

BEFORE THE STATE OF OREGON
OREGON HEALTH AUTHORITY
OFFICE OF ENVIRONMENTAL PUBLIC HEALTH

In the Matter of

Valley Vista Estates Water
Improvement District, PWS
OR4101426

SETTLEMENT AGREEMENT

The Oregon Health Authority, Public Health Division, Office of Environmental Public Health, Drinking Water Program (Program) issued a Notice of Intent to Impose Civil Penalty on March 10, 2011 assessing a \$1,000 civil penalty against Valley Vista Estates Water Improvement District (Valley Vista) for violations of the Oregon Drinking Water Quality Act (ORS 448.115 to ORS 448.290) and Oregon Administrative Rules. On March 29, 2011, Valley Vista requested a hearing.

The Program and Valley Vista agree to resolve the matter of the \$1,000 civil penalty by stipulating as follows:

- Agreement Article No. 1: Valley Vista will pay a civil penalty of \$100 and submit the payment to the Program within ten (10) days of signing this agreement.
- Agreement Article No. 2: The Program will hold in abeyance the remaining \$900 of the civil penalty as long as Valley Vista is in compliance with the terms of this agreement.

- Agreement Article No. 3: Valley Vista will submit complete construction plans to the Program indicating how the Valley Vista water system will produce water with concentrations of arsenic below the maximum contaminant level (MCL). The plans will be submitted to the Program no later than June 30, 2011 and will meet all the applicable requirements of OAR 333-061-0060.
- Agreement Article No. 4: Valley Vista will ensure that construction of the water system improvements necessary to comply with the MCL for arsenic are completed no later than November 30, 2011, and that any related water system alterations or improvements meet the applicable construction standards specified in OAR 333-061-0050.
- Agreement Article No. 5: Valley Vista will submit water sampling results collected in accordance with OAR 333-061-0036(2)(a) that demonstrate that water being produced by the Valley Vista water system has concentrations of arsenic below the MCL. The samples will be submitted to the Program no later than April 10, 2012.
- Agreement Article No. 6: Valley Vista will continue to publish public notice for exceeding the MCL for arsenic every three months, until all corrections are made and all system users receive drinking water that meets all applicable state and federal drinking water laws and rules (OAR 333-061-0025 and OAR 333-061-0042(3)(b)(C)). The notice will meet all of the applicable requirements of OAR 333-061-0042(4) and will be distributed to every customer served by the Valley Vista water system in accordance with OAR 333-061-0042(3)(b)(E). A copy of the notice will be submitted to the Program no later than ten (10) days after completing the public notification per OAR 333-061-0040(1)(j).
- Agreement Article No. 7: Valley Vista waives all rights to a contested case hearing or any judicial review in the matter of the civil penalty assessed on March 10, 2011.
- Agreement Article No. 8: Valley Vista agrees to pay the remaining civil penalty of \$900 should it fail to meet any of the agreement articles specified herein. Payment of the civil penalty shall be due and payable within ten (10) days of Valley Vista being notified that it has violated any of the terms in this agreement.
- Agreement Article No. 9: The Program will permanently waive the remaining civil penalty of \$900 upon completion of all of the actions and articles specified herein, if completed by the dates agreed upon.

GENERAL PROVISIONS

This Agreement does not constitute a waiver, suspension or modification of the requirements of the Oregon Drinking Water Quality Act; ORS 448.115 to 448.290 and administrative rules OAR 333-061-0050 to 333-061-0290, which remain in full force and effect.

This Agreement does not relieve the Valley Vista of any responsibilities or liabilities established pursuant to any applicable federal, state, or local law or regulation.

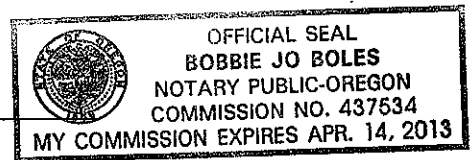
Dated this 12 day of May, 2011.

Alex Gray
Alex Gray
Board President
Valley Vista Estates Water Improvement District

Subscribed and sworn before me this 12 day of May, 2011

Bobbie Jo Boles
Notary Public for Oregon

My commission expires Apr. 14, 2013



Dated this 24th day of MAY, 2011.

David Leland
David Leland
Program Manager
Oregon Health Authority, Drinking Water Program

Valley Vista
Page 4

cc: Scott Curry, OHA-DWP
Daniel Hough, OHA-DWP
Mike Obereigner, Jackson County Environmental Health