

**ACCEPTANCE OF CONDITIONAL RESOLUTION
AND WAIVER OF RIGHT TO HEARING; (proposed) ORDER**

Klune Industries, Inc.
Settlement Offer No. R4-2026-0038
WDID No. 4 19I021567

By signing below and returning this Acceptance of Conditional Resolution and Waiver of Right to Hearing (Acceptance and Waiver) to the Los Angeles Regional Water Quality Control Board (Los Angeles Water Board), Klune Industries, Inc., (Discharger) hereby accepts the "Offer to Participate in Expedited Payment Program" and waives the right to a hearing before the Los Angeles Water Board to dispute the allegations of violations described in Exhibit "1" and incorporated herein by reference.

The Discharger agrees that Exhibit "1" shall serve as a complaint pursuant to Article 2.5 of the California Water Code (Water Code) and that no separate complaint is required for the Los Angeles Water Board to assert jurisdiction over the alleged violations through its Chief Prosecutor. The Responsible Discharger agrees to pay the penalties required by Water Code section 13385 in the sum of \$18000 (Expedited Payment Amount) which shall be deemed a payment in full of any civil liability pursuant to Water Code section 13385 that otherwise might be assessed for the violations described in Exhibit "1." The Discharger understands that this Acceptance and Waiver waives its right to contest the allegations in Exhibit "1" and the amount of civil liability for such violations.

The Discharger understands that this Acceptance and Waiver does not address or resolve liability for any violation that is not specifically identified in Exhibit "1."

Upon execution by the Discharger, the completed Acceptance and Waiver shall be returned to:

Enrique Loera, Enforcement II Unit
Expedited Payment Program
Los Angeles Regional Water Quality Control Board
320 West 4th Street, Suite 200
Los Angeles, CA 90013

or via email to: Enrique.Loera@waterboards.ca.gov

The Discharger understands that federal regulations set forth by title 40, Code of Federal Regulations, section 123.27(d)(2)(iii) require the Los Angeles Water Board to publish notice of and provide at least thirty (30) days for public comment on any proposed resolution of this enforcement action. Accordingly, the Acceptance and Waiver, prior to execution by the Los Angeles Water Board Executive Officer, will be published as required by law for public comment.

If no significant comments are received within the notice period, the Acceptance and Waiver will be presented to the Los Angeles Water Board Executive Officer for approval.

The Discharger understands that if significant comments are received, the Los Angeles Water Board Prosecution Team may withdraw the offer. In that circumstance, the Discharger will be advised of the withdrawal and an administrative civil liability complaint may be issued and the matter may be set for a hearing before the Los Angeles Water Board. For such a liability hearing, the Discharger understands that this Acceptance and Waiver executed by the Discharger will not be in any way binding or used as evidence in that hearing.

The Discharger further understands that once the Acceptance and Waiver is executed by the Los Angeles Water Board Executive Officer, the full payment required by the deadline set forth below is a condition of this Acceptance and Waiver. In accordance with Water Code section 13385(n)(1), funds collected for violations of effluent limitations and reporting requirements pursuant to section 13385 shall be deposited in the State Water Pollution Cleanup and Abatement Account. Accordingly, the \$18000 liability shall be paid by a cashier's or certified check made out to the "State Water Pollution Cleanup and Abatement Account". The payment must be submitted to the State Water Resources Control Board no later than thirty (30) calendar days after the date the Acceptance and Waiver is executed by the Los Angeles Water Board Executive Officer.

Please mail the check to:

State Water Resources Control Board
ATTN: ACL PAYMENT
Division of Administrative Services, Accounting Branch
P.O. Box 1888
Sacramento, California 95812-1888

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.

Daniel Arredondo

By: Original signed by Daniel Arredondo July 15, 2026
(Signed Name) (Date)

(Printed or Typed Name)

(Title)

IT IS SO ORDERED PURSUANT TO WATER CODE SECTION 13323 AND
GOVERNMENT CODE SECTION 11415.60

By: _____
Susana Arredondo
Executive Officer

_____ Date