

## 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. 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 Shackleford 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. The Respondent certified that all diversion under Water Right ID SG003066 had ceased.
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”).
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.
14. On March 1, 2023, the Respondent submitted the data requested in the Information Order to State Water Board staff, including diversion quantities and dates between July and October 2022.
15. Upon Review of the data submitted by the Respondent, Division staff alleged that the Respondent violated the curtailment orders for at least 70 days, resulting in a statutory maximum penalty of Thirty-Five Thousand Dollars (\$35,000) if the Division sought administrative civil liability for these violations.
16. The Settling Parties have engaged in settlement negotiations and agree to settle the matter without administrative or civil litigation by presenting this Settlement Agreement and a proposed order to the State Water Board for adoption as an order by settlement, pursuant to Government Code section 11415.60. This Settlement Agreement will become effective when the State Water Board’s Executive Director issues an order approving the settlement, provided that the Settling Parties concur in any substantive changes to the approving order proposed by the Executive Director.

## **STIPULATIONS**

In consideration of these Recitals and in consideration of the mutual covenants set forth in this Settlement Agreement, the Settling Parties do hereby agree to settle the violations alleged 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 Settlement Agreement, this Settlement Agreement is a confidential settlement document subject to all of the limitations on admissibility set forth in California Evidence Code sections 1152 and 1154. Furthermore, pursuant to Government Code section 11415.60, this Settlement 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 violations, the Respondent agrees to the following:
  - a. The Respondent accepts a penalty of Two-Thousand Five-Hundred Dollars (\$2,500), due no later than 30 days after issuance of the

order implementing this settlement. This is in addition to the Five-Hundred Dollars (\$500) administrative civil liability 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. Payment 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

- b. 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.
4. **Stipulation for Water Right Compliance.** The Parties jointly stipulate and agree to the compliance actions described above in Stipulation 3 and that those terms shall be enforceable as a Cease and Desist Order issued in accordance with Water Code section 1831.
5. **Enforcement of this Settlement Agreement.** If the penalty that Stipulation 3 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.
6. **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.
7. **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.

- 8. Successors.** This Agreement is binding on any successors or assigns of the Parties.
- 9. Independent Judgment.** Each party represents and declares that in executing this Settlement 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 Settlement Agreement by any representations or statements regarding any matters made by other parties hereto or by any person representing them.
- 10. No Precedent.** This Settlement Agreement involves unique facts and legal issues and shall not be used as a precedent decision of the State Water Board.
- 11. Additional Documents.** Each party agrees that it will cooperate fully in executing any additional documents necessary to give full effect to this Settlement Agreement.
- 12. Entire Agreement.** This Settlement 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 Settlement Agreement.
- 13. Mutual Agreement.** The parties have agreed to the particular language in this Settlement Agreement, and this Settlement Agreement shall not be construed against the party that drafted this Settlement Agreement or any portion of this Settlement Agreement.
- 14. Counterparts.** This Settlement 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.
- 15. Disputed Claim and Reasonableness of Settlement.** This Settlement Agreement is a compromise of disputed claims. Nothing contained in this Settlement Agreement shall be construed to be an admission of fault or liability on the part of Respondent. Without limitation on the foregoing, the parties represent and warrant that this Settlement Agreement is made in good faith and in full recognition of the implications of such agreement.
- 16. Section Headings.** The parties intend that the paragraph headings of this Settlement 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.

- 17. Effective Date.** This Settlement Agreement shall become effective immediately upon the State Water Board Executive Director's Order Approving Settlement Agreement.
- 18. Choice of Law.** This Settlement Agreement shall be interpreted and governed by the laws of the State of California.
- 19. Authorization.** Each party warrants that the individual executing this Settlement Agreement on behalf of such party is duly authorized to do so.
- 20. 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.
- 21. No Waiver of Other Requirements.** Nothing in this Settlement Agreement or any implementing Order shall excuse Respondent from applicable legislation, regulation, order or any other requirements or restrictions imposed by the State Water Board or pursuant to its delegated authority.

**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

*Jason Walker*

Dated: March 28, 2023

Exhibit 1: Proposed Order Approving Settlement Agreement