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SEP 28 2006

WATER QUALITY DIVISION  
WYOMING

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD), and Groathouse Construction, Inc. (Groathouse), a corporation authorized to do business in Wyoming, enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in **Notice of Violation Docket (NOV) Number 3897-06 dated June 28, 2006.**

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, Groathouse and the DEQ hereby stipulate and agree as follows:

1. The DEQ, pursuant to W.S. §35-11-104, is a department in the executive branch of the state government of Wyoming and is principally situated in Cheyenne, Wyoming. DEQ is the agency with the responsibility for administering the Wyoming Environmental Quality Act (Act) including all provisions of the Wyoming Water Quality Rules and Regulations (WWQRR).

2. Groathouse accepts responsibility for the violations alleged in NOV Docket Number 3897-06 which occurred in Johnson County, Wyoming. Since receiving NOV Docket Number 3897-06, Groathouse, has provided the WQD with documentation indicating the steps taken to prevent the violations from occurring again.

3. Groathouse agrees to hold a training class to inform their employees of the requirements associated with the storm water program. Groathouse shall notify the WQD in writing at least 45 days in advance of holding the storm water training class so that the WQD has ample time to prepare a presentation for the class. The training class shall be conducted on or before March 15, 2007.

4. Groathouse agrees to pay a total penalty of sixteen thousand three hundred dollars and no cents (\$16,300.00) as a stipulated settlement to resolve this matter in lieu of litigation under W.S. §35-11-901(a)(ii). Payment shall be according to the following plan: Groathouse shall pay \$16,300.00 directly to the DEQ. Payment to the DEQ shall be due and payable within thirty (30) days of the full execution of this Settlement Agreement or by September 30, 2006, which ever occurs first. Payment to DEQ shall be by check made payable to the Wyoming Department of Environmental Quality, Water Quality Division and shall be sent to: Mr. Brian R. Bohlmann, P.E., Compliance & Enforcement Coordinator, Department of Environmental Quality, Water Quality Division, Herschler Building 4<sup>th</sup> Floor-West, 122 West 25<sup>th</sup> Street, Cheyenne, Wyoming 82002. The check should reference NOV Docket Number 3897-06.

5. Except as provided in paragraphs 3 and 4 above, this signed Settlement Agreement and payment by Groathouse as specified above shall constitute full satisfaction for and resolution of all claims by the DEQ against Groathouse based on the violations alleged in NOV Docket Number 3897-06. Contingent upon Groathouse's compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement actions against Groathouse for these particular violations. By this Settlement Agreement, the parties intend to resolve with prejudice all allegations that were asserted in NOV Docket Number 3897-06.

6. Groathouse waives any statute of limitations which may apply to an enforcement action by the DEQ involving the specific matters described in NOV Docket Number 3897-06 in the event that Groathouse fails to fulfill their obligations under this Settlement Agreement.

7. Nothing in this agreement precludes DEQ from taking additional enforcement action, including the issuance of a NOV, Order, and/or pursuing additional penalties, should Groathouse violate the Act or applicable rules and regulations in the future.

8. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.

9. Notwithstanding any other language in this Settlement Agreement, the State of Wyoming and DEQ do not waive sovereign immunity by entering into this Settlement Agreement with Groathouse and specifically retain all immunity and all defenses available as sovereigns under state and federal law.

10. Each party shall bear its own attorney fees and costs, if any incurred, through the date this Settlement Agreement is signed by both parties.

11. This Settlement Agreement is binding upon Groathouse, its successors and assigns, and upon the DEQ.

12. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

13. Full execution of this Settlement Agreement shall be determined by the latest date when signed by all parties.

**FOR: GROATHOUSE CONSTRUCTION, INC.**

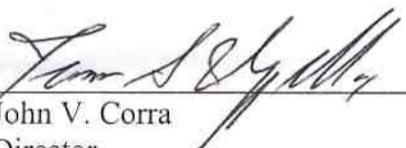
Signed: 

Typed: Raymond R. McElwee

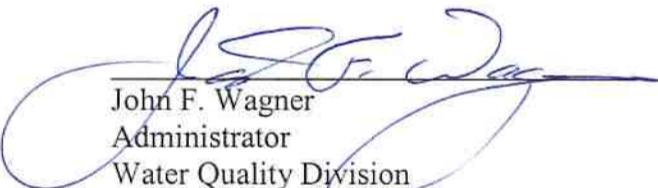
Title: Secretary/Treasurer

Date: September 27, 2006

**FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:**

  
John V. Corra  
Director  
Department of Environmental Quality

Date: 9/19/06

  
John F. Wagner  
Administrator  
Water Quality Division

Date: 9/18/06

JVC/JFW/BRB/bb/6-0826.SA

- cc: Colleen Gillespie, 8ENF-W-NP, EPA Region 8 (signed copy by all parties)  
James B. Eisenhauer, WYPDES Inspection Coordinator, Sheridan (signed copy by all parties)  
Bill J. DiRienzo ► Brian K. Lovett ► Barb Sahl ► Brian R. Bohlmann  
IPS (for scanning) ► Docket 3897-06  
Keith Guille, DEQ Public Information Officer (PDF file of a signed copy by all parties)