(1) The following procedures are available for informal dispute resolution prior to a hearing that may make more elaborate proceedings under the Administrative Procedure Act unnecessary.

(2) Settlements. Any appeal of a notice of violation and recommended penalty before the director or director's designee, for which a hearing has not yet been held, may be resolved by settlement. The respondent shall communicate his or her request to the WA-APCD program director, setting forth all pertinent facts and the desired remedy. Settlement negotiations shall be informal and without prejudice to rights of a participant in the negotiations.

(3) Stipulations. The WA-APCD program director and respondent may agree to terms of any stipulation of facts, violations, and/or penalty. If a stipulation is reached, the WA-APCD program director shall prepare the stipulation for presentation to the director.
   
   (a) Any proposed stipulation shall be in writing and signed by each party to the stipulation or his or her representative. The WA-APCD program director shall sign for the authority. Any stipulation shall be provided no later than three business days preceding the hearing.

   (b) The director has the option of accepting, rejecting, or modifying the proposed stipulation or asking for additional facts to be presented. If the director accepts the stipulation or modifies the stipulation with the agreement of the parties, the director shall enter an order in conformity with the terms of the stipulation. If the director rejects the stipulation or one or both of the parties does not agree to the director's proposed modifications to the stipulation, then the hearing shall be scheduled and held.

(4) Informal dispute resolution negotiations shall be informal and without prejudice to the rights of the participants.