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SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Water Quality Division (DEQ/WQD), and Teton County, Wyoming (Teton County) enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in **Notice of Violation Docket (NOV) Numbers 3696-05 and 3734-05 dated February 8, 2005 and April 5, 2005**, respectively.

W.S. §35-11-901(a)(ii) authorizes the DEQ to negotiate a stipulated settlement, including payment of a penalty, in lieu of litigation. To that end, Teton County and the DEQ/WQD hereby stipulate and agree as follows:

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

2. Nothing in this Settlement Agreement is intended to be or is construed to be an admission of liability by Teton County for the specific violations alleged in NOV Docket Numbers 3696-05 and 3734-05.

3. Teton County has paid a total permit fee of one hundred dollars and no cents (\$100.00) for the one (1) active storm water authorizations (WYR101488) for the 2004-2005 fiscal year. With the payment of the permit fee, NOV and Order Docket Number 3696-05 is now resolved.

4. Teton County agrees to a deferred penalty of one thousand five hundred dollars and no cents (\$1,500.00) as a stipulated settlement to resolve this matter in lieu of litigation under W.S. §35-11-901(a)(ii). In lieu of paying the penalty, Teton County will host a storm water training class to inform contractors of the requirements for obtaining proper storm water authorizations issued by the WQD, and to inform contractors of the aspects needed to properly manage storm water associated with construction projects. Teton County will inform the WQD of the exact time and date the storm water training class will be held at least two (2) months prior to holding the class in order for the WQD to have sufficient time to prepare a presentation for the class. This class hosted by Teton County shall be required to be hosted within nine (9) months of the full execution of this Settlement Agreement. After a 1-year period is up, if Teton County has not violated any provisions of the Act or WWQRR during the same time frame, the DEQ will not require Teton County to pay the \$1,500.00. Information concerning the storm water training class hosted by Teton County shall be sent to Mr. Brian R. Bohlmann, P.E., Compliance & Enforcement Coordinator, Department of Environmental Quality, Water Quality Division, Herschler Building 4th Floor-West, 122 West 25th Street, Cheyenne, Wyoming 82002.

5. Except as provided in paragraph 4 above, this signed Settlement Agreement and payment by Teton County as specified above shall constitute full satisfaction for and resolution of all claims by the DEQ/WQD against Teton County based on the violations alleged in Notice of Violation Docket Numbers 3696-05 and 3734-05. Contingent upon Teton County's compliance with the terms of this Settlement Agreement, the DEQ/WQD will refrain from taking further enforcement action against Teton County for these particular violations. By this Settlement Agreement, the parties intend to resolve with prejudice all allegations that were asserted in NOV Docket Numbers 3696-05 and 3734-05.

6. Teton County waives any statute of limitations which may apply to an enforcement action by the DEQ/WQD involving the specific matters described in Notice of Violation Docket Numbers 3696-05 and 3734-05 in the event that Teton County fails to fulfill their obligations under this Settlement Agreement.

7. Nothing in this agreement precludes DEQ/WQD from taking additional enforcement action, including the issuance of a Notice of Violation, Order, and/or pursuing additional penalties, should Teton County violate the Act or applicable rules and regulation in the future.

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

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

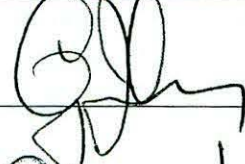
10. Each party shall bear its own attorney fees and costs, if any incurred, through the date this Settlement Agreement is signed by both parties.

11. **This Settlement Agreement is binding upon Teton County, its successors and assigns, and upon the DEQ.**

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

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

FOR: TETON COUNTY

Signed:  _____

Typed: CRAIG JACKSON

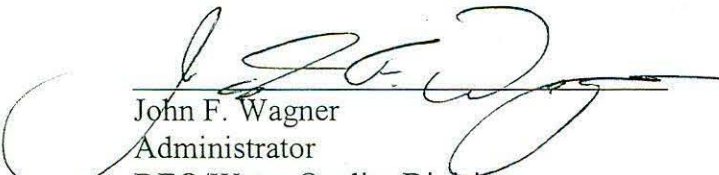
Title: County Engineer

Date: 7/5/05

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:


John V. Corra
Director
Department of Environmental Quality

Date: 6/24/05


John F. Wagner
Administrator
DEQ/Water Quality Division

Date: 6/23/05

JVC/JFW/BRB/bb/5-0707.LTR

cc: Brian R. Bohlmann, P.E.
Docket Number 3696-05
Docket Number 3734-05
EQC