

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

ADMINISTRATIVE CIVIL LIABILITY ORDER R3-2025-0043

**SPRING VALLEY ROAD WATSONVILLE LP
1521 WESTBRANCH DRIVE, MC LEAN
FAIRFAX COUNTY**

By signing below and returning this Acceptance of Conditional Settlement Offer and Waiver of Right to Hearing (Acceptance and Waiver) to the California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board), the Discharger hereby accepts the Conditional Settlement Offer from the Assistant Executive Officer to settle the alleged violation for failing to submit a Report of Waste Discharge (also known as a permit application, a notice of intent (NOI) to comply, or an eNOI) and waives the right to a hearing before the Central Coast Water Board to dispute the alleged violation(s). Details about the alleged violation(s) and the factors considered to calculate the administrative civil liability to resolve the alleged violation(s) are provided in the *Factor Consideration and Penalty Calculation Methodology* (Attachment A), which is incorporated herein.

The Discharger agrees that the Settlement Offer shall serve as a complaint pursuant to Article 2.5 of the Water Code and that no separate complaint is required for the Central Coast Water Board to assert jurisdiction over the alleged violations. The Discharger agrees to perform the following:

- Pay an administrative civil liability in the sum of **Forty Two Thousand Four Hundred Thirty Seven Dollars and Eighty Four Cents (\$42,437.84)** (Settlement Amount) pursuant to one of the Payment Options described below.
- Submit a complete Report of Waste Discharge in order to enroll in Order R3-2021-0040, General Waste Discharge Requirements for Discharges from Irrigated Lands.

The Discharger understands that by signing this Acceptance and Waiver, it has waived its right to contest the allegations in the Settlement Offer and the civil liability amount for the alleged violation(s). The Discharger understands that this Acceptance and Waiver does not address or resolve liability for any violation that is not specifically identified in Attachment A.

The Discharger must fill in the blank boxes in Table 1 below to indicate the allocations for the Discharger's payment of the Settlement Amount. Payment is not due until after the close of the 30-day public comment period and the Executive Officer issues the ACL Order.

The following are the Discharger's payment options:

- ☐ Payment Option 1 – Direct the entire Settlement Amount to fund the Supplemental Environmental Project (SEP) known as the Bay Foundation of Morro Bay’s (Bay Foundation) Central Coast Drinking Water Well Testing Program (Drinking Water Well Testing Program). See the *Bay Foundation’s Drinking Water Well Testing Program – Use of Supplemental Environmental Project Funds summary document*¹ for more details about the program.
- ☐ Payment Option 2 – Direct a portion of the Settlement Amount to fund the Drinking Water Well Testing Program SEP and direct the remaining portion of the Settlement Amount to the State Water Pollution Cleanup and Abatement Account.²
- ☐ Payment Option 3 – Reject the option to fund a SEP and, instead, pay the entire Settlement Amount to the State Water Pollution Cleanup and Abatement Account.

For Payment Option 1 and 2, the Discharger will not have obligations related to the Drinking Water Well Testing Program beyond proof of payment to the Bay Foundation. Electing to pay all or a portion of the Settlement Amount to the Drinking Water Well Testing Program will not change the total Settlement Amount that needs to be paid to resolve the administrative civil liabilities for the alleged violation(s).

Table 1: Allocation of Payment of Penalty Amount

Payment Options	Enter Amount (\$) of Liability to Direct to Selected Payment Option(s)
(SEP) Bay Foundation of Morro Bay’s Central Coast Drinking Water Well Testing Program	\$ _____
State Water Pollution Cleanup and Abatement Account	\$ _____
Total Penalty Amount	\$ _____

The Central Coast Water Board will publish this Acceptance and Waiver for at least 30 days for public comment. If no substantive comments are received within the public comment period, the Executive Officer, through its delegated authority by the Central Coast Water Board, will formally endorse the Acceptance and Waiver as Administrative

¹ Bay Foundation’s Drinking Water Well Testing Program – Use of Supplemental Environmental Project Funds summary document:
https://www.waterboards.ca.gov/centralcoast/water_issues/programs/enforcement/docs/2024/summary-drinking-water-well-testing-sep.pdf

² Cleanup and Abatement Account:
https://www.waterboards.ca.gov/water_issues/programs/grants_loans/cleanup_and_abatement.html

Civil Liability Order R3-2025-0043 (ACL Order), resolving the alleged violations identified in the notice of violation and described in Attachment A.

If significant public comments are received in opposition to this Acceptance and Waiver and/or new material facts become available that are relevant, the Central Coast Water Board Assistant Executive Officer may withdraw the Conditional Settlement Offer. In that circumstance, the Central Coast Water Board Assistant Executive Officer may issue a revised Conditional Settlement Offer or may issue an administrative civil liability complaint and schedule the matter for a hearing before the Central Coast Water Board. In that circumstance, the Discharger understands that this Acceptance and Waiver will not be used as evidence against the Discharger.

Upon signature by the Discharger, the Discharger must return this Acceptance and Waiver in PDF format via email or mail to:

Carson Capps
Irrigated Lands Enforcement Coordinator
Email: carson.capps@waterboards.ca.gov
Central Coast Water Board
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401

The Discharger understands that no payments are due at the time it returns the signed Acceptance and Waiver form to the Central Coast Water Board. After the public comment period closes and the ACL Order is signed by the Executive Officer, the Central Coast Water Board will transmit the executed ACL Order to the Discharger. The transmittal letter will include payment due dates and payment instructions based on the payment options selected in this Acceptance and Waiver. The full payment of the Settlement Amount must be made within 30 calendar days of the executed ACL Order. Furthermore, the Discharger understands that full payment within 30 calendar days of the executed ACL Order is a material condition of this Acceptance and Waiver. Failure to pay the Settlement Amount within the required time period may subject the Discharger to further liability.

IT IS SO STIPULATED.

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

Spring Valley Road Watsonville LP

By: _____
(Signed Name) (Date)

(Printed or Typed Name)

(Title)

(Email)

ILPE0104-7PR

IT IS SO ORDERED, pursuant to Water Code section 13323 and Government Code section 11415.60, on behalf of the California Regional Water Quality Control Board, Central Coast Region.

By: _____
Ryan E. Lodge
Executive Officer
Central Coast Water Board

Attachments:

1. Attachment A – Factor Consideration and Penalty Calculation Methodology
2. Attachment B – July 10, 2024 13260 Order
3. Attachment C – October 17, 2024 Notice of Violation

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- ☐ **Payment Option 1** – Direct the entire Settlement Amount to fund the Supplemental Environmental Project (SEP) known as the Bay Foundation of Morro Bay's (Bay Foundation) Central Coast Drinking Water Well Testing Program (Drinking Water Well Testing Program). See the *Bay Foundation's Drinking Water Well Testing Program – Use of Supplemental Environmental Project Funds summary document*¹ for more details about the program.
- ☒ **Payment Option 2** – Direct a portion of the Settlement Amount to fund the Drinking Water Well Testing Program SEP and direct the remaining portion of the Settlement Amount to the State Water Pollution Cleanup and Abatement Account.²
- ☐ **Payment Option 3** – Reject the option to fund a SEP and, instead, pay the entire Settlement Amount to the State Water Pollution Cleanup and Abatement Account.

For Payment Option 1 and 2, the Discharger will not have obligations related to the Drinking Water Well Testing Program beyond proof of payment to the Bay Foundation. Electing to pay all or a portion of the Settlement Amount to the Drinking Water Well Testing Program will not change the total Settlement Amount that needs to be paid to resolve the administrative civil liabilities for the alleged violation(s).

Table 1: Allocation of Payment of Penalty Amount

Payment Options	Enter Amount (\$) of Liability to Direct to Selected Payment Option(s)
(SEP) Bay Foundation of Morro Bay's Central Coast Drinking Water Well Testing Program	\$ <u>21,218.92</u>
State Water Pollution Cleanup and Abatement Account	\$ <u>21,218.92</u>
Total Penalty Amount	\$ <u>42,437.84</u>

The Central Coast Water Board will publish this Acceptance and Waiver for at least 30 days for public comment. If no substantive comments are received within the public comment period, the Executive Officer, through its delegated authority by the Central

¹ Bay Foundation's Drinking Water Well Testing Program – Use of Supplemental Environmental Project Funds summary document:

https://www.waterboards.ca.gov/centralcoast/water_issues/programs/enforcement/docs/2024/summary-drinking-water-well-testing-sep.pdf

² Cleanup and Abatement Account:

https://www.waterboards.ca.gov/water_issues/programs/grants_loans/cleanup_and_abatement.html

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IT IS SO STIPULATED.

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

Spring Valley Road Watsonville LP

By:  7/30/2025
(Signed Name) (Date)

KYLE MUZAR
(Printed or Typed Name)

MANAGING DIRECTOR
(Title)

KYLE.M@GLADSTONE.COM
(Email)

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