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11
12 **UNITED STATES DISTRICT COURT FOR
THE NORTHERN MARIANA ISLANDS**

13 UNITED STATES OF AMERICA,

14 Plaintiff,

15 vs.

16
17 COMMONWEALTH UTILITIES
CORPORATION, and the
18 COMMONWEALTH OF THE
NORTHERN MARIANA
19 ISLANDS,

20 Defendants.

Case No. 08-cv-0051

**PROPOSED JOINT STIPULATION
AND ORDER RE: MATERIAL
MODIFICATION OF STIPULATED
ORDER NUMBER ONE**

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21 *Counsel for Commonwealth Utilities Corporation*

1 WHEREAS, the United States of America, on behalf of the Environmental
2 Protection Agency (“EPA”), filed a civil action seeking injunctive relief and the
3 assessment of civil penalties against the Commonwealth Utilities Corporation
4 (“CUC”) under the Clean Water Act, 33 U.S.C. §§ 1251 – 1387, (“CWA”) and the
5 Safe Drinking Water Act, 42 U.S.C. §§ 300f – 300j-26 (“SDWA”);

6 WHEREAS, CUC is a public corporation that has the authority to produce,
7 treat, transmit, store, distribute, and sell drinking water in the Commonwealth of
8 the Northern Mariana Islands (“CNMI”), as well as the authority to collect, treat,
9 and sell or dispose of wastewater in CNMI, and is responsible for the construction,
10 maintenance, operation and regulation of all CNMI utility services, including
11 power generation, transmission, and distribution;

12 WHEREAS, the CNMI is included as a defendant in this action in
13 fulfillment of its CWA § 309(e) responsibilities, 33 U.S.C. § 1319(e);

14 WHEREAS, CUC owns and operates two wastewater treatment plants and
15 drinking water systems for the Commonwealth of the Northern Mariana Islands.

16 WHEREAS, from December 11-15, 2023 EPA’s National Enforcement and
17 Investigations Center (“NEIC”) conducted an inspection of CUC’s drinking water
18 system including its operations and maintenance.

19 WHEREAS, NEIC found multiple deficiencies in CUC’s drinking water
20 system assets, operations, and maintenance which were detailed in an inspection
21 report delivered to CUC on February 26, 2004.

22 WHEREAS, the Parties agree, and this modification requires, that CUC shall
23 undertake various measures to address the deficiencies identified in NEIC’s
24 inspection report and assure sufficient funding in the future to properly operate and
25 maintain its drinking water and wastewater treatment systems.

26 WHEREAS, SO1 originally required the construction of a new wastewater
27 treatment plant in Kagman Village but the Court and Parties have since determined
28 that such new plant is unnecessary.

1 WHEREAS, some of the information in SO1 regarding the attorneys of
2 record and contacts for the parties is outdated and this modification updates this
3 information;

4 THEREFORE, Plaintiff the United States, on behalf of EPA, CUC, and
5 CNMI, jointly stipulate and the Court orders that SO1 be modified as follows:

6 1. The names of counsel above the caption of SO1 shall be deleted and
7 replaced with the following:

8 TODD KIM
9 Assistant Attorney General
10 Environment and Natural Resources Division
11 United States Department of Justice
12 ELIZABETH L. LOEB
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2. Paragraph 21 shall be deleted in its entirety and replaced by the
following new Paragraph 21:

21. Comprehensive Utility Training Program. By November 1,
2024, CUC shall develop, submit for EPA approval and
implement an updated comprehensive drinking water and

1 wastewater systems training programs that include, but are
2 not limited to, the following components.

- 3 a. Operator Training Programs. The operator training
4 programs shall provide on-going training for both
5 drinking water and wastewater systems personnel, and
6 include information about the proper operation and
7 maintenance of the sources, distribution, storage, pumps,
8 water and wastewater treatment, disinfection, sewer
9 collection and conveyance systems, monitoring
10 requirements, and other operational aspects of the
11 drinking water and wastewater systems including
12 preventative maintenance for sanitary deficiencies,
13 corrosion protection, and asset management.
- 14 b. Health and Safety Training Program. The Health and
15 Safety Program for the Drinking Water and Wastewater
16 Operators shall include:
- 17 (i) a Health and Safety Plan that identifies a primary
18 Health and Safety Officer, a list of minimum
19 training requirements by position including
20 refresher courses, and includes records of
21 employee training. CUC may hire a professional
22 trainer, conduct on-line courses, or assign a
23 member of CUC staff to research and present
24 safety training to other staff.
- 25 (ii) an OSHA construction safety course including fall
26 protection, electrical safety, excavations, confined
27 spaces and materials handling in accordance with
28

Occupational Safety and Health Administration
("OSHA") regulations 29 CFR 1910.

CUC shall implement the above-described training programs within thirty days of EPA's approval. At that time, CUC shall appoint an individual whose primary responsibility will be to plan, coordinate and implement all training activities.

3. In Paragraph 48.b. the phrase "planning and design of the proposed Village of Kagman wastewater treatment plant" shall be deleted.

4. In Paragraph 48.d(ii) the phrase "including activities related to the Kagman wastewater treatment plant," shall be deleted.

5. In Paragraph 60.c the phrase "and construct a new sewage treatment plant and sewer system in the Tinian and Village of Kagman areas to protect drinking water and coastal water resources" shall be deleted.

6. In Paragraph 65 the phrase "costs related to the financing or direct construction of the proposed wastewater treatment plant for the Village of Kagman;" shall be deleted.

7. A new Section and Paragraph 68A shall be inserted after Paragraph 68 that reads:

D. ADDITIONAL REQUIREMENTS

68A. CUC shall comply with all requirements in Appendix A attached hereto.

8. The contacts in Paragraph 85 following the phrase "should also be provided" shall be deleted and replaced with the following:

As to the United States:

Chief, Environmental Enforcement Section
Environment and Natural Resources Division
United States Department of Justice
P.O. Box 7611

1 Washington, D.C. 20044-7611
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3 Email: eescasemanagement.enrd@usdoj.gov

4 As to EPA:

5 Martha Guzman
6 Regional Administrator
7 United States Environmental Protection Agency
8 Region IX
9 75 Hawthorne Street
10 San Francisco, California 94105

11 John Tinger
12 Project Coordinator
13 United States Environmental Protection Agency
14 Region IX (ECAD 3-1)
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26 As to the Defendant CUC:

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8 As to Defendant CNMI:

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17 A redlined copy of SO1 reflecting the above-listed modifications and the
18 New Appendix A are attached hereto.

19 IT IS SO STIPULATED.

20 **FOR THE UNITED STATES:**

21
22 BY: /s/ Elizabeth L. Loeb
23 ELIZABETH L. LOEB
24 Senior Attorney
25 Environmental Enforcement Section
26 United States Department of Justice

26 Of Counsel:
27 Janet A. Magnuson
28 Office of Regional Counsel - USEPA

1 **FOR THE COMMONWEALTH OF THE NORTHERN MARIANA**
2 **ISLANDS:**

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15 **FOR THE COMMONWEALTH UTILITIES CORPORATION:**

16 BY: /s/ Tina V. Ngo
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S d Ord r N A d A

1 **I CORRECTION OF DEFICIENCIES IDENTIFIED IN DECEMBER**
2 **EPA INSPECTION**

3 1. No later than November 15, 2024, CUC shall submit to EPA for
4 review and comment a response to the multiple sanitary deficiencies identified in
5 the EPA National Enforcement Investigations Center Civil Investigation Report
6 (“NEIC Report”) conducted December 11-15, 2023. The response shall be in
7 spreadsheet format and shall:

8 a. describe the corrections CUC implemented for sanitary
9 deficiencies, including but not limited to: missing vents or vent screens in water
10 tanks and wellheads; inadequate facility security; missing ventilation and weigh
11 scales for chlorine gas cylinders; missing or inadequate sanitary seals due to
12 leaking and corroded equipment and piping; unmaintained flow meters and
13 pressure valves; unmaintained tank ladders and roof access; structural integrity of
14 water tanks; and tank overflows; and

15 b. indicate the date each deficiency was corrected.

16 c. CUC shall include with the response documentation, including
17 photographs, that demonstrates the corrections.

18 2. By January 1, 2025, CUC shall submit for EPA’s approval a proposed
19 compliance schedule with dates for corrective action for the deficiencies that have
20 not been fully corrected.

21 3. By the 10th of each month, starting February 10, 2025, CUC shall
22 provide EPA with a monthly update of the response contained in Paragraphs 1.a to
23 1.c above until all corrective actions are completed.

24 **II OPERATION AND MAINTENANCE FOR DRIN IN WATER AND**
25 **WASTEWATER TREATMENT S STEM ASSETS**

26 4. CUC shall provide the necessary staffing and resources (e.g.,
27 equipment and supplies) to properly operate and maintain (“O&M”) CUC’s
28

1 drinking water and wastewater system assets and to implement this Stipulated
2 Order Number One.

3 5. CUC shall implement O&M activities according to Operation and
4 Maintenance Manuals and SOPs pursuant to Paragraph 14 below, and industry
5 standards.

6 **A I d d T r F r D r W r S**
7 **D**

8 6. No later than January 10, 2025, CUC shall develop a formal system
9 for operators to identify and track deficiencies at drinking water tanks and
10 wellheads that includes the following measures:

11 a. CUC shall review and update CUC’s existing well site
12 inspection forms and submit to EPA for review and comment. The updated well
13 site inspection forms shall address all the types of sanitary deficiencies identified
14 in the December 2023 NEIC Report including those listed in Paragraph 1 above as
15 well as facility security and operator safety concerns, evaluation of pressure
16 reducing valves, and leak identification.

17 b. Within sixty (60) days of receiving EPA comment, CUC shall
18 train all operators on the inspection forms to identify preventative maintenance.

19 c. Within ninety (90) days of receiving EPA comment, CUC shall
20 begin to use the inspection forms.

21 7. CUC shall conduct inspections a minimum of once per month for all
22 water tanks, pressure reducing valves, and pressure sustaining valves; and once
23 every 6 (six) months for all well sites and booster pump stations. CUC shall
24 document all inspections and maintain inspection records for a minimum of three
25 (3) years.

26 **B C r r P r d C r P r r r D r W r d**
27 **W r T r S**

1 8. CUC shall develop and implement a Corrosion Protection and Control
2 Program to identify, prevent, and control external corrosion at all drinking water
3 and wastewater system assets that includes the following measures.

4 a. No later than March 1, 2025, CUC shall conduct training for
5 drinking water and wastewater system operators on corrosion control, with a
6 minimum of ten (10) CUC operators obtaining a Certificate of training in
7 Corrosion Control (eLearning) from the American Water Works Association
8 (“AWWA”), or its equivalent.

9 b. No later than May 1, 2025, CUC shall develop and use an
10 inspection checklist for corrosion protection for drinking water and wastewater
11 system assets. At a minimum, the checklist shall include visual inspection and
12 identification of all pipe flanges with missing or severely degraded corrosion-
13 resistant gaskets, all locations where dissimilar metals including pipes, bolts,
14 washers, ties or equipment are in contact which may induce galvanic corrosion,
15 areas where exterior coating has failed, and to identify areas of the system (hot-
16 spots) of active corrosion and areas of concern due to soil contact, continuous
17 wetness, or exposure to corrosive gas. CUC shall submit the inspection checklist to
18 EPA for review and comment.

19 c. No later than March 1, 2025, CUC shall implement a Sacrificial
20 Anode Cathodic Protection System Program for all steel water storage tanks that
21 complies with ANSI/AWWA D106-20. In the event that any sacrificial anode at a
22 steel tank is deemed inaccessible due to health and safety considerations, CUC is
23 not required to replace anodes. CUC shall identify those locations deemed a health
24 and safety risk.

25 9. CUC shall provide a Corrosion Control Annual Report to EPA by
26 January 15 of each year, starting January 15, 2026. The Corrosion Control Annual
27 Report shall provide a summary of inspections conducted, a list of deficiencies
28

1 identified, a list of corrections made, and a list of corrective maintenance needed to
2 control corrosion.

3 **C C r B d Pr C M M S r**
4 **A M Pr r**

5 10. In addition to the requirements in Paragraph 26.b and 37 of Stipulated
6 Order Number One, by no later than October 1, 2025, CUC shall fully implement a
7 Computer-Based Maintenance Management System (“CMMS”) to support its
8 Asset Management Program (“AMP”) for the drinking water and wastewater
9 system assets. The CMMS will be used to, at a minimum, schedule and track
10 preventative maintenance and corrective work orders for all drinking water and
11 wastewater system assets as well as to collect information on asset condition,
12 criticality, and failures. The CMMS shall comply with the following Paragraphs
13 11-13.

14 11. CMMS Implementation Plan. By August 1, 2025, CUC shall submit
15 to EPA for review and comment, a CMMS Implementation Plan. The
16 Implementation Plan shall provide a roadmap for implementing the CMMS
17 program and shall include, at minimum:

18 a. Funding Source. CUC shall fully fund the CMMS program
19 including: yearly software subscription including technical assistance, yearly
20 trainings, data storage, and equipment.

21 b. Staffing. The CMMS shall include at minimum the following
22 three (3) positions: a Program Manager, a GIS Analyst, and a Scheduler/Planner
23 dedicated to the AMP.

24 c. Training Program. By September 1, 2025, all operators must
25 have received initial training in CMMS implementation. CUC shall provide or
26 procure additional ongoing training annually for new and existing operators. CUC
27 may train a subset of operators to perform Condition Assessments or other specific
28 operations.

1 12. Asset Condition Assessments. The CMMS shall include a database
2 that describes and tracks the condition of all drinking water and wastewater system
3 assets. No later than December 1, 2025, CUC shall complete and include in the
4 database an initial asset condition assessment for each drinking water and
5 wastewater system asset. Thereafter, CUC shall update the database at the
6 following frequencies, at a minimum:

- 7 a. assess each vertical asset once every three (3) years;
8 b. log any failed or broken equipment upon identification but not
9 more than three (3) days after field verification; and
10 c. include in the database any newly installed equipment within
11 thirty (30) days of installation.

12 13. Reporting.

13 a. Monthly Reports. CUC shall use the CMMS to provide EPA
14 with a monthly report of major broken and nonfunctional assets, including the
15 backlog of corrective work orders, the cost to replace, existing warranty status on
16 the equipment, and timeline to repair or replace, due the 10th day of each month,
17 beginning August 10, 2025.

18 b. Annual Report. CUC shall use the CMMS to produce an annual
19 report detailing, at a minimum: (1) summary of condition assessments conducted;
20 (2) summary of O&M conducted on assets; (3) summary of major assets repaired,
21 replaced or rehabilitated; (4) identification of assets remaining in critical condition
22 that have not been repaired, replaced or rehabilitated; (5) identification of assets
23 newly determined to be in critical condition; (6) proactive rehabilitation and
24 replacement planning for critical condition assets; (7) detailed cost analysis; and
25 (8) review of CIP planning to address critical assets. The Annual Report shall be
26 due by January 15 of each year, beginning January 15, 2026.
27
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D S d rd O r Pr d r SOP

14. In addition to the requirements set forth in Paragraphs 22 and 23 of Stipulated Order Number One, CUC shall conduct a comprehensive review of all existing wastewater and drinking water system Operation and Maintenance Manuals, Standard Operational Procedures (“SOPs”), inspection reports, and inspection forms as follows.

a. By March 1, 2025, CUC shall develop a comprehensive list of all O&M Manuals, checklists and SOPs currently being utilized by drinking water and wastewater system operators.

b. By June 1, 2025, CUC shall complete an initial evaluation of the O&M Manuals, checklists and SOPs to determine if they are comprehensive, incorporating new procedures to ensure proper O&M, if operators are collecting necessary information, to standardize materials, to streamline any unnecessary or redundant information, and to ensure consistent tracking.

c. By November 1, 2025, CUC shall revise all O&M manuals, checklists and SOPs in accordance with its evaluation and submit the revised documents to EPA for review and comment.

d. Within 30 days of EPA comment, CUC operators shall incorporate EPA comments and implement and use the updated O&M Manuals, inspection checklists, and SOPs.

E F d r Dr W r d W r S O M

15. By February 1, 2025, CUC shall establish, fund, and maintain a separate bank account to provide funds to ensure the effective long-term operation and maintenance of new and existing drinking water and wastewater assets (“DW and WW O&M Account”).

16. CUC shall maintain the DW and WW O&M Account separate from all other accounts and budgets.

1 17. CUC may only use funds in the DW and WW O&M Account for
 2 operation and maintenance of drinking water and wastewater system assets.
 3 However, CUC shall not use any funds in the DW and WW O&M Account for:

- 4 a. funding staff and salaries, vehicles, or routine supplies.
 5 b. major capital improvements or non-routine repairs and projects.

6 18. Beginning on February 1, 2025, and annually thereafter, CUC shall
 7 deposit into the DW and WW O&M Account the amount of 500,000 per year.
 8 CUC shall dedicate at least 200,000 per year from this account for funding the
 9 CMMS pursuant to Paragraph 11.a and use the remainder of the yearly deposit
 10 towards the effective long-term operation and maintenance of new and existing
 11 drinking water and wastewater assets.

12 19. CUC shall also deposit into the DW and WW O&M Account any net
 13 proceeds (*i.e.*, proceeds to CUC after all attorneys' fees and costs have been paid,
 14 and after any other expenditures mandated by the settlements have been made)
 15 received through settlements resolving third-party liability to CUC relating to per-
 16 and polyfluoroalkyl substances ("PFAS") in drinking water. This includes but is
 17 not limited to funds received in the following PFAS litigations:

- 18 • ***In Re Aqueous Film-Forming Foams Products Liability Litigation*** - 2:18-
 19 mn-02873 - District of South Carolina
- 20 • ***Commonwealth of the Northern Mariana Islands v. The 3M Company et***
 21 ***al.*** - 2:20-cv-01399 - District of South Carolina
- 22 • ***City of Camden, et al, individually and on behalf of all others similarly***
 23 ***situated v. 3M Company*** - 2:23-cv-03147 - District of South Carolina
- 24 • ***City of Camden, et al., individually and on behalf of all others similarly***
 25 ***situated v. E.I. DuPont De Nemours and Company, et al.*** - 2:23-cv-03230 -
 26 District of South Carolina
- 27 • ***City of Camden, et al. individually and on behalf of all others similarly***
 28 ***situated v. Tyco Fire Products LP, individually and as successor in interest***

1 *to The Ansul Company, and Chemguard, Inc.*, No. 2:24-cv-02321 - District
2 of South Carolina

- 3 • *City of Camden, et al. individually and on behalf of all others similarly*
4 *situated v. BASF Corporation, individually and as successor in interest to*
5 *Ciba Inc.*, No. 2:24-cv-03174 - District of South Carolina

6 PFAS settlement funds deposited into the DW and WW O&M Account do not
7 count towards CUC's annual deposit requirement in Paragraph 18 above.

8 20. CUC shall report the DW and WW O&M Account funding, activities
9 and expenditures to EPA on an annual basis. EPA need not approve O&M Account
10 activities; however, EPA maintains the right to object to funded activities. EPA
11 and CUC shall evaluate the annual DW and WW O&M Account funding level and
12 budget at least every year to incorporate any potential need for adjustments to
13 address cost increases or additional O&M activities.

COMMONWEALTH OF THE
 NORTHERN MARIANA ISLANDS,)
)
 Defendants.)
 _____)

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WHEREAS, the United States of America filed a civil action seeking injunctive relief and the assessment of civil penalties against the Commonwealth Utilities Corporation (“CUC” or “Defendant”) under the Clean Water Act, 33 U.S.C. §§ 1251 - 1387 (“CWA”) and the Safe Drinking Water Act, 42 U.S.C. §§ 300f - 300j-26 (“SDWA”);

WHEREAS, the Parties are entering into this instant Stipulated Order (“Stipulated Order Number One” or “Stipulated Order”) to address requirements of the CWA and SDWA-. The Parties are entering into a companion Stipulated Order Number Two (“Stipulated Order Number Two”) pursuant to Section 311 of the CWA, 33 U.S.C. § 1321, to address oil spill prevention, preparedness, and response actions. Stipulated Order Number One and the Stipulated Order Number Two will be lodged concurrently and are subject to the public comment process and court approval.

WHEREAS, CUC is a public corporation that has the authority to produce, treat, transmit, store, distribute, and sell drinking water in the Commonwealth of the Northern Mariana Islands (“CNMI”), as well as the authority to collect, treat, and sell or dispose of wastewater in CNMI, and is responsible for the construction, maintenance, operation and regulation of all CNMI utility services, including power generation and distribution;

WHEREAS, CUC owns and operates the Agingan and Sadog Tasi Sewage Treatment Plants (“STPs”) on the island of Saipan, as well as the wastewater collection and conveyance systems, including thirty-five (35) pump stations that transport raw sewage to the STPs (hereinafter collectively referred to as “wastewater systems”) on Saipan;

WHEREAS, the STPs are subject to the conditions and limitations contained in National Pollutant Discharge Elimination System (“NPDES”) permits issued by the United States Environmental Protection Agency (“EPA”) pursuant to the CWA;

WHEREAS, the Commonwealth of the Northern Mariana Islands is included as a defendant in this action in fulfillment of its CWA § 309(e) responsibilities, 33 U.S.C. § 1319(e);

WHEREAS, CUC owns and operates three (3) public water systems in the islands of Saipan, Rota, and Tinian, located in CNMI (hereinafter the “drinking water systems”);

WHEREAS, CUC is subject to the requirements of the SDWA, Part B, including, 42 U.S.C. § 300g et. seq., and all other applicable requirements of the SDWA, as defined at 42 U.S.C. § 300g-3(I), including applicable requirements within Part B’s implementing regulations at 40 C.F.R. Part 141 and maximum

contaminant levels for microbiological contaminants and the treatment technique for turbidity;

WHEREAS, CUC owns and operates the Power Plant 1 and 2 facilities and the associated oil storage located in Lower Base on the island of Saipan (“PP 1 and 2”); CUC owns the Power Plant 3 facility and the associated oil storage located in Isley Field near Saipan International Airport on the island of Saipan (“PP 3”); CUC owns the Power Plant 4 facility and the associated oil storage located on the island of Saipan (“PP 4”); CUC owns and operates the Rota Power Plant facility and associated oil storage located in Songsong Village on the island of Rota (“Rota PP”); and CUC owns an eight (8) inch steel pipeline that transfers oil from the Mobil Marine Terminal gate valve #1 to PP 1 and 2 (“CUC Pipeline”);

WHEREAS, PP 1 and 2, PP 3, PP 4, and Rota PP facilities (herein after collectively referred to as “PP Facilities”) and the CUC Pipeline;

WHEREAS, the parties agree that entry of this Stipulated Order Number One for Preliminary Injunctive Relief is the most appropriate way to achieve the immediate implementation of short-term projects and initial planning measures by CUC to begin to address issues of CUC’s noncompliance with the CWA and the SDWA;

THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED as follows:

I. JURISDICTION AND VENUE

1. This Court has jurisdiction over the subject matter of this action, pursuant to 28 U.S.C. §§ 1331, 1345, and 1355, and the CWA and SDWA, and over the parties. Venue lies in this District pursuant to 28 U.S.C. §§ 1391 and 1395(a). For purposes of this Stipulated Order, or any action to enforce this Stipulated Order, Defendant consents to the Court's jurisdiction over this Stipulated Order and any such action and over Defendant and consents to venue in this judicial district.
2. For purposes of this Stipulated Order only, Defendant agrees that the Complaint states claims upon which relief may be granted. This clause shall not serve as an admission or waive any of CUC's defenses in the event that any matter stated in the Complaint is subsequently litigated.
3. Notice of the commencement of this action has been given to the CNMI, as required by the CWA and SDWA.

II. **APPLICABILITY**

4. The obligations of this Stipulated Order apply to and are binding upon the United States, and upon Defendant and any successors, assigns, or other entities or persons otherwise bound by law.
5. A transfer of ownership or operation of CUC's wastewater systems, drinking water systems, PP Facilities, or the CUC pipeline, shall relieve Defendant of its obligation to ensure that the terms of the Decree are implemented if: 1) EPA consents to the transfer; and 2) the transferee agrees to undertake the obligations required by this Stipulated Order and be substituted for the Defendant as a party under this Stipulated Order and be thus bound by the terms thereof. At least thirty (30) days prior to such transfer, Defendant shall provide a copy of this Stipulated Order to the proposed transferee and shall simultaneously provide written notice of the prospective transfer, together with a copy of the proposed written agreement, to EPA Region 9, the United States Attorney for the District of Guam, and the United States Department of Justice, in accordance

with Section V, Subsection D (Notices and Submissions) of this Stipulated Order. Any attempt to transfer ownership or operation of the wastewater systems, drinking water systems, PP Facilities, or the CUC pipeline, without complying with this Paragraph constitutes a violation of this Stipulated Order.

6. Defendant shall provide a copy of this Stipulated Order to all officers, employees, and agents whose duties might reasonably include compliance with any provision of this Stipulated Order, as well as to any contractor retained to perform work required under this Stipulated Order. Defendant shall condition any such contract upon performance of the work in conformity with the terms of this Stipulated Order.
7. In any action to enforce this Stipulated Order, Defendant shall not raise as a defense the failure by any of its officers, directors, employees, agents, or contractors to take any actions necessary to comply with the provisions of this Stipulated Order. If there has been a breach of a contract or breach of duty by a contractor which Defendant believes has caused a

failure to comply with the Stipulated Order, Defendant reserves the right to take judicial action against such contractor.

III. WASTEWATER AND DRINKING WATER SYSTEMS

A. MANAGEMENT AND OPERATIONS

A1. MANAGEMENT STRUCTURE OF CUC

8. Executive Director. CUC has hired Mr. Antonio Muna as

CUC's Executive Director ("ED"). Any subsequent ED shall have the following qualifications:

- a. Master's degree in management, engineering, finance, or public administration, or, in the alternative, a bachelor's degree in engineering and registration as a Professional Engineer pursuant to the National Council of Engineering Examiners standards in either the civil, mechanical, or electrical branch; and
- b. Senior management experience of at least ten (10) years in a similar wastewater, drinking water, and/or power utility (preferably combined utility), with similar or greater capital and operating budgets, capital improvement projects, human resource needs, utility

financing issues, operation and maintenance training and implementation needs.

- c. In addition, the ED shall have demonstrated the following:
- (i) Proven management and communication skills;
 - (ii) Demonstrated ability to lead, motivate, and develop staff;
 - (iii) Experience with managing major drinking water and wastewater systems during periods of planning, design, and construction; and
 - (iv) Experience with drinking water and wastewater systems; user fee system development; bond funding; staff training and development; and federal drinking water and wastewater requirements.

In the event that the position becomes vacant due to personnel resignation or other circumstances, CUC must appoint another qualified individual within one hundred fifty (150) days of the date of the vacancy.

9. Deputy Executive Director. Within ninety (90) days after this Stipulated Order is entered by this Court (“Entry Date”), CUC shall hire a full-time Deputy Executive Director (“DED”). The DED shall be primarily responsible for overseeing, all drinking water and wastewater operations and compliance activities and deliverables, on a daily basis, as required by the Stipulated Order. The DED shall be the person responsible for maintaining regular contact with EPA staff regarding CWA and SDWA compliance issues. The DED shall report directly to the ED, and will have authority to make decisions for management and operations of the drinking water and wastewater systems. The DED shall have the following qualifications:

- a. Master’s degree in management, engineering, finance or public administration, or, in the alternative, a bachelor’s degree in engineering and registration as a Professional Engineer pursuant to the National Council of Engineering Examiners standards in either the civil, mechanical, or electrical branch; and

- b. Senior management experience of at least ten (10) years in similar wastewater and drinking water utility (preferably combined utility), with similar or greater capital and operating budgets, capital improvement projects, human resources needs, utility financing issues, operation and maintenance training, and implementation needs.
- c. A Water and Wastewater Treatment Plant Operator's Certificate is desired, but not mandatory.
- d. In addition, the DED must demonstrate the following:
 - (i) Proven management and communication skills;
 - (ii) Demonstrated ability to lead, motivate, and develop staff;
 - (iii) Experience with managing drinking water and wastewater systems during periods of planning, design, and construction;
 - (iv) Experience with drinking water and wastewater systems; user fee system development; bond funding; staff training and development; and

federal drinking water and wastewater requirements.

- e. Experience with user fee system development and bond funding is desired, but not mandatory.

In the event that the position becomes vacant due to personnel resignation or other circumstances, CUC must appoint another qualified individual within one hundred fifty (150) days of the date of the vacancy.

10. Drinking Water and Wastewater Division Manager. Within one hundred eighty (180) days after the Entry Date, CUC shall hire a full-time drinking water and wastewater Division Manager (“DM”) who will report directly to the DED. The DM shall have the following qualifications:

- a. Completion of four (4) years of college, or its equivalent, with major work in engineering, or other field related to work with large-scale utilities, and five (5) years of experience as a supervisor in direct charge of drinking water systems’ production, treatment, and distribution, and wastewater collection and treatment plants utilizing activated sludge secondary treatment processes.

- b. A Water or Wastewater Treatment Plant Operator's Certificate is desired, but not mandatory.
- c. In addition, the DM must demonstrate the following:
 - (i) Proven management and communication skills;
 - (ii) Demonstrated ability to lead, motivate and develop staff;
 - (iii) Experience with managing drinking water and wastewater systems during periods of planning, design, and construction;
 - (iv) Experience with drinking water and wastewater systems; user fee system development; staff training and development; and federal drinking water and wastewater requirements;
 - (v) Thorough knowledge of the operating principles and maintenance requirements of at least three (3) million gallons per day ("mgd") of an activated sludge wastewater treatment plant, including primary and secondary treatment processes,

oxygen production, and sludge digestion and dewatering.

In the event that the position becomes vacant due to personnel resignation or other circumstances, CUC must appoint another qualified individual within one hundred fifty (150) days of the date of the vacancy

11. Wastewater Treatment Plant Operations Supervisor (Saipan).

Within two hundred seventy (270) days after the Entry Date, CUC shall hire a full-time wastewater treatment plant Operations Supervisor (“OS”) with extensive experience in wastewater treatment operations, who will report directly to the DM, and who will oversee STP operations in Saipan. The OS shall have the following qualifications:

- a. Completion of two (2) years of college, with major courses in sciences, math, or other appropriate fields, and three (3) years of experience as a supervisor in a wastewater treatment plant utilizing activated sludge secondary treatment processes; and
- b. A current Grade III Wastewater Treatment Plant Operator’s Certificate.

- c. In addition, the OS must demonstrate the following:
 - (i) Proven supervisory and communication skills; and
 - (ii) Thorough knowledge of the operating principles and maintenance requirements of an activated sludge wastewater treatment plant that operates at a capacity of at least one and a half (1 ½) mgd, including primary and secondary treatment processes, oxygen production, and sludge digestion and dewatering.

In the event that the position becomes vacant due to personnel resignation or other circumstances, CUC must appoint another qualified individual within one hundred fifty (150) days of the date of the vacancy.

12. Chief Engineer. Within one hundred eighty (180) days after the Entry Date, CUC shall hire a full time Chief Engineer (“CE”) who will report directly to the DED. The CE shall have the following qualifications:

- a. Registration as a Professional Engineer pursuant to the National Council of Engineering Examiners standards in either the civil, mechanical, or electrical branch; and

- b. Experience of ten (10) or more years as a professional engineer.
- c. In addition, the CE must demonstrate the following:
 - (i) Proven management and communication skills;
 - (ii) Demonstrated ability to lead, motivate, and develop staff; and
 - (iii) Competency and proficiency in overseeing major drinking water and wastewater systems during periods of planning, design, construction, and operation of drinking water systems' production, treatment, and distribution, and in wastewater treatment, collection, and conveyance systems.

In the event that the position becomes vacant due to personnel resignation or other circumstances, CUC must appoint another qualified individual within one hundred fifty (150) days of the date of the vacancy.

13. Drinking Water and Wastewater Associate Engineer. Within two hundred seventy (270) days after the Entry Date, CUC shall hire a full-time drinking water and wastewater Associate

Engineer (“AE”), who shall report directly to the CE and work with the DM. The AE shall have the following qualifications:

- a. Bachelor’s degree in civil, mechanical, or electrical engineering; and
- b. Experience of five (5) or more years of work as an engineer.
- c. The AE must also demonstrate competency in overseeing drinking water systems and wastewater systems during periods of planning, design, construction, and in maintenance of wastewater treatment, collection, and conveyance systems.

In the event that the position becomes vacant due to personnel resignation or other circumstances, CUC must appoint another qualified individual within one hundred fifty (150) days of the date of the vacancy.

14. Chief Financial Officer. Within one eighty days (180) after the Entry Date, CUC shall hire a full-time Chief Financial Officer (“CFO”), who shall report directly to the ED and work directly with the DED. The CFO shall have the following qualifications:

- a. Bachelor's degree in accounting or financial management from a United States accredited institution or one with equivalent accreditation;
- b. Ten (10) years of professional experience in governmental or financial accounting, including experience in a supervisory and/or management position (a Certified Public Accountant or Certified Management Accountant is desired, but not mandatory).
- c. In addition, the CFO must demonstrate the following:
 - (i) Thorough knowledge of Generally Accepted Accounting Principles, as well as Financial Accounting Standards Board and Government Accounting Standards Board pronouncements and interpretations, auditing principles, and utility rate structures and rate setting principles and methods;
 - (ii) Working knowledge of automated financial systems and programs to manage all aspects of reporting, personnel management and training; and

- (iii) General knowledge of utility operations, debt collection practices, and limitations.

In the event that the position becomes vacant due to personnel resignation or other circumstances, CUC must appoint another qualified individual within one hundred fifty (150) days of the date of the vacancy.

15. Technical Manager for Oil. Within two hundred and forty (240) days after the Entry Date, CUC shall hire or appoint a Technical Manager responsible for oil and fuels at the CUC Facilities (“TMO”). The TMO shall be primarily responsible for overseeing, all oil spill prevention, preparedness and response operations and compliance activities and deliverables, on a daily basis, as required by the Stipulated Order. The TMO shall be the person responsible for maintaining regular contact with EPA staff regarding Section 311CWA compliance issues. The TMO shall either report directly to the ED, or have a separate reporting structure proposed in the staffing plan required by Paragraph 17. The TMO will have authority to make decisions for management and operations of the oil

related items required by the Stipulated Order. The TMO shall have the following qualifications:

- a. Completion of four (4) years of college, or its equivalent, with major work in engineering, science or other field related to work with project management and/or environmental compliance, and one (1) to three (3) years of experience with oil spill, prevention, preparedness and response, environmental assessment, construction oversight or power plant operations;
- b. In addition, the TMO must demonstrate the following:
 - (i) Proven management and communication skills;
 - (ii) Demonstrated ability to lead, motivate, and develop staff; and
 - (iii) Experience with managing environmental and/or construction projects during periods of planning, design, and construction.
- c. Further, the TMO should have experience with one or more of the following: oil storage, use, transportation and disposal; assessment and cleanup of contaminated

sites; environmental compliance; development of statements of work; oversight of contractors; staff training and development; and federal oil spill prevention, preparedness and response requirements.

In the event that the position becomes vacant due to personnel resignation or other circumstances, CUC must appoint another qualified individual within one hundred fifty (150) days of the date of the vacancy.

A2. ORGANIZATIONAL STRUCTURE OF CUC

16. CUC Organizational Evaluation. Within one hundred eighty (180) days after the Entry Date, CUC shall develop and submit an organizational evaluation and reorganization plan for CUC along with a detailed schedule, the purpose of which is to improve the efficiency of CUC and reflect the organizational changes required by this Stipulated Order. This plan and schedule for implementation is subject to review and alteration by EPA as provided in 74. The schedule shall include, at a minimum, the steps necessary to implement a final organizational evaluation and reorganization plan for CUC within one (1) year after the Entry Date.

- a. The organizational evaluation and reorganization plan may build on previous organizational assessments and evaluation of CUC drinking water and wastewater functions previously performed, and should include, but not be limited to, elements of an organization based on the management structure outlined in the Paragraphs above.
- b. In addition to drinking water and wastewater needs, the organizational evaluation and reorganization plan shall also offer a comprehensive assessment of organizational needs including, but not limited to administration, procurement, and accounting.
- c. For each work unit, the organizational evaluation and reorganization plan shall provide at a minimum: a description of work functions, the number of employees, a discussion of whether new hires or the retaining of current staff will be needed, a summary of current employee certifications, and qualifications needed for each category of employee.

17. Draft Staffing Plan. Within ninety (90) days after EPA has approved the reorganization plan to be implemented, CUC shall develop and submit a draft Staffing Plan with a detailed schedule. The draft Staffing Plan shall include the following information:
- a. A timetable for implementation of staffing measures;
 - b. Procedures for adjusting the number of staff and the type of positions to be filled; and
 - c. Recommended legislation for adjusting the number of staff and the type of positions to be filled, as necessary.
 - d. In addition, the draft Staffing Plan shall require that:
 - (i) All positions in the reorganization of CUC be filled with an employee qualified at the minimum level required for that position within one (1) year after the final Staffing Plan has been approved by EPA; and
 - (ii) New employees be properly qualified for the position at the time of hire.

18. Engineering Section. Within one hundred twenty (120) days after the Entry Date, CUC shall develop and submit a draft schedule for creation of a drinking water and wastewater engineering section. This schedule and any associated plans for implementation are subject to review and alteration, as needed, by EPA. This draft schedule shall include, at a minimum, a plan for establishing such engineering section within one hundred eighty (180) days after the Entry Date, as well as a narrative description of work functions, the number of employees, a summary of employee certifications, and qualifications needed for each category of employee. In addition, the engineering section:
- a. Shall be supervised by the CE;
 - b. Shall consist of experienced and skilled engineers (civil, mechanical, electrical) for drinking water and wastewater projects. Engineers shall have at a minimum the following qualifications:
 - (i) Bachelor's of Science in Engineering; and

- (ii) Minimum of three (3) years experience in water and/or wastewater field.
 - c. Shall oversee design and construction management, construction inspection, and development of capital improvement projects; and
 - d. Shall assist with development of operations and maintenance planning for drinking water and wastewater facilities.
- 19. Certification of Operators in Direct Responsible Charge (“DRC Operators”). Within one year (365 days) after the Entry Date, CUC shall ensure that DRC Operator positions are staffed by operators who have obtained certification at the level required for that position by the CNMI Division of Environmental Quality (“DEQ”). At a minimum, for the wastewater system, CUC shall have two (2) DRC operators for treatment, and two (2) DRC operators for collection. For the drinking water system, CUC shall have, at the very least, the minimum number of DRC operators for treatment and distribution (for all 3

PWS's, Saipan, Rota, and Tinian) as required under CNMI DEQ regulations and requirements.

- a. Within thirty (30) days after the Entry Date, CUC shall submit a list of the number and level of certification of DRC operators required to meet the above requirements for EPA review and approval.
- b. If current DRC Operators at CUC are not certified at the required level, CUC shall, within thirty (30) days after the Entry Date, notify those employees. Within one (1) year after the Entry Date, CUC shall submit documentation demonstrating that all employees in DRC operator positions meet the minimum qualifications, including certification, described herein.

A3. PROCUREMENT PROCEDURES AND TRAINING PROGRAMS

20. Procurement Procedures. Within one (1) year after the Entry Date, CUC shall develop and submit for EPA approval, procurement procedures to allow for timely and efficient procurement of needed services, materials, tools, and supplies,

and shall include a set of Standard Operating Procedures (“SOPs”) for both routine and emergency procurement needs, including but not limited to: tools, materials, and supplies; architectural and engineering services; construction services; laboratory and analytical services; and any other procurement or purchasing needs.

21. ~~21.~~ Comprehensive Utility Training Program. By November 1, 2024, CUC shall develop, submit for EPA approval and implement an updated comprehensive drinking water and wastewater systems training programs that include, but are not limited to, the following components.

a. Operator Training Programs. The operator training programs shall provide on-going training for both drinking water and wastewater systems personnel, and include information about the proper operation and maintenance of the sources, distribution, storage, pumps, water and wastewater treatment, disinfection, sewer collection and conveyance systems, monitoring

requirements, and other operational aspects of the
drinking water and wastewater systems including
preventative maintenance for sanitary deficiencies,
corrosion protection, and asset management.

b. Health and Safety Training Program. The Health and
Safety Program for the Drinking Water and Wastewater
Operators shall include:

(i) a Health and Safety Plan that identifies a primary
Health and Safety Officer, a list of minimum
training requirements by position including
refresher courses, and includes records of
employee training. CUC may hire a professional
trainer, conduct on-line courses, or assign a
member of CUC staff to research and present
safety training to other staff.

(ii) an OSHA construction safety course including fall
protection, electrical safety, excavations, confined
spaces and materials handling in accordance with

Occupational Safety and Health Administration
(“OSHA”) regulations 29 CFR 1910.

CUC shall implement the above-described training programs
within thirty days of EPA’s approval. At that time, CUC shall
appoint an individual whose primary responsibility will be to
plan, coordinate and implement all training activities.

A4. WASTEWATER OPERATIONS AND MAINTENANCE AT CUC

22. Wastewater Collection, Conveyance, and Treatment Systems’
Operation and Maintenance Manuals. Within four hundred
fifty (450) days after the Entry Date, CUC shall develop and
submit for EPA approval, a set of comprehensive operation and
maintenance manuals (“O&M manuals”) including process
control SOPs for the Agingan and Sadog Tasi STPs and
associated sewer collection and conveyance systems. Upon
approval by EPA, CUC shall distribute the approved O&M
manuals to the appropriate employees, and shall require use of

the manuals as part of its SOPs. The O&M manuals shall include:

- a. Information on all relevant process design assumptions such as design flows, pump capacities, detention times, surface loadings, oxygen transfer requirements, disinfection requirements, wastewater transmission requirements, simplified schematic diagrams of pipelines and control systems, and detailed diagrams for more complicated components;
- b. Unit process information, including control measures and monitoring procedures needed to achieve maximum efficiency and reliability, and a clear explanation of process functions of various components with simplified language and references to appropriate technical manuals;
- c. Start-up and shutdown procedures;
- d. Maintenance schedules;
- e. Laboratory test procedures, including the necessary quality assurance, and reporting requirements;

- f. Safety procedures;
- g. Organizational structure, job descriptions, and duties;
- h. Administrative procedures for purchase order preparation approvals and budget preparation; and
- i. An operating plan for emergencies.

Within ninety (90) days of EPA approval of each of the deliverables or other relevant components of the O&M manuals, required by this Stipulated Order, CUC shall ensure that the updated O&M manuals reflect those deliverables or components.

23. Wastewater Collection Systems Spill Prevention and Response

Plan. Within one (1) year after the Entry Date, CUC shall develop and submit for EPA approval, a collection systems' spill prevention and response plan to include procedures for CUC's sewer collection crews' responses to spill sites, control and mitigation of spills, records, reporting, and public notices. The plan shall include procedures for the prevention of and response to overflows at CUC's sewer treatment plants. The

spill response plan shall follow guidelines of the American Public Works Association, Preparing Sewer Overflow Response Plans:- A Guidebook for Local Governments (1998).

24. Source Control Program. Within one (1) year after the Entry Date, CUC shall develop and submit for EPA approval, a pretreatment/source control program to prevent adverse impacts to the treatment and collection systems from users such as garment facilities, food service establishments, and other commercial users. The program shall include:
 - a. A survey to identify industrial users and sources; and
 - b. A schedule for the development and implementation of control programs and mechanisms based on the survey, to the extent practicable, for identified sources.

25. NPDES Permit Effluent and Receiving Wastewater Monitoring Report. Within one hundred eighty (180) days after the Entry Date, CUC shall develop and submit for EPA approval, a report regarding compliance with the NPDES permit effluent limits and receiving wastewater monitoring requirements for the

Agingan and Sadog Tasi STPs. The compliance report shall include status updates on the following:

- a. Laboratory staffing and equipment;
- b. Equipment for receiving wastewater monitoring;
- c. Laboratory contract support; and
- d. SOPs for conducting required NPDES monitoring.

Within thirty (30) days of submission of the compliance report to EPA, CUC shall submit a plan to EPA outlining additional measures needed to correct any identified inadequacies.

26. Wastewater Systems' Maintenance Program. CUC shall

develop and submit for EPA approval, a wastewater systems maintenance program that includes the following:

- a. Wastewater Collection and Conveyance Systems' Cleaning and Maintenance Program. Within one (1) year after the Entry Date, CUC shall develop and submit for EPA approval, a program for cleaning and maintaining its wastewater collection and conveyance systems. The program shall be sufficient to ensure the continuous

operation of the collection and conveyance systems and reduce or eliminate sanitary sewer overflows (“SSOs”).

The maintenance program shall include the following:

- (i) Schedules for routine preventative sewer pipe cleaning and more frequent cleaning of sewer hot spots with a history of blockages and SSOs. At a minimum, CUC shall, on an annual basis, clean thirty (30) percent of the wastewater systems’ miles of sewer pipe in the Agingan collection system and the Sadog Tasi collection system to industry standards. At a minimum, CUC shall clean the entire system of sewer pipes in the Agingan collection system and the Sadog Tasi collection and conveyance system to industry standards on a four (4) year cycle;
- (ii) Funding and procedures for completing emergency repairs to collection and conveyance systems sewer pipes; and

(iii) Schedules for the routine maintenance of sewage pump stations.

b. Computer-Based Maintenance Management System.

Within two (2) years after the Entry Date, CUC shall develop and submit for EPA approval, a computer-based program for the Sadog Tasi and Agingan treatment plants and associated sewer collection and conveyance systems that will schedule and track preventative maintenance for all the assets and facilities of the wastewater system. This program shall incorporate the existing wastewater collection systems' cleaning and maintenance program.

27. Spare Parts, Equipment, and Tools. CUC shall develop and submit for EPA approval, a report, a tracking system, and an inventory as follows:

a. Tools and Equipment Report. Within one year (365 days) after the Entry Date, CUC shall develop and submit for EPA approval, a report describing the

minimum tools and equipment needed for each facility and maintenance area in its wastewater systems to handle any routine maintenance or repair work. CUC shall ensure that the report includes a plan to acquire the necessary tools and equipment for the sewage treatment plants; wastewater collection systems; wastewater conveyance systems (including sewage pump stations); and maintenance shops. CUC shall acquire the necessary tools and equipment within one hundred eighty (180) days from the date of EPA's approval of the report. CUC shall acquire and/or dedicate at least one (1) dump truck to be used exclusively for the wastewater treatment plants' sludge processing operations. The report shall also include a schedule for supplying CUC with needed tools and equipment.

- b. Spare Parts, Equipment, and Tools Inventory Tracking System. Within one (1) year after the Entry Date, CUC shall develop and submit for EPA approval, an interim

report of the inventory tracking system in place to monitor and replace spare parts, equipment, and tools for its wastewater systems. One (1) year after EPA approval of the interim inventory tracking system, CUC shall develop and submit for EPA approval, a final report on the implementation of the inventory tracking system, including specific examples of how equipment has been tracked.

- c. Spare Parts Inventory. Within one year (365 days) after the Entry Date, CUC shall develop and maintain a one hundred twenty (120) day inventory of operation and maintenance parts for its wastewater systems that includes any spare parts that may reasonably be needed, and a written list of parts inventory and its adequacy, including written guarantees of availability. The inventory need not include any parts for which CUC has a written guarantee of availability within four (4) days of a request. A category for spare parts inventory shall be

included in the annual division budget. Following EPA approval of the parts inventory, on or before January 28 and July 28 of each year, CUC shall develop and submit for EPA approval, a semi-annual written report to demonstrate the adequacy of its one hundred twenty (120) day spare parts inventory.

28. Contingency Plan. Within one (1) year after the Entry Date, CUC shall develop and submit for EPA approval, a contingency plan for the wastewater systems to reduce the risk of contamination from wastewater sources and distribution systems in the event of power outages or damage to the systems due to extreme weather events, such as typhoons. The contingency plan must explain procedures, resources, and responsible entities required to restore the systems to safe conditions.

A5. DRINKING WATER OPERATIONS AND MAINTENANCE AT CUC

29. Chlorine Disinfection. Within one hundred eighty (180) days after the Entry Date of this Stipulated Order, CUC shall ensure

that chlorination disinfection of drinking water systems is occurring continuously and is operating reliably, and that chlorine residual is maintained at all locations throughout the distribution systems by ensuring the following:

- a. All positions in the operational unit charged with maintenance and operation of the chlorination systems are filled and the unit has all tools, materials, equipment, and supplies necessary to ensure continuous chlorination, including adequate inventory of chlorine gas cylinders on CNMI to last for a period of not less than ninety (90) days;
- b. There are clear, written SOPs for chlorination/disinfection, including operational and maintenance schedules and inventory procedures to ensure that CUC maintains adequate inventory of gas chlorine cylinders on CNMI for a period of not less than ninety (90) days; and

- c. A written disinfectant (chlorine residual) monitoring program to ensure that chlorine residual levels are at a minimum of 0.2 ppm at all points in the distribution systems. The monitoring program shall contain a detailed description of all current, and any proposed, disinfection points, and all monitoring locations, to ensure adequate disinfection is occurring continuously. The program must include portions of the system of known or anticipated low chlorine residual. Monitoring shall occur on a daily basis. The monitoring program shall also include a description, including forms to be used, of how to implement the disinfectant monitoring program.
- d. A detailed budget for the chlorine disinfection program is developed and submitted to EPA for approval.
- e. CUC shall develop and submit for EPA approval, a plan and schedule for installation of chlorination system

protection structures, to include construction of protective and secure structures at all chlorination sites.

30. Chlorination and Disinfection Program. Within ninety (90) days after the Entry Date, CUC shall develop and submit for EPA approval, a description of the chlorination/disinfectant program to ensure long-term operation of the disinfection systems. This program shall include a schedule for implementation; a description of the number and qualifications of the staff implementing this program; a detailed budget for the program; the written SOPs developed to implement the program; and a description of the disinfectant monitoring program, including copies of all forms and other recordkeeping needed to ensure that adequate disinfection and monitoring takes place, and the plan for installation of chlorination system protection structures.
31. Chlorination Long-term Contract. Within one hundred eighty (180) days after the Entry Date, CUC shall develop and enter into a long-term contract, for at least one (1) year, for chlorine

shipments adequate to carry out the chlorination disinfection requirements described in this Stipulated Order.

32. Water Meter Installation, Reading, and Billing Program.

Within ninety (90) days after the Entry Date, CUC shall develop and submit for EPA approval, a plan, including a detailed schedule, to ensure all drinking water customers served by CUC on Saipan are metered within three hundred sixty (360) days after the Entry Date. Within one hundred eighty (180) days after the Entry Date, CUC shall develop and submit for EPA approval, a drinking water meter reading program, and shall commence billing of existing metered customers based on consumption under the existing metered rate. As new meters are installed, customers shall be billed based on actual consumption. Within one (1) year after the Entry Date, CUC shall bill all Saipan customers based on consumption using rates required by the Interim Financial Plan described in Section III (Wastewater and Drinking Water Systems) Subsection A7 below.

33. Water Meter Maintenance and Testing Program. Within one hundred eighty (180) days after the Entry Date, CUC shall develop and submit for EPA approval, a drinking water meter maintenance and testing program to ensure that all currently installed and future installed meters are properly maintained and are functioning adequately. This program shall include development of SOPs, training, and appropriate equipment and staff.
34. Repair Leaks in Drinking Water Distribution Systems. Within one year (365 days) after the Entry Date, CUC shall develop and submit for EPA approval: a plan, which includes a detailed schedule, to perform detection and repair of leaks in the drinking water distribution systems; and a plan to identify and eliminate subsurface connections to old drinking water lines or pipes that should not be connected to the distribution systems and that may negatively impact the quality of water in the distribution system. These plans shall include old sections of distribution line that have been replaced but are still connected

to the system; illegal connections; and any other section of pipe that is not required as part of the distribution system.

35. Correct Major Sanitary Deficiencies at Storage Tanks. Within one hundred eighty (180) days after the Entry Date, CUC shall seal all holes and openings, inspect, clean and disinfect all storage tanks.
36. Correct Major Sanitary Deficiencies at Wellheads. Within ninety (90) days after the Entry Date, CUC shall develop and submit for EPA approval, a plan, including a schedule, that will address all wellhead sanitary deficiencies, including but not limited to: holes through the wellhead sanitary seals; missing vents or vent screens; casings that are flush with the concrete pads; and open sounding tubes.
37. Computer-Based Preventative Maintenance Management System. Within two (2) years after the Entry Date, CUC shall develop and submit for EPA approval, a computer-based program that will schedule and track preventative maintenance for all the assets and facilities of the water systems.

38. Cross Connection Control and Backflow Prevention Program.

Within one (1) year after the Entry Date, CUC shall develop and submit for EPA approval, a cross connection control and backflow prevention program, including a schedule for implementation.

39. Close or Seal all Unused or Abandoned Wells. Within one year after the Entry Date, CUC shall properly close or seal all unused, abandoned wells, following procedures required under DEQ regulations.

40. Spare Parts, Equipment, and Tools. CUC shall develop and submit for EPA approval, a report, a tracking system, and an inventory as follows:

- a. Tools and Equipment Report. Within one year (365 days) after the Entry Date, CUC shall develop and submit for EPA approval, a report describing the minimum tools and equipment needed for each facility and maintenance or repair work, and a schedule for supplying CUC with needed tools and equipment. CUC

shall ensure that the following components are addressed in the report and have the necessary tools and equipment:

- (i) Drinking water sources, to include wells, springs, surface water sources and associated appurtenances;
- (ii) Drinking water treatment systems (chlorination/disinfection, surface water treatment), transmission lines and distribution lines including associated valves and other appurtenances;
- (iii) Drinking water meters, including meter repair facilities, pump stations, to include pumps, motors and electrical controls; and
- (iv) Maintenance shops and any other facilities.

- b. Spare Parts, Equipment, and Tools Inventory Tracking System. Within one (1) year after the Entry Date, CUC shall develop and submit for EPA approval, an interim report of the inventory tracking system to monitor and

replace spare parts, equipment, and tools for its drinking water systems. One (1) year after EPA approval of the interim inventory tracking system, CUC shall develop and submit for EPA approval, a final report on the implementation of the inventory tracking system, including specific examples of how equipment has been tracked.

- c. Spare Parts Inventory. Within two hundred seventy (270) days after the Entry Date, CUC shall develop and maintain a one hundred twenty (120) day inventory of operation and maintenance parts for its drinking water systems that includes any spare parts that may reasonably be needed. The inventory need not include any parts for which CUC has a written guarantee of availability within four (4) days of a request. A category for spare parts inventory shall be included in the annual division budget. Within two hundred seventy (270) days after the Entry Date, CUC shall develop and submit for EPA

approval, a written list of parts inventory and an explanation of the adequacy of this inventory, including written guarantees of availability. On or before January 28 and July 28 of each year, CUC shall provide a semi annual written report to EPA and demonstrate the adequacy of its one hundred twenty (120) day spare parts inventory.

41. Contingency Plan. Within one (1) year after the Entry Date, CUC shall develop and submit for EPA approval, a contingency plan for the drinking water system to reduce the risk of contamination of drinking water sources and distribution systems in the event of power outages or damage to the systems due to extreme weather events, such as typhoons. The contingency plan must explain procedures to restore the sources and distribution systems to safe conditions should contamination occur.
- A6. DRINKING WATER SAMPLING, MONITORING, AND REPORTING

42. Monitor and Treat Spring Sources Determined to Be, Groundwater under the Direct Influence of Surface Water (“GWUDI”). CUC shall take the following measures to address Tanapag and Achugao springs, the spring sources determined to be GWUDI:

a. Within thirty (30) days after the Entry Date, CUC shall develop and submit to EPA for approval a plan, including a detailed schedule, which will ensure that until such time as adequate treatment is installed (i.e., treatment meeting all appropriate federal and CNMI filtration and disinfection requirements for a GWUDI source requiring treatment), or until such time as these sources are removed from the system, the following safeguards will be implemented:

(i) Sufficient monitoring (i.e., either continuous, or at a minimum, twice-daily, turbidity monitoring; and either continuous, or at a minimum, twice-daily, chlorine residual monitoring);

- (ii) Operational controls and procedures (including protocols requiring shutoff if excessive turbidity levels are encountered), and
 - (iii) Protocols ensuring continual, uninterrupted chlorination disinfection.
 - b. Within ninety (90) days after the Entry Date, CUC shall develop and submit to EPA for approval, a detailed plan, including a detailed schedule to either install treatment at Tanapag Springs and Achugao Springs, or to disconnect those sources from the drinking water systems and provide an alternative supply of drinking water.
43. Additional GWUDI Sources on Saipan, Rota, and Tinian.
- EPA, in consultation with DEQ, shall require CUC, in writing, to conduct monitoring and collect any other data and information necessary for DEQ to make GWUDI determinations for additional sources on Saipan, Rota, and Tinian that have not yet been adequately characterized as to whether they are GWUDI. Within thirty (30) days after EPA,

in consultation with DEQ, provides the relevant monitoring, data collection, information-gathering and reporting requirements to CUC, CUC shall carry out the required monitoring, data collection and information-gathering and reporting requirements, in accordance with the time frames specified by EPA, in consultation with DEQ, and shall continue until notified, in writing, by EPA, in consultation with DEQ, that all required monitoring and other data has been collected and submitted to DEQ and EPA to enable GWUDI determinations to be made.

44. Plan for Drinking Water Monitoring and Sampling. Within ninety (90) days after the Entry Date, CUC shall develop and submit for EPA approval, a plan to perform all drinking water monitoring and reporting as required under the EPA and DEQ drinking water regulations (40 C.F.R. Part 141, and DEQ's Safe Drinking Water Regulations). The plan shall include, but not be limited to, the following:
- a. Description of needed laboratory staffing and equipment;

- b. Description of laboratory contract support, including budget information;
- c. Comprehensive list of every sample point location used to collect samples required under the regulations. Each sample point shall be designated by a unique identification number and a descriptive location name in conformance with DEQ reporting requirements and as approved by DEQ. Addition and deletion of sample point locations shall be submitted to DEQ for approval on an as-needed basis, and an updated comprehensive list shall be provided to DEQ on an annual basis;
- d. Clear description of sampling protocols and monitoring frequency at each designated sample point for all required parameters; and
- e. A schedule describing when all required monitoring will take place. The schedule must ensure that monitoring to address contaminants with potential acute health threats, such as total coliform, nitrate, and the turbidity

provisions of the surface water treatment rules, is initiated immediately upon approval of the plan by EPA.

- f. EPA may require supplemental nitrate and/or coliform bacteria monitoring at locations where EPA believes these contaminants may continue to pose a threat to human health, and where such additional monitoring is necessary to adequately protect the public's health.

45. Reporting Sampling Results to DEQ. Within ninety (90) days after the Entry Date, CUC shall develop and submit for EPA approval, in consultation with DEQ, protocols for ensuring that sampling and monitoring data is reported to the primacy agency, DEQ, in a timely manner in accordance with 40 C.F.R. § 141.21(g)(2) for coliform monitoring, with 40 C.F.R. § 141.31 for all other monitoring requirements, and with all other applicable DEQ requirements.

46. Public Notice of Violations. Within ninety (90) days after the Entry Date, CUC shall develop and submit for EPA approval,

protocols for ensuring compliance with 40 C.F.R. § 141

Subpart Q - Public Notification of Drinking Water Violations.

47. Consumer Confidence Reports. Within ninety (90) days after Entry Date, CUC shall develop and submit for EPA approval, protocols for ensuring the development and distribution of Consumer Confidence Reports (“CCRs”) to meet the requirements of 40 C.F.R. § 141 Subpart O - CCRs, which requires that each system is required to complete CCRs by July 1 of each year.

A7. INTERIM FINANCIAL MANAGEMENT

48. The Interim Financial Plan (“IFP”) shall be submitted to EPA within one hundred eighty (180) days after the Entry Date and shall include, but not be limited to, the following:
- a. A detailed breakdown of the costs associated with preparation of the Master Plan, including sources of funding to ensure adequate preparation of all preliminary assessments;

- b. A financial management plan which can generate sufficient revenues to cover drinking water and wastewater operations and compliance activities,~~—~~ ~~planning and design of the proposed Village of Kagman wastewater treatment plant~~, the proper management of oil and used oil from the PP Facilities, oil spill prevention and response activities, as well as any other anticipated related expenses, including all existing debt and expected debt service and the build-up of a financial reserve, discussed more fully below, including the establishment of a rate structure to generate sufficient revenues, until development of the Final Financial Plan based on an approved Master Plan;
- c. A detailed schedule of all projected expenses for each calendar year that includes all components of budgeting, including, but not limited to: personnel and staffing; operations; maintenance; repair; and accounting. This

schedule shall spell out how these expenses will be covered through the calendar year; and

- d. The Annual Budget, designed to ensure adequate financing of operation and maintenance, repair and replacement, when necessary, of CUCs drinking water and wastewater systems.
 - (i) A detailed breakdown of the total projected costs for the coming year to operate, maintain, repair, and replace (as necessary) the drinking water and wastewater systems, including monies required to ensure adequate staffing, energy, materials and supplies, financial reserves, and to cover other expenses;
 - (ii) A detailed breakdown of the total projected costs to complete any National Environmental Policy Act review, ~~including activities related to the Kagman wastewater treatment plant,~~ within thirty-six (36) months after the Entry Date and

production of final engineered designs for the collection system, treatment operations, conveyances and outfall within sixty (60) months of the Entry Date;

- (iii) A detailed breakdown of the total projected costs for the coming year to ensure the proper management of oil and used oil from the PP Facilities, conduct infrastructure repairs at the PP Facilities and the CUC Pipeline and to maintain compliance with the Stipulated Order Number Two;
- (iv) A detailed schedule of how to implement user fees, taxes, assessments, or other sources of revenue to guarantee that CUC can meet the projected costs as set forth in the budget for the coming year, including increases or adjustments required to meet the Annual Budget; and

- (v) A financial management plan ensuring that all user fees, taxes, assessments, or other sources of revenue collected for the drinking water and wastewater systems are applied to the operations, maintenance, repair, replacement, and compliance activities of those systems.

49. Financial Reserves. CUC shall develop the following financial reserves for the implementation of the Master Plan:

- a. A debt service reserve shall be established and maintained in accordance with bond covenants and debt service covenants. After issuing a bond or securing a loan, CUC shall submit to EPA information regarding the amount of this reserve, including an explanation of how this amount was determined; and
- b. An emergency operations, maintenance, renovation, and replacement reserve shall be established and maintained and be equal to three (3) months of budgeted expenses for operations, maintenance, renovation, and replacement

of CUC's drinking water systems and wastewater systems. CUC shall submit to EPA for approval the proposed amount of this reserve. CUC must make monthly deposits to the reserve to ensure that the balance matches current needs. The reserve shall be used only to cover operations and maintenance expenses not in the original budget. This reserve can be replaced by the availability of an equivalent emergency line of credit.

B. DRINKING WATER AND WASTEWATER MASTER PLAN

50. CUC shall develop and submit for EPA approval, a comprehensive drinking water and wastewater master plan ("Master Plan") to determine current and future infrastructure needs for a twenty (20) year period, and to provide a long-term plan for CUC drinking water and wastewater systems improvements in Saipan, Rota, and Tinian. The Master Plan shall be developed in accordance with this Stipulated Order, and shall integrate and address existing plans and reports, including but not limited to: Water Infrastructure Development

Plans for the Islands of Saipan, Rota and Tinian, prepared for the United States Army Corps of Engineers, April 2003; the Saipan Water Master Plan, prepared by Winzler and Kelly, 1996; the Inspection and Sanitary Survey Report for the Commonwealth Utilities Corporation Public Water System Saipan, prepared by EPA, June 2006; and the Inspection of Water System Facilities of the Commonwealth Utilities Corporation (CUC) Public Water System - MP000001, Saipan, CNMI, June 2006. The Master Plan shall include the condition, capacity, and operational assessments required to be carried out pursuant to this Stipulated Order, as described below. The Master Plan shall also address drinking water systems' and wastewater systems' needs for the next twenty (20) years, and present alternatives for necessary improvements. The Master Plan shall include schedules for infrastructure improvements that the assessments have identified as necessary to bring CUC's drinking water and

wastewater facilities into compliance with all applicable CWA and SDWA requirements.

B1. ASSESSMENTS FOR MASTER PLAN

51. Wastewater Assessment. The Master Plan shall include an assessment of the condition, capacity, capabilities, and reliability of all physical components of the wastewater systems, including wastewater collection, conveyance, treatment, and disposal. The Master Plan shall also identify conditions that cause or contribute to CUC's violations of NPDES permits, the CWA, and applicable regulations. Further, the Master Plan shall include a comprehensive review of all available wastewater treatment technologies and identify preferred alternatives, including long-term cost/benefit analysis of the various technologies available.
52. Condition Assessment for the Wastewater Systems. The Master Plan shall include an assessment of the condition of its wastewater collection and treatment systems for the purpose of identifying defective or deteriorated system components in need

of repair, rehabilitation, or replacement. The condition assessment shall include inspections of system components and documentation of component conditions using a condition rating system. The wastewater systems condition assessment shall include the following elements:

- a. A wastewater collection systems condition assessment including, but not limited to, the use of closed-circuit television (“CCTV”) inspections of sewer pipes;
- b. Pump station and force main condition assessment; and
- c. Wastewater treatment plant condition assessments, including an engineering and operational performance evaluation of the Agingan and Sadog Tasi treatment plants, and recommended improvements or modifications necessary to comply with their respective NPDES permits. The assessment shall include review of historic effluent monitoring data to identify any instances of noncompliance and determine causes of noncompliance.

53. Drinking Water Assessment. CUC shall submit an assessment of the short-term and long-term drinking water needs for the islands of Saipan, Tinian, and Rota, and address CUC's drinking water systems' quantity and drinking water quality issues, including:

- a. Physical infrastructure and operational assessments and needs;
- b. Source water protection for drinking water sources; and
- c. Drinking water treatment needs.

54. Assessment of Drinking Water Technological Alternatives.

The Drinking Water Assessment portion of the Master Plan shall include a comprehensive review of available technologies for drinking water treatment, and identify preferred alternatives, including long-term cost/benefit analysis of various technologies available for such treatment, such as alternative disinfectants to gas chlorine or appropriate treatments if groundwater sources are determined to be GWUDI. The Master Plan shall also include an assessment of

technological alternatives to improve the CUC drinking water systems' pressure and delivery, such as improvements in drinking water loss detection and correction, including:

- a. Leak detection and drinking water conservation programs;
- b. Analyzing the need for possible additional sources of drinking water;
- c. Analyzing and assessing the need to replace or add additional drinking water transmission and distribution lines; and
- d. Assessing drinking water storage quantity and storage location needs.

55. Condition Assessment of Drinking Water Systems. The Master Plan shall include an assessment of all aspects of CUC's drinking water systems, for the purpose of identifying defective or deteriorated system components in need of repair, rehabilitation, replacement, or reconfiguration, including examination of conditions of wells and other sources, and all

associated appurtenances, and adequacy and condition of protective structures such as wellhead protective structures, fences, pumps and pumphouses, storage facilities, and treatment facilities (disinfection and/or surface water treatment). The condition assessment shall include inspection reports for all components of the drinking water systems, documentation of component conditions using a condition rating system, and narrative descriptions of the condition of the system component. The condition assessment may also build upon existing assessments of the water system components, such as sanitary surveys. The drinking water systems condition assessment shall include the following elements:

- a. Wellhead. Assessment, including type, size, and adequacy of pumps; configuration and condition of wellheads and all associated wellhead appurtenances, including pads, sanitary seals, pressure gauges, flow meters, valves, sampling taps, electrical controls; and other wellhead appurtenances.

- b. Wellhead Protective Structures (pumphouses/fences, etc.) Assessment of the condition and adequacy of any existing wellhead protective structures.
- c. Treatment Systems. Assessment of condition and adequacy of drinking water treatment systems, including existing chlorination disinfection of wells, slow sand filter, and any other treatment systems.
- d. Storage Tanks. Assessment of size, material, age, condition (external and internal, physical, and structural) of all storage facilities.
- e. Pumps and Pump Stations. Assessment of condition, status, configurations, and needs of all pumps and pump stations, including comparing existing configuration to original designed configurations, and identification of any needs for redundancy and backup power.
- f. Transmission Line and Distribution Systems Line Assessment. An assessment of all drinking water transmission and distribution pipelines, including

summaries of pipe lengths by pipe size and material and by age and general condition; all valves, valve boxes, pressure-control stations; associated appurtenances, and any other transmission and distribution systems' components; and a Geographical Information System ("GIS") map depicting locations and interconnectivity of the transmission and distribution pipelines.

- g. Drinking Water Meters. A detailed description and assessment of existing water meters by customer class, including a description of unmetered customers, as well as the condition and status of individual meters.

56. Assessment of Drinking Water Systems Improvement

Alternatives. The Master Plan shall include a comprehensive assessment, using the 10 State Standards and/or other standards appropriate or applicable to CNMI public water systems, of the drinking water systems' improvement needs and alternatives for meeting them for the next twenty (20) years. This assessment shall address the adequacy of the drinking water

systems' quantity, quality and pressure (including storage needs) at all locations throughout the distribution systems. It should also include discussion of the need for, and alternatives available to, ensure disinfection and treatment of all groundwater sources, as well as adequate treatment for surface water and GWUDI. Specifically, the alternatives assessment must include the following:

- a. Any drinking water springs, wells or other sources needing treatment due to a determination that the source is GWUDI;
- b. Storage needs based on both drinking water pressure and volume requirements for adequate storage. To ensure there is adequate storage covering all parts of the distribution system, the storage needs assessments should separately address areas of the drinking water distribution systems that currently are not provided or provided insufficient storage, such as those areas where wells currently pump directly into the water systems; and

- c. Transmission and distribution systems' improvements or changes needed to ensure adequate quantity, pressure, and drinking water quality throughout the distribution systems.

57. Hydraulic Capacity Assessments.

- a. Wastewater. The Master Plan shall include a wastewater hydraulic capacity assessment ("wastewater hydraulic model") of CUC's wastewater systems to determine the capability of the wastewater systems to collect, convey, and treat peak dry-weather flows and peak wet-weather flows under current conditions and at projected population levels over twenty (20) years. The capacity assessment shall include the following elements:
 - (i) Flow measurements under dry and wet weather conditions;
 - (ii) Collection/conveyance systems' infiltration and inflow ("I/I");

- (iii) Cost effectiveness analysis comparing the costs of I/I control and costs to convey and treat peak wet-weather flows; and
- (iv) Identification of flow bottlenecks in the collection and treatment systems.

b. Drinking Water. The Master Plan shall include a hydraulic capacity assessment (“water hydraulic model”) of CUC’s drinking water systems, including sources, transmission lines, storage, pumps and pump stations, and distribution system lines. The Master Plan shall use the water hydraulic model as the basis for determining the capability of the drinking water systems as currently configured, and future needs of the systems for at least a twenty (20) year period, to provide sufficient quantity and pressure of drinking water to ensure 24-hour provision of drinking water that meets SDWA requirements. This model shall provide extended time

(multiple day) analyses of the drinking water systems' hydraulics.

58. Unsewered Areas Assessment. The Master Plan shall include an assessment and recommendations regarding the unsewered areas. Unsewered areas are areas that do not have sewer lines or are not currently connected to the sewer collection system, including areas with septic systems that may be able to be hooked-up to existing, expanded, or new wastewater collection systems, as well as areas that may not be able to be connected to a centralized wastewater systems; septic systems hookup needs and alternatives; decentralized treatment systems; bio-solids management and wastewater re-use; and costs for these measures.
59. Reliability Assessment. The Master Plan shall include a complete assessment of CUC's drinking water and wastewater systems necessary to ensure the continuous and reliable operation of all components of those systems, including alarm

systems, electrical controls, redundancy, telemetry systems, and emergency power.

B2. SUBMITTALS AND REQUIRED ELEMENTS OF THE MASTER PLAN

60. Based on the assessments carried out pursuant to Section III, Subsection B1 (Assessments for Master Plan), above, CUC shall develop, and the Master Plan shall include, specific plans with priorities and schedules to repair, replace, expand, or otherwise modify physical components of the drinking water and wastewater systems to ensure adequate quantity and quality of drinking water, and reliable operations of the wastewater systems. The Master Plan shall include short-term (2-year and 5-year) and long-term (20-year) plans, and a five (5) year capital improvement plan that shall list each project, estimated cost, and schedule (including design, start of construction, and completion of construction). As a guide, the 10 States Standards may be used for the drinking water and wastewater systems.

a. The Master Plan shall, at a minimum:

- (i) Address all components of the drinking water systems including, but not limited to, sources, transmission, treatment, storage, distribution, and pumps, and ensure that CUC is capable of providing adequate quantity and quality of drinking water in the long-term. Quantity, as used here, means the 24-hour availability of water through a pressurized system, meeting minimum pressure and fireflow requirements as specified in the 10 State Standards. Quality, as used here, means that all applicable federal and CNMI drinking water quality statutory and regulatory requirements are met; and
- (ii) Identify conditions that cause or contribute to CUC's violations of the SDWA or, its implementing regulations.

b. Specific Recommendations Based on Water Hydraulic Model. The Master Plan shall use the water hydraulic

model as the basis for specific recommendations aimed at ensuring the ability of the systems to provide 24-hour drinking water at sufficient pressure to CNMI. These recommendations will include, but not be limited to, the key elements that comprise CUC's drinking water systems' infrastructure. Such recommendations shall consider the need for additions to, or changes in, the configuration of the following key elements of the drinking water systems' infrastructure: configuration of sources; storage tanks (reservoirs); pumps and pump stations; transmission lines; and distribution systems configurations.

c. Schedule for Repair, Rehabilitation, and Replacement.

The Master Plan shall include specific plans with priorities and schedules for the development and implementation of repairs, rehabilitation and replacement of drinking water systems and wastewater systems components necessary to ensure continuous operation of

CUC's drinking water and wastewater systems, reduce SSOs, ensure compliance with wastewater treatment plant effluent limits, provide for the long-term sustainable replacement of deteriorated and obsolete components for both systems, ~~and construct a new sewage treatment plant and sewer system in the Tinian and Village of Kagman areas to protect drinking water and coastal water resources.~~ This schedule shall be

based on the drinking water and wastewater Condition Assessments, and shall be divided into four (4) parts:

- (i) Sewer pipe repair, rehabilitation, and replacement;
- (ii) Pump station and force main repair, rehabilitation, and replacement;
- (iii) Wastewater treatment plant repair, rehabilitation, and replacement; and
- (iv) Drinking water systems repair, rehabilitation, and replacement.

61. Asset Inventory. The Master Plan shall include an asset inventory and database for the entire drinking water and wastewater systems to be used as a basis for inventory management, utility financial planning, management, and operation and maintenance. The inventory shall include all components of CUC's drinking water production, treatment, transmission, pumping, storage and distribution systems, and CUC's wastewater collection and treatment systems, and shall identify component locations, age, material, size, and capacity. The inventory shall project the expected remaining useful life of system components and replacement costs.
62. Development of a GIS. The Master Plan shall include a plan with a detailed schedule for the development of a GIS of CUC drinking water and wastewater systems to facilitate better management of CUC's systems. The GIS shall locate, map, and develop GIS layers for all of the following: treatment facilities; wells; water lines; storage tanks; collection systems;

pump stations; sewer laterals; and CUC's and DEQ's water quality monitoring stations.

63. Alternative Control Systems. The Master Plan shall include specific evaluations and recommendations for necessary process control system improvements, including a Supervisory Control and Data Acquisition ("SCADA") system, information management systems, telemetry, and other applicable types of automation to better enhance operational and management control of CUC's wastewater and drinking water systems, including wells, booster pumps, storage tank/reservoirs, sewage pump stations, and wastewater treatment plants.
64. Infrastructure Improvement Plan. Based on findings from the drinking water and wastewater assessments in Section III, Subsection B1 (Assessments for Master Plan) above, the Master Plan shall include an Infrastructure Improvement Plan that identifies needed drinking water and wastewater systems improvements including:

- a. Drinking Water Systems. The need for repair, reconfiguration, or additional drinking water systems' sources, transmission lines, pump stations, distribution, storage and treatment facilities; and
- b. Wastewater Systems. The need for sewer pipe repairs, inflow/infiltration controls, relief sewers, pump station upgrades, and sewage treatment plant expansions and/or upgrades necessary to convey and treat current and future peak flows.

65. Final Financial Plan ("FFP"). The Master Plan shall include an FFP. The cost for preparation of the Master Plan is covered in the Interim Financial Plan, Section III (Wastewater and Drinking Water Systems), Subsection A7 above. The FFP must provide for the generation of sufficient revenue to cover all compliance activities and deliverables required by this Stipulated Order, as well as any other anticipated expenses, including: any measures necessary to ensure compliance with the CWA and SDWA; ~~costs related to the financing or direct-~~

~~construction of the proposed wastewater treatment plant for the Village of Kagman~~; costs related to other infrastructure

improvements recommended in the Master Plan; all related operation and maintenance costs; and corresponding utility expenses, including maintenance of all required reserves. The FFP must include the following components:

- a. Five-Year Financial Plan. The five (5) year plan shall include:
 - (i) Estimated annual budgets for each of the next five (5) years for all costs of operating, maintaining, and repairing CUC's drinking water systems and wastewater systems, including the establishment and maintenance of the financial reserves described below; and
 - (ii) A detailed descriptive plan for raising sufficient revenue to meet the projected costs as outlined in the budgets, including adjustments or increases in

user fees, taxes, assessments, or other sources of revenue.

B3. MASTER PLAN TIMELINES AND DEADLINES

66. Timelines for Completion of the Master Plan. The Master Plan shall be completed in accordance with the timelines delineated below.

- a. Scope of Work and Request for Proposals. Within one hundred eighty (180) days after the Entry Date, CUC shall develop and submit for EPA approval, a draft scope of work and a draft Request for Proposals (“RFPs”) for the preparation of the Master Plan. CUC shall provide a copy of the documents concurrently to DEQ. CUC shall nationally advertise the EPA-approved RFPs for the preparation of the Master Plan;
- b. Selection of Contractor(s). Within one hundred twenty (120) days after EPA approval of the final RFPs, CUC shall provide to EPA and DEQ a list of at least three (3) qualified offerors, including the qualifications of each

offeror. Any contract with a third party shall ensure that any individual hired thereunder shall meet the minimum requirements and qualifications set forth herein. Prior to executing a contract related to preparation of the Master Plan, CUC, shall notify EPA and DEQ of the name of the contractor;

- c. Drafts of Master Plan. Within two hundred seventy (270) days after CUC has notified EPA of the selected and retained contractor for the Master Plan, CUC shall provide to EPA and DEQ a work in progress draft, which shall include, at a minimum, detailed outlines of all sections, and shall include all work (including interim/drafts of assessments, financial plans, and other components of the Master Plan) completed at that time;
- d. Final Draft of the Master Plan and Financial Plan. Within five hundred forty (540) days after CUC has notified EPA of the selected and retained contractor, CUC shall develop and submit for EPA approval, the

final draft of the Master Plan and financial plan. CUC shall also submit a copy of the final draft Master Plan to DEQ for review and comment. CUC shall address all comments from EPA and DEQ. Upon EPA approval of the final draft of the Master Plan and financial plan, CUC shall provide a copy to EPA and DEQ.

e. Public Comment. Within thirty (30) days after the final draft Master Plan has been approved by EPA, CUC shall issue a press release and publish notice in a local newspaper:

(i) Indicating that the final draft Master Plan is available for public review for at least forty-five (45) days at locations convenient for the public such as public libraries in CNMI, and CUC offices; and

(ii) Announcing the date and location of any public meeting to discuss the final draft Master Plan.

During the public comment period, CUC shall

hold at least one (1) public meeting and CUC shall issue the public notice at least thirty (30) days before the date of the public meeting; and

- f. Completion of Master Plan. Within one hundred five (105) days after the public comment period has ended, CUC shall complete a final Master Plan and shall address in its final Master Plan all material comments raised during the public comment period. CUC shall submit the final Master Plan for EPA approval, and send a copy to DEQ, and shall perform the required tasks in accordance with the schedule set out in the EPA-approved final Master Plan.

B4. GROUNDWATER MANAGEMENT AND PROTECTION PLAN

67. The Master Plan shall include a section that addresses the development and implementation of a groundwater management and protection program by CUC. CUC shall develop and submit a groundwater management and protection plan and a detailed schedule that addresses CUC-related roles

and responsibilities as a water purveyor with respect to effective withdrawal, management, and protection of the groundwater resources of the CNMI. The groundwater management program shall address issues related to exploration for groundwater resources, sustainable withdrawal of groundwater resources, improvement of groundwater quality, and protection of groundwater resources from degradation. As part of its groundwater management program, CUC shall implement the following activities:

- a. Interagency Coordination. Coordinate and cooperate with CNMI resources agencies that are involved in, and have jurisdiction over, the management, regulation, and protection of groundwater resources of the CNMI (e.g., CNMI DEQ, Coastal Resources Management Office, Coastal Resources Management Office, and the Governor's Water Resources Task Force, or equivalent);
- b. Groundwater Restoration. Coordinate and cooperate with CNMI resource agencies to implement programs

and projects to restore contaminated wells and groundwater resources to compliance with applicable water quality standards, including reduction of salinity concentrations to levels consistent with secondary drinking water standards;

- c. Compliance with Applicable CNMI Statutes and Regulations. Demonstrate compliance with applicable CNMI regulatory programs that address groundwater management and protection zones, protection of the groundwater resources of CNMI, and the regulation and permitting of groundwater withdrawals, including DEQ's well drilling and well operation permit program. Consistent with CNMI regulations, the CUC shall provide sufficient technical information as part of its permit applications to demonstrate that withdrawals of groundwater will not lead to degradation of the groundwater resources of CNMI;

- d. Sustainable Withdrawals of Groundwater. Develop and implement programs to manage groundwater withdrawals based on sustainable yields and optimize groundwater withdrawals from CNMI well fields. Sustainable well field operations may include reduction of pumping rates for individual or multiple wells located within critical well fields and installation of new low-volume wells in accordance with CNMI regulations;
- e. Leakage Reduction. Implement projects to monitor and reduce leakage in water distribution lines that contributes to inefficient water utilization and over-pumping of CNMI groundwater resources; and
- f. Capacity Building. Recruit a qualified groundwater hydrologist to provide technical expertise related to:
 - (i) The siting, design, installation and efficient operation of water wells;
 - (ii) Optimization of groundwater withdrawals from CNMI aquifers and well fields; and

- (iii) Protection of CNMI groundwater resources from further degradation. If federally-sourced funds are used, CUC shall submit documentation demonstrating that the groundwater hydrologist has sufficient experience to assume this position.

C. SHORT-TERM WASTEWATER INFRASTRUCTURE CONSTRUCTION

68. Within one hundred eighty (180) days after the Entry Date, CUC shall develop and submit for EPA approval, plans and schedules for implementing the listed projects below.
- Notwithstanding the development of long-term plans for infrastructure construction projects pursuant to the Master Plan, the following construction projects must be completed, subject to EPA's review and approval, within the timeframes established by EPA in its approval of specific project plans for the following:
- a. Construction of the Agingan Ocean Outfall;
 - b. Construction of a new Sewer Pump Station ("SPS") T-1;

- c. Renovation of SPS T-2;
- d. Enlargement of the force main from SPS T-1 to SPS S-3;
- e. Renovation of SPS W-8; and
- f. Renovation of SPS T-3.

The schedules shall include milestones for commencing and completing planning, designs, and construction, as appropriate, depending on the current status of the project(s).

D. ADDITIONAL REQUIREMENTS

68A. CUC shall comply with all requirements in Appendix A attached hereto.

IV. OIL SPILL PREVENTION, PREPAREDNESS AND RESPONSE

The Parties have entered into the Stipulated Order- Number Two that addresses oil spill prevention, preparedness, and response actions. Stipulated Order- Number Two will be lodged concurrently with the instant Stipulated Order Number One, and is subject to the public comment process and court approval.

V. GENERAL PROVISIONS

A. REPORTING

69. Quarterly Progress Reports. CUC shall submit quarterly compliance progress reports to EPA and DEQ. The quarterly compliance progress report shall be due on or before January 28, April 28, July 28, and October 28, of each year, and shall cover activities in the preceding calendar quarter. The first quarterly progress report to be submitted will be for the first full calendar quarter after the Entry Date of the Stipulated Order, and shall include a compliance schedule for all compliance activities and deliverables required by the Stipulated Order. Quarterly compliance progress reports shall include, but not be limited to, the following:

- a. CUC's progress toward completing compliance activities and deliverables required by the Stipulated Order, including any problems encountered;
- b. Submissions of analytical data received during the reporting period;

- c. Quantities of oil and used oil at each of the PP Facilities, as well as oil recycling, treatment, and/or disposal activities performed in the reporting period and anticipated in the next reporting period;
- d. Modifications to approved work, Workplans, and/or schedules during the reporting period;
- e. Reporting of compliance and/or noncompliance with schedules established for specific compliance activities and deliverables;
- f. Explanations of noncompliance and actions taken or to be taken to address noncompliance; and
- g. A brief discussion of the status of efforts toward meeting future compliance schedule activities and deliverables required by the Stipulated Order.

70. Whenever any violation of this Stipulated Order, or of any applicable permits, or any other event affecting Defendant's performance under this Stipulated Order, or the performance of its wastewater systems, drinking water systems, PP Facilities,

or CUC Pipeline, may pose an immediate threat to the public health or welfare or the environment, Defendant shall notify EPA and DEQ orally or by electronic or facsimile transmission as soon as possible, but no later than 24-hours after Defendant first knew of the violation or event. This procedure is in addition to the requirements set forth in the preceding Paragraph.

71. Each report submitted by Defendant under this Section shall be signed by an official of the submitting party and include the following certification:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

This certification requirement does not apply to emergency or similar notifications where compliance would be impractical.

72. The reporting requirements of this Stipulated Order do not relieve Defendant of any reporting obligations required by the CWA or SDWA or implementing regulations, or by any other federal, state, or local law, regulation, permit, or other requirement.

73. Any information provided pursuant to this Stipulated Order may be used by the United States in any proceeding to enforce the provisions of this Stipulated Order and as otherwise permitted by law.

B. SUBMISSIONS AND DECISIONS REQUIRING EPA APPROVAL

74. After review of any plan, program, project, report, or other item required to be submitted to EPA for approval to be made under this Stipulated Order, EPA shall, unless otherwise specified:

- a. Approve the submission in whole or in part; or
- b. Approve the submission upon specified conditions; or

- c. Disapprove the submission, in whole or in part, directing that the Defendant modify the submission; or
- d. Any combination of a., b., or c. above.

75. Following receipt of EPA's approval or approval upon conditions, pursuant to Paragraphs 74 a., b., c., or d., above, Defendant shall take all approved action in accordance with any conditions imposed by EPA within the approved schedule or time frame established by EPA, or as otherwise set forth in this Stipulated Order. In the event EPA seeks to impose conditions as set forth in Paragraph 74 b. above, CUC shall have the right to invoke dispute resolution pursuant to Section V Subsection G. (Dispute Resolution) of this Stipulated Order.
76. Following receipt of EPA's notice of disapproval pursuant to Paragraph 74 b. or c. above, Defendant shall have the right, within twenty (20) days or such other period specified by EPA, to "cure" or correct deficiencies in such submission and resubmit the submission for approval. If CUC "cures" or corrects the deficiencies within this twenty day period or other

time-frame specified by EPA, stipulated penalties shall not accrue. Notwithstanding the receipt of the notice of disapproval pursuant to Paragraph 74 c. above, Defendant shall proceed, at the direction of EPA, to take any action required by any approved portion of the submission, within the scheduled approved time frame established by EPA, as long as such action is not precluded or rendered impracticable by the non-approved portion.

77. All submissions required to be submitted to EPA under this Stipulated Order shall, upon approval by EPA, be enforceable under this Stipulated Order. In the event EPA approves or requires Defendant to modify a portion of a submission required under this Stipulated Order, the approved or modified portion shall be enforceable under this Stipulated Order.

C. ACCESS

78. Any authorized representative of EPA, USCG, or DEQ, upon presentation of proper identification, shall have a right of entry to CUC's STPs and all other facilities associated with the

wastewater system (collection, lift stations, etc.); all facilities associated with the drinking water systems (sources, tanks, transmission, distribution, etc.); and all of the PP Facilities and the CUC Pipeline right of way; at any reasonable time for the purpose of monitoring compliance with the provisions of this Stipulated Order, including, but not limited to, inspecting facilities and equipment, inspecting and copying all records maintained by CUC, and testing and observing discharges from wastewater and oil, obtaining split samples obtained by Defendant, and threats of such discharges; and testing and monitoring drinking water and oil operations.

- a. EPA or DEQ's rights of inspection and entry under this Paragraph are in addition to, and in no way limit, EPA or DEQ's rights of inspection and entry under the CWA, SDWA, the Resource Conservation and Recovery Act, or any other law.
- b. Where work under this Stipulated Order is to be performed in areas owned by or in possession of

someone other than CUC, CUC shall use its best efforts to obtain all necessary access agreements. Best efforts, as used in this Paragraph, shall include the payment of reasonable compensation in consideration of granting access. CUC shall immediately notify EPA if it is unable to obtain such agreements. EPA may assist CUC in gaining access using such means as EPA deems appropriate. EPA reserves the right to seek reimbursement from CUC for all costs and attorneys' fees incurred by the United States in obtaining access on behalf of CUC.

D. NOTICES AND SUBMISSIONS

79. Whenever, under the terms of this Stipulated Order, written notice is required to be given or a report or other document is required to be sent by one party to another, it shall be directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other parties in writing. All notices and submissions shall be

considered effective upon receipt, unless otherwise provided. Notices, submissions, and reports are to be provided both by email and postal mail. Written notice as specified herein shall constitute complete satisfaction of any written notice requirement of the Stipulated Order with respect to the United States, EPA, and the Defendant, respectively.

80. EPA has designated Michael Lee, of the Region 9 Pacific Islands Office, as the overall EPA Project Coordinator. EPA has designated Barry Pollock, of the Region 9 Drinking Water Office, as the Alternate EPA Project Coordinator. The EPA Project Coordinator and Alternate EPA Project Coordinator shall be responsible for coordination between EPA, DEQ, and CUC during the implementation of this Stipulated Order. All correspondence required by this Stipulated Order shall be sent to EPA's Project Coordinator and Alternate EPA Project Coordinator.
81. DEQ has designated Frank Rabauliman, Director of DEQ, as the DEQ Project Coordinator. DEQ will designate an

Alternate DEQ Project Coordinator. The DEQ Project Coordinator shall be responsible for coordination between DEQ and EPA during the implementation of this Stipulated Order. All correspondence required by this Stipulated Order shall be sent to DEQ's Project Coordinator.

82. EPA has designated Barry Pollock, of the Region 9 Water Division's Drinking Water Office, as the EPA Drinking Water Coordinator. The EPA Drinking Water Coordinator shall be responsible for the technical oversight of the Drinking Water related portions of this Stipulated Order. DEQ has designated Joe Kaipat as the DEQ Drinking Water Coordinator. All correspondence and files relating to drinking water issues, including those in Paragraphs 29 thru 47 shall be sent to the EPA Drinking Water Coordinator and DEQ Drinking Water Coordinator in addition to the overall EPA Project Coordinator listed in Paragraph 79 and the overall DEQ Project Coordinator listed in Paragraph 80.

83. EPA has designated Michael Lee, of the Region 9 Pacific Islands Office, as the EPA Wastewater Coordinator. The EPA Wastewater Coordinator shall be responsible for the technical oversight of the Wastewater related portions of this Stipulated Order. DEQ has designated David Rosario, as the DEQ Wastewater Coordinator. All correspondence and files relating to waste water issues, including those in Paragraphs 28 thru 28 shall be sent to the EPA Wastewater Coordinator and the DEQ Wastewater Coordinator in addition to the overall EPA Project Coordinator listed in Paragraph 80 and the overall DEQ Project Coordinator listed in Paragraph 81.
84. EPA has designated Michelle Rogow, of the Region 9 Superfund Division Emergency Response Section, as the On Scene Coordinator (“OSC”). The OSC shall have the authorities, duties and responsibilities vested in the OSC by the NCP, 40 C.F.R. Part 300. The OSC’s authority includes, but is not limited to, the authority to halt, modify, conduct or direct any tasks required by Stipulated Order– Number Two. The

OSC shall be responsible for the technical oversight of the oil spill prevention, preparedness and response related portions of this Stipulated Order. DEQ has designated Ben Somol as the DEQ Oil Coordinator. All correspondence and files relating to oil spill prevention, preparedness and response shall be sent to the OSC and the DEQ Oil Coordinator in addition to the overall EPA Project Coordinator listed in Paragraph 80 and the overall DEQ Project Coordinator listed in Paragraph 81.

85. Within sixty (60) days after the Entry Date, CUC shall designate a CUC Project Coordinator who shall be responsible for overseeing CUC's implementation of this Stipulated Order. CUC has the option of designating an Alternate CUC Project Coordinator if it deems it to be appropriate. CUC shall also designate a CUC Drinking Water Coordinator, a CUC Wastewater Coordinator, and a CUC Technical Manager for

Oil. CUC may choose one individual to fill more than one of these roles. CUC's notice of designation shall include an address, telephone number, and email address for the CUC Project Coordinator, CUC Drinking Water Coordinator, CUC Wastewater Coordinator, CUC Technical Manager for Oil, and Alternate CUC Project Coordinator, if one is selected. Information on the proposed coordinator's credentials and qualifications should also be provided.

As to the United States:

Chief, Environmental Enforcement Section
Environment and Natural Resources Division
United States Department of Justice
P.O. Box 7611
Washington, D.C. 20044-7611
Re: DJ # 90-11-3-08277
[Email: eescasemanagement.enrd@usdoj.gov](mailto:eescasemanagement.enrd@usdoj.gov)

As to EPA:

[Martha Guzman](#)~~Wayne Nastri~~
Regional Administrator
United States Environmental Protection Agency
Region IX
75 Hawthorne Street

San Francisco, California 94105

John Tinger~~Michael Lee~~

Project Coordinator ~~/Wastewater Coordinator~~

United States Environmental Protection

Agency

Region IX (ECAD 3-1~~CED-6~~)

75 Hawthorne Street

San Francisco, California 94105

(415) 972-3518~~769~~

Tinger.john@epa.gov ~~lee.michael@epa.gov~~

~~Barry Pollock~~

~~Alternate EPA Project Coordinator~~

~~Drinking Water Coordinator~~

~~United States Environmental Protection~~

~~Agency~~

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~~pollock.barry@epa.gov~~

Russell Mechem ~~Michelle Rogow~~

Project Coordinator ~~On Scene Coordinator~~

United States Environmental Protection

Agency

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San Francisco, California 94105

(415) 972-3192~~3082~~

Mechem.russell@epa.gov

rogow.michelle@epa.gov

~~John McCarroll~~

~~Manager, Pacific Islands Office
United States Environmental Protection
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Region IX (CED-6)
75 Hawthorne Street
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(415) 972-3774
mecarroll.john@epa.gov~~

As to ~~the~~ Defendant CUC:

Bruce Megarr
Interim Project Coordinator
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(670) 483-4027
(670) 235-5138
brm5895@gmail.com

[Bao-Ngan \(“Tina”\) V. Ngo](#)
[Assistant Attorney General](#)
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[Tel: \(670\) 237-7500; Fax: \(670\) 664-2349](#)
tina_ngo@cnmioag.org

As to Defendant CNMI:

[Alison Nelson](#)
[Chief, Civil Division](#)
[Office of the Attorney General](#)
[Commonwealth of the Northern Mariana](#)
[Islands](#)
[2nd Floor Hon. Juan A. Sablan Memorial](#)

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[Caller Box 10007, Capitol Hill](#)
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[Tel: \(670\) 237-7500; Fax: \(670\) 664-2349](#)
alison_nelson@cnmioag.org

E. STIPULATED PENALTIES

86. Defendant shall pay stipulated penalties for failure to meet any requirement in this Stipulated Order as specified below.

- a. For failure to implement, achieve, or complete the requirements set forth in Section III, Subsection A1 (Management Structure of CUC); Section III, Subsection A2 (Organizational Structure of CUC); Section III, Subsection A7 (Interim Financial Management); Section III, Subsection B1 (Assessments for Master Plan); Section III, Subsection B2 (Submittals and Required Elements of the Master Plan); Section III, Subsection B3 (Master Plan Timelines and Deadlines); and Section III, Subsection B4 (Groundwater Management and Protection Plan), or in any related submittals required to

be modified by EPA and made part of this Stipulated Order by the dates specified, CUC shall pay:

- (i) 1,000 per day per violation for the first thirty (30) days;
 - (ii) 2,000 per day per violation for the following thirty (30) days; and
 - (iii) 5,000 per day per violation for each day thereafter.
- b. For failure to implement, achieve, or complete the requirements set forth in Section III, Subsection A3 (Procurement Procedures and Training Programs); Section III, Subsection A4 (Wastewater Operations and Maintenance at CUC); Section III, Subsection A5 (Drinking Water Operations and Maintenance at CUC); Section III, Subsection A6 (Drinking Water Sampling, Monitoring, and Reporting); Section III, Subsection C (Short-Term Wastewater Infrastructure Construction); and Section V, Subsection A (Reporting), or in any

related submittals required to be modified by EPA and made part of this Stipulated Order by the dates specified, CUC shall pay:

- (i) 500 per day per violation for the first thirty (30) days;
- (ii) 1,000 per day per violation for the following thirty (30) days; and
- (iii) 2,000 per day per violation for each day thereafter.

87. For failure to implement, achieve, or complete any other requirements in this Stipulated Order, CUC shall pay:

- a. 250 per day per violation for the first thirty (30) days;
- b. 500 per day per violation for the following thirty (30) days; and
- c. 1,000 per day per violation for each day thereafter.

88. Stipulated penalties shall begin to accrue on the day after performance is due and shall continue to accrue through the final date of completion even if no notice of the violation is

sent to the Defendant. Nothing herein shall prevent the simultaneous accrual of separate penalties for separate violations of this Stipulated Order.

89. Any penalty accruing pursuant to this Stipulated Order shall be payable upon demand and due no later than thirty (30) days after Defendant's receipt of EPA's written demand. Defendant shall pay the amount owed to the United States pursuant to this Stipulated Order by certified or cashier's check in the amount due payable to the "United States Department of Justice," referencing DOJ No. 90-5-1-1-08471 and delivered to the office of the United States Attorney, District of Guam, Attention: Financial Litigation Unit, Suite 500, Sirena Plaza, 108 Hernan Cortez, Hagatna, Guam 96910.
90. The United States may, in the unreviewable exercise of its discretion, reduce or waive stipulated penalties otherwise due it under this Stipulated Order.
91. If Defendant fails to pay stipulated penalties owed pursuant to this Stipulated Order within thirty (30) days of receipt of EPA's

written demand, Defendant shall pay interest on the late payment for each day after the initial thirty (30) day due date. The rate of interest shall be the most recent interest rate determined pursuant to 28 U.S.C. § 1961.

92. If the dispute is appealed to the Court and the United States prevails in whole or in part, Defendant shall pay all accrued penalties determined by the Court to be owing, the United States' enforcement costs, together with interest, within sixty (60) days of receiving the Court's decision or order, except as provided.
93. If any party appeals the District Court's decision, Defendant shall pay all accrued penalties determined to be owing, together with interest, within fifteen (15) days of receiving the final appellate court decision.
94. Any payment of stipulated penalties shall include a transmittal letter that states that the payment is for stipulated penalties and shall state for which violation(s) the penalties are being paid.

95. Stipulated penalties are not the Plaintiff's exclusive remedy for violations of this Stipulated Order. The United States expressly reserves the right to seek any other relief it deems appropriate, including, but not limited to, action for statutory penalties, contempt, or injunctive relief against Defendant.

F. FORCE MAJEURE

96. "Force majeure," for purposes of this Stipulated Order, is defined as any event arising from causes beyond the control of the Defendant, of any entity controlled by Defendant, or of Defendant's contractors, that delays or prevents the performance of any obligation under this Stipulated Order despite Defendant's best efforts to fulfill the obligation. The requirement that the Defendant exercises "best efforts to fulfill the obligation" includes using best efforts to anticipate any potential force majeure event and best efforts to address the effects of any potential force majeure event (1) as it is occurring and (2) following the potential force majeure event, such that the delay is minimized to the greatest extent possible.

“Force Majeure” does not include lack of political consensus or financial inability to complete the deliverables required by this Stipulated Order.

97. If any event occurs or has occurred that may delay the performance of any obligation under this Stipulated Order, whether or not caused by a force majeure event, the Defendant shall orally notify EPA’s Project Coordinator or, in his or her absence, EPA’s Alternate Project Coordinator or, in the event both of EPA’s designated representatives are unavailable, the Manager of the Pacific Islands Office, EPA Region 9, within ten (10) days of when Defendant first knew that the event might cause a delay. Within five (5) days thereafter, Defendant shall provide, in writing, to EPA an explanation and description of the reasons for the delay; the anticipated duration of the delay; all actions taken or to be taken to prevent or minimize the delay; a schedule for implementation of any measures to be taken to prevent or mitigate the delay or the effect of the delay; the Defendant’s rationale for attributing

such delay to a force majeure event if it intends to assert such a claim; and a statement as to whether, in the opinion of the Defendant, such event may cause or contribute to an endangerment to public health, welfare or the environment. The Defendant shall include with any notice all available documentation supporting its claim that the delay was attributable to a force majeure. Failure to comply with the above requirements shall preclude Defendant from asserting any claim of force majeure for that event for the period of time of such failure to comply, and for any additional delay caused by such failure. Defendant shall be deemed to know of any circumstance of which Defendant, any entity controlled by Defendant, or Defendant's contractors knew or should have known.

98. If EPA agrees that the delay or anticipated delay is attributable to a force majeure event, the time for performance of the obligations under this Stipulated Order that are affected by the force majeure event may be extended by EPA for such time as

is necessary to complete those obligations. An extension of the time for performance of the obligations affected by the force majeure event shall not, of itself, extend the time for performance of any other obligation. If EPA does not agree that the delay or anticipated delay has been or will be caused by a force majeure event, EPA will notify the Defendant in writing of its decision. If EPA agrees that the delay is attributable to a force majeure event, EPA will notify the Defendant in writing of the length of the extension, if any, for performance of the obligations affected by the force majeure event.

99. If the Defendant elects to invoke the dispute resolution procedures set forth in Section V, Subsection G (Dispute Resolutions), it shall send a written Notice of Dispute no later than fifteen (15) days after receipt of EPA's notice. In any such proceeding, Defendant shall have the burden of demonstrating by a preponderance of the evidence that the delay or anticipated delay has been or will be caused by a force majeure event, that the duration of the delay or the extension

sought was or will be warranted under the circumstances, that best efforts were exercised to avoid and mitigate the effects of the delay, and that Defendant complied with the requirements of this Section, Subsection F (Force Majeure)-.

G. DISPUTE RESOLUTION

100. Unless otherwise expressly provided for in this Stipulated Order, the dispute resolution procedures of this Section shall be the exclusive mechanism to resolve disputes arising under or with respect to this Stipulated Order. Defendant's failure to seek resolution of a dispute under this Section shall preclude Defendant from raising any such issue as a defense to an action by the United States to enforce any obligation of Defendant arising under this Stipulated Order.
101. Any dispute that arises under or with respect to this Stipulated Order shall in the first instance be the subject of informal negotiations between the parties to the dispute. The period for informal negotiations shall not exceed thirty (30) calendar days from the time the dispute arises, unless it is modified by a

written agreement of the parties to the dispute. The dispute shall be considered to have arisen when one party sends the other parties a written Notice of Dispute.

102. In the event that the parties cannot resolve a dispute by informal negotiations under the preceding Paragraph, the position advanced by EPA shall be considered binding unless, within twenty (20) calendar days after the conclusion of the informal negotiation period, Defendant invokes the formal dispute resolution procedures of this Section by serving on the United States a written Statement of Position on the matter in dispute, including, but not limited to, any factual data, analysis or opinion supporting that position, and any supporting documentation relied upon by Defendant. Defendant shall set out the nature of the dispute with a proposal for its resolution. The Statement of Position shall specify Defendant's position as to whether the formal dispute resolution should proceed.
103. Within forty-five (45) calendar days after receipt of Defendant's Statement of Position, EPA will serve on

Defendant its Statement of Position, including, but not limited to, any factual data, analysis, or opinion supporting that position and all supporting documentation relied upon by EPA. EPA's Statement of Position shall include a statement as to whether the formal dispute resolution should proceed.

104. Formal dispute resolutions are accorded review on the administrative record. An administrative record of the dispute shall be maintained by EPA and shall contain all statements of position, including supporting documentation, submitted pursuant to this Section. Where appropriate, EPA may allow submission of supplemental statements of position by the parties to the dispute.
105. The EPA Region 9 Water Division Director, will issue a final administrative decision resolving the dispute based on the administrative record and this decision shall be binding upon Defendant, subject only to the right to seek judicial review as described in this Section.

106. Any administrative decision made by EPA pursuant to this Stipulated Order shall be reviewable by this Court, provided that a motion for judicial review of the decision is filed by Defendant with the Court, and served on all parties within thirty (30) calendar days of receipt of EPA's decision. The motion shall include a description of the matter in dispute, the efforts made by the parties to resolve it, the relief requested, and the schedule, if any, within which the dispute must be resolved to ensure orderly implementation of this Stipulated Order. In any such dispute resolution proceeding, Defendant bears the burden of proving that EPA's decision was arbitrary and capricious. The United States may file a response to Defendant's motion.
107. The invocation of dispute resolution procedures under this Section shall not, by itself, extend, postpone, or affect in any way any obligation of Defendant under this Stipulated Order, unless and until final resolution of the dispute so provides and the Court grants such an order.

108. Stipulated penalties with respect to the disputed matter shall continue to accrue but payment shall be stayed pending resolution of the dispute. Notwithstanding the stay of payment, stipulated penalties shall accrue from the first day of noncompliance with any applicable provision of this Stipulated Order.

H. GENERAL

109. Where any compliance obligation under this Section requires Defendant to obtain a federal, state, or local permit or approval, Defendant shall submit timely and complete applications and take all other actions necessary to obtain all such permits or approvals. Defendant may seek relief under the provisions of Section V, Subsection F (Force Majeure) of this Stipulated Order for any delay in the performance of any such obligation resulting from a failure to obtain, or a delay in obtaining, any permit or approval required to fulfill such obligation, if Defendant has submitted timely and complete applications and

has taken all other actions necessary to obtain all such permits or approvals.

110. Each undersigned representative of Defendant and the United States certifies that he or she is fully authorized to enter into the terms and conditions of this Stipulated Order, to execute the document, and to legally bind, to the document, the party he or she represents.

I. INFORMATION RETENTION

111. Until five (5) years after the termination of this Stipulated Order, Defendant shall retain, and shall instruct its contractors and agents to preserve, all non-identical copies of all documents, records, or other information (including documents, records, or other information in electronic form) in its or its contractors' or agents' possession or control, or that come into its or its contractors' or agents' possession or control, and that relate in any manner to Defendant's performance of its obligations under this Stipulated Order. This information-retention requirement shall apply regardless of any contrary

corporate or institutional policies or procedures. At any time during this information-retention period, upon request by the United States or DEQ, Defendant shall provide copies of any documents, records, or other information required to be maintained under this Paragraph.

112. At the conclusion of the information-retention period provided in the preceding Paragraph, Defendant shall notify the United States and DEQ at least ninety (90) days prior to the destruction of any documents, records, or other information subject to the requirements of the preceding Paragraph and, upon request by the United States or DEQ, Defendant shall deliver any such documents, records, or other information to EPA or DEQ. Defendant may assert that certain documents, records, or other information is privileged under the attorney-client privilege or any other privilege recognized by federal law. If Defendant asserts such a privilege, it shall provide the following: (1) the title of the document, record, or information; (2) the date of the document, record, or information; (3) the

name and title of each author of the document, record, or information; (4) the name and title of each addressee and recipient; (5) a description of the subject of the document, record, or information, if requested by EPA or DEQ; and (6) the privilege asserted by Defendant. However, no documents or records generated specifically pursuant to the enumerated requirements of this Stipulated Order shall be withheld on grounds of privilege.

113. Defendant may also assert that information required to be provided under this Section is protected as Confidential Business Information (“CBI”) under 40 C.F.R. Part 2. As to any information that Defendant seeks to protect as CBI, Defendant shall follow the procedures set forth in 40 C.F.R. Part 2.
114. This Stipulated Order in no way limits or affects any right of entry and inspection, or any right to obtain information, held by the United States or DEQ pursuant to applicable federal or local laws, regulations, or permits, nor does it limit or affect

any duty or obligation of Defendant to maintain documents, records, or other information imposed by applicable federal or local laws, regulations, or permits.

J. EFFECT OF SETTLEMENT/RESERVATION OF RIGHTS

115. This Stipulated Order Number One resolves the civil claims of the United States for the CWA violations (not including the CWA claims resolved by the entry of Stipulated Order Number Two) and SDWA civil claims alleged in the Complaint filed in this action through the date of lodging; provided however, this Stipulated Order Number One does not resolve civil penalty claims for the violations alleged in the Complaint.
116. The United States and DEQ reserve all legal and equitable remedies available to enforce the provisions of this Stipulated Order, except as expressly stated in Paragraph 115. This Stipulated Order shall not be construed to limit the rights of the United States or DEQ to obtain penalties or injunctive relief under the CWA or SDWA or implementing regulations, or

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under other federal, local laws, regulations, or permit
conditions, except as expressly specified in Paragraph 115.

117. The United States and DEQ further reserve all legal and equitable remedies to address any imminent and substantial endangerment to the public health or welfare or the environment arising at, or posed by, Defendant's wastewater systems, drinking water systems, PP Facilities, or the CUC Pipeline, whether related to the violations addressed in this Stipulated Order or otherwise.
118. The Stipulated Order is not and shall not be construed as either an NPDES permit or a modification of any existing NPDES permit. By entering into this Stipulated Order, the United States does not warrant in any manner that Defendant's compliance with the terms of this Stipulated Order will result in compliance with the provisions of the CWA, the SDWA, and regulations promulgated pursuant to those statutes. Defendant's compliance with the terms of this Stipulated Order does not affect or resolve the United States' claims for civil penalties or permanent injunctive relief.

119. This Stipulated Order shall not affect CUC's obligation to comply with its NPDES permits and with all applicable federal laws, regulations, and permits.

120. This Stipulated Order does not limit or affect the rights of the United States or Defendant against any third parties, nor does it limit the rights of third parties who are not parties to this Stipulated Order. In addition, this Stipulated Order is not to be construed as creating rights or obligations in third parties.

K. COSTS

121. The parties shall bear their own costs of this action, including attorneys' fees, except that the United States shall be entitled to collect the costs (including attorneys' fees) incurred in any action necessary to collect any portion of the stipulated penalties due but not paid by Defendant.

L. RETENTION OF JURISDICTION

122. The Court shall retain jurisdiction over this case until termination of this Stipulated Order, for the purpose of resolving disputes arising under this Stipulated Order or

entering orders modifying this Stipulated Order, or effectuating or enforcing compliance with the terms of this Stipulated Order.

M. MODIFICATION

123. There shall be no material modifications of this Stipulated Order without the written approval of the parties to this Stipulated Order and the approval of the Court. All non-material modifications, which may include extensions of the time frames and schedules for performance of the terms and conditions of this Stipulated Order, may be made by written agreement of the parties.

N. TERMINATION

124. This Stipulated Order may be terminated when the United States determines that Defendant has satisfactorily completed performance of its obligations required by this Stipulated Order, provided that Defendant has fulfilled all other obligations of this Stipulated Order, including payment of any outstanding stipulated penalties due. The parties shall file with the Court an appropriate stipulation reciting that the requirements of the Stipulated Order have been met.

IT IS SO ORDERED THIS _____ DAY OF _____ 2008.

UNITED STATES DISTRICT COURT JUDGE

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S d Ord r N A d A

1 **I CORRECTION OF DEFICIENCIES IDENTIFIED IN DECEMBER**
2 **EPA INSPECTION**

3 1. No later than November 15, 2024, CUC shall submit to EPA for
4 review and comment a response to the multiple sanitary deficiencies identified in
5 the EPA National Enforcement Investigations Center Civil Investigation Report
6 (“NEIC Report”) conducted December 11-15, 2023. The response shall be in
7 spreadsheet format and shall:

8 a. describe the corrections CUC implemented for sanitary
9 deficiencies, including but not limited to: missing vents or vent screens in water
10 tanks and wellheads; inadequate facility security; missing ventilation and weigh
11 scales for chlorine gas cylinders; missing or inadequate sanitary seals due to
12 leaking and corroded equipment and piping; unmaintained flow meters and
13 pressure valves; unmaintained tank ladders and roof access; structural integrity of
14 water tanks; and tank overflows; and

15 b. indicate the date each deficiency was corrected.

16 c. CUC shall include with the response documentation, including
17 photographs, that demonstrates the corrections.

18 2. By January 1, 2025, CUC shall submit for EPA’s approval a proposed
19 compliance schedule with dates for corrective action for the deficiencies that have
20 not been fully corrected.

21 3. By the 10th of each month, starting February 10, 2025, CUC shall
22 provide EPA with a monthly update of the response contained in Paragraphs 1.a to
23 1.c above until all corrective actions are completed.

24 **II OPERATION AND MAINTENANCE FOR DRIN IN WATER AND**
25 **WASTEWATER TREATMENT S STEM ASSETS**

26 4. CUC shall provide the necessary staffing and resources (e.g.,
27 equipment and supplies) to properly operate and maintain (“O&M”) CUC’s
28

1 drinking water and wastewater system assets and to implement this Stipulated
2 Order Number One.

3 5. CUC shall implement O&M activities according to Operation and
4 Maintenance Manuals and SOPs pursuant to Paragraph 14 below, and industry
5 standards.

6 **A Id d Tr F r Dr W r S**
7 **D**

8 6. No later than January 10, 2025, CUC shall develop a formal system
9 for operators to identify and track deficiencies at drinking water tanks and
10 wellheads that includes the following measures:

11 a. CUC shall review and update CUC’s existing well site
12 inspection forms and submit to EPA for review and comment. The updated well
13 site inspection forms shall address all the types of sanitary deficiencies identified
14 in the December 2023 NEIC Report including those listed in Paragraph 1 above as
15 well as facility security and operator safety concerns, evaluation of pressure
16 reducing valves, and leak identification.

17 b. Within sixty (60) days of receiving EPA comment, CUC shall
18 train all operators on the inspection forms to identify preventative maintenance.

19 c. Within ninety (90) days of receiving EPA comment, CUC shall
20 begin to use the inspection forms.

21 7. CUC shall conduct inspections a minimum of once per month for all
22 water tanks, pressure reducing valves, and pressure sustaining valves; and once
23 every 6 (six) months for all well sites and booster pump stations. CUC shall
24 document all inspections and maintain inspection records for a minimum of three
25 (3) years.

26 **B C rr Pr d C r Pr r r Dr W r d**
27 **W r Tr S**

1 8. CUC shall develop and implement a Corrosion Protection and Control
2 Program to identify, prevent, and control external corrosion at all drinking water
3 and wastewater system assets that includes the following measures.

4 a. No later than March 1, 2025, CUC shall conduct training for
5 drinking water and wastewater system operators on corrosion control, with a
6 minimum of ten (10) CUC operators obtaining a Certificate of training in
7 Corrosion Control (eLearning) from the American Water Works Association
8 (“AWWA”), or its equivalent.

9 b. No later than May 1, 2025, CUC shall develop and use an
10 inspection checklist for corrosion protection for drinking water and wastewater
11 system assets. At a minimum, the checklist shall include visual inspection and
12 identification of all pipe flanges with missing or severely degraded corrosion-
13 resistant gaskets, all locations where dissimilar metals including pipes, bolts,
14 washers, ties or equipment are in contact which may induce galvanic corrosion,
15 areas where exterior coating has failed, and to identify areas of the system (hot-
16 spots) of active corrosion and areas of concern due to soil contact, continuous
17 wetness, or exposure to corrosive gas. CUC shall submit the inspection checklist to
18 EPA for review and comment.

19 c. No later than March 1, 2025, CUC shall implement a Sacrificial
20 Anode Cathodic Protection System Program for all steel water storage tanks that
21 complies with ANSI/AWWA D106-20. In the event that any sacrificial anode at a
22 steel tank is deemed inaccessible due to health and safety considerations, CUC is
23 not required to replace anodes. CUC shall identify those locations deemed a health
24 and safety risk.

25 9. CUC shall provide a Corrosion Control Annual Report to EPA by
26 January 15 of each year, starting January 15, 2026. The Corrosion Control Annual
27 Report shall provide a summary of inspections conducted, a list of deficiencies
28

1 identified, a list of corrections made, and a list of corrective maintenance needed to
2 control corrosion.

3 **C C r B d Pr C M M S r**
4 **A M Pr r**

5 10. In addition to the requirements in Paragraph 26.b and 37 of Stipulated
6 Order Number One, by no later than October 1, 2025, CUC shall fully implement a
7 Computer-Based Maintenance Management System (“CMMS”) to support its
8 Asset Management Program (“AMP”) for the drinking water and wastewater
9 system assets. The CMMS will be used to, at a minimum, schedule and track
10 preventative maintenance and corrective work orders for all drinking water and
11 wastewater system assets as well as to collect information on asset condition,
12 criticality, and failures. The CMMS shall comply with the following Paragraphs
13 11-13.

14 11. CMMS Implementation Plan. By August 1, 2025, CUC shall submit
15 to EPA for review and comment, a CMMS Implementation Plan. The
16 Implementation Plan shall provide a roadmap for implementing the CMMS
17 program and shall include, at minimum:

18 a. Funding Source. CUC shall fully fund the CMMS program
19 including: yearly software subscription including technical assistance, yearly
20 trainings, data storage, and equipment.

21 b. Staffing. The CMMS shall include at minimum the following
22 three (3) positions: a Program Manager, a GIS Analyst, and a Scheduler/Planner
23 dedicated to the AMP.

24 c. Training Program. By September 1, 2025, all operators must
25 have received initial training in CMMS implementation. CUC shall provide or
26 procure additional ongoing training annually for new and existing operators. CUC
27 may train a subset of operators to perform Condition Assessments or other specific
28 operations.

1 12. Asset Condition Assessments. The CMMS shall include a database
2 that describes and tracks the condition of all drinking water and wastewater system
3 assets. No later than December 1, 2025, CUC shall complete and include in the
4 database an initial asset condition assessment for each drinking water and
5 wastewater system asset. Thereafter, CUC shall update the database at the
6 following frequencies, at a minimum:

- 7 a. assess each vertical asset once every three (3) years;
8 b. log any failed or broken equipment upon identification but not
9 more than three (3) days after field verification; and
10 c. include in the database any newly installed equipment within
11 thirty (30) days of installation.

12 13. Reporting.

13 a. Monthly Reports. CUC shall use the CMMS to provide EPA
14 with a monthly report of major broken and nonfunctional assets, including the
15 backlog of corrective work orders, the cost to replace, existing warranty status on
16 the equipment, and timeline to repair or replace, due the 10th day of each month,
17 beginning August 10, 2025.

18 b. Annual Report. CUC shall use the CMMS to produce an annual
19 report detailing, at a minimum: (1) summary of condition assessments conducted;
20 (2) summary of O&M conducted on assets; (3) summary of major assets repaired,
21 replaced or rehabilitated; (4) identification of assets remaining in critical condition
22 that have not been repaired, replaced or rehabilitated; (5) identification of assets
23 newly determined to be in critical condition; (6) proactive rehabilitation and
24 replacement planning for critical condition assets; (7) detailed cost analysis; and
25 (8) review of CIP planning to address critical assets. The Annual Report shall be
26 due by January 15 of each year, beginning January 15, 2026.
27
28

D S d rd O r Pr d r SOP

14. In addition to the requirements set forth in Paragraphs 22 and 23 of Stipulated Order Number One, CUC shall conduct a comprehensive review of all existing wastewater and drinking water system Operation and Maintenance Manuals, Standard Operational Procedures (“SOPs”), inspection reports, and inspection forms as follows.

a. By March 1, 2025, CUC shall develop a comprehensive list of all O&M Manuals, checklists and SOPs currently being utilized by drinking water and wastewater system operators.

b. By June 1, 2025, CUC shall complete an initial evaluation of the O&M Manuals, checklists and SOPs to determine if they are comprehensive, incorporating new procedures to ensure proper O&M, if operators are collecting necessary information, to standardize materials, to streamline any unnecessary or redundant information, and to ensure consistent tracking.

c. By November 1, 2025, CUC shall revise all O&M manuals, checklists and SOPs in accordance with its evaluation and submit the revised documents to EPA for review and comment.

d. Within 30 days of EPA comment, CUC operators shall incorporate EPA comments and implement and use the updated O&M Manuals, inspection checklists, and SOPs.

E F d r Dr W r d W r S O M

15. By February 1, 2025, CUC shall establish, fund, and maintain a separate bank account to provide funds to ensure the effective long-term operation and maintenance of new and existing drinking water and wastewater assets (“DW and WW O&M Account”).

16. CUC shall maintain the DW and WW O&M Account separate from all other accounts and budgets.

1 17. CUC may only use funds in the DW and WW O&M Account for
2 operation and maintenance of drinking water and wastewater system assets.

3 However, CUC shall not use any funds in the DW and WW O&M Account for:

- 4 a. funding staff and salaries, vehicles, or routine supplies.
5 b. major capital improvements or non-routine repairs and projects.

6 18. Beginning on February 1, 2025, and annually thereafter, CUC shall
7 deposit into the DW and WW O&M Account the amount of 500,000 per year.
8 CUC shall dedicate at least 200,000 per year from this account for funding the
9 CMMS pursuant to Paragraph 11.a and use the remainder of the yearly deposit
10 towards the effective long-term operation and maintenance of new and existing
11 drinking water and wastewater assets.

12 19. CUC shall also deposit into the DW and WW O&M Account any net
13 proceeds (*i.e.*, proceeds to CUC after all attorneys' fees and costs have been paid,
14 and after any other expenditures mandated by the settlements have been made)
15 received through settlements resolving third-party liability to CUC relating to per-
16 and polyfluoroalkyl substances ("PFAS") in drinking water. This includes but is
17 not limited to funds received in the following PFAS litigations:

- 18 • ***In Re Aqueous Film-Forming Foams Products Liability Litigation*** - 2:18-
19 mn-02873 - District of South Carolina
20 • ***Commonwealth of the Northern Mariana Islands v. The 3M Company et***
21 ***al.*** - 2:20-cv-01399 - District of South Carolina
22 • ***City of Camden, et al, individually and on behalf of all others similarly***
23 ***situated v. 3M Company*** - 2:23-cv-03147 - District of South Carolina
24 • ***City of Camden, et al., individually and on behalf of all others similarly***
25 ***situated v. E.I. DuPont De Nemours and Company, et al.*** - 2:23-cv-03230 -
26 District of South Carolina
27 • ***City of Camden, et al. individually and on behalf of all others similarly***
28 ***situated v. Tyco Fire Products LP, individually and as successor in interest***

1 *to The Ansul Company, and Chemguard, Inc.*, No. 2:24-cv-02321 - District
2 of South Carolina

- 3 • *City of Camden, et al. individually and on behalf of all others similarly*
4 *situated v. BASF Corporation, individually and as successor in interest to*
5 *Ciba Inc.*, No. 2:24-cv-03174 - District of South Carolina

6 PFAS settlement funds deposited into the DW and WW O&M Account do not
7 count towards CUC's annual deposit requirement in Paragraph 18 above.

8 20. CUC shall report the DW and WW O&M Account funding, activities
9 and expenditures to EPA on an annual basis. EPA need not approve O&M Account
10 activities; however, EPA maintains the right to object to funded activities. EPA
11 and CUC shall evaluate the annual DW and WW O&M Account funding level and
12 budget at least every year to incorporate any potential need for adjustments to
13 address cost increases or additional O&M activities.

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11 UNITED STATES OF AMERICA,
12 Plaintiff,
13 vs.
14 COMMONWEALTH UTILITIES
15 CORPORATION, and the
16 COMMONWEALTH OF THE
17 NORTHERN MARIANA
18 ISLANDS,
19 Defendants.

Case No. 08-cv-0051

CERTIFICATE OF SERVICE

19 I hereby certify that on January 8, 2025, I caused a true and correct
20 copy of the:

21 Notice of Lodging of the Modification of Stipulated Order Number One; and
22 Proposed Joint Stipulation and Order re: Material Modification of Stipulated
23 Order Number One and related attachments.

24 to be served through the Court’s Notice of Electronic Filing service to all parties.

25
26 Dated: _____

By: Elizabeth L. Loeb
ELIZABETH L. LOEB
Senior Attorney

27
28
*NOTICE OF LODGING OF THE MODIFICATION OF STIPULATED ORDER
NUMBER ONE*

United States v. CUC, et al. 08-CV-00051