

STATE OF CALIFORNIA  
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY  
STATE WATER RESOURCES CONTROL BOARD

**DELTA WATERMASTER**

**ORDER WR 2013-0001-DWM**

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**ADMINISTRATIVE CIVIL LIABILITY**

In the Matter of Violation of Annual Reporting Requirements by

**Joe Sanchez Farms Inc**

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SOURCE: Steamboat Slough

COUNTY: Sacramento

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State Water Resources Control Board (State Water Board) Delta Watermaster Craig M. Wilson, through authority delegated by the State Water Resources Control Board, hereby issues an Administrative Civil Liability (ACL) Order against Joe Sanchez Farms Inc (Sanchez Farms). On December 5, 2012, the Delta Watermaster issued an ACL Complaint against Sanchez Farms (Exhibit A, attached), which is hereby incorporated by reference as part of this Order.

**THE DELTA WATERMASTER FINDS AS FOLLOWS:**

1. On December 5, 2012, the Delta Watermaster issued an ACL Complaint against Sanchez Farms, which proposes to collect \$1,500 from Sanchez Farms for the alleged violation of Order WR 2012-0002-DWM, issued for violation of annual reporting requirements and failure to file the required report of water use for 2011 by the requested deadline, pursuant to California Water Code sections 1831(d), 1834, and 1845(b) respectively.
2. Pursuant to California Water Code section 85230, the State Water Board is authorized to delegate authority to the Delta Watermaster. State Water Resources Control Board Resolution No. 2012-0048 (Resolution) delegates some of the State Water Board's authority to the Delta Watermaster. Section 1.6 of the Resolution authorizes the Delta Watermaster to issue an order imposing administrative civil liability when a complaint has been issued and no hearing has been requested in the period provided by California Water Code section 1055 et seq.
3. No hearing was requested within 20 days of issuance of the ACL Complaint in accordance with California Water Code section 1055(b). California Water Code section 1055(c) and Resolution No. 2012-0048 authorize the Delta Watermaster to issue an ACL Order for \$1,500, the amount proposed in the December 5, 2012 ACL Complaint. Accordingly, the Delta Watermaster is authorized to issue this final ACL Order imposing liability.
4. Parties aggrieved by this Order may, within 30 days from the date of adoption, petition the State Water Board for reconsideration of all or a portion of this Order in accordance with California Water Code section 1122, or seek judicial review in accordance with California Water Code section 1126.

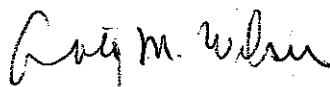
**IT IS HEREBY ORDERED THAT:**

1. The ACL Complaint attached hereto as Exhibit A is fully incorporated herein and made part of this Order.
2. In adopting this Order, the State Water Board, or its delegee, have considered all relevant circumstances, including but not limited to those specifically identified in the ACL Complaint, as required by California Water Code section 1055.3, in determining that Sanchez Farms shall be assessed the civil liability of \$1,500.
3. Sanchez Farms shall remit, within 30 days of the date of this Order, a cashier's check or money order payment of the full penalty of \$1,500 to:

State Water Resources Control Board  
Office of Delta Watermaster  
Attn: Craig M. Wilson  
P.O. Box 100  
Sacramento, CA 95812-0100

4. Fulfillment of Sanchez Farms' obligations under this Order will constitute full and final satisfaction of any and all liability for each of the alleged violations specifically identified in this Order. The State Water Board reserves the right to take further future enforcement for any future violations.
5. The Delta Watermaster is authorized to seek recovery of the liability imposed as authorized by California Water Code section 1055.4, or refer this matter to the Office of Attorney General for further enforcement action if Sanchez Farms fails to comply with remitting payment of the full penalty within 30 days of the date of this Order.

STATE WATER RESOURCES CONTROL BOARD

  
*Craig M. Wilson*  
Delta Watermaster

Dated: **FEB 05 2013**

Attachment



EDMUND G. BROWN JR.  
GOVERNOR



MATTHEW RODRIGUEZ  
SECRETARY FOR  
ENVIRONMENTAL PROTECTION

## State Water Resources Control Board

December 5, 2012

CERTIFIED MAIL # 7004 2510 0003 9150 3211  
Return Receipt Requested

JOE SANCHEZ FARMS INC  
13900 LEARY RD  
WALNUT GROVE, CA 95690

Dear JOE SANCHEZ FARMS INC:

**ADMINISTRATIVE CIVIL LIABILITY COMPLAINT FOR FAILURE TO FILE ANNUAL WATER USE REPORT FOR 2011 BY JULY 1, 2012 FOR LICENSE 3197, AND CONDITIONAL SETTLEMENT OFFER, STEAMBOAT SLOUGH IN SACRAMENTO COUNTY**

This provides legal notice to JOE SANCHEZ FARMS INC (Licensee) of the intent of the State Water Resources Control Board (State Water Board) of Delta Watermaster (Watermaster) to proceed with formal enforcement for Licensee's failure to file the required 2011 annual water use report for the subject right by July 1, 2012. Licensee has 20 days from receipt of the enclosed Administrative Civil Liability (ACL) Complaint to act or face additional liability. Therefore, this matter requires Licensee's immediate attention.

### **VIOLATION DESCRIPTION:**

State Water Board records show that Licensee was notified in March 2012 of the requirement to submit the 2011 annual use report electronically by July 1, 2012. Having not received the 2011 annual use report by July 1, 2012, the Delta Watermaster mailed a delinquency notice to the Licensee on August 15, 2012. On October 16, 2012, the Delta Watermaster mailed a draft Cease and Desist Order (CDO) to the Licensee requiring Licensee to submit the 2011 annual water use report within 20 days or request a hearing. Licensee failed to submit the 2011 annual use report for the subject right within 20 days and did not request a hearing. On November 16, 2012, the Delta Watermaster finalized the CDO and mailed the Licensee a copy by certified mail. Licensee submitted the 2011 annual use report on November 20, 2012.

### **STATUTORY LIABILITY:**

Water Code Section 1845(b)(1) authorizes the State Water Board to administratively impose a \$1,000 per day liability for violation of a Cease and Desist Order. As discussed above, Licensee was provided with the statutory notice on November 16, 2012. Accordingly, the potential maximum civil liability, as of November 20, 2012, for which Licensee is liable for Licensee's failure to file the required 2011 annual use report is \$3,000.

CHARLES R. HOPPIN, CHAIRMAN | THOMAS HOWARD, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 | [www.waterboards.ca.gov](http://www.waterboards.ca.gov)

Based on Licensee's failure to comply with the legal requirements set forth above, I am hereby issuing the enclosed ACL Complaint proposing that a liability of \$1,500 (amount based on consideration of all relevant circumstances as required by Water Code Section 1845(c)) be imposed for Licensee's failure to file the 2011 annual use report. If Licensee fails to respond to the ACL Complaint in one of the manners discussed below within 20 days of receiving this notice, then the State Water Board will seek recovery of this proposed liability amount as authorized by Water Code Section 1055.4.

#### CONDITIONAL OFFER OF SETTLEMENT:

To promote resolution of the alleged 2011 annual use report submittal violations and of compliance with the annual use filing requirements, I am offering Licensee the opportunity to accept a conditional settlement offer (Conditional Offer). The Conditional Offer, provided in detail in the Acceptance and Waiver Offer and Waiver of Right to Hearing and Reconsideration (Acceptance and Waiver) enclosed in Exhibit "A" to the ACL Complaint, allows Licensee to avoid further formal enforcement by agreeing to pay an expedited payment amount of \$500 and waive the right to a hearing and reconsideration of the violations alleged in the ACL Complaint.

#### OPTIONS FOR RESPONDING TO ACL COMPLAINT AND CONDITIONAL OFFER OF SETTLEMENT:

In summary, Licensee has two options in responding:

1. Accept the Offer of Conditional Settlement by (1) signing the Acceptance and Waiver; and (2) Submit the signed Acceptance and Waiver along with the Expedited Payment Amount within 20 days of receiving the enclosed ACL Complaint. If there are extenuating circumstances that Licensee would like to discuss, such as an inability to pay the Expedited Payment Amount, then Licensee can contact me at (916) 445-5962 with that information as soon as possible, but no later than 20 days from receiving the enclosed ACL Complaint; or
2. Submit a written request for hearing signed by, or on the behalf of, Licensee to the State Water Board within 20 days of receiving the enclosed ACL Complaint.

If Licensee does not remit the Acceptance and Waiver, the Expedited Payment Amount, nor request a hearing within 20 days of the date Licensee received this complaint, then the State Water Board will seek recovery of the \$1,500 in liability proposed in the ACL Complaint.

Sincerely,

  
Craig Wilson  
Deputy Watermaster

Enclosure: Administrative Civil Liability Complaint w/ Exhibit A

cc: John O'Hagan, Manager  
Enforcement Section  
Division of Water Rights

STATE OF CALIFORNIA  
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY  
STATE WATER RESOURCES CONTROL BOARD

**ADMINISTRATIVE CIVIL LIABILITY COMPLAINT**

In the Matter of Violation of Annual Reporting Requirements by

**Joe Sanchez Farms Inc**

SOURCE: Steamboat Slough

COUNTY: Sacramento

**YOU ARE HEREBY GIVEN NOTICE THAT:**

1. Joe Sanchez Farms Inc (referred to herein as Licensee) allegedly violated ORDER WR 2012-0002-DWM, a Cease and Desist Order (CDO) issued on November 16, 2012, by the Delta Watermaster pursuant to California Water Code section 1834 and authority delegated pursuant to State Water Resources Control Board (Water Board) Resolution 2012-0048.
2. Water Code section 1845, subdivision (1) provides that the State Water Board may administratively impose civil liability in an amount not to exceed \$1,000 for each day in which the violation occurs. Water Code section 1845, subdivision (b) provides that civil liability may be imposed administratively by the State Water Board pursuant to Water Code section 1055.
3. The State Water Board delegated enforcement authority over water rights in the Delta to the Delta Watermaster. California Water Code section 85230(b) provides that the Delta Watermaster shall exercise the State Water Board's delegated authority to issue Administrative Civil Liability (ACL) complaints and impose an ACL in accordance with Water Code section 1831 et seq. Pursuant to State Water Board Resolution 2012-0048, the Delta Watermaster is authorized to issue an order imposing an ACL when a complaint has been issued and no hearing has been requested within 20 days of receipt of the complaint.

**REGULATIONS**

4. Senate Bill 2009, enacted into law in 2009, authorized the State Water Board to adopt regulations requiring online reporting of water diversions. Consistent with the Senate Bill, the State Water Board has adopted regulations requiring annual reporting of water diversion and use under permits and licenses and developed a new online Report Management System (RMS) as a component of the enhanced Water Right Information Management System (eWRIMS). The regulations specifying annual permittee and licensee reporting requirements is codified at Title 23, Chapter 2.7, Article Sections 925 and 929 of the California Code of Regulations.
5. On March 5, 2011, the Division of Water Rights (Division) mailed an initial notice to Licensee notifying of the recent annual reporting change, instructions on how to access the RMS system and submit a minimum, the 2011 use report online. Licensee was also notified that if Licensee had any questions on the new reporting process, Licensee could contact the Division by phone or

email. The deadline to electronically file the 2011 annual water use report of licensee was July 1, 2012.

6. On August 15, 2012, the Office of Delta Watermaster (Delta Watermaster) mailed a delinquency letter, which included a copy of the March 2012 letter, to all the Licensees, including Licensee, who had not submitted the 2011 annual water use report by the July 1, 2012 deadline. The delinquent letter provided notice that failure to submit the annual use report was a violation of the terms and conditions of the applicable license and/or Chapter 2, Article 20, section 847 of the California Code of Regulations, and that continued failure to submit the annual use report may result in enforcement action by the State Water Board.

7. On October 16, 2012, the Delta Watermaster, having not received Licensee's 2011 annual water use report, issued a draft Cease and Desist Order (CDO) requiring Licensee to submit the 2011 annual water use report within 20 days of receipt of the draft CDO, and/or request a hearing to contest the notice as provided by Water Code section 1834(a).

8. The United States Postal Service confirmed receipt of the draft CDO on October 17, 2012, at 12:52 p.m., via certified mail (Certificate No. 70042510000391503143). The deadline to submit the 2011 annual water use report and/or request a hearing was 11:59 p.m. on November 7, 2012.

9. As of November 16, 2012, 30 days after confirmed receipt of the draft CDO, the State Water Board had not received the 2011 annual water use report or a request for a hearing. The Delta Watermaster proceeded with finalizing the draft CDO by adopting ORDER WR 2012-0002-DWM.

10. ORDER WR 2012-0002-DWM was mailed on November 16, 2012, by certified mail (Certificate No. 70042510000391503198). The United States Postal Service confirmed receipt of the adopted order on November 19, 2012, at 1:50 p.m.

11. Licensee submitted the 2011 annual water use report on November 20, 2012, 3 days after the November 16, 2012 final CDO was issued.

PROPOSED CIVIL LIABILITY

12. Licensee failed to submit the 2011 annual water use report by July 1, 2012. The Delta Watermaster issued the draft CDO on October 16, 2012 requesting compliance within 20 days of receipt. Having not submitted the 2011 annual use report within the 20-day period, the Delta Watermaster issued the final CDO on November 16, 2012. California Water Code section 1845(b)(1) provides that the State Water Board may administratively impose civil liability in an amount not to exceed \$1,000 for each day in which the violation occurs.

13. As of November 20, 2012, Licensee has been in violation of the final CDO for 3 days.

14. Based on the days of violation described in the previous paragraph, the potential maximum liability for the violation alleged is \$3,000 (3 days at \$1,000/day).

15. In determining the appropriate amount of a civil liability, California Water Code section 1845, subdivision (c), requires that the State Water Board consider all relevant circumstances, including, but not limited to, the extent of harm caused by the violation, the nature and persistence of the violation, the length of time over which the violation occurs, and the corrective action, if any, taken by the violator.

16. In this case, an annual water use report was filed prior to issuance of the final CDO despite three notifications: one in March 2012, one in August 2012, and the third through the October 16, 2012 draft CDO.

17. Having taken into consideration all relevant circumstances, including but not limited to those specifically recited above, the Delta Watermaster recommends the imposition of \$1500 in administrative civil liability (Proposed Liability).

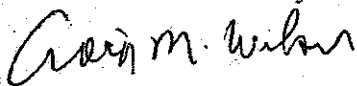
#### CONDITIONAL SETTLEMENT OFFER

18. To promote resolution of the alleged annual water use filing violations, the Delta Watermaster makes the following conditional settlement offer (Conditional Offer). Joe Sanchez Farms Inc can avoid further enforcement action and settle the alleged failure to file annual water use violation/s by agreeing to comply with the terms of the Conditional Settlement Offer set forth below, as well as in the "Acceptance of Conditional Settlement Offer and Waiver of Right to Hearing and Reconsideration" (hereafter "Acceptance and Waiver") attached hereto as Exhibit "A."
19. The Conditional Offer requires the Joe Sanchez Farms Inc to pay an expedited payment amount (hereinafter "Expedited Payment Amount") of \$500, and waive the right to a hearing and reconsideration of the alleged violations.
20. To accept the Conditional Offer, Joe Sanchez Farms Inc must sign and return the Acceptance and Waiver along with the Expedited Payment Amount and electronically file the required annual water use report for 2011 within 20 days of receipt of this complaint.
21. If there are extenuating circumstances that Joe Sanchez Farms Inc would like to discuss, such as an inability to pay the Expedited Payment Amount, then Joe Sanchez Farms Inc can contact the Delta Watermaster with that information as soon as possible but no later than the 20 days from receipt of this complaint.
- RIGHT TO HEARING**
22. Joe Sanchez Farms Inc may request a hearing on this matter before the State Water Board. Any such request for hearing must be received or postmarked within 20 days of the date that you receive this complaint. (Water Code, Section 1055, et seq.)
23. If Joe Sanchez Farms Inc requests a hearing, Joe Sanchez Farms Inc will have an opportunity to be heard and to contest the allegations in this complaint and the imposition of an ACL by the State Water Board. If a hearing is requested, separate notice setting the time and place for the hearing will be mailed to you at least 10 days before the hearing date. The State Water Board may convene a settlement conference prior to setting a hearing date.
24. If Joe Sanchez Farms Inc requests a hearing, the State Water Board will consider at the hearing whether to impose administrative civil liability, and if so, whether to adjust the proposed liability within the amount authorized by statute. Based on the evidence received at the hearing, the State Water Board may take any appropriate action in accordance with sections 100, 275, and 1050 et seq. of the Water Code and other liabilities under the public trust doctrine. Any State Water Board order imposing an ACL shall be final and effective upon issuance.
25. If Joe Sanchez Farms Inc does not wish to request a hearing within 20 days of receipt of this complaint, Joe Sanchez Farms Inc shall waive the rights to a hearing and reconsideration of this matter and remit a cashier's check or money order for the Expedited Payment Amount set forth in paragraph 19 above, to:

State Water Resources Control Board  
 Office of Delta Watermaster  
 Craig Wilson  
 P.O. Box 100  
 Sacramento, CA 95812-0100

26. If Joe Sanchez Farms Inc does not remit the Acceptance and Waiver, the Expedited Payment Amount, nor request a hearing within 20 days of the date this complaint is received, then the State Water Board will seek recovery of the liability imposed as authorized by Water Code section 1055.4.

STATE WATER RESOURCES CONTROL BOARD



Craig M. Wilson  
Delta Watermaster

DEC 05 2012

Dated: \_\_\_\_\_

**EXHIBIT A**



**EXHIBIT A**

**ACCEPTANCE OF CONDITIONAL SETTLEMENT OFFER  
AND WAIVER OF RIGHT TO HEARING AND RECONSIDERATION;**

**Joe Sanchez Farms Inc  
Source: Steamboat Slough  
County: Sacramento**

By signing below and returning this Acceptance of Conditional Settlement Offer and Waiver of Right to Hearing and Reconsideration (Acceptance and Waiver) to the State Water Resources Control Board (State Water Board), Joe Sanchez Farms Inc (Licensee) hereby accepts the State Water Board's conditional settlement offer (Conditional Offer), and waives the right to a hearing before and reconsideration by the State Water Board at which violations alleged in the Administrative Civil Liability Complaint issued to Licensee (ACL Complaint) to which this Acceptance and Waiver is attached as Exhibit "A" could be defended.

Licensee agrees to perform the following within 20 days of receipt of the ACL Complaint:

- **Pay administrative civil liability as authorized by California Water Code section 1845(b)(1), in the sum of \$500 (Expedited Payment Amount) by cashier's check or by certified check made payable to the "State Water Resources Control Board" for deposit into the Water Rights Fund, which shall be deemed payment in full of any civil liability pursuant to California Water Code Section 1845 (b)(1) not otherwise might be assessed for the violations described in the ACL Complaint.**

Licensee understands that this Acceptance and Waiver gives the Licensee's right to contest the allegations in the ACL Complaint and the civil liability amount for such violations.

Licensee understands that the failure to submit payment of the Expedited Payment Amount as identified and described above, along with the signed Acceptance and Waiver within 20 days of receipt of this notice, shall render the State Water Board's Conditional Offer void. If the State Water Board's Conditional Offer is deemed void due to Licensee's non-performance, then the State Water Board will seek recovery of the full liability amount proposed in the ACL Complaint.

Licensee understands that this Acceptance and Waiver does not address or resolve liability for any violation that is not identified in the ACL Complaint. Upon execution by Licensee, the Acceptance and Waiver along with the Expedited Payment Amount shall be returned to the following address:

**Conditional Settlement Offer  
State Water Resources Control Board  
Office of Delta Watermaster  
Attn: Craig M. Wilson  
P.O. Box 100  
Sacramento, CA 95812-0100**

Licensee understands that this Acceptance and Waiver is not final until it is formally endorsed by the Delta Watermaster.

I hereby affirm that I am duly authorized to act on behalf of and to bind the Licensee in the making and giving of this Acceptance and Waiver.

Joe Sanchez Farms Inc \_\_\_\_\_  
(Licensee) \*Please make corrections as appropriate

By: \_\_\_\_\_  
(Signed Name)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Printed or typed name)

\_\_\_\_\_  
(Title)

Approval of the Acceptance and Waiver has been delegated to the Delta Watermaster by State Water Board Resolution 2012-0048, and approval shall not limit the authority of the Executive Director, Delta Watermaster, or the Deputy Director for Water Rights, as delegated, to initiate any enforcement actions for the unauthorized diversion of water, or future violations of the Water Code, or violation of the terms of the Acceptance and Waiver.

By: \_\_\_\_\_  
Craig M. Wilson  
Delta Watermaster

\_\_\_\_\_  
(Date)

**EXHIBIT A**