

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Solid and Hazardous Waste Management Division (DEQ) and Goshen County School District #1 enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violation No. 4143-07, dated September 26, 2007. Goshen County School District #1 is the owner and operator of the underground storage tanks located at 810 West 25th Street, Torrington, Wyoming. This underground storage tank facility is registered with the DEQ as facility 0-004070. The Notice of Violation alleges that: 1) Goshen County School District #1 failed to have passing results on file for the automatic tank gauge for the entire months of January 2007 through August 2007. 2) Goshen County School District #1 failed to conduct inventory control for these tanks. 3) Goshen County School District #1 failed to report a suspected release when the automatic tank gauge failed to report a passing result for every month in 2007. 4) Goshen County School District #1 failed to investigate any suspected releases in 2007, and 5) Goshen County School District #1 failed to have the sacrificial anodes on these USTs tested when that test was due on December 4, 2004. These acts are violations of the Wyoming Water Quality Rules and Regulations (WWQRR), Chapter 17, Sections 11 (b), 16 (c) (ii), and 19(c).

W.S. 35-11-901(a) (ii) authorizes the DEQ to negotiate a stipulated settlement, including payment of a penalty, in lieu of litigation. To that end, Goshen County School District #1 and the DEQ hereby stipulate and agree as follows:

1. The DEQ is responsible for enforcing the Act and Chapter 17, WWQRR.

WWQRR, Chapter 17, Section 16 (c) (ii), states: “(c) *Automatic tank gauging (ATG)*. Equipment for automatic tank gauging which tests for the loss of a regulated substance shall detect a 0.2 gallon per hour leak rate from any portion of the tank that routinely contains a regulated substance. Owners and/or operators using automatic tank gauging shall also: (i) conduct inventory control in conformance with paragraph (a)(i) of this section, unless: (A) the regulated substance is placed in the UST in batches of twenty five (25) gallons or less; (B) a passing result is obtained monthly from the Automatic Tank Gauge with the tank at least 85% full; (C) the automatic tank gauge itself reconciles the inventory to the same levels as required by paragraph (a)(i) of this section; or (D) a method of equivalent performance to inventory control is also used. (ii) report a suspected release and follow the requirements of Section 19(c) of this chapter whenever: (A) Any calendar month goes by when a passing result cannot be obtained from the ATG sometime during the month; or (B) A pattern becomes evident that the ATG produces a failing result whenever the level of a regulated substance in the tank is high, even if passing results can be obtained when the level is low. (C) Inventory control fails for the second consecutive month.”

WWQRR, Chapter 17, Section 19 (c), states: “Section 19. *Reporting of Suspected Releases*. Owners and/or operators of storage tank systems shall orally report to the department within twenty-four (24) hours all releases or suspected releases in accordance with Section 22 and follow the procedures of Section 22. Owners of sites where storage tanks were formerly located shall also report within seven (7) days after discovering any new evidence of a release. These reports shall be made for any of the following conditions: (c) *Monitoring results*: Monitoring results from a release detection method required under Section 14 through 17 that indicate a release may have occurred unless the monitoring device is found to be defective, and is immediately repaired, recalibrated or replaced, and additional monitoring does not confirm the initial result.”

WWQRR, Chapter 17, Section 11 (b), states: “(b) *Periodic Inspections*. All storage tank systems equipped with CP systems shall be inspected for proper operation by a qualified CP tester in accordance with the following requirements: (i) All CP systems shall be tested within six (6) months of installation and at least once every three (3) years thereafter. (ii) The criteria that are used to determine that CP is adequate shall be in accordance with the NACE Standard RP0285-2002, "Control of External Corrosion on Metallic Buried, Partially Buried, or Submerged Liquid Storage Systems".

2. Goshen County School District #1 owns and operates tanks located at 810 West 25th Street, Torrington, Wyoming, and registered with the DEQ as facility 0-004070. As part of an inspection conducted August 14, 2007, Goshen County School District #1 could not produce ATG results for January 2007 through August 2007. Goshen County School District #1 was also not conducting inventory control for these tanks.

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3. Since receiving Notice of Violation No. 4143-07 on or about September 27, 2007, Goshen County School District #1 has corrected the cited violations.
4. Goshen County School District #1 agrees to pay a total of Five Thousand Dollars (\$5,000.00) to the Solid and Hazardous Waste Management Division as a stipulated penalty for the cited violations. Payment of Five Thousand Dollars (\$5,000.00) shall be made within 30 days after execution of this Settlement Agreement. Payment shall be by check made payable to the Wyoming Department of Environmental Quality and addressed to the Wyoming Department of Environmental Quality, Attention: Robert Lucht, Herschler Building, 4th Floor West Wing, 122 W. 25th Street, Cheyenne, WY 82002.
5. Goshen County School District #1 agrees to replace the automatic tank gauge for facility 0-004070 with a completely new automatic tank gauge no later than January 31, 2008.
6. Goshen County School District #1's full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all claims by the DEQ against Goshen County School District #1 based on the violations alleged in Notice of Violation No. 4143-07. Contingent upon Goshen County School District #1's compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against Goshen County School District #1 for these particular violations.
7. Goshen County School District #1 waives any statute of limitations that may apply to an enforcement action by the DEQ involving the specific matters described in Notice of Violation No. 4143-07 in the event that Goshen County School District #1 fails to fulfill its obligations under this Settlement Agreement.
8. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.
9. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.
10. This Settlement Agreement is binding upon Goshen County School District #1 and all of its successors and assigns, and upon the DEQ.

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11. Nothing in this Settlement Agreement supersedes any provision found in any Wyoming State law, or any regulation issued by the Department of Environmental Quality or any federal law or regulation.
12. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

FOR GOSHEN COUNTY SCHOOL DISTRICT #1:



Ray Schulte
Superintendent
Goshen County School District #1

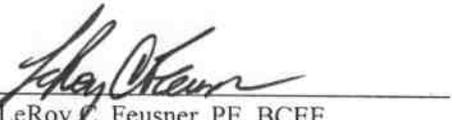
11-8-2007
Date

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:



John V. Corra,
Director

11/13/07
Date



LeRoy C. Feusner, PE, BCEE
Administrator
Solid and Hazardous Waste Management Division

13 Nov 07
Date