

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
NORTH COAST REGION**

In the matter of:)	
)	Order R1-2022-0029
Scotia Community Services District)	
Scotia Wastewater Treatment Plant)	SETTLEMENT AGREEMENT AND STIPULATION FOR ENTRY OF ADMINISTRATIVE CIVIL LIABILITY ORDER
Humboldt County)	
)	
)	

Section I: Introduction

This Settlement Agreement and Stipulation for Entry of Administrative Civil Liability Order (Stipulated Order) is entered into by and between the Regional Water Quality Control Board, North Coast Region, Prosecution Team (Prosecution Team) and Scotia Community Services District (Discharger) (collectively, Parties) and is presented to the Regional Water Quality Control Board, North Coast Region (Regional Water Board), or its delegate, for adoption as an Order by settlement pursuant to California Water Code section 13323 and Government Code section 11415.60. This Stipulated Order resolves the violations alleged herein by the imposition of administrative civil liability (ACL) against the Discharger in the amount of **\$93,000**.

Section II: Recitals

1. The Discharger owns and operates the Scotia Wastewater Treatment Facility (WWTF), a publicly owned treatment works (POTW), located at 849 Williams Street in Scotia. On April 26, 2012, the Regional Water Board adopted Waste Discharge Requirements Order No. R1-2012-0065 (WDRs) to regulate the Facility, which became effective on July 1, 2012. The WDRs were issued to Town of Scotia Company, LLC and Eel River Power, LLC (now Humboldt Sawmill Company). On May 26, 2017, the WDRs were renewed and currently regulate the Facility. On May 24, 2017, the Town of Scotia Company, LLC transferred ownership of the WWTF to the Discharger. The WDRs require, among other things, compliance with effluent limitations at Discharge Points M003, M012(A), and M012(B) for the Discharger as co-permittee. M003 is a discharge point for both the Discharger and Humboldt Sawmill Company.
2. From December 5, 2017 to March 31, 2021 the Discharger violated effluent limitations for settleable solids three times, total coliform four times, total residual chlorine 24 times, total suspended solids one time, and biochemical oxygen two times, totaling 31 violations of effluent limitations in the Permit. These violations

are set forth in Attachment A, which is incorporated fully herein by reference, and are subject to mandatory minimum penalties (MMPs) pursuant to Water Code section 13385, subdivisions (h) and (i). Discharger notes that the log pond from which the chlorine samples were taken is a commingled pond also used by Humboldt Sawmill Company, a co-permittee with one point source and several non-point source locations that discharge into the log pond, during its sawmill operations.

Water Code section 13385, subdivisions (h) and (i) require the assessment of MMPs as follows:

Water Code section 13385, subdivision (h)(1) states:

Notwithstanding any other provision of this division, and except as provided in subdivisions (j), (k), and (l), a mandatory minimum penalty of three thousand dollars (\$3,000) shall be assessed for each serious violation.

Water Code section 13385, subdivision (h)(2) states:

For the purposes of this section, a "serious violation" means any waste discharge that violates the effluent limitations contained in the applicable waste discharge requirements for a Group II pollutant, as specified in Appendix A to Section 123.45 of Title 40 of the Code of Federal Regulations, by 20 percent or more or for a Group I pollutant, as specified in Appendix A to Section 123.45 of Title 40 of the Code of Federal Regulations, by 40 percent or more.

Water Code section 13385, subdivision (i)(1) states:

Notwithstanding any other provision of this division, and except as provided in subdivisions (j), (k), and (l), a mandatory minimum penalty of three thousand dollars (\$3,000) shall be assessed for each violation whenever the person does any of the following four or more times in any period of six consecutive months, except that the requirement to assess the mandatory minimum penalty shall not be applicable to the first three violations:

- A) Violates a waste discharge requirement effluent limitation.
- B) Fails to file a report pursuant to Section 13260.
- C) Files an incomplete report pursuant to Section 13260.

- D) Violates a toxicity effluent limitation contained in the applicable waste discharge requirements where the waste discharge requirements do not contain pollutant-specific effluent limitations for toxic pollutants.

On August 27, 2021, the Prosecution Team issued Conditional Settlement Offer No. R1-2021-XXXX, which alleged \$96,000 in MMPs arising from thirty-five violations of the Permit's effluent limitations. On September 23, 2021, the Discharger returned a signed Agreement to Enter into Settlement Discussions to Propose a Compliance Project. The Discharger thereafter provided evidence that Violation No. 1051689, a violation of the minimum pH of 6.5 at Monitoring Point M003, should be dismissed. Although California Integrated Water Quality System (CIWQS) data indicated the pH value at Monitoring Point M003 was 6.4 on March 13, 2018, upon further review the pH reading should have been rounded to 6.6, which was in compliance with the Permit's effluent limitation. Therefore, Violation No. 1056242 has been dismissed, as reflected in Attachment A.

3. This Stipulated Order resolves 34 effluent limitation violations, 31 of which are subject to MMPs pursuant to Water Code section 13385, subdivisions (h) and (i), as identified in Attachment A, incorporated herein by reference. The total proposed ACL amount is **\$93,000** (31 violations x \$3,000).
4. Pursuant to Water Code section 13385, subdivision (k)(1), in lieu of assessing all or a portion of MMPs, the Regional Water Board may require a POTW serving a small community to spend an equivalent amount towards completion of a compliance project proposed by the POTW, if the Regional Water Board finds all of the following:
 - a. The compliance project is designed to correct the violations in five years;
 - b. The compliance project is in accordance with the State Water Resources Control Board's (State Water Board) Water Quality Enforcement Policy (Enforcement Policy); and
 - c. The POTW has prepared a financing plan to complete the compliance project.
5. For the reasons set forth below and in Attachment B, State Water Board staff has determined that the Discharger meets the requirements under Water Code section 13385, subdivision (k), and the Enforcement Policy (October 2017) to be recognized as a POTW serving a small community with a financial hardship. This determination makes the Discharger eligible for a compliance project.
6. Pursuant to the Enforcement Policy, the Discharger must spend an amount of money on an approved compliance project that is equal to or more than \$93,000. The project will be funded by the Discharger's wastewater reserve funds, which have sufficient funds to complete the proposed compliance project. The Discharger, therefore, has a financing plan to complete a compliance project.

7. To resolve the alleged violations set forth in Attachment A, by consent and without further administrative proceedings, the Parties have agreed to the imposition of an ACL of **\$93,000** against the Discharger. \$93,000 shall be permanently suspended upon timely completion of the compliance project required herein.
8. The Parties have engaged in confidential settlement negotiations and agree to settle the matter without administrative or civil litigation by presenting this Stipulated Order to the Regional Water Board, or its delegee, for adoption as an order by settlement, pursuant to Water Code section 13323 and Government Code section 11415.60. To resolve the violations set forth in Attachment A, by consent and without further administrative proceedings, the Parties have agreed to the imposition of an ACL in the amount of ninety-three thousand dollars (\$93,000) in MMPs against the Discharger.
9. The Prosecution Team believes that the resolution of the alleged violations is fair and reasonable and fulfills its enforcement objectives, that no further action is warranted concerning the alleged violations except as provided in this Stipulated Order, and that this Stipulated Order is in the public's best interest.

Section III: Stipulations

The Parties incorporate the foregoing Recitals and stipulate to the following:

10. **Jurisdiction:** The Regional Water Board has subject matter jurisdiction over the matters alleged in this action and personal jurisdiction over the Parties to this Stipulated Order.
11. **Administrative Civil Liability:** The Discharger hereby agrees to pay the ACL totaling **\$93,000** to resolve the alleged violations. The Parties further agree that \$93,000 of this ACL shall be permanently suspended pending completion of the compliance project described in Section III, paragraph 12 and Attachment C. If the suspended liability amount becomes due and payable pursuant to Section III, paragraphs 19 and 20, the assessed amount shall be submitted by check made payable to the "State Water Pollution Cleanup and Abatement Account," no later than 30 days following adoption of this Order. The check shall reference the Order number on page one of the Stipulated Order, and be mailed to:

State Water Resources Control Board Accounting Office
Attn: ACL Payment
P.O. Box 1888
Sacramento, CA 95812-1888

The Discharger shall provide a copy of the check via e-mail to the State Water Board, Office of Enforcement (vaneeta.chintamaneni@waterboards.ca.gov) and the Regional Water Board (jordan.filak@waterboards.ca.gov).

12. **Compliance Project Description:** The Discharger has proposed a Chlorine Residual Monitoring and Dechlorination Project (the Compliance Project). The Compliance Project is designed to correct the effluent limitation violations within five years because the Compliance Project will involve installation of upgrades to automate the dosage of chlorine, monitor chlorine residual, and dechlorinate the water if excess chlorine residual is detected, by later than September 30, 2023 (Completion Date). The complete Compliance Project description, project milestones, budget, and reporting schedule are contained in Attachment C, which is incorporated herein by reference.
13. **Representations and Agreements Regarding the Compliance Project:**
 - a. As a material condition for the Regional Water Board's acceptance of this Stipulated Order, the Discharger represents that it will utilize the suspended liability amount of \$93,000 (Compliance Project Amount) to implement the Compliance Project set forth in Attachment C. The Discharger understands that its promise to implement the Compliance Project, in its entirety and in accordance with the schedule for implementation, is a material condition of this settlement of liability between the Discharger and the Regional Water Board.
 - b. The Discharger agrees to (1) spend the Compliance Project Amount as described in this Stipulated Order, (2) provide certified, written report(s) on Compliance Project implementation to the Regional Water Board consistent with the terms of this Stipulated Order, and (3) within 30 days of the Compliance Project Completion Date, provide a certification by a responsible official, signed under penalty of perjury, that the Discharger followed all applicable environmental laws and regulations in implementing the Compliance Project, including the California Environmental Quality Act (CEQA), Porter-Cologne Act, and the federal Clean Water Act. The Discharger further agrees that the Regional Water Board has the right to require a third-party audit of the funds expended to implement the Compliance Project at the Discharger's cost, and that the Discharger bears ultimate responsibility for meeting all deadlines specified in this Stipulated Order and Attachment C.
14. **Publicity Associated with the Compliance Project:** Whenever the Discharger or its agents or subcontractors publicize one or more elements of the Compliance Project, they shall state in a **prominent manner** that the project is undertaken as part of a settlement to a Regional Water Board enforcement action against the Discharger.
15. **Compliance Projects Schedule and Reporting Requirements:** The Compliance Project is designed to correct the violations within five years as shown in Attachment C. The Discharger shall submit the following reports to the Regional Water Board contact identified in paragraph 21 below:

- a. **Progress Reports:** The Discharger shall provide quarterly reports describing the progress of the Compliance Project, as required in Attachment C, because the project will take longer than one year to complete. The first quarterly report is due within 90 days of adoption of this Order, and subsequent quarterly reports are due every 90 days until the Compliance Project is completed.
 - b. **Certification of Completion:** No later than the Compliance Project Completion Date, a responsible official of the Discharger shall submit a final report and certified statement, signed under penalty of perjury, which documents that the Discharger completed the Compliance Projects in accordance with the terms of this Stipulated Order, and documents the Discharger's expenditures to implement the Compliance Projects. Documentation may include photographs, invoices, receipts, certifications, and other materials reasonably necessary for the Regional Water Board to evaluate completion of the Compliance Project and the costs incurred. The Discharger shall provide Regional Water Board staff with any additional information that is reasonably necessary to verify the Discharger's expenditures and certification of completion.
16. **Time Extension for Compliance Project:** The Executive Officer may extend the deadlines contained in this Stipulated Order if the Discharger demonstrates delays from unforeseeable contingencies, provided that the Discharger continues to undertake all appropriate measures to meet its deadlines. The Discharger shall make any deadline extension request in writing at least 30 days prior to the applicable deadline. Under no circumstances may the completion of the Compliance Project extend past five (5) years from the effective date of this Stipulated Order. Any approval of extension by the Executive Officer must be in writing.
17. **Regional Water Board Acceptance of Completed Compliance Project:** Upon the Discharger's satisfaction of its obligations under this Stipulated Order, completion of the Compliance Project, and any audits, the Executive Officer will issue a "Satisfaction of Order." The Satisfaction of Order shall terminate any further obligations of the Discharger under this Stipulated Order and permanently suspend the remaining penalty amount.
18. **Failure to Expend All Suspended Funds on the Approved Compliance Project:** If the Discharger is not able to demonstrate to the reasonable satisfaction of the Executive Officer that the entire Compliance Project Amount was spent on the completed Compliance Project, the Discharger shall pay the difference between the Compliance Project Amount and the amount the Discharger can demonstrate was actually spent on the Compliance Project (the Difference). The Executive Officer shall issue a "Notice of Violation" that will require the Discharger to pay the Difference to the State Water Pollution Cleanup and Abatement Account within 30 days of the Notice of Violation's issuance date. The Discharger shall

submit payment consistent with the payment method described in Section III, paragraph 11. Timely payment of the Difference shall satisfy the Discharger's obligations to implement the Compliance Project.

19. **Failure to Complete the Compliance Project:** If the Compliance Project is not fully implemented by the Compliance Project Completion Date, or if there has been a material failure to satisfy a project milestone, Regional Water Board staff shall issue a Notice of Violation to the Discharger. The amount of suspended liability owed shall be determined via a Motion for Payment of Suspended Liability before the Regional Water Board or its delegate. The Discharger shall be liable to pay the entire Compliance Project Amount, or, if shown by the Discharger, some portion thereof less the value of any completed milestones as stipulated to by the Parties in writing, or as determined by the Motion for Payment of Suspended Liability. Unless the Regional Water Board or its delegate determines otherwise, the Discharger shall not be entitled to any credit, offset, or reimbursement from the Regional Water Board for expenditures made on the Compliance Project prior to the Notice of Violation's issuance date. Within 30 days of the Regional Water Board's or its delegate's determination of the suspended liability amount assessed for the Discharger to pay, the Discharger shall submit payment consistent with the payment method described in Section III, paragraph 11. Payment of the assessed amount shall satisfy the Discharger's obligation to implement the Compliance Project.
20. **Regional Water Board is not Liable:** Neither the Regional Water Board members nor the Regional Water Board staff, attorneys, or representatives shall be liable for any injury or damage to persons or property resulting from negligent or intentional acts or omissions by the Discharger, its directors, officers, employees, agents, representatives, or contractors in carrying out activities pursuant to this Stipulated Order, nor shall the Regional Water Board, its members, or staff be held as parties to or guarantors of any contract entered into by the Discharger, its directors, officers, employees, agents, representatives, or contractors in carrying out activities pursuant to this Stipulated Order.

21. Party Contacts for Communications related to Stipulation/Order:

For the Regional Water Board:

Jordan Filak
Environmental Scientist
North Coast Regional Water
Quality Control Board
5550 Skylane Boulevard, Suite A
Santa Rosa, CA 95403
Jordan.Filak@waterboards.ca.gov
(707) 576-6743

For the Discharger:

Leslie Marshall
General Manager
Scotia Community Services
District
P.O. Box 104
Scotia, CA 95565
infoscotiacsd@gmail.com
(707) 764-3030

22. **Compliance with Applicable Laws:** The Discharger understands that payment of administrative civil liability in accordance with the terms of this Stipulated Order or compliance with the terms of this Stipulated Order is not a substitute for compliance with applicable laws, and that continuing violations of the type alleged herein may subject it to further enforcement, including additional administrative civil liability.
23. **Matters Addressed by Stipulation:** Upon the Regional Water Board's or its delegate's adoption, this Stipulated Order represents a final and binding resolution and settlement of the alleged violation(s) as of the effective date of this Stipulated Order. The provisions of this paragraph are expressly conditioned on the completion of the Compliance Project as specified herein.
24. **No Waiver of Right to Enforce:** The failure of the Prosecution Team or Regional Water Board to enforce any provision of this Stipulated Order shall in no way be deemed a waiver of such provision, or in any way affect the validity of this Stipulated Order. The failure of the Prosecution Team or Regional Water Board to enforce any such provision shall not preclude it from later enforcing the same or any other provision of this Stipulated Order. No oral advice, guidance, suggestions, or comments by employees or officials of any Party regarding matters covered under this Stipulated Order shall be construed to relieve any Party regarding matters covered in this Stipulated Order. The Regional Water Board reserves all rights to take additional enforcement actions, including without limitation the issuance of administrative civil liability complaints or orders for violations other than those addressed by this Stipulated Order.
25. **Attorney's Fees and Costs:** Except as otherwise provided herein, each Party shall bear all attorneys' fees and costs arising from the Party's own counsel in connection with the matters set forth herein.
26. **Public Notice:** The Discharger understands that this Stipulated Order must be noticed for a 30-day public review and comment period prior to consideration by the Regional Water Board or its delegate. If significant new information is received that reasonably affects the propriety of presenting this Stipulated Order to the Regional Water Board, or its delegate, for adoption, the Prosecution Team may unilaterally declare this Stipulated Order void and decide not to present it to the Regional Water Board or its delegate. The Discharger agrees that it shall not rescind or otherwise withdraw its approval of this proposed Stipulated Order.
27. **Addressing Objections Raised During Public Comment Period:** The Parties agree that the procedure contemplated for the Regional Water Board's or its delegate's adoption of the Order, and public review of this Stipulated Order is lawful and adequate. The Parties understand that the Regional Water Board, or its delegate, has the authority to require a public hearing on this Stipulated Order. In the event procedural objections are raised or the Regional Water Board requires a public hearing prior to the Order becoming effective, the Parties agree to meet and

confer concerning any such objections or hearings, and may agree to revise or adjust the procedure and/or this Stipulated Order as necessary or advisable under the circumstances.

28. **Interpretation:** This Stipulated Order shall be construed as if the Parties prepared it jointly. Any uncertainty or ambiguity shall not be interpreted against any one Party. The Parties are represented by counsel in this matter.
29. **Modification:** The Parties shall not modify this Stipulated Order by oral representation made before or after its execution. All modifications must be in writing, signed by all Parties, and approved by the Regional Water Board or its delegate.
30. **If Order Does Not Take Effect:** In the event that the Order does not take effect because the Regional Water Board or its delegate does not approve it, or the State Water Board or a court vacates it in whole or in part, the Parties acknowledge that they expect to proceed to a contested evidentiary hearing before the Regional Water Board to determine whether to assess administrative civil liabilities for the underlying alleged violation(s), unless the Parties agree otherwise. The Parties agree that all oral and written statements and agreements made during the course of settlement discussions will not be admissible as evidence in the hearing. The Parties agree to waive any and all objections based on settlement communications in this matter, including but not limited to the following:
 - a. Objections related to prejudice or bias of any of the Regional Water Board members or their advisors and any other objections that are premised in whole or in part on the fact that the Regional Water Board members or their advisors were exposed to some of the material facts and the Parties' settlement positions as a consequence of reviewing the Stipulated Order, and therefore may have formed impressions or conclusions prior to any contested evidentiary hearing on the violations alleged in this matter; or
 - b. Laches or delay or other equitable defenses based on the time period for administrative or judicial review to the extent this period has been extended by these settlement proceedings.
31. **Waiver of Hearing:** The Discharger has been informed of the rights Water Code section 13323, subdivision (b) provides, and hereby waives its right to a hearing before the Regional Water Board prior to the Order's adoption.
32. **Waiver of Right to Petition or Appeal:** The Discharger hereby waives its right to petition the Regional Water Board's adoption of the Order for review by the State Water Board, and further waives its rights, if any, to appeal the same to a California Superior Court and/or any California appellate level court. This explicit waiver of rights includes potential future decisions by the Regional Water Board or its delegate directly related to this Stipulated Order, including, but not limited to

time extensions, Compliance Project completion, and other terms contained in this Stipulated Order.

33. **Covenant Not to Sue:** The Discharger covenants not to sue or pursue any administrative or civil claim(s) against any State agency or the State of California, their officers, Board Members, employees, representatives, agents, or attorneys arising out of or relating to any matter expressly addressed by the Complaint, this Stipulated Order, or the Compliance Project.
34. **Necessity for Written Approvals:** All approvals and decisions of the Regional Water Board under the terms of this Stipulated Order shall be communicated to the Discharger in writing. No oral advice, guidance, suggestions, or comments from Regional Water Board employees or officials regarding submissions or notices shall be construed to relieve the Discharger of its obligation to obtain any final written approval this Stipulated Order requires.
35. **Authority to Bind:** Each person executing this Stipulated Order in a representative capacity represents and warrants that he or she is authorized to execute this Stipulated Order on behalf of and to bind the entity on whose behalf he or she executes the Stipulated Order.
36. **Severability:** This Stipulated Order is severable; should any provision be found invalid, the remainder shall remain in full force and effect.
37. **Counterpart Signatures; Facsimile and Electronic Signature:** This Stipulated Order may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, but such counterparts shall together constitute one document. Further, this Stipulated Order may be executed by facsimile or electronic signature, and any such facsimile or electronic signature by any Party hereto shall be deemed to be an original signature and shall be binding on such Party to the same extent as if such facsimile or electronic signature were an original signature.
38. **Effective Date:** This Stipulated Order shall be effective and binding on the Parties upon the date the Regional Water Board, or its delegate, enters the Order incorporating the terms of this Stipulated Order.

(continued on next page)

Stipulated Order R1-2022-0029
Scotia CSD

IT IS SO STIPULATED.

**California Regional Water Quality Control Board,
North Coast Region Prosecution Team**

Date: _____

By: _____


Digitally signed by
Claudia E. Villacorta
Date: 2022.07.13
12:16:28 -07'00'

Claudia Villacorta
Assistant Executive Officer

Stipulated Order R1-2022-0029
Scotia CSD

**Scotia Community Services
District**

Date: 7/12/2022

By: 
Leslie Marshall
General Manager


ORDER OF THE REGIONAL WATER BOARD

- 39. This Order incorporates the foregoing Sections I through III by this reference as if set forth fully herein.

- 40. Issuance of this Order is being taken for the protection of the environment and to enforce the laws and regulations administered by the Regional Water Board and is exempt from provisions of the California Environmental Quality Act (CEQA) (Public Resources Code, § 21000 et seq.) in accordance with California Code of Regulations, title 14, section 15321(a)(2). This Order includes a Compliance Project in the North Coast Region. If the Regional Water Board determines that implementation of any plan required by this Order will have a significant effect on the environment that is not otherwise exempt from CEQA, the Regional Water Board will conduct the necessary and appropriate environmental review prior to approval of the applicable plan. The Discharger will bear the costs, including the Regional Water Board's costs, of determining whether implementation of any plan required by this Order will have a significant effect on the environment and, if so, in preparing and handing any documents necessary for environmental review. If necessary, the Discharger and a consultant acceptable to the Regional Water Board shall enter into a memorandum of understanding with the Regional Water Board regarding such costs prior to undertaking any environmental review.

- 41. The Executive Officer is authorized to refer this matter directly to the Attorney General for enforcement if the Discharger fails to perform any of its obligations under the Order.

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

Date: _____ By:  Digitally signed by Joshua Curtis
FOR: _____ Date: 2022.08.17
Matthias St. John 14:04:29 -07'00'
Executive Officer

Attachments:

- A. Effluent Limitation Violations Requiring Mandatory Minimum Penalties
- B. Determination of Financial Hardship Memo
- C. Compliance Project

R1-2022-0029 – Attachment A
Effluent Limitation Violations Requiring Mandatory Minimum Penalties

Scotia Community Services District
Scotia Wastewater Treatment Plant
WDID No. 1B83104OHUM
NPDES No. CA0006017

#	Violation Number	Discharge Point	Violation Date	Constituent	Pollutant Group	Limitation Period	Limit	Result/Average	Units	Exempted from MMP?	Exempt Reason	% Over Limit	Date 180 Days Prior	Serious or Chronic Violation?	No. of Violations within 180 days	Mandatory Fine?	Water Code	Penalty
1	1056239	M-003 (Co-Permitted)	12/05/2017	Settleable Solids	Group 1	Monthly Average	0.1	0.2	ml/L	N		100%	06/08/2017	S	Ct. 12	Y	13385(h)	\$ 3,000
2	1038549	M-012(A)	12/31/2017	Total Coliform	Other	Monthly Mean	23	24.5	MPN/100	N		7%	07/04/2017	C	Ct. 13	Y	13385(i)	\$ 3,000 ¹
3	1051689	M-012(A)	09/18/2018	Total Coliform	Other	Daily Maximum	230	240	MPN/100	Y	a	4%	03/21/2018	C	Ct. 1	N		\$ 0
4	1056110	M-012(A)	01/09/2019	Chlorine, Total Residual	Group 2	Daily Minimum	1.5	0.96	mg/L	Y	a	-36%	07/13/2018	C	Ct. 2	N		\$ 0
5	1056744	M-012(B)	02/26/2019	Total Suspended Solids	Group 1	1-Hour Average	129	165.1	lb/day	Y	a	28%	08/30/2018	C	Ct. 3	N		\$ 0
6	1056745	M-012(B)	02/26/2019	Biochemical Oxygen	Group 1	24-hour Average	129	302.7	lb/day	N		135%	08/30/2018	S	Ct. 4	Y	13385(i)	\$ 3,000
7	1056743	M-012(B)	02/28/2019	Biochemical Oxygen	Group 1	Monthly Average	64	85.1	lbs/month	N		33%	09/01/2018	C	Ct. 5	Y	13385(i)	\$ 3,000
8	1057869	M-003	03/30/2019	Chlorine, Total Residual	Group 2	Instantaneous	0.01	0.07	mg/L	N		600%	10/01/2018	S	Ct. 6	Y	13385(i)	\$ 3,000
9	1058892	M-003	04/01/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.15	mg/L	N		650%	10/03/2018	S	Ct. 7	Y	13385(i)	\$ 3,000
10	1058895	M-003	04/02/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.03	mg/L	N		50%	10/04/2018	S	Ct. 8	Y	13385(i)	\$ 3,000
11	1058888	M-003	04/03/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.06	mg/L	N		200%	10/05/2018	S	Ct. 9	Y	13385(i)	\$ 3,000
12	1058884	M-003	04/12/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.04	mg/L	N		100%	10/14/2018	S	Ct. 10	Y	13385(i)	\$ 3,000
13	1058883	M-003	04/18/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.04	mg/L	N		100%	10/20/2018	S	Ct. 11	Y	13385(i)	\$ 3,000
14	1058893	M-003	04/19/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.03	mg/L	N		50%	10/21/2018	S	Ct. 12	Y	13385(i)	\$ 3,000
15	1058891	M-003	04/20/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.03	mg/L	N		50%	10/22/2018	S	Ct. 13	Y	13385(i)	\$ 3,000
16	1058885	M-003	04/22/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.06	mg/L	N		200%	10/24/2018	S	Ct. 14	Y	13385(i)	\$ 3,000
17	1058890	M-003	04/23/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.03	mg/L	N		50%	10/25/2018	S	Ct. 15	Y	13385(i)	\$ 3,000
18	1058894	M-003	04/24/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.04	mg/L	N		100%	10/26/2018	S	Ct. 16	Y	13385(i)	\$ 3,000
19	1058889	M-003	04/25/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.06	mg/L	N		200%	10/27/2018	S	Ct. 17	Y	13385(i)	\$ 3,000
20	1058887	M-003	04/28/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.07	mg/L	N		250%	10/30/2018	S	Ct. 18	Y	13385(i)	\$ 3,000
21	1058886	M-003	04/29/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.07	mg/L	N		250%	10/31/2018	S	Ct. 19	Y	13385(i)	\$ 3,000
22	1059893	M-003	05/01/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.06	mg/L	N		200%	11/02/2018	S	Ct. 20	Y	13385(i)	\$ 3,000
23	1059898	M-003	05/02/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.03	mg/L	N		50%	11/03/2018	S	Ct. 21	Y	13385(i)	\$ 3,000
24	1059894	M-003	05/03/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.03	mg/L	N		50%	11/04/2018	S	Ct. 22	Y	13385(i)	\$ 3,000
25	1059899	M-003	05/09/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.055	mg/L	N		175%	11/10/2018	S	Ct. 23	Y	13385(i)	\$ 3,000
26	1059895	M-003	05/11/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.085	mg/L	N		325%	11/12/2018	S	Ct. 24	Y	13385(i)	\$ 3,000
27	1059892	M-003	05/12/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.075	mg/L	N		275%	11/13/2018	S	Ct. 25	Y	13385(i)	\$ 3,000
28	1059897	M-003	05/13/2019	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.085	mg/L	N		325%	11/14/2018	S	Ct. 26	Y	13385(i)	\$ 3,000
29	1067468	M-012(A)	10/10/2019	Total Coliform	Other	Maximum Daily	230	1600	MPN/100	N		596%	04/13/2019	S	Ct. 27	Y	13385(i)	\$ 3,000
30	1082149	M-003	01/14/2020	Settleable Solids	Group 1	Daily Maximum	0.2	0.3	ml/L	N		50%	07/18/2019	S	Ct. 28	Y	13385(h)	\$ 3,000
31	1082148	M-003	01/21/2020	Settleable Solids	Group 1	Daily Maximum	0.2	0.3	ml/L	N		50%	07/25/2019	S	Ct. 29	Y	13385(h)	\$ 3,000
32	1072060	M-012(A)	02/04/2020	Total Coliform	Other	Daily Maximum	23	1600	MPN/100	N		6857%	08/08/2019	S	Ct. 30	Y	13385(i)	\$ 3,000
33	1073194	M-003	03/02/2020	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.05	mg/L	N		150%	09/04/2019	S	Ct. 31	Y	13385(i)	\$ 3,000
34	1073193	M-003	03/04/2020	Chlorine, Total Residual	Group 2	Daily Maximum	0.02	0.1	mg/L	N		400%	09/06/2019	S	Ct. 32	Y	13385(i)	\$ 3,000

Total Penalty: \$ 93,000

Legend of Table

a. The first three violations in a 180 day period shall not receive MMP assessment unless serious.

Ct. Count – The number that follows represents the number of exceedances in the past 180 days. A count > than Ct. 3 means that a penalty under Water Code Section 13385 (i) applies.

- Violation occurs on sample date or last date of averaging period.
- For Group I pollutants, a violation is serious when the limit is exceeded by 40% or more
- For Group II pollutants, a violation is serious when the limit is exceeded by 20% or more
- When a serious violation occurs on the same day as a chronic, the serious violation is only assessed an MMP once and is counted last for the day when determining the number of chronic violations to be assessed a penalty.

Violations from December 5, 2017 through March 31, 2021

Group I Violations Assessed MMP:	5
Group II Violations Assessed MMP:	23
Other Effluent Violations Assessed MMP:	3
Violations Exempt from MMP:	3
Total Violations Assessed MMP:	31

Mandatory Minimum Penalty = (26 Serious Violations + 5 Non-Serious Violations) x \$3,000 = \$93,000

¹ Note: Violation 2 represents count 13 for violations within a 180-day period. The previous violations within that 180-day period are not subject to MMPs following the February 2017, Scotia Community Services District approval of the transfer of historic and traditional community assets including the Town of Scotia Wastewater Treatment Facility. Violations occurring after the official transfer of Phase 1 infrastructure in December 2017 are the sole responsibility of Scotia Community Services District.

R1-2022-0029 – ATTACHMENT B
DETERMINATION OF FINANCIAL HARDSHIP MEMO

SUBJECT: SCOTIA COMMUNITY SERVICES DISTRICT, WASTEWATER TREATMENT FACILITY (TOWN OF SCOTIA WWTF), DETERMINATION OF ELIGIBILITY FOR COMPLIANCE PROJECT AS A PUBLICLY OWNED TREATMENT WORKS (POTW) SERVING A SMALL COMMUNITY WITH A FINANCIAL HARDSHIP

Background and Summary

Scotia WWTF has accrued \$93,000 in mandatory minimum penalties (MMPs) for the period from December 5, 2017 through March 31, 2021. The analysis described below suggests the town of Scotia WWTF is currently eligible to complete a Compliance Project.

Analysis

Water Code section 13385, subdivision (k), provides that the State Water Resources Control Board (State Water Board) or Regional Water Board may, contingent upon certain findings, require a POTW serving a small community to spend an amount of money equivalent to the MMP amount toward the completion of a compliance project proposed by the POTW, in lieu of paying the penalty amount to the State Water Board's Cleanup and Abatement Account. Water Code section 13385, subdivision (k)(2), defines a POTW "serving a small community" as:

"[A] publicly owned treatment works serving a population of 20,000 persons or fewer or a rural county, with a financial hardship as determined by the state board after considering such factors as median income of the residents, rate of unemployment, or low population density in the service area of the publicly owned treatment works."

Determining whether a POTW is "serving a small community" entails two separate determinations, whether: (1) the POTW is either situated within a rural county or has a population of 20,000 or less; and (2) the POTW's service area has a "financial hardship."

1. Rural County/Population Cap

Consistent with Water Code section 13385, subdivision (k)(2), the State Water Resources Control Board's 2017 Enforcement Policy¹, at page 26, identifies a "rural county" as a county classified by the Economic Research Service (ERS), United States Department of Agriculture (USDA), with a rural-urban continuum code of four through nine.

The town of Scotia WWTF is a POTW located in Humboldt County. According to the 2013 Rural Urban Continuum Codes file updated on May 10, 2013², Humboldt County has a rural-urban continuum code of five (Nonmetro - Urban population of 20,000 or more, not adjacent to a metro area) and therefore, falls within the "rural county" classification.

Furthermore, based on United States Census Bureau data discussed below, the block groups approximating the services area for the town of Scotia WWTF have a total

population of 18,552. By either criterion, the community served by the town of Scotia WWTF meets the definition of “small.”

2. Financial Hardship

Consistent with Water Code section 13385, subdivision (k)(2), the *Enforcement Policy*, at page 26, defines “financial hardship” in terms of median household income (MHI), unemployment rate and poverty level.³ Specifically, the Enforcement Policy defines “financial hardship” as meaning that the community served by the POTW meets one of the following criteria:

- *Median household income⁴ for the community is less than 80 percent of the California median household income;*

¹ A copy of the State Water Board’s Water Quality Enforcement Policy is available at https://www.waterboards.ca.gov/board_decisions/adopted_orders/resolutions/2017/040417_9_final%20adopted%20policy.pdf

² <http://www.ers.usda.gov/data-products/rural-urban-continuum-codes.aspx>, accessed January 22, 2020.

³ *Median household income, unemployment rate, and poverty level of the population served by the POTW are based on the most recent U.S. Census block group data or a local survey approved by the Regional Water Board in consultation with the State Water Board.*

⁴ **Median household income:** *The median income divides the income distribution into two equal groups, one having incomes above the median and the other having incomes below the median.*

- *The community has an unemployment rate⁵ of 10 percent or greater;*
or
- *Twenty percent of the population is below the poverty⁶ level.*

Figure 1, below, shows the service area covered by the town of Scotia WWTF, and identifies the United States Census Bureau census tracts and block groups⁷ included within the service area, including Humboldt County Tract 111, containing one block group.

In order to conduct the analysis to determine financial hardship, staff reviewed datasets available through the Census.gov portal at: <https://data.census.gov/cedsci/>. At the time of this review, the most recent available economic data are from the United States Census Bureau’s ongoing 5-year estimates, and the most recent available 5-year estimate with block group data is that for 2019. Datasets staff reviewed to determine financial hardship included those for Total Population (B01003); Number of Households (B19001); Median Household Income weighted by number of households (B19013);

Employment Status (B23025); and Ratio of Individuals Below the Poverty Line (C17002).

Accessing the U.S. census link above, staff entered individual dataset numbers into the search window, then filtered the results for each dataset, filtering Geography to: Block Group/California/Humboldt County/All Block Groups within Humboldt County; filtering Years to 2019; and filtering Surveys to ACS 5-Year Estimates Detailed Tables. Table 1, below, shows the results of staff's analysis.

⁵ **Unemployed:** *All civilians, 16 years and older, are classified as unemployed if they (1) were neither "at work" nor "with a job but not at work" during the reference week, (2) were actively looking for work during the last 4 weeks, and (3) were available to accept a job. Also included as unemployed are civilians who (1) did not work at all during the reference week, (2) were waiting to be called back to a job from which they had been laid off, and (3) were available for work except for temporary illness.*

⁶ **Poverty:** *Following the Office of Management and Budget's Directive 14, the Census Bureau uses a set of income thresholds that vary by family size and composition to detect who is poor. If the total income for a family or unrelated individual falls below the relevant poverty threshold, then the family or unrelated individual is classified as being "below the poverty level."*

⁷ **Block group:** *A subdivision of a census tract (or, prior to 2000, a block numbering area). A block group is the smallest geographic unit for which the Census Bureau tabulates sample data. A block group consists of all the blocks within a census tract beginning with the same number. Example: block group 3 consists of all blocks within a 2000 census tract numbering from 3000 to 3999. In 1990, block group 3 consisted of all blocks numbered from 301 to 399Z."*

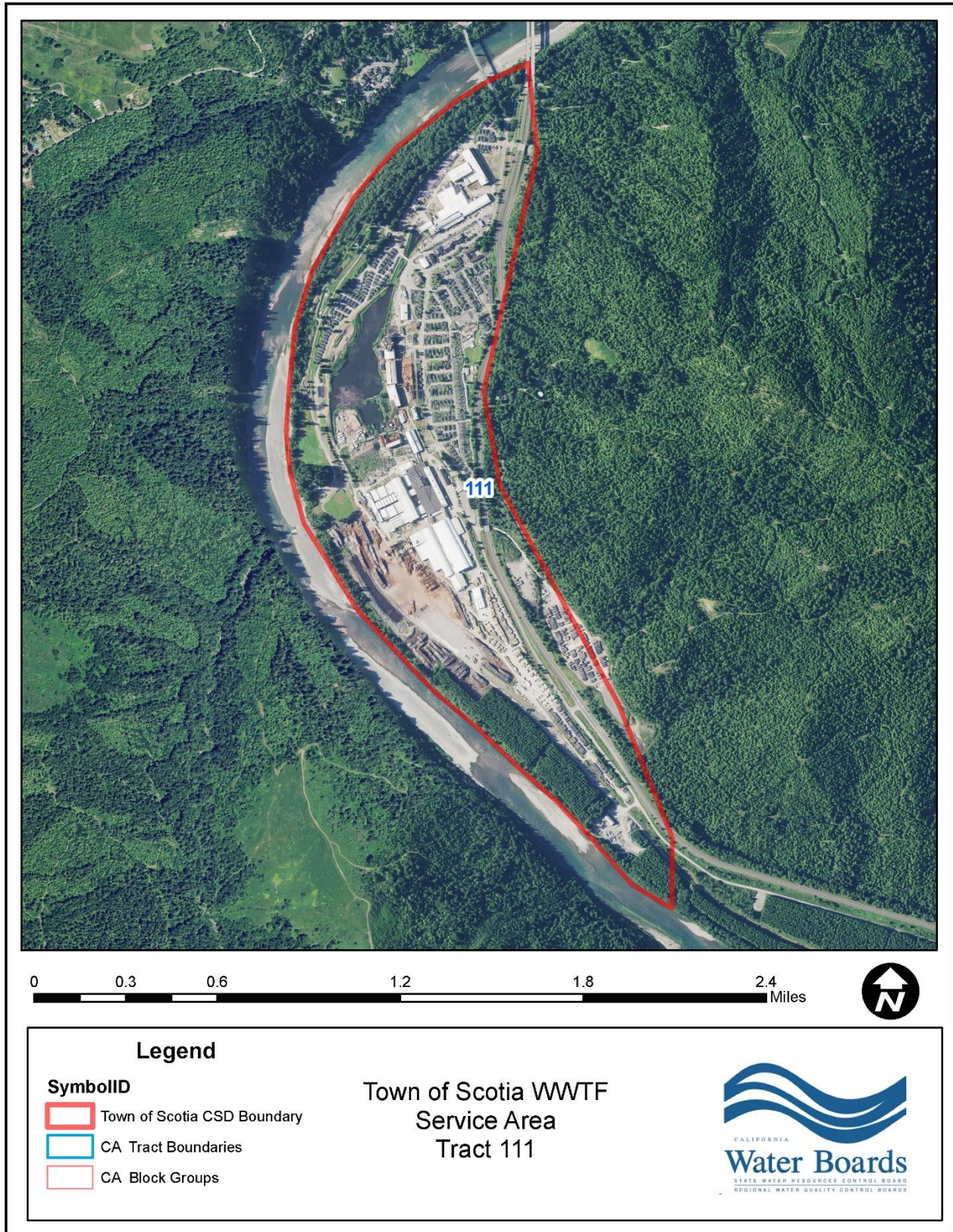


Figure 1

R1-2022-0029 - ATTACHMENT B
DETERMINATION OF FINANCIAL HARDSHIP MEMO

Table 1 – Summary of census data and hardship analysis

Dataset #	Table Description	Tract 111 Block Group 1	Combined Block group Data	Financial Hardship Criterion
B01003	Total Population	4,347 people	4,347 people	Population <20,000 Criterion met
B19001	Number of Households	1,694 Total Households	1,694 Total Households	N/A
B19013	Median Household Income weighted by number of households	\$39,778	\$39,778	MHI less than 80% of CA MHI 80% CA MHI = \$60,221 Criterion met
B23025	Employment Status	2,032 In labor force. Of those, 250 unemployed. 12% unemployed	2,032 In labor force. Of those, 250 unemployed. 12% unemployed	Unemployment rate 10% or greater Criterion met
C17002	Ratio of individuals below the Poverty Level	10.1% below poverty level	10.1% below poverty level	20% below poverty level Criterion not met

The median household income weighted by the number of households is less than 80 percent of the California median household income and the unemployment rate is greater than 10%. Based on the Enforcement Policy's criteria and the most

R1-2022-0029 - ATTACHMENT B
DETERMINATION OF FINANCIAL HARDSHIP MEMO

recent U.S. Census block group data, the town of Scotia WWTF does qualify as a small community with a financial hardship.

If the Discharger believes that the U.S. Census data used in this determination do not accurately represent the population served by the Scotia WWTF, the Enforcement Policy provides for the possibility of a local survey approved by the Regional Water Board in consultation with the State Water Board and a procedure by which the Discharger may present an alternative justification to the Regional Water Board for designation as a "POTW serving a small community (p. 27)." Pursuant to the Enforcement Policy, the Regional Water Board must consult with the State Water Board when making such determinations.

cc: Office of Enforcement
State Water Resources Control Board

R1-2022-0029 - ATTACHMENT C
COMPLIANCE PROJECT

Compliance Project Description

Compliance Project Title:

Chlorine Residual Monitoring and Dechlorination Project (Compliance Project)

Geographic Area of Interest:

Scotia Community Services District Wastewater Treatment Plant (Facility)

Name of Responsible Entity:

Scotia Community Services District (Discharger or Scotia CSD)

Contact Information:

Leslie Marshall, General Manager
Brandon Wishneff, Operator
Scotia Community Services District
P.O. Box 104
Scotia, CA 95565

(707) 764-3030

infoscotiacsd@gmail.com, testingscotiacsd@gmail.com

Compliance Project Description and Goals:

The Discharger accrued mandatory minimum penalties (MMPs) of \$93,000 for effluent limitation violations. The majority of the MMPs are due to violations of the total residual chlorine limit, with some attributed to violations of the total coliform, total suspended solids (TSS), biochemical demand, and settleable solids effluent limitations.

The Discharger, along with co-permittee Humboldt Sawmill company (HSC), is subject to effluent limitations when discharging from all facilities to a log pond, which ultimately discharges to Eel River. Based on Scotia CSD's investigation of this issue, it contends that at least some of the alleged violations are the results of interference or false reads. Chlorine residuals have been an issue in recent years at co-permitted sample point M-003, both in daily monitoring and acute/chronic settings. Admitted non-compliance with chlorine limitations at the HSC Power Plant, which is owned and operated by HSC (and past non-compliance by the previous owner and co-permittee, Eel River Power LLC at the same facility, coupled with residuals at final discharge point M-003, demonstrate the necessity of more consistent and frequent monitoring at **all** discharge points entering the pond prior to final discharge at M-003. See NPDES Permit Section IV. Rationale For Effluent Limitations And Discharge Specifications, C Applicable Technology Based Effluent Limitations – Power Plant, b. Standards of Performance Based on BAT, iii. (pages F-25,F-26). Furthermore, Scotia CSD conducted Acute Toxicity testing from sampling point M003 in 2019. After identifying a chlorine residual, the testing laboratory (Pacific EcoRisk) tried to dechlorinate the sample but was unable to eliminate the

R1-2022-0029 - ATTACHMENT C
COMPLIANCE PROJECT

residual. Despite that, the acute toxicity test results yielded no toxicity. For acute toxicity of Scotia effluent to rainbow trout, there was 100% survival in the effluent sample. For chronic toxicity of Scotia effluent to *ceriodaphnia dubia*, there were no significant reductions in survival or reproduction; the survival and reproduction NOEC were 100% effluent, resulting in 1.0 TUc for both endpoints.

While Scotia CSD's believes the results of chlorine residual were due to interference or false reads, it reported the chlorine readings as they were read into the monitoring reports.

Scotia CSD has identified the Compliance Project to avoid future effluent limitation violations for total residual chlorine and eliminate the risk of future noncompliance. The goal is to install several upgrades at the Facility to automate dosage of chlorine based on flow to the plant, monitor chlorine residual in to and out of the log pond, and dechlorinate the water if excess residual chlorine is detected.

The proposed Compliance Project includes three key components:

1. Installation of a chlorine flow proportioner at M-012A;
2. Installation of Cl₂ analyzers at M012B/M003; and
3. Installation of a de-chlorination method at M003..

The proposed Compliance Project, comprised of three key components, will satisfy the Discharger's goals. First, the chlorine flow proportional unit will be installed at M-012A in the lab room with other existing chlorine equipment. It will assist staff in keeping a record of chlorine residual and proportional dosage of chlorine based on influent flows. Moreover, it will automate the dosage of chlorine, which is currently adjusted manually on a daily basis by operator, ensure the plant is not adding more chlorine to the treatment of wastewater and eventually the log pond than needed, and eliminate any potential overdosage of chlorine leaving the Facility.

Second, Cl₂ analyzers will be installed at M012B/M003. One analyzer will be installed at M-012B in an existing shed with the current pump housing at the end of the third polishing pond, and another will be installed at M-003 in the existing building that houses the pH monitoring and adjustment equipment. (See attached map). Chlorine residual monitors will constantly monitor water for chlorine residual and allow staff to monitor Cl₂ residuals at each monitoring location. Cl₂ monitoring at M-102B will provide residual information on discharges from the Facility treatment train entering the co-mingled log pond. Cl₂ monitoring will provide more consistent residual information at the final point of discharge (M-003) after the commingled water discharges into the log pond, prior to final discharge into Eel River.

Third, Scotia CSD will install a chemical feed system (sodium thiosulfate) at M-003 in the existing building that houses the pH monitoring and adjustment equipment. This will be used to dechlorinate water if a chlorine residual is detected at the newly-installed M-

R1-2022-0029 - ATTACHMENT C
COMPLIANCE PROJECT

003 Cl2 analyzer. De-chlorination at the final monitoring point prior to discharge will ensure no chlorine will be discharged to Eel River from the overall system.

Estimated Cost of Compliance Project Completion:

The estimated project cost is over the \$93,000 of total MMPs for effluent limitations violations.

Compliance Project Milestones and Completion Dates:

The project will be completed by no later than September 30, 2023.

The following is an estimated timeline for the Compliance Project upon adoption of the Stipulated Order:

Task 1. Send out the project to bid for project components/install at a board meeting. Upon project approval from State, about 30 days.

Task 2. Solicit bids and put bids before board for selection and approval. 30 days

Task 3. Finalize bid selection, purchase equipment, and schedule install with selected bidder. 30 days

Task 5. Selected bidder to install equipment to existing facilities. 3-6 months

Task 7. Final completion report to State (deliverable). 2 weeks

Total estimated time: 7-10 months

Quarterly Progress Reports: The Discharger shall provide quarterly reports describing the progress of Compliance Project implementation, including the status of the milestones. The first quarterly report is due on October 15, 2022. Subsequent quarterly reports are due every 90 days until the Compliance Project Completion Date. The Discharger agrees that Regional Water Board staff, or its third party oversight staff, have permission to inspect the Discharger at any time without notice.

Final Report:

By no later than September 30, 2023, the Discharger will submit a final report declaring the completion of the Compliance Project and detailing fund expenditures and goals achieved. The report shall clearly show whether the final cost of the completed Compliance Project is less than, equal to, or more than the suspended liability of \$93,000, and shall comply with the "Certification of Completion" provision in Section II of

R1-2022-0029 - ATTACHMENT C
COMPLIANCE PROJECT

the Stipulated Order.



R1-2022-0029 - ATTACHMENT C
COMPLIANCE PROJECT