

**POLLUTION CONTROL HEARINGS BOARD
STATE OF WASHINGTON**

CH2M HILL PLATEAU
REMEDICATION COMPANY,

Appellant,

v.

STATE OF WASHINGTON,
DEPARTMENT OF ECOLOGY,

Respondent.

PCHB No. 16-107

SETTLEMENT AGREEMENT AND
JOINT MOTION TO DISMISS

Respondent State of Washington, Department of Ecology (Ecology), represented by Attorney General Robert W. Ferguson and Assistant Attorney General Caroline E. Cress, and Appellant CH2M Hill Plateau Remediation Company (CHPRC), represented by attorneys Jessica K. Ferrell, Bradley M. Marten, Raymond Takashi Swenson, and Eric D. Trotta, submit this Settlement Agreement (Agreement) to the Pollution Control Hearings Board (Board) as a full and final settlement of the above-referenced appeal, and request that the Board dismiss the appeal with prejudice.

I. BACKGROUND

On August 8, 2016, Ecology issued Administrative Order No. 13632 (Order) and Notice of Penalty No. 13631 (Penalty) to the United States Department of Energy (USDOE) and CHPRC for alleged violations of Washington Administrative Code (WAC) 173-303 arising from a November 2015 compliance inspection of the T-Plant Complex at the Hanford treatment,

storage, and disposal (TSD) facility. CHPRC appealed the Order and Penalty to the Board on September 12, 2016. Ecology and CHPRC now agree to resolve the appeal of the Order and Penalty through the settlement outlined below.

II. SETTLEMENT AGREEMENT

The parties desire to resolve the dispute herein and avoid the cost and time associated with further litigation. The parties, without admitting fault or liability, therefore stipulate and agree as follows:

A. SCOPE OF AGREEMENT

This Agreement constitutes the entire agreement between the parties to this appeal, and settles all issues and alleged violations raised by the Order and Penalty. This Agreement resolves Ecology's underlying enforcement action against CHPRC and USDOE without admission of any liability or basis for the Penalty and Order.

B. SPECIFIC TERMS

1. Establish a 90-day accumulation area at the T-Plant Complex and complete waste designation within defined time periods.

- a. Within 90 days of the effective date of this Agreement, CHPRC will take all necessary actions to establish a 90-day accumulation area at the T-Plant Complex (90-day AA), including preparation of an operating procedure that sets forth how the 90-day AA will be utilized, in accordance with WAC 173-303-200.
- b. In maintaining the 90-day AA at the T-Plant Complex, CHPRC will follow all WAC 173-303-200 requirements when the 90-day AA is in use.
- c. If any undesignated solid waste is generated at the T-Plant Complex at any time during the effective period of this Agreement, CHPRC will place all such undesignated waste in the 90-day AA pending the completion of the designation process pursuant to WAC 173-303-070(3) and Section II.B.1.d of this Agreement.

d. If any undesignated solid waste generated at T-Plant is placed in the 90-day AA pursuant to Section II.B.1.c of this Agreement, CHPRC will complete designation of all such undesignated waste as follows:

i. If the waste is unknown and analytical data is needed for designation, designation will be completed pursuant to WAC chapter 173-303 and Ecology's Technical Information Memorandum (TIM) No. 82-5;

ii. For all other undesignated wastes, designation will be completed within 90 days of generation and pursuant to WAC chapter 173-303.

e. CHPRC will maintain the ability to operate the 90-day AA until the expiration of this Agreement, as described in Section II.I.

f. CHPRC, by establishing the 90-day AA pursuant to this Agreement, does not concede that it is required to do so by law.

2. Update the facility operating record for the T-Plant Complex.

a. Within 90 days of the effective date of this Agreement, CHPRC will take all actions necessary to update the future facility operating record in order to document the "date of storage" in addition to the "accumulation start date" for all hazardous or dangerous waste thereafter generated and subsequently stored at the T-Plant Complex. This requirement does not apply to waste generated less than 90 days after the effective date of this Agreement.

b. Within 90 days of the effective date of this Agreement, CHPRC will place the redacted WMP-340, Section 3.10 Waste Container Data Sheets ("inventory sheets") originally associated with containers 221T-15-000023, 221T-15-000024, and 221T-15-000025 in the appropriate location(s) in the facility operating record (the PIN files).

c. Within 90 days of the effective date of this Agreement, CHPRC will add notations to the inventory sheets for containers 222T-14-000020, 221T-15-000023, 221T-15-000024, 221T-15-000025, 221T-16-000026, and 221T-16-000028, in order to identify the container in which each subject waste was originally stored and the date on which each subject waste was repackaged into its current container.

C. STIPULATED PENALTIES

Should CHPRC breach the terms of this Agreement as set forth in the table below, Ecology may assess and impose a stipulated penalty up to the amounts listed, subject to the procedures set forth below, and not to exceed \$25,000 in total during the term of this Agreement.

Requirements		Stipulated Penalty for Breach
Cited Provision	Description	
II.B.1.c	Place all undesignated waste generated at T-Plant in the 90-day AA pending the completion of designation	\$25,000
II.B.1.d	Designate all waste generated at T-Plant consistent with Section II.B.1.d above, unless an extension has been requested by CHPRC and granted by Ecology pursuant to WAC 173-303-200(1)(a)	\$25,000
II.B.2.a	Document the "date of storage" as required in WAC 173-303-380(1)(a) for hazardous or dangerous waste generated and subsequently stored at the T-Plant Complex	\$5,000 for each applicable hazardous or dangerous waste generated and subsequently stored at the T-Plant Complex without the "date of storage" identified.
II.B.2.b-c	Update the PIN files as set forth in Section II.B. 2 above	\$5,000 per day of delay past time limit

Prior to issuing a Notice of Penalty Incurred and Due to CHPRC that assesses stipulated penalties, Ecology shall notify CHPRC in writing of its intention and allow CHPRC

thirty (30) calendar days to submit new information solely on the question of whether the breach(es) giving rise to the stipulated penalties in fact occurred. Ecology in its sole discretion may, upon CHPRC's request or upon its own initiative, extend this thirty (30) day period.

Ecology shall issue its final determination within thirty (30) days of CHPRC's submittal of new information. If Ecology issues a Notice of Penalty Incurred and Due to CHPRC that assesses stipulated penalties, CHPRC may appeal to the Board solely on the question of whether the alleged breach in fact occurred. CHPRC may not challenge the reasonableness of stipulated penalty amounts as specified in the table above.

Stipulated penalties assessed pursuant to this Agreement shall be payable by check, money order, or as otherwise agreed to by the parties, to "Department of Ecology." The payment shall make reference to this Agreement and shall be sent to:

Department of Ecology
Attn: Cashiering Unit
P.O. Box 47611
Olympia, WA 98504-7611

D. MEDIA AND COMMUNICATIONS

1. Ecology will allow CHPRC to review any settlement-related news releases for accuracy at least one (1) working day before they are issued.

E. WAIVER OF APPEAL RIGHTS AS TO THE PENALTY AND ORDER

CHPRC understands that it has the right to contest the Order and Penalty by presenting evidence at a Board hearing. CHPRC voluntarily waives its right to a Board hearing, as to the Order and Penalty only, upon signature and acceptance of this Agreement by representatives for CHPRC and Ecology.

F. DISMISSAL OF APPEAL

The parties consent to the submission of this Agreement to the Board and request that, based upon a full and final settlement having been reached, the Board dismiss this appeal with

prejudice. Both parties further agree not to seek from one another their own costs and attorneys' fees associated with this appeal.

G. EFFECTIVE DATE OF AGREEMENT

This Agreement shall become effective upon issuance of the Board's order dismissing the appeal.

H. SIGNATORIES AUTHORIZED

The undersigned representatives for Ecology and CHPRC certify that they are fully authorized by the party whom they represent to enter into the terms and conditions of this Agreement and to legally bind such party thereto.

I. DURATION OF AGREEMENT

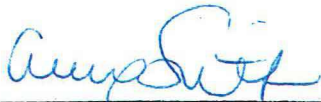
This Agreement shall remain in effect until the earliest of the following events:

1. Two years from the effective date of the Agreement;
2. The end of CHPRC's current Plateau Remediation Contract, which includes any contract extensions granted by USDOE; or
3. Issuance of Revision 9 of the Hanford Facility Dangerous Waste Permit.

J. MODIFICATION OF AGREEMENT

This Agreement will be subject to modification, in whole or in part, by the mutual written agreement of Ecology and CHPRC.

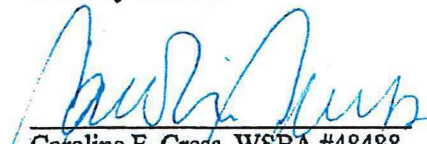
STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY



Alex Smith, Program Manager
Nuclear Waste Program

Dated: June 29, 2017

ROBERT W. FERGUSON
Attorney General



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(360) 586-4613

Dated: June 29, 2017

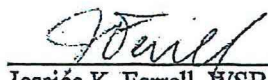
CH2M HILL PLATEAU
REMEDIATION COMPANY



Melvin N. Hatcher
Vice President and General Counsel

Dated: June 28, 2017

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Dated: June 29, 2017

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REMEDIATION COMPANY
Legal Department



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Dated: June 29, 2017