

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION II

IN THE MATTER OF:

Municipality of Culebra,

Respondent

Docket No. CWA-02-2010-3358

REPORT OF STATUS CONFERENCE AND ORDER

The status teleconference in this matter was held on June 17, 2014. Participating were:

Presiding Officer:

Helen S. Ferrara

Respondent's Attorneys:

Beatriz Hernandez Toro

Complainant's Attorney:

Evelyn Rivera-Ocasio

Introduction: The Presiding Officer requested that the parties' attorneys provide an update on efforts to resolve this matter.

Status: Respondent's attorney stated that she met with the newly elected mayor of her client, the Municipality of Culebra, to discuss the cash and SEP components of a settlement of this matter. Rather than use some money to pay a cash penalty under the settlement, the Respondent wants to put all the cash into the SEP, which would allow for more residential connections to be made. The Respondent believes that that is a more prudent and environmentally sound way for a poor municipality to spend its very limited funds.

Attorney for the Complainant reiterated that for a settlement to be made with zero penalty, there must be a waiver of the cash component by Region 2 of EPA. Respondent

submitted a letter to EPA dated June 5, 2014, seeking the waiver, and Complainant informed the Respondent that the letter is being reviewed by the necessary personnel at EPA. In the meantime, the Respondent keeps working on the SEP and is still awaiting information from its engineers as to the exact cost of each residential connection.

The Respondent's attorney mentioned the possibility that the Respondent could start working on the SEP project while the waiver request is pending, but the Undersigned advised Respondent to wait until a Consent Agreement and Final Order, including the terms of the SEP, has been executed and filed with the Regional Hearing Clerk before commencing any work on the SEP project.

The Complainant's attorney also pointed out that on June 11th, Complainant contacted Respondent and offered to settle this matter at the lowest penalty the Region can offer without a waiver, which was significantly lower than the amount put on the table previously by the Region.


Although Complainant's attorney understood Respondent's position on spending the money to increase the number of connections under the SEP, she urged the Respondent's attorney to talk to the Mayor about settling this matter with the lower cash penalty and deducting that amount from the cost of the SEP, as discussed today, even if that means less people are connected under the SEP. The Complainant's attorney feels it is important to settle this matter as soon as possible in order that the project may commence. Respondent's attorney agreed to discuss this with the Mayor and get back to Complainant's attorney, hopefully by June 20th.

The parties agreed that it was in the best interest of all parties to schedule a follow up status teleconference to apprise the Undersigned of their progress in resolving this matter. In light of the facts set forth herein, the Undersigned issues the following **ORDER**.

IT IS ORDERED:

A status teleconference is hereby scheduled for Wednesday, July 16, 2014 at 10:00AM. Please advise the Undersigned if you are unavailable to participate in this call. Unless you advise me otherwise, I will call Ms. Rivera-Ocasio at (787) 977-5859 and Mr. Rivera Flores and Ms. Hernandez Toro at (787) 754-1102.

Dated: June 17, 2014


Helen S. Ferrara
Presiding Officer

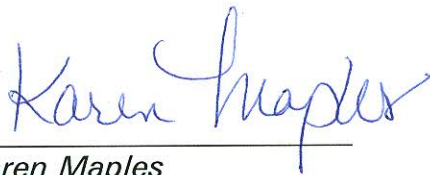
CERTIFICATE OF SERVICE

*I hereby certify that the **Report Of Status Conference And Order** by Regional
Judicial Officer Helen Ferrara in the matter of **Municipality of Culebra, Docket No.**
CWA-02-2010-3358, is being served on the parties as indicated below:*

First Class Mail -

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*Karen Maples
Regional Hearing Clerk
USEPA - Region II*

Dated: June 18, 2014