Waters of Scott River Stream System, Except Rights to Water of Shackelford Creek, French Creek, and all Streams Tributary to Scott River Downstream from the U.S. Geological Survey Gaging Station, in Siskiyou County, California].

6. On September 10, 2021, the State Water Board also issued an Order Imposing Water Right Curtailment and Reporting Requirements in the Scott River Watershed for Water Right(s) Associated with the Parcel(s) Listed in Attachment A and Not Otherwise Curtailed (Order WR 2021-0084-DWR). This additional Order was sent because the State Water Board did not have current contact information for all surface and groundwater diversions in the Scott River Watershed. The Respondent Received Order WR 2021-0084-DWR on September 13, 2021. The order requires the Respondent to cease diversion and submit basic information about their diversion and use.
7. The State Water Board issued various addenda partially suspending curtailment of water rights in the Scott River watershed. In 2022, curtailments went into effect on July 2, 2022, for all surface water rights. On July 6, 2022, curtailments were partially suspended, allowing each first priority water right to divert up to 15% of their right. On July 8, 2022, each first priority right was allowed to divert up to 30% of their right. Finally, on July 14, 2022, all rights (surface and groundwater) were fully curtailed.
8. The Respondent submitted a Curtailment Certification Form on January 13, 2022.
9. Enforcement staff from the Division of Water Rights (“Division”) issued a Notice of Violation to the Respondent on September 26, 2022, based on information received indicating the Respondent was in violation of the Curtailment Order.
10. On November 22, 2022, the Assistant Deputy Director for the Division, under delegated authority, issued an information order to Respondents, Order WR 2022-0171-DWR (“Information Order”). The Respondent received the Information Order via certified mail on November 28, 2022.
11. The Information Order required a response by December 6, 2022. There was no response by that date.
12. 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.
13. 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. They ACL complaint recommended a civil liability of \$3,000.

14. The Respondent submitted a request for a hearing on the ACL complaint on February 19, 2023.
15. 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.
16. 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:
  - a. No later than 7 days after executing this settlement agreement, Respondent must provide the Prosecution Team proof of their initial application to enroll in a Local Cooperative Solution ("LCS"). Failure to enroll in an LCS may result in an assessment of a larger penalty by the Division.
  - b. 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.
4. **Stipulation for Water Right Compliance.** The Parties jointly stipulate and agree to the compliance actions described above in Stipulation 3.a and that those terms shall be enforceable as a Cease and Desist Order issued in accordance with Water Code section 1831.
5. **Suspended Administrative Civil Liability.** The Respondent accepts an ACL of Three-Thousand Dollars (\$3,000). Five-Hundred Dollars (\$500) will be due no later than 30 days after issuance of the order implementing this settlement. If the Respondent meets the requirements of Stipulation 3, the remaining Two-Thousand Five-Hundred Dollars (\$2,500) will be permanently suspended. If the Respondent fails to meet any requirement of Stipulation 3, the Deputy Director will issue a written finding directing the Respondent to make immediate payment of the full

penalty described in the ACL. This is in addition to the Two-Thousand Five-Hundred Dollars (\$2,500) penalty that is described in a separate settlement agreement, making Respondent liable for paying Three-Thousand Dollars (\$3,000) in total. Alternatively, the Respondent can enroll in a payment plan whereby they will pay Two-Hundred Fifty Dollars (\$250) every month until the full penalty amount has been paid. Payments must be made by cashier's check, certified 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 under Stipulation 3.a and Stipulation 4 will 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 the ACL that Stipulation 5 requires 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. **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 any and 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

ORIGINAL SIGNED BY:

*Julé Rizzardo, Assistant Deputy Director  
Division of Water Rights*

Dated: April 4, 2023

Respondent

ORIGINAL SIGNED BY:

*Jason Walker*

Dated: March 28, 2023

Exhibit 1: Proposed Order Approving Settlement Agreement