

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD  
SAN DIEGO REGION**

**IN THE MATTER OF CITY OF LAGUNA BEACH,  
NOVEMBER 2023 SANITARY SEWER SPILL TO  
THE PACIFIC OCEAN AT BLUEBIRD BEACH, LAGUNA BEACH, CA**

**SETTLEMENT AGREEMENT AND STIPULATION FOR ENTRY OF  
ADMINISTRATIVE CIVIL LIABILITY**

**ORDER NO. R9-2025-0124**

**I. INTRODUCTION**

This Settlement Agreement and Stipulation for Entry of Administrative Civil Liability Order (Order or Stipulated Order) is entered into by and between the Assistant Executive Officer of the California Regional Water Quality Control Board, San Diego Region (San Diego Water Board) on behalf of the San Diego Water Board Prosecution Team (Prosecution Team), and the City of Laguna Beach (City) (collectively, Parties). This Order is presented to the San Diego Water Board, or its delegate, for adoption as an order by settlement pursuant to California Water Code (Water Code) section 13323 and Government Code section 11415.60.

**II. RECITALS**

1. The City owns and operates the municipal sanitary sewer system (or collection system) in the northern portion of the City.<sup>1</sup> The City's wastewater collection system serves approximately 23,000 residents and up to six million visitors a year. The system is comprised of approximately 88 miles of collection system pipelines, 7 miles of transmission line (force main), and 26 lift stations. The City's transmission system conveys wastewater to the South Orange County Wastewater Authority's Coastal Treatment Plant.

**NOVEMBER 29, 2023 SEWAGE SPILL**

2. On November 29, 2023, 152,705 gallons of untreated sewage spilled from a pressurized line near Bluebird Drive to the City's stormwater drainage conveyance system. The spill travelled approximately 500 feet to the Bluebird outfall and resulted in the discharge of 78,810 gallons of untreated sewage to the Pacific Ocean at Bluebird Beach (Bluebird Beach Spill). The remaining portion of the spill (73,895

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<sup>1</sup> The South Coast Water District operates and maintains the sewer system for the southern portions of the City, south of Cardinal Drive.

gallons) was recovered by collections staff via vacuum trucks and returned to the sanitary sewer collection system.

3. The Bluebird Beach Spill occurred during a planned repair to remove a deteriorated ball valve from a sewer line downstream of the Bluebird Canyon lift station. The City reported that, when the ball valve was removed, contractors positioned a full-circle clamp over the two-inch opening in the sewer line. However, the line was too pressurized and contractors were unable to secure the clamp, which resulted in the discharge of untreated sewage. Initially, onsite City staff and contractors did not have the proper equipment to safely stop the spill and complete the repair. Until contractors obtained the equipment necessary to complete the repair, vacuum trucks were used to recover portions of the spill that reached the storm drain and were held behind a temporary berm inside the Bluebird outfall.
4. Within approximately two hours of the spill start time, the City notified the Orange County Health Care Agency (OCHCA). In response, OCHCA closed three miles of coastline on November 29, 2023. OCHCA then reduced the closure to one mile on November 30, 2023, once the spill volume was confirmed, and collected water quality samples daily from November 29, 2023, to December 2, 2023. The entire beach closure was lifted on December 2, 2023, after indicator bacteria results met the California Department of Public Health Bacteriological Standards.<sup>2</sup>
5. Bluebird Beach is within the Laguna Beach State Marine Reserve (SMR), a marine protected area (MPA). The Laguna Beach SMR is one of four consecutive MPAs that together span approximately 14 square miles of coastal habitat along the Pacific Ocean. The Water Quality Control Plan for the San Diego Basin (Basin Plan) designates the following existing and potential beneficial uses for the Pacific Ocean: contact and non-contact water recreation, commercial and sports fishing, preservation of biological habitats of special significance; wildlife habitat; rare, threatened or endangered species; marine habitat; aquaculture; migration of aquatic organisms; spawning, reproduction, and/or early development; and shellfish harvesting.<sup>3</sup>
6. In accordance with [Resolution No. R9-2017-0030](#),<sup>4</sup> the Pacific Ocean is considered a key area for three beneficial use categories: habitats and ecosystems,

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<sup>2</sup> See Table 4, Items 5 and 6. Bacteriological Standards for public water-contact sports are listed in the following linked document:

<https://www.cdph.ca.gov/Programs/CEH/DRSEM/CDPH%20Document%20Library/EMB/RecreationalHealth/AB411-SOR.pdf>

<sup>3</sup> The complete list of beneficial uses designated for the Pacific Ocean is included in the Basin Plan: [https://www.waterboards.ca.gov/sandiego/water\\_issues/programs/basin\\_plan/](https://www.waterboards.ca.gov/sandiego/water_issues/programs/basin_plan/)

<sup>4</sup> A copy of the Resolution is available at:

[https://www.waterboards.ca.gov/rwqcb9/board\\_decisions/adopted\\_orders/2017/R9-2017-0030.pdf](https://www.waterboards.ca.gov/rwqcb9/board_decisions/adopted_orders/2017/R9-2017-0030.pdf)

consumption of fish and shellfish, and recreation.<sup>5</sup> In addition, the Laguna Beach SMR is considered an Area of Special Importance for habitats and ecosystems.

7. The Pacific Ocean Shoreline at Bluebird Canyon Drive (Bluebird Beach) is listed on the [California 2024 Integrated Report](#) as impaired for indicator bacteria.<sup>6</sup>
8. The areas affected by the sewage spill are not considered Disadvantaged Communities according to the CalEnviroScreen [Senate Bill \(SB\) 535 Disadvantaged Communities Map](#).<sup>7</sup>

## **RELEVANT REGULATORY REQUIREMENTS**

9. The City's sanitary sewer collection system is regulated by the State Water Resources Control Board (State Water Board) Water Quality Order WQ 2022-0103-DWQ, *Statewide Waste Discharge Requirements General Order for Sanitary Sewer Systems* ([Statewide General Order](#))<sup>8</sup> which was adopted December 6, 2022, with an effective date of June 5, 2023. The Statewide General Order regulates all entities that own or operate a sanitary sewer system, greater than one mile in length that collects or conveys untreated or partially treated wastewater to a publicly owned treatment facility in the State of California. Prohibition 4.2 of the Statewide General Order states that "[a]ny discharge from a sanitary sewer system, discharged directly or indirectly through a drainage conveyance system or other route, to waters of the State is prohibited." Additionally, section 3.1.3, Attachment E1 of the Statewide General Order requires a Spill Technical Report to be submitted within 45 calendar days for any Category 1 Spill<sup>9</sup> in which 50,000 gallons or more is discharged to surface waters.
10. In addition to the Statewide General Order, the City is subject to the San Diego Water Board adopted *Waste Discharge Requirements for Sewage Collection Agencies in the San Diego Region* (Order No. R9-2007-0005, Regional General

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<sup>5</sup> More information on key beneficial uses and key areas is available at:

[https://www.waterboards.ca.gov/sandiego/water\\_issues/programs/key\\_areas/](https://www.waterboards.ca.gov/sandiego/water_issues/programs/key_areas/)

<sup>6</sup> The California 2024 Integrated Report is available at:

[https://www.waterboards.ca.gov/water\\_issues/programs/water\\_quality\\_assessment/2024-integrated-report.html](https://www.waterboards.ca.gov/water_issues/programs/water_quality_assessment/2024-integrated-report.html).

<sup>7</sup> The CalEnviroScreen SB 535 Disadvantaged Communities Map is provided by the California Office of Environmental Health Hazard Assessment and can be accessed at:

<https://oehha.ca.gov/calenviroscreen/sb535>

<sup>8</sup> The Statewide General Order is available at:

[https://www.waterboards.ca.gov/board\\_decisions/adopted\\_orders/water\\_quality/2022/wqo\\_2022-0103-dwq.pdf](https://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2022/wqo_2022-0103-dwq.pdf)

<sup>9</sup> Section 5.13.1 of the Statewide General Order defines a Category 1 Spill as a spill of any volume of sewage from or caused by a sanitary sewer system that results in a discharge to surface waters or a drainage conveyance system that discharges to surface waters that is not fully captured.

Order).<sup>10</sup> The Regional General Order establishes additional requirements beyond the minimum requirements established in the Statewide General Order. Prohibition B.1 of the Regional General Order states “[t]he discharge of sewage from a sanitary sewer system at any point upstream of a sewage treatment plant is prohibited.”

11. Basin Plan Waste Discharge Prohibition No. 1 states “[t]he discharge of waste to waters of the state in a manner causing, or threatening to cause a condition of pollution, contamination or nuisance as defined in Water Code section 13050, is prohibited.”
12. Clean Water Act section 301 and Water Code section 13376 prohibit the discharge of pollutants to surface waters except in compliance with a National Pollutant Discharge Elimination System permit.

## **VIOLATIONS**

13. **Violation 1:** The City’s unauthorized discharge of 78,810 gallons of untreated sewage to Bluebird Beach on November 29, 2023, violated Statewide General Order Prohibition 4.2; Regional General Order Prohibition B.1; Basin Plan Waste Discharge Prohibition No.1; Clean Water Act section 301; and Water Code section 13376.
14. **Violation 2:** The City’s second violation is for failure to timely submit the Spill Technical Report for the Bluebird Beach Spill pursuant to Section 3.1.3, Attachment E1 of the Statewide General Order. The Bluebird Beach Spill resulted in the discharge of 78,810 gallons of untreated sewage to surface waters. As such, this spill met the definition of a Category 1 Spill greater than 50,000 gallons, which requires the submittal of a Spill Technical Report. Per the Statewide General Order, the Bluebird Beach Spill Technical Report was due on January 15, 2024. On December 19, 2024, Prosecution Team staff notified the City that the report had not been submitted. In response, the City submitted the Spill Technical Report on January 17, 2025, 368 days after the January 15, 2024 due date. The City also provided additional supporting documentation on January 30, 2025.

## **ENFORCEMENT PROCESS**

15. The State Water Board’s 2017 Water Quality Enforcement Policy ([2017 Enforcement Policy](#))<sup>11</sup> was in effect on the date of the violation. However, the [2024 Enforcement](#)

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<sup>10</sup> The Regional General Order is available at:  
[https://www.waterboards.ca.gov/sandiego/board\\_decisions/adopted\\_orders/2007/R9-2007-0005\\_ADA.pdf](https://www.waterboards.ca.gov/sandiego/board_decisions/adopted_orders/2007/R9-2007-0005_ADA.pdf).

<sup>11</sup> The 2017 Enforcement Policy is available at:  
[https://www.waterboards.ca.gov/board\\_decisions/adopted\\_orders/resolutions/2017/040417\\_9\\_fi nal%20adopted%20policy.pdf](https://www.waterboards.ca.gov/board_decisions/adopted_orders/resolutions/2017/040417_9_fi nal%20adopted%20policy.pdf)

[Policy](#)<sup>12</sup> became effective on November 7, 2024, and was referenced to the extent it provides clarifications or procedural changes to the 2017 Enforcement Policy.

16. Water Code section 13327 requires the San Diego Water Board to consider several factors in determining administrative civil liability, including the nature, circumstance, extent, and gravity of the violation or violations, whether the discharge is susceptible to cleanup or abatement, the degree of toxicity of the discharge, and, with respect to the violator, the ability to pay, the effect on ability to continue in business, any voluntary cleanup efforts undertaken, any prior history of violations, the degree of culpability, economic benefit or savings, if any, resulting from the violation, and other matters as justice may require. The 2017 Enforcement Policy and 2024 Enforcement Policy incorporate these factors in a methodology for determining administrative civil liability in instances of noncompliance. The Prosecution Team developed the administrative civil liability based on the penalty calculation methodology of the 2017 Enforcement Policy, except for clarifications or procedural changes provided by the 2024 Enforcement Policy.
17. For the purposes of this Stipulated Order, the Prosecution Team is using discretion provided in the 2024 Enforcement Policy to calculate a single base liability amount for the discharge violations described above since the violations are not independent of one another and are the result of a single act that violates similar requirements in different applicable permits and plans that are designed to address the same water quality issue.<sup>13</sup>
18. A discharger who violates Water Code section 13376 or Clean Water Act section 301 is subject to administrative civil liability pursuant to Water Code section 13385(a). Additionally, the unauthorized discharge of untreated sewage in violation of the Statewide General Order, Regional General Order, and Basin Plan Prohibitions is subject to administrative civil liability pursuant to Water Code section 13350. The San Diego Water Board Prosecution Team elected to pursue enforcement of the alleged discharge violations pursuant to Water Code section 13350. Water Code section 13350(e) authorizes the San Diego Water Board to impose an administrative civil liability up to \$10 for each gallon of waste discharged to waters of the State.
19. In accordance with Water Code section 13268, a discharger that fails to submit technical reports, as required by waste discharge requirements, is subject to

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<sup>12</sup> For more information, please refer to Appendix D of the 2024 Enforcement Policy, available at: [https://www.waterboards.ca.gov/water\\_issues/programs/enforcement/docs/2024/2024-enforcement-policy.pdf](https://www.waterboards.ca.gov/water_issues/programs/enforcement/docs/2024/2024-enforcement-policy.pdf)

<sup>13</sup> See 2024 Enforcement Policy, Section II.E, Multiple Violations Resulting from the Same Incident. This section was moved in the 2024 Enforcement Policy and is considered a procedural change per Attachment D of the 2024 Enforcement Policy.

administrative civil liability of up to \$1,000 per day for each day in which the violation occurs.

20. On March 28, 2025, the Prosecution Team issued Settlement Offer R9-2025-0058 to the City to settle claims of administrative civil liability for Violation 1 and Violation 2 arising from the Bluebird Beach Spill in the amount of \$112,777.
21. For the purposes of considering a Supplemental Environmental Project (SEP), the Prosecution Team and the City entered into confidential settlement negotiations in April 2025. The Parties agreed to settle this matter without administrative or civil litigation by presenting this Order to the San Diego Water Board, or its delegate, for adoption as an order by settlement pursuant to Water Code section 13323 and Government Code section 11415.60. Additional detail on the factors considered in determining the liability agreed upon by the Parties is discussed in Attachment A, attached hereto and incorporated by reference.
22. The amount of administrative civil liability imposed pursuant to this Stipulated Order comports with the penalty calculation methodology in the State Water Board's 2017 Enforcement Policy and 2024 Enforcement Policy as discussed in Attachment A.
23. To resolve the alleged violation by consent and without further administrative or civil proceedings, the Parties agree to the imposition of an administrative civil liability against the City in the amount of **one-hundred eight thousand, eight hundred and eight dollars (\$108,808)**.
24. The Prosecution Team asserts that the resolution of the alleged violations is fair, reasonable, and fulfills its enforcement objectives, that no further action is warranted concerning the specific violations alleged in Attachment A except as provided in this Order, and that this Order is in the best interest of the public.

### **III. STIPULATIONS**

The Parties stipulate to the following:

1. **Jurisdiction:** The Parties agree that the San Diego Water Board has subject matter jurisdiction over the matters alleged in this action and personal jurisdiction of the Parties to this Stipulated Order.
2. **Administrative Civil Liability:** The City hereby agrees to the imposition of an administrative civil liability totaling ONE HUNDRED EIGHT THOUSAND, EIGHT HUNDRED AND EIGHT DOLLARS (\$108,808) to resolve the violations specifically alleged in this Stipulated Order as follows:
  - a. Within thirty (30) days of the effective date of this Order, the City agrees to remit, by check, **\$58,808** payable to Waste Discharge Permit Fund, and shall indicate "Order No. R9-2025-0124" on the check. The City shall send the original signed check to the following address:

State Water Resources Control Board; Accounting Office  
ATTN: ACL Payment / Order No. R9-2025-0124  
P.O. Box 1888  
Sacramento, California 95812-1888

The City shall send a redacted copy of the check to the Prosecution Team Party Contact at the address listed in Section III, paragraph 3. Alternative forms of payment are acceptable if agreed upon in advance.

- b. The remaining **\$50,000** in administrative civil liability will be satisfied through the complete implementation of a SEP for the Tidepool Docent Program as described in Attachment B. This amount is referred to as the “Suspended Liability” amount. The total cost of the SEP is proposed at \$170,000 and is referred to as the “SEP Amount”, with the remaining \$120,000 funded separately by the City.
- c. Pursuant to Section VIII.G of the SEP Policy, the City is responsible for paying all reasonable oversight costs incurred by the San Diego Water Board to oversee the SEP. The oversight costs are in addition to the total administrative civil liability and are not credited towards the City’s obligation to oversee the SEP. The San Diego Water Board estimates that it will spend **\$4,000** to oversee the SEP described in this order. Similar to the administrative civil liability, this payment is due to the Waste Discharge Permit Fund within 30 days of adoption of this Order by the San Diego Water Board, or its delegate. If the City elects to send one check to cover the administrative civil liability and the SEP oversight costs for a total of **\$62,808**, the City will submit a cover letter with the check explaining the combined amounts and identifying the number of this Order.

**3. Party Contacts for Communications related to the Order:**

For the Prosecution Team:

Kate Buckley  
California Regional Water Quality Control Board, San Diego Region  
2375 Northside Drive, Suite 100  
San Diego, California 92108  
[sandiego@waterboards.ca.gov](mailto:sandiego@waterboards.ca.gov)  
(619) 521-8045

For the City:

Richard Gonzales  
Deputy Director of Public Works  
City of Laguna Beach, Public Works and Utilities  
479 Ocean Ave  
Laguna Beach, CA 92651



[rgonzales@lagunabeachcity.net](mailto:rgonzales@lagunabeachcity.net)

(949) 464-6615

4. **Compliance with Applicable Laws:** The City understands that the payment of administrative civil liability and implementation of the SEP in accordance with the terms of this Order does not relieve the City of its obligation to comply with applicable laws and new violations of the type alleged in Attachment A may subject it to further enforcement, including additional administrative civil liability.
5. **Supplemental Environmental Project:** The Parties agree that the SEP Amount specified in Section III, paragraph 2.b will be used to fund the SEP. For purposes of this Order, the Suspended Liability amount associated with the SEP shall be treated as suspended administrative civil liability once the SEP is completed and accepted by the San Diego Water Board. The San Diego Water Board is entitled to recover any portion of the Suspended Liability in accordance with this Order. The City's SEP, including budgets, tasks, and deliverables, is summarized below and detailed in Attachment B.
  - a. **SEP Description - Laguna Ocean Foundation Tidepool Docent / Tidepool Educators Program Enhancement:** The Suspended Liability will be used to fund the Laguna Ocean Foundation's Tidewater Docent Program. This program consists of volunteers that are trained as Tidewater Docents to (1) educate the public on preventing harmful impacts to tidepools and (2) enhance visitors' experience and appreciation of tidepools and local marine life. The program currently funds a position approximately 300 hours per year to assist with docent scheduling and training. The SEP will fund a Docent Coordinator position up to 1,560 hours per year to recruit, train, coordinate, and oversee volunteer docents in order to expand the program by increasing outreach locations and volunteer hours and meet current tidepool visitor demands. Specifically, the SEP will include the following tasks:
    - i. Increased hours and locations. The SEP will increase capacity to provide docent coverage at four Additional Sites:
      - Shaw's Cove (75 hours per month, at 25 designated low tide periods)
      - Heisler Park (60 hours per month, at 20 designated low tide periods)
      - Crescent Bay (60 hours per month, at 20 designated low tide periods)
      - Woods Cove (30 hours per month, at 10 designated low tide periods)
    - ii. Reporting. SEP-funded actions will be reported in Quarterly Progress Reports and one Final Completion Report at the end of the project period. The reports will include the following information by location and month:



1. Number of hours and targeted time slots worked at the Additional Sites by the Docent Team.
  2. Number of total hours spent in docent coordination (including recruitment, training, scheduling, managing, and recording and reporting on Docent activities).
  3. Number of tidepool visitors overall at each shift (a best possible estimate), as well as the number of visitors with whom the Docents interacted (at each Additional Site).
  4. Number of likely Marine Protection Act violations prevented (at each Additional Site).
  5. Other observations and information provided by the docents to indicate success, concerns, or other perspectives. The Final Completion Report will provide analysis and discussion of methods, achievements, effectiveness of the program, and recommendations for future actions, including potential modifications to the program.
- b. **Agreement for the City to Fund, Report, and Guarantee Implementation of the SEP:** The City represents that:
- i. The SEP conforms to the requirements of the SEP Policy;
  - ii. The SEP is unrelated in scope to the actions completed to remedy the alleged violations identified in this Order, are not otherwise required by law, and the City is not otherwise obligated to undertake;
  - iii. It will fund the SEP in the amount described in this Order;
  - iv. It will provide certifications and written quarterly reports detailing SEP implementation, consistent with the terms of this Order; and,
  - v. It will guarantee payment by remaining liable for the Suspended Liability until the SEP is completed and accepted by the San Diego Water Board according to the terms of this Order.
- c. **SEP Completion Date:** The City's proposed timeline for the completion of the SEP is one year. However, due to the seasonality of the project and to conform to reporting requirements of the SEP Policy, the Prosecution Team finds that the SEP Completion Date shall be no later than two years from the adoption of this Order. This date is consistent with the SEP Policy, which requires that all projects be completed within 36 months of the adoption of an order.
- d. **Representation of the City:** As a material consideration for the San Diego Water Board's acceptance of this Order, the City represents that it will use the Suspended Liability outlined in Section III, paragraph 2.b to implement the SEP in accordance with the SEP proposal as described in Attachment B. The City understands that its commitment to implement the SEP in accordance

with the schedule and deliverables for implementation is a material condition of this settlement of liability between the Parties.

- e. **Request for Extension of Completion Date:** If the City cannot complete the SEP within two years following the adoption of the Order (Completion Date), due to circumstances beyond the control of the City or its agents and which could not have been reasonably foreseen and prevented or minimized by the exercise of due diligence, the City shall notify the San Diego Water Board Executive Officer in writing within thirty (30) days of the date that the City first knew of the event or circumstance that caused or would cause a violation of this Order. The notice shall describe the reason for the non-compliance and specifically refer to this paragraph (Section III, paragraph 5.e). The notice shall describe the anticipated length of time the delay may persist, the cause or causes of the delay, the measures taken or to be taken by the City to minimize the delay, the schedule by which the measures will be implemented, and the anticipated date of compliance. The City shall adopt all reasonable measures to avoid and minimize such delays.

The determination as to whether the circumstances were beyond the reasonable control of the City and its agents will be made by the Executive Officer. Where the Executive Officer concurs that compliance was or is impossible, despite timely good faith efforts, due to circumstances beyond its control that could not have been reasonably foreseen and prevented by the exercise of reasonable diligence by the City or its agents, a new compliance deadline shall be established. The Executive Officer will endeavor to grant a reasonable extension of time if warranted.

- f. **SEP Oversight:** The City agrees to oversee implementation of the SEP. The San Diego Water Board will provide additional oversight of the SEP which includes, but is not limited to, updating regulatory and records databases (CIWQS and ECM), reviewing and evaluating progress, conducting site visits, reviewing the final completion report, and verifying appropriate expenditure of Suspended Liability funds. As described above in Section III, paragraph 2.c, the City agrees to pay \$4,000 for the oversight costs incurred by the San Diego Water Board. These oversight costs are in addition to the total administrative civil liability and are not credited towards the City's obligation to fund the SEP.
- g. **Publicity:** If the City and/or the Laguna Ocean Foundation publicizes the SEP or results of the SEP, they will state in a prominent manner that the SEP is being undertaken as part of a settlement of a San Diego Water Board enforcement action.
- h. **Site Inspections:** The City shall permit San Diego Water Board staff to inspect the SEP implementation locations during normal business hours as

well as review any documents associated with SEP implementation at any time without notice.

- i. **Submission of Reports:** The City agrees to submit quarterly progress reports to the San Diego Water Board. Quarterly progress reports will be due on the 15th day of each of the months of April, July, October, and January, starting with the first full quarter after the adoption date of this Order and will continue until SEP completion. The reports will include information relating to the implementation progress of the SEP, including photo-documentation, and any relevant deliverables. The City shall submit a Final Report within thirty (30) days of the SEP Completion Date. The reports shall be provided electronically to [sandiego@waterboards.ca.gov](mailto:sandiego@waterboards.ca.gov) with **KBuckley:PIN#631920** included in the subject line.
- j. **Certification of Completion of SEP in Final Report:** Within thirty (30) days of the SEP Completion Date, the City shall submit a certified statement of completion (Certification of Completion) as a component of the Final Report. The City's authorized representative shall submit the Certification of Completion under penalty of perjury to the Party Contact listed in Section III, paragraph 3 above. The certification shall include the following:
  - i. **Certification of Expenditures:** Certification documenting all expenditures by the City must be provided to the San Diego Water Board. The expenditures may include external payments to outside vendors or contractors implementing the SEP. The expenditures may include the costs of internal management resources, provided that such expenditures are directly related to the development and implementation of the SEP. In making such verification, the official may rely upon normal company and project tracking systems that capture employee time expenditures and external payments to outside vendors such as environmental or information technology contractors or consultants. The City shall provide any additional information requested by the San Diego Water Board staff which is reasonably necessary to verify SEP expenditures. The certification need not address any costs incurred by the San Diego Water Board for SEP oversight.
  - ii. **Certification of Performance of Work:** Certification that the SEP has been completed in accordance with terms of this Order must be provided to the San Diego Water Board. Such documentation may include photographs, invoices, receipts, certifications, and other material reasonably necessary for the San Diego Water Board to evaluate the completion of the SEP and costs incurred by the City.
  - iii. **Certification that Work Performed Met the Requirements of CEQA and other Environmental Laws (where applicable):**

Unless a project is categorically or statutorily exempt from compliance with CEQA, the City shall consult with other interested State Agencies regarding potential impacts of the SEP. Other interested State Agencies include, but are not limited to, the California Department of Fish and Wildlife. To demonstrate compliance with CEQA where necessary, the City shall provide the San Diego Water Board with the following documents prior to commencing the SEPs:

1. Categorical or statutory exemptions;
  2. Negative Declaration if there are no “significant” impacts;
  3. Mitigated Negative Declaration if there are potential “significant” impacts but revisions to the project have been made or may be made to avoid or mitigate those potential significant impacts; or,
  4. Environmental Impact Report if there are “significant” impacts.
- k. **Third-Party Audit:** Pursuant to Section IX.I of the SEP Policy, upon completion of the SEP and at the written request of the San Diego Water Board, the City shall submit an audit report prepared by an independent third party, acceptable to the San Diego Water Board, providing such party’s professional opinion that the City has expended money in the amount claimed by the City. This audit report shall be at the sole cost of the City and shall be submitted within three (3) months of the request of the San Diego Water Board. The audit need not address any costs incurred by the San Diego Water Board for SEP oversight.
- l. **San Diego Water Board Acceptance of Completed SEP:** Upon the City’s satisfaction of its obligations under this Order, the completion of the SEP, and the third-party audit (upon request), the City’s Party Contact shall request that the San Diego Water Board, or the Board’s delegee, issue a statement indicating that the SEP has been completed in satisfaction of the terms of this Order and that any remaining Suspended Liability is permanently suspended. The issuance of the statement shall terminate any further obligation of the City under this Order.
- m. **Failure to Expend All Suspended Administrative Civil Liability Funds on the Approved SEP:** In the event that the SEP is fully implemented but the City is not able to demonstrate, through the submission of Certification of Expenditures (Section III, paragraph 5.j.i) and/or a third party audit as required by Section III, paragraph 5.k, that the Suspended Liability amount listed in Section III, paragraph 2.b has been spent for the completed SEP, the City shall pay the difference between the Suspended Liability amount and the amount the City can demonstrate was actually spent on the SEP as an administrative civil liability.

- n. **Failure to Complete the SEP:** If the SEP, including all tasks and deliverables as described in Attachment B and section III.5.a of this Order, is not fully implemented by the Completion Date, the San Diego Water Board shall issue a Notice of Violation. As a consequence, the City shall be liable to pay the entire Suspended Liability, or some portion thereof. The City shall be liable to pay the Waste Discharge Permit Fund the amount within thirty (30) days of receipt of the Notice of Violation.
- o. **Reporting Dates:** The following is a list of required reports and respective due dates for activities presented in the preceding stipulations:

**Stipulated Order Reporting Dates**

Activity	Due Date to sandiego@waterboards.ca.gov
1 <sup>st</sup> SEP Status Report	January 15, 2026
Remaining SEP Quarterly Reports	15 <sup>th</sup> day of January, April, July, and October, until SEP completion
Final Report and Certification of Completion	No later than 24 months after adoption of this Order
Independent Audit Report	No later than three months upon request by the San Diego Water Board and 27 months after adoption of this Order

6. **San Diego Water Board is Not Liable:** Neither the San Diego Water Board members nor the San Diego Water Board staff, attorneys, or representatives shall be liable for any injury or damage to persons or property resulting from the acts or omissions by the City, its directors, officers, employees, agents, representatives, attorneys, or contractors in carrying out activities pursuant to this Order. Nor shall the San Diego Water Board, its members, attorneys, or staff be held as parties to, or guarantors of any contract entered into by the City, its directors, officers, employees, agents, representatives, attorneys, or contractors in carrying out activates pursuant to this Order.
7. **Covenant Not to Sue:** The City covenants not to sue or pursue any administrative or civil claim or claims against any State Agency or the State of California, or their officers, employees, representatives, agents, or attorneys arising out of or relating to any matter expressly addressed by this Agreement, this Order, or the SEP.
8. **Attorney's Fees and Costs:** Each Party shall bear all attorneys' fees and costs arising from the Party's own counsel in connection with the matters set forth herein.

9. **Covered Matters:** Upon the San Diego Water Board's adoption of this Order, this Order presents a final and binding resolution and settlement of alleged violations in this Stipulated Order. The provisions of this paragraph are expressly conditioned on the full payment of the administrative civil liability by the deadline specified in Section III, paragraph 2, and the successful completion of the SEP as outlined in this Stipulated Order and Attachment B, or full payment of the associated Suspended Liabilities.
10. **Public Notice:** The City understands that the San Diego Water Board will conduct a thirty (30) day public review and comment period prior to consideration and adoption of the Order. If significant new information is received that reasonably affects the propriety of presenting this Order to the San Diego Water Board for adoption, the Assistant Executive Officer may unilaterally declare this Order void and decide not to present it to the San Diego Water Board. The City agrees that it may not rescind or otherwise withdraw its approval of this proposed Order.
11. **No Waiver of Right to Enforce:** The failure of the Prosecution Team or the San Diego Water Board to enforce any provision of this Order shall in no way be deemed a waiver of such provision, or in any way affect the validity of the Order. The failure of the Prosecution Team or San Diego Water Board to enforce any such provision shall not preclude it from later enforcing the same or any other provision of this Order.
12. **Procedural Objections:** The Parties agree that the procedure contemplated for adopting the Order by the San Diego Water Board and review of this Order by the public is lawful and adequate. In the event procedural objections are raised prior to the Order becoming effective, the Parties agree to meet and confer concerning any such objections and may agree to revise or adjust the procedure as necessary and advisable.
13. **Interpretation:** This Order shall be construed as if the parties prepared it jointly. Any uncertainty or ambiguity shall not be interpreted against any one Party.
14. **Modification:** This Order shall not be modified by any of the Parties by oral representation made before or after its execution. All modifications must be in writing, signed by all Parties, and approved by the San Diego Water Board, or its delegate.
15. **If Order Does Not Take Effect:** In the event that this Order does not take effect because it is not approved by the San Diego Water Board or is vacated in whole or in material part by the State Water Board or a final judgment of a court of competent jurisdiction, the Parties acknowledge that they expect to proceed to a contested evidentiary hearing before the San Diego Water Board, on a future date after reasonable notice and opportunity for preparation, to determine whether to assess administrative civil liability for the underlying alleged violations, unless the Parties agree otherwise. The Parties agree that all oral and written statements and

agreements made during the course of the settlement discussions will not be admissible as evidence in such a hearing. The Parties agree to waive any and all objections related to their efforts to settle this matter, including, but not limited to:

- a. Objections related to prejudice or bias of any of the San Diego Water Board members or their advisors and any other objections that are premised in whole or in part on the fact that the San Diego Water Board members or their advisors were exposed to some of the material facts and the Parties' settlement positions as a consequence of reviewing this Order, and therefore may have formed impressions or conclusions prior to any contested evidentiary hearing on a Complaint 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.

**16. Waiver of Hearing:** The City has been informed of the rights provided by Water Code section 13323(b), and provided this Stipulated Order is approved by the San Diego Water Board, hereby waives its right to a hearing before the San Diego Water Board.

**17. Waiver of Right to Petition or Appeal:** The City hereby waives its right to petition the San Diego Water Board's adoption of the Order as written for review by the State Water Board, and further waives its right, if any, to appeal the same to a California Superior Court and/or any California appellate level court.

**18. Authority to Bind:** Each person executing this Order in a representative capacity represents and warrants that he or she is authorized to execute this Order on behalf of and to bind the entity on whose behalf he or she executes the Order.

**19. No Third-Party Beneficiaries:** Except as described in this Order, the Order is not intended to confer any rights or obligations on any third party or parties, and no third party or parties shall have any right of action under this Order for any cause whatsoever.

**20. Effective Date:** This Order shall be effective and binding on the Parties on the date that the San Diego Water Board, or its delegate, adopts the Order.

**21. Counterpart Signatures:** This 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 counterpart 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.

**22. Severability:** The provisions of this Order are severable, and should any provision be found invalid, the remainder shall remain in full force and effect.



**IT IS SO STIPULATED**

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD, SAN DIEGO  
REGION, PROSECUTION TEAM**

**By:**

**Original Signed by Kelly Dorsey on August 7, 2025**

**KELLY DORSEY, P.G., Assistant Executive Officer**

**CITY OF LAGUNA BEACH**

**By:**

**Original Signed by David Kiff on September 11, 2025**

**DAVID KIFF,  
City Manager**

**ATTACHMENT A: PENALTY CALCULATION METHODOLOGY**

**ATTACHMENT B: SEP PROPOSAL - LAGUNA OCEAN FOUNDATION TIDEPOOL  
DOCENT / TIDEPOOL EDUCATORS PROGRAM ENHANCEMENT**

**IV. FINDINGS OF THE SAN DIEGO WATER BOARD**

1. The San Diego Water Board incorporates Sections I through III by reference as if set forth fully herein.
2. In accepting this settlement, the San Diego Water Board has considered, where applicable, each of the factors prescribed in Water Code section 13327. The San Diego Water Board's consideration of these factors is based upon information obtained by the San Diego Water Board's staff in investigating the violations alleged herein or otherwise provided to the San Diego Water Board.
3. This is an action to enforce the laws and regulations administered by the San Diego Water Board. The San Diego Water Board finds that issuance of this Order is exempt from the provisions of the California Environmental Quality Act (CEQA) (Public Resources Code section 21000 et seq.), in accordance with section 15321(a)(2), Title 14, of the California Code of Regulations.
4. The San Diego Water Board's Executive Officer is hereby authorized to refer this matter directly to the Attorney General for enforcement if the City fails to perform any of its obligations under this Order.
5. Fulfillment of the City's obligations under the Order constitutes full and final satisfaction of any and all liability for Covered Matters in accordance with the terms of the Order.
6. The attached Agreement between the Assistant Executive Officer and the City, including Attachments A and B is approved pursuant to Water Code section 13323 and Government Code section 11415.60 and is incorporated by reference into this 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, San Diego Region.

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David W. Gibson  
Executive Officer