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Concurrently with the lodging of this Consent Decree, Plaintiff United States of America, on behalf of the United States Environmental Protection Agency (“EPA”), has filed a Complaint in this action pursuant to Section 309 of the Clean Water Act (the “Act”), 33 U.S.C. § 1319, alleging that Defendant Seven-Up/RC Bottling Company of Southern California, Inc. (“Defendant” or “Seven-Up”) violated the Act at its soft drink bottling facility in Vernon, California (the “Vernon Facility”), and at its soft drink bottling facility in Buena Park, California (the “Buena Park Facility”).

The Complaint alleges that Defendant: (i) discharged, without a permit, pollutants, including industrial wastes and storm water associated with industrial activity, from the Vernon Facility and the Buena Park Facility into waters of the United States; (ii) violated the terms and conditions of the State Water Resources Control Board’s General Permit for Discharges of Storm Water Associated with Industrial Activities Excluding Construction Activities (“General Permit”) at its Vernon Facility and Buena Park Facility; and (iii) violated federal pretreatment requirements by discharging low pH wastewater from the Buena Park Facility to the Orange County Sanitation District sewer system.

The Parties recognize, and the Court by entering this Consent Decree finds, that this Consent Decree has been negotiated by the Parties in good faith and will avoid litigation between the Parties, and that this Consent Decree is fair, reasonable, and in the public interest.

NOW, THEREFORE, before the taking of any testimony, without the adjudication or admission of any issue of fact or law except as provided in Section I below, and with the consent of the Parties, IT IS HEREBY ADJUDGED, ORDERED, 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 Section 309(b) of the Act, 33 U.S.C. § 1319(b), and over the Parties. Venue lies in this District pursuant to 33 U.S.C. § 1319(b), and 28 U.S.C. §§ 1391(b) and (c) and

1395(a), because the violations alleged in the Complaint occurred in, and Defendant conducts business in, this judicial District. For purposes of this Decree, or any action to enforce this Decree, Defendant consents to the Court's jurisdiction over this Decree or such action and over Defendant, and consents to venue in this judicial District.

2. For purposes of this Consent Decree, Defendant agrees that the Complaint states claims upon which relief may be granted pursuant to Section 309(b) of the Act.

3. Notice of the commencement of this action has been given to the State of California, as required by Section 309(b) of the Act.

## II. APPLICABILITY

4. The obligations of this Consent Decree 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. Any transfer of ownership or operation of the Facilities to any other person must be conditioned upon the transferee's agreement: (i) to subject itself to the jurisdiction of this Court as the defendant in this Consent Decree; and (ii) to perform all remaining obligations of Seven-Up required by this Decree, as provided in a written agreement between Seven-Up and the proposed transferee, enforceable by the United States as a third-party beneficiary of such agreement. At least 30 days prior to such transfer, Seven-Up shall provide a copy of this Consent Decree to the proposed transferee. At least 15 days prior to such transfer, Seven-Up shall provide written notice of the prospective transfer, together with a copy of the proposed written agreement, to EPA and the United States, in accordance with Section XIII (Notices) of this Decree. If Seven-Up attempts to transfer ownership or operation of the Facilities without complying with this Paragraph, it shall constitute a violation of this Decree. Seven-Up shall remain obligated to ensure that the terms of the Decree are implemented until: (1) Seven-Up has paid the civil penalty as required by Section IV (Civil Penalty); (2) with

respect to operations by Seven-Up prior to transfer of ownership or operation of the Facility, Seven-Up has either paid any accrued stipulated penalties owed to the United States pursuant to Section VII (Stipulated Penalties) or any disputes relating to stipulated penalties have been resolved pursuant to Section IX (Dispute Resolution); and (3) the transferee is substituted by the Court as a defendant under this Decree.

6. Defendant shall provide a copy of this Consent Decree to all officers, employees, and agents whose duties include compliance with any provision of this Decree, as well as to any contractor retained to perform work required under this Consent Decree. Defendant shall condition any such contract upon performance of the work in conformity with the terms of this Consent Decree.

7. In any action to enforce this Consent Decree, 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 Consent Decree.

### III. DEFINITIONS

8. Terms used in this Consent Decree that are defined in the Act or in regulations promulgated pursuant to the Act shall have the meanings assigned to them in the Act or such regulations, unless otherwise provided in this Decree. Whenever the terms set forth below are used in this Consent Decree, the following definitions shall apply:

- a. “Buena Park Facility” shall mean Defendant’s soft drink bottling facility in Buena Park, California.
- b. “Complaint” shall mean the Complaint filed by the United States in this action;
- c. “Consent Decree” or “Decree” shall mean this Decree;
- d. “Day” shall mean a calendar day unless expressly stated to be a working day. In computing any period of time under this Consent Decree, where the last day would fall on a Saturday, Sunday, or federal

holiday, the period shall run until the close of business of the next working day;

e. “Defendant” shall mean Seven-Up/RC Bottling Company of Southern California, Inc.;

f. “EPA” shall mean the United States Environmental Protection Agency and any of its successor departments or agencies;

g. “Facilities” shall mean Defendant’s Buena Park Facility and Vernon Facility;

h. “Paragraph” shall mean a portion of this Decree identified by an Arabic numeral;

i. “Parties” shall mean the United States and Defendant;

j. “Section” shall mean a portion of this Decree identified by a Roman numeral;

k. “Settling Defendants” shall mean Seven-Up and its directors, officers, and employees, acting in their capacities as such.

l. “United States” shall mean the United States of America, acting on behalf of EPA.

m. “Vernon Facility” shall mean Defendant’s soft drink bottling facility in Vernon, California.

#### IV. CIVIL PENALTY

9. Within 30 days after the Effective Date of this Consent Decree, Defendant shall pay the sum of \$428,250 as a civil penalty, together with interest accruing from the date on which the Consent Decree is lodged with the Court, at the rate specified in 28 U.S.C. § 1961 as of the date of lodging. Payment shall be made by FedWire Electronic Funds Transfer (“EFT”) to the U.S. Department of Justice in accordance with instructions to be provided to Defendant, following lodging of the Consent Decree, by the Financial Litigation Unit of the U.S. Attorney’s Office for the Central District of California. At the time of payment, Defendant shall simultaneously send written notice of payment and a copy of any transmittal documentation



(which should reference DOJ case number 90-5-1-1-08191 and the civil action number of this case) to the United States in accordance with Section XIII (Notices) of this Decree.

10. Defendant shall not deduct the civil penalty of \$428,250, together with accrued interest thereon, paid under this Section in calculating its federal income tax.

#### V. COMPLIANCE REQUIREMENTS

11. Designation of Clean Water Act Compliance Director. Within 90 days after the Effective Date, Seven-Up shall designate an environmental Compliance Director at the corporate level whose primary responsibility shall be Seven-Up's corporate-wide compliance with the Act. The Compliance Director shall have appropriate professional qualifications and shall directly report to Seven-Up's Chief Executive Officer. The Compliance Director shall have oversight authority and responsibility for Seven-Up's compliance with the Act, including, but not limited to, timely application for and renewal of any applicable National Pollutant Discharge Elimination System ("NPDES") permit for storm water discharges associated with Seven-Up's industrial activities at the Facilities, implementation and updates of Storm Water Pollution Prevention Plans ("SWPPP") and Best Management Practices ("BMP") as required by the applicable NPDES permit, and implementation of pretreatment compliance measures at the Facilities. Within 105 days after the Entry Date, Seven-Up shall provide notice to EPA in accordance with Section XIII (Notices) of this Consent Decree, listing the individual's name, professional qualifications, address, telephone and fax numbers, and e-mail address. If Seven-Up replaces the Compliance Director, Seven-Up shall, within 15 days after the replacement, provide notice to EPA in accordance with Section XIII (Notices) of this Consent Decree, listing the individual's name, professional qualifications, address, telephone and fax numbers, and e-mail address.

12. Vernon Facility BMP Plan. Within 45 days after the Effective

Date, Seven-Up shall submit to EPA and the Los Angeles County Sanitation District (“District”) for approval a BMP Plan, together with a schedule for completion of tasks, for the design and implementation of structural BMPs to prevent the back alley wastewater drain at the Vernon Facility from overflowing to any storm drain or waters of the United States. EPA or the District may require Seven-Up to make modifications to the BMP Plan. Unless otherwise specified by EPA or the District, Seven-Up shall, within 45 days of receipt of comments from EPA and the District, incorporate the modifications into the BMP Plan. After EPA and the District have approved the BMP Plan, Seven-Up shall implement the Plan in accordance with the approved schedule.

13. Buena Park Facility pH Compliance Plan.

a. Seven-Up’s discharges from the Buena Park Facility to the Publicly Owned Treatment Works (“POTW”) shall comply with the pH limit of 5.0. Compliance shall be determined by the instantaneous result of a single grab sample, as may be taken using a continuous pH monitoring device. In order to achieve compliance with the pH limit of 5.0, Seven-Up shall implement the pH Compliance Plan, which is attached as Appendix A to this Consent Decree, in accordance with the following schedule: (i) complete construction, installation, and start-up of a new pH treatment system and submit a notice of completion to EPA no later than November 30, 2005; (ii) begin implementation of the training component and submit the materials prepared for the training component to EPA no later than December 15, 2005; and (iii) begin implementation of the monitoring component no later than December 15, 2005.

b. Beginning on February 15, 2006, and continuing until February 15, 2008, Seven-Up shall submit to EPA, as part of the quarterly report submitted pursuant to Paragraph 17(a) of this Consent Decree: (i) the Monthly Wastewater Treatment System Review sheets required under the monitoring component of the pH Compliance Plan; (ii) a daily tabulation of

pH sample results for the wastewater effluent during the reporting period that fall within each of the following pH ranges: 4.9 to 4.0, 3.9 to 3.0, 2.9 to 2.0, and 1.9 and below, including a separate category for those sample results covered by Paragraph 13.b.(iii)(b) below; (iii) for any pH value below 5.0 listed in the daily tabulations, provide: (a) the relevant sampling data; (b) if Seven-Up claims that the pH value did not reflect the actual pH value of the effluent at the time the sample was taken due to documented mechanical/operational errors (e.g., probe failure) that directly affected the validity of the particular sample, a description of the evidence of the specific mechanical or operational error and all supporting documents; and (c) a description of the corrective action taken and an assessment of its effectiveness; and (iv) a log summarizing the training provided and listing the personnel trained during the reporting period, along with any updated training materials.

c. Seven-Up shall retain all continuous pH monitoring data and documents generated as part of the monitoring and training components of the pH Compliance Plan on site until the termination of this Consent Decree pursuant to Section XVII, and shall make them available for inspection by EPA and other regulatory agencies.

d. Beginning on February 15, 2006, and continuing until February 15, 2008, any discharge to the POTW with a pH lower than 5.0 shall be subject to Stipulated Penalties pursuant to Paragraph 24 of this Consent Decree; provided, however, to the extent that Seven-Up properly and adequately documented its claim under Paragraph 13.b.(iii)(b) that a pH value under 5.0 did not reflect the actual pH value of the effluent at the time the sample was taken due to documented mechanical/operational errors that directly affected the validity of the particular sample, Seven-Up may raise that claim as an affirmative defense to a demand for Stipulated Penalties.

14. Facilities Inspection and Response Program. Beginning 30 days after the Effective Date until February 15, 2008, Seven-Up shall implement a

Facility Inspection and Response Program for the Facilities to: (a) inspect the outdoor industrial areas at the Vernon Facility and Buena Park Facility on a daily basis when the respective Facility is operating to assess the effectiveness of BMPs and SWPPPs and ensure compliance with the General Permit; (b) respond immediately to any problems or deficiencies noted during inspection; and (c) maintain an inspection log documenting the inspection and any required response. The inspection log shall be maintained on site at each Facility until the termination of this Consent Decree pursuant to Section XVII and shall be available for inspection. The inspection log shall include the following information: (i) the date and time of the inspection; (ii) the person conducting the inspection; (iii) a check list of areas inspected; (iv) observation of any industrial activity or pollution source, including any spill or leakage, that may lead to the storm water collection system or contribute to a non-storm water discharge; (v) the person notified of any observations made pursuant to subparagraph (iv); and (vi) any control measures taken to address the observations made pursuant to subparagraph (iv) and the person performing the control measures. Within 45 days after the Effective Date, Seven-Up shall submit a copy of the Facility Inspection and Response Program to EPA in accordance with Section XIII (Notices) of this Consent Decree. In the quarterly report submitted to EPA pursuant to Paragraph 17, Seven-Up shall include a separate section to identify any problems or deficiencies observed during inspections, any control measures taken, and the timing of any responses.

15. Non-storm Water Discharges at the Facilities. Except as allowed by the Act, the General Permit or a separate individual NPDES permit, any non-storm water discharges by Defendant, or its employees, agents, or contractors, from either the Vernon Facility or the Buena Park Facility, either directly or indirectly into waters of the United States, is prohibited. Beginning on the Effective Date and continuing until February 15, 2008, any non-storm water discharge in violation of this Paragraph shall be subject to

Stipulated Penalties pursuant to Paragraph 25 of this Consent Decree.

16. Permits. When any compliance obligation under this Section requires Defendant to obtain a federal, state, or local permit or approval, Defendant shall submit timely applications and timely provide additional information as requested by the permitting authority to make its applications complete, and take all other actions necessary to obtain all such permits or approvals. Defendant may seek relief under the provisions of Section VIII (Force Majeure) of this Consent Decree 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.

#### VI. REPORTING REQUIREMENTS

17. Defendant shall submit the following reports:

a. Within 30 days after the end of each calendar-year quarter (*i.e.*, by April 30, July 30, October 30, and January 30) after the Effective Date until termination of this Decree pursuant to Section XVII, Defendant shall submit to EPA a quarterly report for the preceding quarter that shall include the status of any construction or compliance measures (e.g., permitting process, anticipated start-up of operation, testing, etc.); completion of milestones; problems encountered or anticipated, together with implemented or proposed solutions; status of permit applications; information required to be submitted to EPA pursuant to Paragraphs 13 and 14 of this Consent Decree; all monitoring results generated by the Facilities regarding storm water discharges; and reports to state and local authorities.

b. Defendant shall notify the United States in writing, within ten working days of the day Defendant first becomes aware of a

violation or a potential violation of any requirement of this Consent Decree, and shall identify its likely duration, with an explanation of the violation's likely cause and of the remedial steps taken, or to be taken, to prevent or minimize such violation. If the cause of a violation cannot be fully explained at the time the report is due, Defendant shall so state in the report. Defendant shall investigate the cause of the violation and shall then submit an amendment to the report, including a full explanation of the cause of the violation, within 30 days of the day Defendant becomes aware of the cause of the violation. Nothing in this Paragraph or the following Paragraph relieves Defendant of its obligation to provide the notice required by Section VIII (Force Majeure) of this Consent Decree.

18. All reports shall be submitted to the persons designated in Section XIII (Notices) of this Consent Decree.

19. 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 I have examined and am familiar with the information submitted in this document and all attachments and that this document and its attachments were prepared either by me personally or under my direction or supervision in a manner designed to ensure that qualified and knowledgeable personnel properly gather and present the information contained therein. I further certify, based on my personal knowledge or on my inquiry of those individuals immediately responsible for obtaining the information, that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowingly and willfully submitting a materially false statement.

This certification requirement does not apply to emergency or similar notifications

where compliance would be impractical.

20. The reporting requirements of this Consent Decree do not relieve Defendant of any reporting obligations required by the Act or implementing regulations, or by any other federal, state, or local law, regulation, permit, or other requirement.

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

#### VII. STIPULATED PENALTIES

22. If Defendant fails to pay the civil penalty required to be paid under Section IV (Civil Penalty) of this Decree when due, Defendant shall pay a Stipulated Penalty of \$5,000 per day for each day that the payment is late. Late payment of the civil penalty shall be made in accordance with Section IV, Paragraph 9, above. Stipulated Penalties shall be paid in accordance with Section VII, Paragraph 32, below. All transmittal correspondence shall state that any such payment is for late payment of the civil penalty due under this Decree, or for Stipulated Penalties for late payment, as applicable, and shall include the identifying information set forth in Paragraph 9, above.

23. Defendant shall be liable for Stipulated Penalties to the United States for violations of this Consent Decree as specified below, unless excused under Section VIII (Force Majeure). A violation includes failing to perform any obligation required by the terms of this Decree, including any work plan or schedule approved under this Decree, according to all applicable requirements of this Decree and within the specified time schedules established by or approved under this Decree.

24. Discharge Limit. The following Stipulated Penalties shall accrue per violation per day for each violation of the pH limit specified in Paragraph 13 that occurs within a 24-hour period beginning at 12:00 a.m.:

<u>pH Range</u>	<u>Penalty per Violation per Day</u>
4.9 - 4.0	\$1,000
3.9 - 3.0	\$2,000
2.9 - 2.0	\$5,000
1.9 and below	\$7,500

If Seven-Up's sampling indicates multiple violations of the pH limit on a single day, Seven-Up shall be subject to one Stipulated Penalty for that day based on the most serious of the violations.<sup>1/</sup>

25. Non-storm Water Discharges. The following Stipulated Penalties shall accrue per violation per day for each non-storm water discharge in violation of Paragraph 15 from either the Vernon Facility or the Buena Park Facility to waters of the United States:

<u>Penalty Per Violation Per Day</u>	<u>Period of Noncompliance</u>
\$5,000	1st through 3rd day
\$10,000	4th through 7th day
\$15,000	8th day and beyond

26. Compliance Milestones.

a. The following Stipulated Penalties shall accrue per violation per day for each violation of the requirements identified in Subparagraph b:

<u>Penalty Per Violation Per Day</u>	<u>Period of Noncompliance</u>
\$1,000	1st through 14th day
\$3,500	15th through 30th day
\$10,000	31st day and beyond

b. The applicable compliance requirements are as follows:

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<sup>1/</sup> For example, if monitoring for a Thursday indicated a pH of 4.9 at 11 a.m. and a pH of 2.9 at 4 p.m., a Stipulated Penalty of \$5,000 would apply for that Thursday.



<u>Requirement</u>	<u>Paragraph</u>
Designation of Compliance Director	11
BMP Plan Compliance Schedule Milestones	12
pH Compliance Plan Schedule Milestones	13
Failure to Conduct Inspections	14
Failure to Respond to Observed Deficiencies	14

27. Reporting, Monitoring, and Recordkeeping Requirements. The following Stipulated Penalties shall accrue per violation per day for each violation of the reporting, monitoring, and recordkeeping requirements of Sections V and VI of this Consent Decree:

<u>Penalty Per Violation Per Day</u>	<u>Period of Noncompliance</u>
\$500	1st through 30th day
\$750	31st day and beyond

28. For Defendant's failure to comply with Paragraph 5 or Paragraph 48 through 51 of this Consent Decree:

<u>Penalty per Violation per Day</u>	<u>Period of Noncompliance</u>
\$500	1st through 14th day
\$1,000	15th through 30th day
\$2,000	31st day and beyond

29. Stipulated Penalties under this Section shall begin to accrue on the day after performance is due or on the day a violation occurs, whichever is applicable, and shall continue to accrue until performance is satisfactorily completed or until the violation ceases. Stipulated Penalties shall accrue simultaneously for separate violations of this Consent Decree. Defendant shall pay any Stipulated Penalty within 30 days of receiving the United States' written demand.

30. The United States may, in the unreviewable exercise of its discretion, reduce or waive Stipulated Penalties otherwise due it under this Consent Decree.

31. Stipulated Penalties shall continue to accrue as provided in Paragraph 29, above, during any Dispute Resolution, with interest on accrued penalties payable and calculated at the rate established by the Secretary of the Treasury, pursuant to 28 U.S.C. § 1961, but need not be paid until the following:

a. If the dispute is resolved by agreement or by a decision of EPA that is not appealed to the Court, Defendant shall pay accrued penalties agreed upon or determined to be owing, together with interest, to the United States within 30 days of the effective date of the agreement or the receipt of EPA's decision or order.

b. 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, together with interest, within 60 days of receiving the Court's decision or order, except as provided in Subparagraph c, below.

c. If any Party appeals the District Court's decision, Defendant shall pay all accrued penalties determined to be owing by the appellate court, together with interest, within 15 days of receiving the final appellate court decision.

32. Defendant shall, as directed by the United States in its demand, pay Stipulated Penalties owing to the United States by EFT in accordance with Section IV, Paragraph 9, above or by certified or cashier's check in the amount due, payable to the "U.S. Department of Justice," referencing DOJ No. 90-5-1-1-08191, and delivered to:

United States Attorney's Office  
Central District of California  
Attn: Financial Litigation Unit  
300 North Los Angeles Street  
Los Angeles, CA 90012

33. Defendant shall not deduct Stipulated Penalties paid under this Section in calculating its federal income tax.

34. If Defendant fails to pay Stipulated Penalties according to the terms of this Consent Decree, Defendant shall be liable for interest on such penalties, as provided for in 28 U.S.C. § 1961, accruing as of the date payment became due.

35. Subject to the provisions of Section XI (Effect of Settlement/Reservation of Rights) of this Consent Decree, the Stipulated Penalties provided for in this Consent Decree shall be in addition to any other rights, remedies, or sanctions available to the United States for Defendant's violation of this Consent Decree or applicable law. Where a violation of this Consent Decree is also a violation of the Act, Defendant shall be allowed a credit, for any Stipulated Penalties paid, against any statutory penalties imposed for such violation.

#### VIII. FORCE MAJEURE

36. A "Force Majeure Event" is any event beyond the control of Defendant, its contractors, or any entity controlled by Defendant that delays the performance of any obligation under this Consent Decree despite Defendant's best efforts to fulfill the obligation. "Best efforts" includes anticipating any potential force majeure event and addressing the effects of any such event (a) as it is occurring and (b) after it has occurred, to prevent or minimize any resulting delay to the greatest extent possible. "Force Majeure" does not include Defendant's financial inability to perform any obligation under this Consent Decree.

37. Defendant shall provide notice orally or by electronic or facsimile transmission to the United States as soon as possible, but not later than 72 hours after the time Defendant first knew of, or by the exercise of due diligence, should have known of, a claimed Force Majeure Event. Defendant shall also provide written notice to the United States, as provided in Section XIII (Notices) of this Consent Decree, within seven days of the time Defendant first knew of, or by the exercise of due diligence, should have known of, the event. The notice shall state the anticipated duration of any

delay; its cause(s); Defendant's past and proposed actions to prevent or minimize any delay; a schedule for carrying out those actions; and Defendant's rationale for attributing any delay to a Force Majeure Event. Failure to provide oral and written notice as required by this Paragraph shall preclude Defendant from asserting any claim of force majeure, unless such failure was due to a Force Majeure Event.

38. If the United States agrees that a Force Majeure Event has occurred, the United States may agree to extend the time for Defendant to perform the affected requirements for the time necessary to complete those obligations. An extension of time to perform the obligations affected by a Force Majeure Event shall not, by itself, extend the time to perform any other obligation. Where the United States agrees to an extension of time, the appropriate modification shall be made pursuant to Section XVI (Modification) of this Consent Decree.

39. If the United States does not agree that a Force Majeure Event has occurred, or does not agree to the extension of time sought by Defendant, the United States' position shall be binding, unless Defendant invokes Dispute Resolution under Section IX of this Consent Decree. In any such dispute, Defendant bears the burden of proving, by a preponderance of the evidence, that each claimed Force Majeure Event is a Force Majeure Event, that Defendant gave the notice required by Paragraph 37, that the Force Majeure Event caused any delay Defendant claims was attributable to that event, and that Defendant exercised best efforts to prevent or minimize any delay caused by the event.

#### IX. DISPUTE RESOLUTION

40. Unless otherwise expressly provided for in this Consent Decree, the dispute resolution procedures of this Section shall be the exclusive mechanism to resolve disputes arising under or with respect to this Consent Decree. 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 Decree.

41. Informal Dispute Resolution. Any dispute subject to dispute resolution under this Consent Decree shall first be the subject of informal negotiations. The dispute shall be considered to have arisen when the United States receives a written Notice of Dispute from Defendant. Such Notice of Dispute shall state clearly the matter in dispute. The period of informal negotiations shall not exceed 20 days from the date the United States receives the Notice of Dispute, unless that period is modified by written agreement. If the Parties cannot resolve a dispute by informal negotiations, then the position advanced by the United States shall be considered binding unless, within 20 days after receiving written notice from the United States terminating informal negotiations, Defendant invokes formal dispute resolution procedures as set forth below.

42. Formal Dispute Resolution. Defendant shall invoke formal dispute resolution procedures, within the time period provided in the preceding Paragraph, by serving on the United States a written Statement of Position regarding the matter in dispute. The Statement of Position shall include, but may not necessarily be limited to, any factual data, analysis, or opinion supporting Defendant's position and any supporting documentation relied upon by Defendant.

43. The United States shall serve its Statement of Position within 30 days of receipt of Defendant's Statement of Position. The United States' Statement of Position shall include, but may not necessarily be limited to, any factual data, analysis, or opinion supporting that position and any supporting documentation relied upon by the United States. The United States' Statement of Position shall be binding on Defendant, unless Defendant files a motion for judicial review of the dispute in accordance with the following Paragraph.

44. Defendant may seek judicial review of the dispute by filing with the Court and serving on the United States, in accordance with Section XIII (Notices) of this Consent Decree, a motion requesting judicial resolution of the dispute. The motion must be filed within 10 days of receipt of the United

States' Statement of Position pursuant to the preceding Paragraph. The motion shall contain a written statement of Defendant's position on the matter in dispute, including any supporting factual data, analysis, opinion, or documentation, and shall set forth the relief requested and any schedule within which the dispute must be resolved for orderly implementation of the Consent Decree.

45. The United States shall respond to Defendant's motion within the time period allowed by the Local Rules of this Court. Defendant may file a reply memorandum, to the extent permitted by the Local Rules.

46. In any dispute brought under Paragraph 44, Defendant shall bear the burden of demonstrating that its position clearly complies with this Consent Decree and the Act and that Defendant is entitled to relief under applicable law. The United States reserves the right to argue that its position is reviewable only on the administrative record and must be upheld unless arbitrary and capricious or otherwise not in accordance with law.

47. 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 Consent Decree, unless and until final resolution of the dispute so provides. Stipulated Penalties with respect to the disputed matter shall continue to accrue from the first day of noncompliance, but payment shall be stayed pending resolution of the dispute as provided in Paragraph 31, above. If Defendant does not prevail on the disputed issue, Stipulated Penalties shall be assessed and paid as provided in Section VII (Stipulated Penalties).

#### X. INFORMATION COLLECTION AND RETENTION

48. The United States and its representatives, including attorneys, contractors, and consultants, shall have the right of entry into Defendant's Facilities, at all reasonable times, upon presentation of credentials, to:

- a. monitor the progress of activities required under this Consent Decree;
- b. verify any data or information submitted to the United States in

- accordance with the terms of this Consent Decree;
- c. obtain samples and, upon request, splits of any samples taken by Defendant or its representatives, contractors, or consultants;
  - d. obtain documentary evidence, including photographs and similar data; and
  - e. assess Defendant's compliance with this Consent Decree.

49. Upon request, Defendant shall provide EPA or its authorized representatives splits of any samples taken by Defendant. Upon request, EPA shall provide Defendant splits of any samples taken by EPA.

50. Until the termination of this Consent Decree pursuant to Section XVII, Defendant shall retain, and shall instruct its contractors and agents to preserve, 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, and that relate to Defendant's performance of its obligations under this Consent Decree. This information-retention requirement shall apply regardless of any contrary corporate or institutional policies or procedures. At any time during this information-retention period, the United States may request copies of any documents, records, or other information required to be maintained under this Paragraph.

51. At the conclusion of the information-retention period provided in the preceding Paragraph (i.e., upon the termination of this Consent Decree), Defendant shall notify the United States at least 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, Defendant shall deliver any such documents, records, or other information to EPA. Defendant may assert that certain documents, records, or other information are 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; and (6) the privilege asserted by Defendant. However, no documents, records, or other information created or generated pursuant to the requirements of this Consent Decree shall be withheld on grounds of privilege.

52. 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.

53. This Consent Decree in no way limits or affects any right of entry and inspection, or any right to obtain information, held by the United States pursuant to applicable federal 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 state laws, regulations, or permits.

#### XI. EFFECT OF SETTLEMENT/RESERVATION OF RIGHTS

54. This Consent Decree resolves the civil claims of the United States against the Settling Defendants for the violations alleged in the Complaint filed in this action through the date of lodging.

55. The United States reserves all legal and equitable remedies available to enforce the provisions of this Consent Decree, except as expressly stated in Paragraph 54. This Consent Decree shall not be construed to limit the rights of the United States to obtain penalties or injunctive relief under the Act or implementing regulations, or under other federal laws, regulations, or permit conditions, except as expressly specified in Paragraph 54. The United States further reserves 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 Facilities, whether related to the violations addressed in this Consent Decree or



otherwise.

56. This Consent Decree is not a permit, or a modification of any permit, under any federal, State, or local laws or regulations. Defendant is responsible for achieving and maintaining compliance with all applicable federal, State, and local laws, regulations, and permits; and Defendant's compliance with this Consent Decree shall be no defense to any action commenced pursuant to any such laws, regulations, or permits. The United States does not, by its consent to the entry of this Consent Decree, warrant or aver in any manner that Defendant's compliance with any aspect of this Consent Decree will result in compliance with provisions of the Act, 33 U.S.C. §§ 1251 - 1387, or with any other provisions of federal, State, or local laws, regulations, or permits.

57. This Consent Decree does not limit or affect the rights of Defendant or of the United States against any third party, not a party to this Consent Decree, nor does it limit the rights of any third party, not a party to this Consent Decree, against Defendant, except as otherwise provided by law.

58. This Consent Decree shall not be construed to create rights in, or grant any cause of action to, any third party not a party to this Consent Decree.

## XII. COSTS

59. 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 civil penalty or any Stipulated Penalties due but not paid by Defendant.

## XIII. NOTICES

60. Unless otherwise specified herein, whenever notifications, submissions, or communications are required by this Consent Decree, they shall be made in writing and shall be sent by certified mail, express mail, or similar overnight mail delivery with return receipt requested and addressed as follows:

To the United States:

Chief, Environmental Enforcement Section  
Environment and Natural Resources Division  
U.S. Department of Justice  
Box 7611 Ben Franklin Station  
Washington, D.C. 20044-7611  
Re: DOJ No. 90-5-1-1-08191

and

Chief, Environmental Enforcement Section  
Attn: DOJ # 90-5-1-1-08191(Mullaney)  
United States Department of Justice  
301 Howard Street, Suite 1050  
San Francisco, California 94105

and

Jessica Kao, ORC-2  
U.S. Environmental Protection Agency, Region IX  
75 Hawthorne Street  
San Francisco, California 94105

To EPA:

Director, Water Division (WTR-1)  
U.S. Environmental Protection Agency, Region IX  
75 Hawthorne Street  
San Francisco, California 94105  
Attention: Amy Miller

To Defendant:

President  
Seven-Up/RC Bottling Company of Southern California, Inc.  
3220 E. 26<sup>th</sup> Street  
Vernon, California 90023

With a Copy to:

William M. Nelson  
Senior Vice President and General Counsel  
Dr. Pepper/Seven-Up Bottling Group, Inc.  
5950 Sherry Lane, Suite 500  
Dallas, Texas 75225

61. Any Party may, by written notice to the other Party, change its designated notice recipient or notice address provided above.

62. Notices submitted pursuant to this Section shall be deemed submitted upon mailing, unless otherwise provided in this Consent Decree or by mutual agreement of the Parties in writing.

XIV. EFFECTIVE DATE

63. The Effective Date of this Consent Decree shall be the date upon which this Consent Decree is entered by the Court.

XV. RETENTION OF JURISDICTION

64. The Court shall retain jurisdiction over this case until termination of this Consent Decree, for the purpose of resolving disputes arising under this Decree or entering orders modifying this Decree, pursuant to Sections IX and XVI, or effectuating or enforcing compliance with the terms of this Decree.

XVI. MODIFICATION

65. The terms of this Consent Decree may be modified only by a subsequent written agreement signed by the Parties. Where the modification constitutes a material change to any term of this Decree, it shall be effective only upon approval by the Court.

XVII. TERMINATION

66. After Defendant has complied with all requirements relating to Paragraphs 5 (if applicable), and 11 through 15 of this Consent Decree, and has paid the civil penalty and any accrued Stipulated Penalties as required by this Consent Decree, Defendant may serve upon the United States a Request for Termination, stating that Defendant has satisfied those requirements, together with all necessary supporting documentation.

67. Following receipt by the United States of Defendant's Request for Termination, the Parties shall confer informally concerning the Request and any disagreement that the Parties may have as to whether Defendant has satisfactorily complied with the requirements for termination of this Consent Decree. If the United States agrees that the Decree may be terminated, the Parties shall submit, for the Court's approval, a joint stipulation terminating the Decree.

68. If the United States does not agree that the Decree may be terminated, Defendant may invoke Dispute Resolution under Section IX of this Decree. However, Defendant shall not seek Dispute Resolution of any dispute regarding termination, under Paragraph 42 of Section IX, until 60 days after service of its Request for Termination.

#### XVIII. PUBLIC PARTICIPATION

69. This Consent Decree shall be lodged with the Court for a period of not less than 30 days for public notice and comment in accordance with 28 C.F.R. § 50.7. The United States reserves the right to withdraw or withhold its consent if the comments regarding the Consent Decree disclose facts or considerations indicating that the Consent Decree is inappropriate, improper, or inadequate. Defendant consents to entry of this Consent Decree without further notice.

#### XIX. SIGNATORIES/SERVICE

70. Each undersigned representative of Defendant and the Assistant Attorney General for the Environment and Natural Resources Division of the Department of Justice or her delegate certifies that he or she is fully authorized to enter into the terms and conditions of this Consent Decree and to execute and legally bind the Party he or she represents to this document.

71. This Consent Decree may be signed in counterparts, and its validity shall not be challenged on that basis.

72. Defendant agrees not to oppose entry of this Consent Decree by the Court or to challenge any provision of the Decree, unless the United States has notified Defendant in writing that it no longer supports entry of the Decree.

73. Defendant agrees to accept service of process by mail with respect to all matters arising under or relating to this Consent Decree and to waive the formal service requirements set forth in Rules 4 and 5 of the Federal Rules of Civil Procedure and any applicable Local Rules of this Court including, but not limited to, service of a summons.

**XX. INTEGRATION**

74. This Consent Decree constitutes the final, complete, and exclusive agreement and understanding between the Parties with respect to the settlement embodied in the Decree and supersedes all prior agreements and understandings, whether oral or written, concerning the settlement embodied herein. No other document, nor any representation, inducement, agreement, understanding, or promise, constitutes any part of this Decree or the settlement it represents, nor shall it be used in construing the terms of this Decree.

**XXI. FINAL JUDGMENT**

75. Upon approval and entry of this Consent Decree by the Court, this Consent Decree shall constitute a final judgment of the Court as to the United States and Defendant. The Court finds that there is no just reason for delay and therefore enters this judgment as a final judgment under Fed. R. Civ. P. 54 and 58.

**XXII. APPENDIX**

76. The following Appendix is attached to and incorporated into this Consent Decree:

“Appendix A” is the pH Compliance Plan for the Buena Park Facility.

**ORDER**

IT IS SO ORDERED:

\_\_\_\_\_

United States District Judge

Dated: \_\_\_\_\_

FOR PLAINTIFF UNITED STATES OF AMERICA:

KELLY A. JOHNSON  
Acting Assistant Attorney General  
Environment and Natural Resources  
Division  
Washington, D.C. 20530

Dated: \_\_\_\_\_

By: \_\_\_\_\_

W. BENJAMIN FISHEROW  
Deputy Chief  
Environmental Enforcement Section  
Environment and Natural Resources  
Division  
U.S. Department of Justice

Dated: \_\_\_\_\_

ROBERT D. MULLANEY  
Trial Attorney  
Environmental Enforcement Section  
U.S. Department of Justice  
301 Howard Street, Suite 1050  
San Francisco, California 94105  
Telephone: (415) 744-6491

Dated: \_\_\_\_\_

\_\_\_\_\_  
GRANTA Y. NAKAYAMA  
Assistant Administrator  
Office of Enforcement and Compliance  
Assurance  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue  
Mail Code 2201A  
Washington, D.C. 20460

Dated: \_\_\_\_\_

\_\_\_\_\_  
WAYNE NASTRI  
Regional Administrator  
U.S. Environmental Protection  
Agency, Region 9  
San Francisco, CA

OF COUNSEL:

Jessica Kao  
Assistant Regional Counsel  
U.S. Environmental Protection Agency, Region 9  
75 Hawthorne Street  
San Francisco, CA 94105



FOR DEFENDANT SEVEN-UP/RC BOTTLING COMPANY OF  
SOUTHERN  
CALIFORNIA, INC.:

Dated: \_\_\_\_\_

\_\_\_\_\_  
WILLIAM M. NELSON  
Senior Vice President and General  
Counsel  
Seven-Up/RC Bottling Company  
of Southern California, Inc.  
3220 E. 26<sup>th</sup> Street  
Vernon, California 90023