

**DEPARTMENT OF ENVIRONMENTAL QUALITY  
STATE OF WYOMING**

**IN THE MATTER OF THE NOTICE )  
OF VIOLATION ISSUED TO: )**

**Mr. Ricky Young )  
Bear Lodge Resort )  
P. O. Box 159 )  
Dayton, WY 82836 )**

**SETTLEMENT AGREEMENT**

The Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD), and **Bear Lodge Resort, (BLR)** a privately-owned hotel and restaurant 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 (NOV) Docket Number 5054-12 dated February 19, 2013. The violations occurred in Sheridan County, Wyoming.**

W.S. §35-11-901(a)(ii) authorizes the DEQ to negotiate a stipulated settlement, including payment of a penalty and corrective actions, in lieu of litigation. To that end, **BLR** 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. **BLR** agrees to abide by the following items listed below:
  - a. Within thirty (30) days of signing this Settlement Agreement, **BLR** shall retain the services of a consultant licensed and experienced in the design and installation of large-scale septic and/or domestic wastewater treatment systems. **BLR** shall provide the WQD with documentation describing the qualification, credentials, and name of the consultant(s) retained.
  - b. Within ninety (90) days of signing this Settlement Agreement, **BLR** shall provide to the WQD for approval a system modification plan and schedule to both repair the existing system and eliminate surface sewage flows; or to replace the existing system with a new system that will eliminate surface sewage flows. The chosen option must have a demonstrated ability to prevent groundwater contamination. This plan should include, at a minimum, the following:
    - An engineering design report as specified in Wyoming Water Quality Rules and Regulations, Chapter 11, Section 6.
    - A schedule for implementing the selected modifications.
    - An estimate of the degree of difficulty and man-hours needed to maintain the system, and a discussion regarding whether or not a dedicated system operator is needed for this facility upon modification.
    - A completed application for an individual Class V Underground Injection Control (UIC) permit to repair or replace the existing wastewater disposal system.
  - c. Within one hundred and twenty (120) days of signing this Settlement Agreement, **BLR** shall provide to the WQD for approval a groundwater sampling and analysis plan. At a minimum, this plan shall include:

- A description of sample collection methods to be utilized at this facility upon modification of the system.
  - Identification of personnel responsible for implementing sample collection.
- d. Within one hundred and twenty (120) days of signing this Settlement Agreement, **BLR** shall provide to the WQD for approval a facility operations and maintenance plan. At a minimum, this plan shall include:
- A description of routine system inspection protocols to be utilized at this facility upon modification of the system.
  - Identification of personnel responsible for implementing routine system inspections.
  - Procedures for personnel to follow in the event of system failure or identified system issues that might lead to system failure.
  - Procedures for routine maintenance of the system, including a schedule for all routine maintenance activities and identification of personnel responsible for all routine maintenance activities.
  - A plan for training all personnel having routine maintenance, sample collection, or inspection responsibilities at this facility.
- e. Within thirty (30) days of final permit issuance and completion of the selected system modifications, **BLR** shall arrange for an inspection of the permitted system by WQD personnel.
3. **BLR's** full compliance with the terms of this signed Settlement Agreement shall constitute full satisfaction for and resolution of all claims by the DEQ against BLR based upon the specific allegations in NOV docket number 5054-12. Contingent upon BLR's compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against BLR for these particular violations. By this Settlement Agreement, the parties intend to resolve with prejudice all allegations that were asserted in NOV Docket Number 5054-12.
  4. **BLR** waives any statute of limitations which may apply to an enforcement action by the DEQ involving the specific matters described in NOV Docket Number 5054-12 in the event that BLR fails to fulfill its obligations under this Settlement Agreement.
  5. Nothing in this Agreement precludes DEQ from taking additional enforcement action including the issuance of a NOV, Order, and/or pursuing additional penalties, should **BLR** violate the Act, applicable rules and regulations, or UIC permit requirements in the future.
  6. This Settlement Agreement represents a good faith settlement and resolution of the NOV in lieu of litigation and shall not constitute or be construed as an admission by **BLR** or a retraction by DEQ of the specific allegations in NOV docket number 5054-12.
  7. This Settlement Agreement or any actions taken in accordance with its provisions, does not constitute an admission by BLR to any allegations, findings, determinations or conclusions contained in this Agreement, nor is this a retraction by the DEQ of the specific allegations in NOV Docket Number 5054-12. Except as specifically provided for herein, nothing in this Agreement shall prejudice, waive, or impair any right, remedy, or defense that BLR may have against any entity.
  8. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties to enforce its terms.

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 **BLR** 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. **BLR** and the DEQ agree to comply with and be bound by the terms of this Agreement and further agree they will not contest the basis or validity of this Settlement Agreement in any action taken by DEQ to enforce the terms of this Settlement Agreement. Therefore this Settlement Agreement is binding upon **BLR**, 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. Full execution of this Settlement Agreement shall be determined by the latest date of all parties signing.

**FOR: BEAR LODGE RESORT**

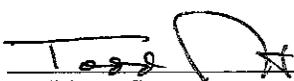
Signed: 

Printed: Rickey J. Young

Title: owner

Date: 1/22/14

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

  
 Todd Parfitt  
 Director  
 Department of Environmental Quality

Date: 2/4/14

  
 Kevin Frederick  
 Administrator  
 Water Quality Division

Date: Feb. 3, 2014

TP/KF/KS/bb/13-1120

- cc: Wendy Cheung, EPA Region 8 (PDF)  
 Mark Thiesse ► John Passehl (PDF)  
 IPS (for scanning) ► Docket 5054-12  
 Keith Guille, DEQ Public Information Officer (PDF File of signed copy by all parties only)  
 Travis Fack, USFS, Bighorn National Forest, 2013 2<sup>nd</sup> Street, Sheridan, WY 82801