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MAY 05 2004

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

STATE OF ILLINOIS
Pollution Control Board

PEOPLE OF THE STATE OF ILLINOIS,)
)
)
Complainant,)
)
v.) PCB No. 02-3
) (RCRA - Enforcement)
)
TEXACO REFINING & MARKETING,)
INC., a Delaware Corporation,)
)
Respondent.)

NOTICE OF FILING

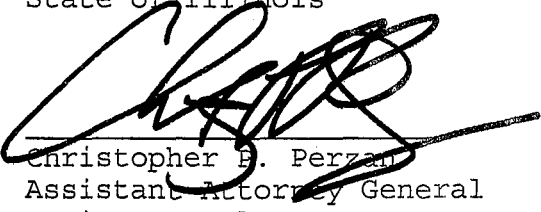
TO: ATTACHED SERVICE LIST

PLEASE TAKE NOTICE that on May 5, 2004, we filed with the Illinois Pollution Control Board a MOTION TO CHANGE CAPTION, MOTION FOR LIMITED RELIEF FROM 35 ILL.ADM. CODE 101.302(h), STIPULATION AND PROPOSAL FOR SETTLEMENT and MOTION TO REQUEST RELIEF FROM HEARING REQUIREMENT a true and correct copy of which is attached and hereby served upon you.

Respectfully submitted,

LISA MADIGAN
Attorney General
State of Illinois

BY:


Christopher E. Perzan
Assistant Attorney General
Environmental Bureau
188 W. Randolph St., 20th Floor
Chicago, Illinois 60601
(312) 814-3532

SERVICE LIST

Dorothy M. Gunn
Clerk of the Board
Illinois Pollution Control
Board
100 W. Randolph St., 11th Floor
Chicago, Illinois 60601

John A. Urban, Civil Chief
Will County State's Attorney's
Office
121 N. Chicago Street
Joliet, Illinois 60432

Barbara Magel
Karaganis, White & Magel
North Orleans Street
Suite 810
Chicago, Illinois 60610

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BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

STATE OF ILLINOIS
Pollution Control Board

PEOPLE OF THE STATE OF ILLINOIS,)
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Complainant,)
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v.) PCB No. 02-3
) (RCRA - Enforcement)
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TEXACO REFINING & MARKETING,)
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)
Respondent.)

MOTION TO CHANGE CAPTION

NOW COMES the Plaintiff, by LISA MADIGAN, Attorney General of the State of Illinois, and, pursuant to 35 Ill. Adm. Code 101.500, moves the Board for leave to change the caption in this matter, and in support thereof, states as follows:

1. The Complaint in this matter was originally filed on July 12, 2001. The named Respondent at that time was Texaco Refining and Marketing, Inc. ("TRMI").

2. On October 9, 2001, Texaco Inc., the parent of TRMI, combined with Chevron Corporation, to become ChevronTexaco Corporation ("ChevronTexaco"). Upon an internal reorganization following the merger, Chevron Environmental Services Company assumed ownership and operational control of the former Texaco Lockport Refinery. The Illinois EPA approved a modification request on May 15, 2002 to transfer owner and operator status under the RCRA Permit applicable to the facility to Chevron Environmental Services Company.

3. For the above reasons, the caption in this matter should now identify the TRMI's successor, Chevron Environmental Services Company, as Respondent.

4. Simultaneously with this Motion, the parties are filing a

Stipulation and Proposal for Settlement with the Board. The caption of that document names Chevron Environmental Services Company and contemplates the filing of this Motion. Stipulation and Proposal for Settlement at IV.A.6.

5. Counsel for the Respondent has authorized the Complainant to represent that it has no objection to this motion.

WHEREFORE, the Complainant, PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois, requests leave to change the caption of this matter as described herein.

Respectfully submitted,

PEOPLE OF THE STATE OF ILLINOIS

By


Christopher P. Pezlan
Assistant Attorney General

Office of the Attorney General
Environmental Bureau
188 W. Randolph Street, 20th Floor
Chicago, Illinois 60601
312 814-3532

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BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

MAY - 5 2004

**STATE OF ILLINOIS
Pollution Control Board**

PEOPLE OF THE STATE OF ILLINOIS,)
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Complainant,)
)
v.) PCB No. 02-3
) (RCRA - Enforcement)
)
CHEVRON ENVIRONMENTAL SERVICES)
COMPANY, a Delaware Corporation,)
)
Respondent.)

MOTION FOR LIMITED RELIEF FROM
35 ILL. ADM. CODE 101.302(h)

NOW COMES the Plaintiff, by LISA MADIGAN, Attorney General of the State of Illinois, and, pursuant to 35 Ill. Adm. Code 101.500, moves the Board for limited relief from the requirements of 35 Ill. Adm. Code 101.302(h), and in support thereof, states as follows:

1. Contemporaneously with this Motion the Plaintiff is filing a Stipulation and Proposal for Settlement ("Stipulation") in this matter. Three attachments are included as part of the Stipulation. One of the attachments consists of a copy of the RCRA part B post closure permit issued to the Respondent and covering the site at issue in this matter. That attachment is in excess of 100 pages long.

2. The parties believe that the attachments are necessary for the resolution requested in the Stipulation in this matter. However, due to their length, the Complainant requests the Board grant it leave to file less than the nine plus original copies of the attachments required by 35 Ill. Adm. Code 101.302(h). Complainant requests leave to file the number of attachment copies required by the exceptions to Section 302(h), that is, one with the original and four additional copies, for a total of five (5) copies of the attachments.

3. The relief sought in this motion is sought to save resources

of the Complainant and the Board.

4: Complainant is authorized to represent that the Respondent has no objection to the relief sought in this matter.

WHEREFORE, the Complainant, PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois, requests limited relief from the requirements of 35 Ill. Adm. Code 101.302(h) as described herein.

Respectfully submitted,

PEOPLE OF THE STATE OF ILLINOIS

By:


Christopher P. Berzan
Assistant Attorney General

Office of the Attorney General
Environmental Bureau
188 W. Randolph Street, 20th Floor
Chicago, Illinois 60601
312 814-3532

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

PEOPLE OF THE STATE OF ILLINOIS,)
)
 Complainant,)
) PCB No. 02-3
 v.) (RCRA - Enforcement)
)
 CHEVRON ENVIRONMENTAL SERVICES)
 COMPANY, a Delaware Corporation,)
)
 Respondent.)

STIPULATION AND PROPOSAL FOR SETTLEMENT

Complainant, PEOPLE OF THE STATE OF ILLINOIS ("State"), by LISA MADIGAN, Attorney General of the State of Illinois, and JEFF TOMCZAK, State's Attorney of Will County, on their own motion and at the request of the Illinois Environmental Protection Agency ("Illinois EPA"), and Respondent, CHEVRON ENVIRONMENTAL SERVICES COMPANY, ("CHEVRON"), a Delaware corporation, as successor to Texaco Refining & Marketing Inc. ("TRMI"), do hereby agree to this Stipulation and Proposal for Settlement ("Settlement"). The parties agree that the statement of facts contained herein represents a fair summary of the evidence and testimony which would be introduced by the parties if a full hearing was held. The parties further stipulate that this statement of facts is made and agreed upon for purposes of settlement only and that neither the fact that a party has entered into this Settlement, nor any of the facts stipulated herein, shall be introduced into evidence in this or any other proceeding except to enforce the terms of this Settlement. No statement made herein or obligation assumed hereunder shall be nor construed to be an admission of liability on the part of the Respondent. Notwithstanding the previous sentences, this Settlement and any Illinois Pollution Control Board ("Board") order accepting same may be used in any future

enforcement action as evidence of a past adjudication of violations of the Illinois Environmental Protection Act ("Act") for purposes of Sections 39(i) and 42(h) of the Act, 415 ILCS 5/39(i) and 5/42(h) (2002). Respondent hereby reserves its rights to contest such evidence. This Settlement shall be null and void unless the Board approves and disposes of this matter on each and every one of the terms and conditions of the Settlement set forth herein.

I.

JURISDICTION

The Board has jurisdiction of the subject matter herein and of the parties consenting hereto pursuant to Section 31 of the Act, 415 ILCS 5/31 *et seq.* (2002).

II.

AUTHORIZATION

The undersigned representative for each party certifies that he or she is fully authorized by the party whom he or she represents to enter into the terms of this Settlement and to legally bind them to it.

III.

APPLICABILITY

This Settlement shall apply to and be binding upon the Complainant and Respondent, and any officer, director, agent and employee or servant of Respondent, as well as Respondent's

predecessors, affiliated companies, successors and assigns. Respondent shall not raise as a defense to any enforcement action taken pursuant to this Settlement the failure of their officers, directors, agents, employees or servants to take such action as shall be required to comply with the provisions of this Settlement.

IV.

STATEMENT OF FACTS

A. PARTIES

1. The Attorney General of the State of Illinois and the State's Attorney of Will County brought this action on their own motion and at the request of the Illinois Environmental Protection Agency ("Illinois EPA"), pursuant to the statutory authority vested in them under Section 31 of the Act, 415 ILCS 5/31(2002).

2. The Illinois EPA is an agency of the State of Illinois, created pursuant to Section 4 of the Act, 415 ILCS 5/4 (2002), and is charged, *inter alia*, with the duty of enforcing the Act.

3. At all times relevant to the Complaint, Respondent or its predecessor was a Delaware corporation.

4. From 1910 to 1981, Respondent or its predecessors operated an oil refinery at the site located at 301 West 2nd Street, Lockport, Will County, Illinois.

5. On September 28, 2001, Illinois EPA issued Texaco Refining & Marketing a RCRA Part B Post Closure Care Permit ("RCRA Permit") for maintenance of a closed hazardous waste landfill and four closed hazardous waste management units at the Lockport site. This permit

also requires Respondent to investigate and, as necessary, remediate all environmental conditions at the Lockport site.

6. On October 9, 2001, Texaco Inc., the parent of TRMI, became ChevronTexaco Corporation ("ChevronTexaco"). Upon an internal reorganization following the merger, Chevron Environmental Services Company assumed ownership and operational control of the former Texaco Lockport Refinery. The Illinois EPA approved a modification request on May 15, 2002 to transfer owner and operator status under the RCRA Permit to Chevron Environmental Services Company. This case was originally brought against TRMI, a motion to amend the complaint to change the Respondent's name to Chevron Environmental Services Company, as successor to Texaco Refining & Marketing has been filed concurrently with this Stipulation and Proposal for Settlement.

B. ALLEGED VIOLATIONS

Stipulation and Proposal for Settlement for the purpose of settling and compromising disputed claims without having to incur the expense of contested litigation. By entering into this Stipulation and Proposal for Settlement and complying with its terms, the Respondent does not affirmatively admit the allegations of violation within the Complaint, and this Stipulation and Proposal for Settlement shall not be interpreted as including such admission. Nothing herein shall constitute, nor shall it be construed to constitute, an admission of violation on the part of Respondent.

V.

IMPACT ON THE PUBLIC FROM NONCOMPLIANCE

Section 33(c) of the Act, 415 ILCS 5/33(c) (2002), provides as follows:

In making its orders and determinations, the Board shall take into consideration all the facts and circumstances bearing upon the reasonableness of the emissions, discharges, or deposits involved including, but not limited to:

1. the character and degree of injury to, or interference with the protection of the health, general welfare and physical property of the people;
2. The social and economic value of the pollution source;
3. the suitability or unsuitability of the pollution source to the area in which it is located, including the question of priority of location in the area involved;
4. the technical practicability and economic reasonableness of reducing or eliminating the emissions, discharges or deposits resulting from such pollution source; and
5. any subsequent compliance.

In response to these factors, the parties state as follows:

1. The impact to the public regarding Respondent's alleged

noncompliance was that past waste management methods at Respondent's facility contaminated groundwater beneath the facility.

2. Respondent's facility is no longer in operation. The past oil refining operation at Respondent's facility had social and economic value.

3. The parties agree that whether Respondent's facility is suitable to the area in which it is located is no longer relevant since the facility is no longer in operation.

4. Complainant contends that reducing or eliminating the groundwater contamination at or from Respondent's facility is and was both technically practicable and economically reasonable. The Parties agree that groundwater investigation and/or remediation is and will continue to be a multi-year process. The parties further agree that with the creation of the facility-wide Groundwater Management Zone, the facility is in compliance with applicable groundwater regulations.

5. Pursuant to this Settlement, Respondent shall comply with the applicable requirements of the Act and the Regulations promulgated thereunder and its RCRA permit for the facility as it may be modified from time to time.

VI.

CONSIDERATION OF 42(h) FACTORS

Section 42(h) of the Act provides as follows:

In determining the appropriate civil penalty to be imposed under subdivisions (a), (b)(1), (b)(3) or (b)(5) of this Section [42(h) of the Act], the Board is authorized to consider any matters of record in mitigation or aggravation of penalty, including but not limited to the following factors:

1. the duration and gravity of the violation;
2. the presence or absence of due diligence on the part of the violator in attempting to comply with the requirements of this Act and regulations thereunder or to secure relief therefore as provided by this Act;
3. any economic benefits accrued by the violator because of delay in compliance with requirements;
4. the amount of monetary penalty which will serve to deter further violations by the violator and to otherwise aid in enhancing voluntary compliance with this Act by the violator and other persons similarly subject to the Act; and
5. the number, proximity in time, and gravity of previously adjudicated violations for this Act by the violator.

In response to these factors, the parties state as follows:

1. Complainant states that the alleged violations, as set forth in Section IV.B herein, occurred from at least September 1993 to the present. Respondent states that the conditions at the facility were due to certain past refinery operations, not current operations.

2. The parties agree that Respondent has initiated and is continuing to take steps to correct the alleged violations prior to the filing of the Complaint and the effective date of this Stipulation and Proposal for Settlement and that Respondent has continued to take actions in accordance with the Illinois EPA approved Work Plans and the RCRA permit during the pendency of this action.

3. Complainant states that a portion of the economic benefit accrued by Respondent from delay in compliance with the Act and the Board Groundwater Quality Standards and Waste Disposal regulations is included as part of the penalty amount set forth herein. Respondent states that it did not accrue any economic benefit as a result of any

alleged noncompliance with the Act and Board regulations.

4. Complainant states that a civil penalty of \$50,000.00 will serve to deter any future violations of the Act and the Board Groundwater Quality Standards and Waste Disposal regulations, and will enhance Respondent's compliance with the Act. Respondent states that it initiated steps to correct the alleged violations prior to the filing of the Complaint and the effective date of this Stipulation and Proposal for Settlement.

5. Complainant's records do not reflect previously adjudicated violations of the Act or the Board Groundwater Quality Standards and Waste Disposal regulations by Respondent.

VII.

TERMS OF SETTLEMENT

A. TECHNICAL REMEDY

1. This technical remedy is entered into in order to ensure technical resolution of the violations alleged in the Complaint. This remedy will be governed by the terms of the RCRA Permit, which is attached to and incorporated into this Stipulation and Proposal for Settlement. See Attachment A. Any and all subsequent revisions, modifications, reissuances or other changes to the RCRA Permit are also incorporated into this Stipulation and Proposal for Settlement. The RCRA Permit generally addresses the violations alleged in the Complaint through:

a. addressing sources and potential sources of groundwater contamination through ensuring post-closure care of closed

units (RCRA Permit Section I) and proper closure and corrective action for all Investigation Areas, solid waste management units and recognized environmental conditions, (RCRA Permit Section IV); and

b. addressing the groundwater through the Groundwater Detection Monitoring Program (RCRA Permit Section II) and the Groundwater Corrective Action Program, including the establishment of a facility-wide groundwater management zone, (RCRA Permit Section II-A) and portions of corrective action (RCRA Permit Section IV).

2. Respondent shall at all times comply with all terms and conditions of the RCRA Permit for the site issued September 28, 2001, as modified on February 26, 2002, May 15, 2002, May 31, 2002, February 14, 2003, April 15, 2003, June 24, 2003 and any and all subsequent amendments or modifications. Respondent shall at all times comply with the terms and conditions of any Illinois EPA approvals of workplans or other deliverables submitted by the Respondent under the RCRA Part B post-closure permit, including but not limited to, the workplan approval letters attached as Attachments B (addressing Land Use Area 8B (Former Coke Handling Area)) and C (addressing Land Use Areas 4C and 7B(Southwest Corner)) and hereby incorporated into this Stipulation and Proposal for Settlement.

3. Respondent shall at all times comply with the provisions of the Act, and the Board Groundwater Quality Standards and Waste Disposal regulations. Nothing in this Stipulation and Proposal for Settlement shall be deemed to expand or supersede the requirements of the RCRA Permit, Board Groundwater Quality Standards or waste management regulations.

4. Respondent shall provide copies of quarterly and semiannual compliance reports submitted to Illinois EPA under the RCRA Permit to the Attorney General's Office while this Settlement remains in effect. Copies of these reports shall be sent to:

Christopher P. Perzan (or subsequent designee)
Assistant Attorney General
Environmental Bureau North
188 W. Randolph Street, Suite 2001
Chicago, Illinois 60601

B. OVERSIGHT COST FUNDING

1. Respondent shall fund the costs of an Illinois EPA inspector up to a maximum total of \$350,000.00 at an annual rate of \$70,000.00 over a five year period. Such costs include, but are not limited to, the following: direct costs such as employee salaries, employee travel, site-specific contractors, and laboratory analysis; indirect costs (related to the direct costs) incurred by the Illinois EPA in the day-to-day operations and maintenance of buildings, utilities, administrative costs and any associated program costs. It is the goal of the parties that the inspector will have primary responsibility to oversee the implementation of Respondent's RCRA Permit and compliance activities.

2. The first year payment of \$70,000.00 shall be made within 30 days of the Board's acceptance of the Stipulation and Proposal for Settlement.

3. Four subsequent payments of \$70,000.00 per year shall be made on or by the anniversary date of the first year payment.

4. All payments made under this section shall be made by certified check or money order, payable to the Illinois Environmental

Protection Agency, designated for deposit in the Illinois Hazardous Waste Fund, and shall be sent by first class mail to:

Illinois Environmental Protection Agency
Fiscal Services Section
1021 North Grand Avenue
P.O. Box 19276
Springfield, Illinois 62794-9276

A copy of the check shall be sent to:

Christopher P. Perzan
Assistant Attorney General
Environmental Bureau North
188 West Randolph Street, Suite 2001
Chicago, Illinois 60601

C. CIVIL PENALTY

1. Within 30 days from the date on which the Board adopts a final order approving this Settlement, Respondents shall pay a civil penalty of \$50,000.00 into the Illinois Environmental Protection Trust Fund.

2. Payment shall be made by certified check or money order, payable to the Illinois Environmental Protection Agency, designated for deposit in the Illinois Environmental Protection Trust Fund, and shall be sent by first class mail to:

Illinois Environmental Protection Agency
Fiscal Services Section
1021 North Grand Avenue
P.O. Box 19276
Springfield, Illinois 62794-9276

A copy of the check shall be sent to:

Christopher P. Perzan
Assistant Attorney General
Environmental Bureau North
188 West Randolph Street, Suite 2001
Chicago, Illinois 60601

3. Respondent's Federal Employer Identification Number

("FEIN"), 94-3410367, shall appear on the face of the certified check or money order. For purposes of payment collection and compliance issues, Respondent may be reached at the following address:

Chevron Environmental Services Company
Attn: Owen Ranta
301 West 2nd Street
Lockport, Illinois 60441

Mark Hausman
Law Department
ChevronTexaco
2300 Windy Ridge Park
Atlanta, Georgia 30339

D. STIPULATED PENALTIES

1. If the Respondent fails to perform to completion any activity or meet any deadline required after the effective date of this Stipulation and Proposal for Settlement as set out in Attachment D to this Stipulation and Proposal for Settlement, including all schedule changes, modifications, amendments or approvals issued by the Illinois EPA, the Respondent shall have five (5) calendar days to correct the violation without penalty. If the violation continues for more than five (5) calendar days, the Respondent shall pay to the Complainant, for payment into the Illinois Environmental Protection Trust Fund, stipulated penalties in the following amounts:

Day 6 - 20	\$250.00 per day
Day 21 - 30	\$500.00 per day
Day 30 on	\$1,000.00 per day

2. All stipulated penalties owed to the Complainant shall be due within thirty (30) days of the date the Respondent receives a notice from the Complainant for the amount of stipulated penalties due. The Complainant may notify the Respondent of the amount of

stipulated penalties due, but a lack of any such notification shall not constitute a defense to imposition of stipulated penalties.

3. All stipulated penalties shall be paid in the same manner as the civil penalty as set forth in this Section VII.C.

4. The stipulated penalties shall be enforceable by the Complainant and shall be in addition to, and shall not preclude the use of, any other remedies or sanctions arising from the failure to comply with Section VII.A., B., C. and D.1. of this Settlement Agreement. Notwithstanding anything herein to the contrary, if Complainant obtains stipulated penalties hereunder, with respect to any alleged violation, no additional penalties including statutory penalties may be sought by Complainant for that alleged violation.

5. The dates in Attachment D are subject to change by subsequent RCRA permit modifications or workplan approvals by Illinois EPA and any such changes shall be effective upon such change as if set out fully herein.

E. INTEREST ON PAYMENTS

1. Pursuant to Section 42(g) of the Act, 415 ILCS 5/42(g) (2002), interest shall accrue on any amount not paid within the time prescribed herein, at the maximum rate allowable under Section 1003(a) of the Illinois Income Tax Act, 35 ILCS 5/1003(a) (2002).

2. Interest on unpaid amounts shall begin to accrue from the date the penalty payment is due and continue to accrue to the date payment is received.

3. Where partial payment is made on any payment amount that is due, such partial payment shall be first applied to any interest on

unpaid amounts then owing.

4. All interest on amounts owed the Complainant, shall be paid and delivered in the same manner as described herein in Section VII.C.

VIII.

COMPLIANCE WITH OTHER LAWS AND REGULATIONS

This Stipulation and Proposal for Settlement in no way affect Respondent's responsibility to comply with any applicable federal, state or local laws and regulations, including but not limited to the Act, 415 ILCS 5/1 et seq. (2002), and the Board Groundwater Quality Standards and Waste Disposal regulations, or Respondent's RCRA Permit issued on September 28, 2001 and all subsequent modifications. Notwithstanding any other provision in this Stipulation and Proposal for Settlement, the requirements of this Stipulation and Proposal for Settlement do not supplant or supercede the requirement that Respondent comply with the applicable provisions of 35 Ill. Adm. Code Parts 724 and 725 and all terms and conditions of the RCRA Permit for the site.

IX.

FORCE MAJEURE

1. For the purposes of this Settlement, *force majeure* is an event arising solely beyond the control of the Respondent which prevents the timely performance of any of the requirements of this Settlement. For purposes of this Settlement *force majeure* shall include, but is not limited to, events such as floods, fires,

tornadoes, other natural disasters, and labor disputes beyond the reasonable control of the Respondent.

2. When an event occurs which will delay the timely completion of any obligation under this Settlement, Respondent shall promptly notify the Attorney General and the Illinois EPA in writing within two (2) business days of the occurrence of the event. Within ten (10) business days of the occurrence of the event which Respondent alleges will be responsible for a delay, Respondent shall also provide to the Attorney General and the Illinois EPA in writing, the reason(s) for and anticipated duration of such delay, the measures taken and to be taken by Respondent to prevent or minimize the delay, and the timetable for implementation of such measures. Failure to provide the two (2) business day notice and/or provide the ten (10) business day follow-up written explanation to the Attorney General and the Illinois EPA in a timely manner, shall constitute a waiver of any force majeure claim.

3. If within twenty-one (21) days of the date of Respondent's two (2) business day initial notification, the Complainant agrees that a delay is or will be attributable to an event described as *force majeure*, the parties shall modify the relevant schedules to provide such additional time as may be necessary to allow the completion of the specific obligation. If such a modification requires a modification to the RCRA permit, all applicable statutory and regulatory provisions governing the modification of RCRA permits shall apply.

4. If the Complainant and Respondent cannot agree on the cause

for the delay or whether the duration of the delay is or will be warranted under the circumstances, Respondent may invoke the Dispute Resolution provisions of Section X of this Settlement. However, Respondent's invocation of the Dispute Resolution provisions of Section X herein, is not in and of itself an occurrence described in Section X. Respondent has the burden of proving a *force majeure* or other event by a preponderance of the evidence as a defense to compliance with this Settlement.

X.

DISPUTE RESOLUTION

The parties shall make their best efforts to resolve all disputes arising under this Settlement informally and in good faith. If, however, disputes arise concerning this Settlement which the parties are unable to resolve informally, any party may, by written motion, request the Board for an evidentiary hearing to resolve the dispute. In any such Board hearing regarding issues between the Complainant and Respondent, the Respondent shall have the burden of proving by a preponderance of the evidence that the position taken by the Complainant is not required under the terms of this Settlement, is unreasonable or is not in furtherance of the objectives of this Settlement. This provision shall not restrict in any way the right of the Complainant to seek enforcement of this Settlement or a Board order accepting and implementing this Settlement in Circuit Court at any time.

XI.

RIGHT OF ENTRY

In addition to any authority at law, the Illinois EPA, its employees and representative, the Illinois Attorney General, his agents and representatives and the State's Attorney of Will County, his agents and representatives shall have the right of entry to Respondent's site at all reasonable times, for the purposes of conducting inspections of Respondent's operations. The Illinois EPA, its employees and representatives, the Illinois Attorney General, his agents and representatives and the State's Attorney of Will County, his agents and representatives may request and obtain copies of business records to take any photographs or samples reasonably necessary in order to conduct their inspection.

XII.

CEASE AND DESIST

Respondent shall cease and desist from violations of the Act and Board regulations, including those sections of the Act and Board regulations that were the subject matter of the Complaint as outlined in Section IV.B of this Settlement. Nothing herein constitutes, nor shall it be construed as an admission of any violation or liability on the part of Respondent.

XIII.

RELEASE FROM LIABILITY

In consideration of Respondent's payment of a \$50,000.00 penalty

and oversight costs as set out herein, and upon the completion of all activities required hereunder, and subject to the exceptions set forth below, the Complainant releases, waives and discharges the Respondent and any officer, director, agent and employee or servant of Respondent, as well as Respondent's predecessors, affiliated companies, successors and assigns, from any further liability or penalties for alleged violations of the Act and/or Board Regulations that were the subject matter of Complainant's Complaint filed on July 12, 2001, and for any alleged violation of the Act and/or Board regulations based on the presence of groundwater impacts of any kind at or from the facility from 1981 to the effective date of this Stipulation and Proposal for Settlement. This release becomes effective upon the Board's order accepting the Stipulation and Proposal for Settlement and shall remain in full force and effect provided the payments under Section VII, Paragraphs B and C hereof are completed. The Complainant reserves, and this Settlement is without prejudice to, all rights of the State of Illinois against Respondent with respect to all other matters, including but not limited to, the following:

- a. criminal liability;
- b. liability for future violation of state, federal, local, and common laws and/or regulations;
- c. liability for natural resources damages including groundwater arising out of the alleged violations; and
- d. liability or claims based on the Respondent's failure to satisfy the requirements of this Stipulation and Proposal for

Settlement.

Nothing in this Stipulation and Proposal for Settlement is intended as a waiver, discharge, release, or covenant not to sue for any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, which the State of Illinois or the Illinois EPA may have against any person, as defined by Section 3.315 of the Act, 415 ILCS 5/3.315(2002), or entity other than the Respondent, and any officer, director, agent, employee or servant of Respondent, as well as Respondent's predecessors, affiliated companies, successors and assigns.

XIV.

EFFECTIVE DATE AND TERMINATION

1. This Stipulation and Proposal for Settlement becomes effective upon the issuance of the Board's final order accepting the Stipulation and Proposal for Settlement. The Respondent may petition the Board for termination of the Stipulation and Proposal for Settlement, except for the future use provision of the preamble and Sections VIII, XII and XIII of this Stipulation and Proposal for Settlement, provided all of the following have occurred:

- a. Respondent is in compliance with the terms and conditions of this Stipulation and Proposal for Settlement at the time of the certification pursuant to subsection d., below;
- b. Respondent has received No Further Action letters for the soils in each of the thirteen investigation areas which

comprise the entire facility lettered as (a) thru (m) in Section IV.C.2 of the facility's RCRA permit.

Notwithstanding, No Further Action letters will not be required for the purposes of this Section for the following portions of the facility: (1) the area leased to Shell which will continue to be used for petroleum distribution operations in Area 6 (currently operated by Shell Pipeline, LLC); (2) the two existing North Stormwater Ponds in Area 6; (3) the two existing South Stormwater Ponds and the existing Equalization Pond (which is used for stormwater management) located in Areas 4C and 7B; (4) the portion of Area 4A where the existing Wastewater Treatment Unit No. 1 is located; (5) the portion of Area 7A where Wastewater Treatment Unit No. 2 is located; and (6) the following units covered by the RCRA permit: LF-1, LF-2, LLF, LAA, CT, the CAMU, and the staging pile;

c. The Respondent has paid all monetary amounts due under this Settlement and no civil penalties, interest, or costs are outstanding or owed the Complainant;

d. Thirty (30) days prior to Respondent seeking termination, Respondent certifies that it is in compliance with b., and c. above;

e. The Complainant within 45 days after receiving the certification has not contested that certification. If the Complainant disputes Respondent's certification, the Stipulation and Proposal for Settlement shall remain in

effect pending resolution of the dispute by the parties or
the Board in accordance with the Dispute Resolution
provision of Section X.

[The remainder of this page intentionally left blank.]


WHEREFORE, Complainant and Respondent requests that the Board adopt and accept the foregoing Stipulation and Proposal for Settlement as written:

AGREED:

FOR THE COMPLAINANT:

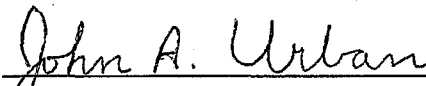
PEOPLE OF THE STATE OF ILLINOIS,
by LISA MADIGAN, Attorney General
of the State of Illinois,

MATTHEW J. DUNN, Chief,
Environmental Enforcement/
Asbestos Litigation Division

BY: 
ROSEMARIE CAZEAU, Chief
Environmental Bureau
Assistant Attorney General

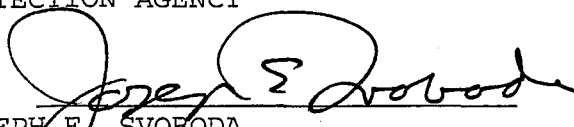
DATE: 3/12/04

by JEFF TOMCZAK, State's Attorney
of Will County, Illinois

BY: 

DATE: 4/5/04

ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

BY: 
JOSEPH E. SVOBODA
General Counsel
Division of Legal Counsel

DATE: 3/10/04

FOR THE RESPONDENT:

CHEVRON ENVIRONMENTAL SERVICES
COMPANY

BY: 

TITLE: President

DATE: 4-27-04

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

PEOPLE OF THE STATE OF ILLINOIS,)
)
 Complainant,)
) PCB No. 02-3
 v.) (RCRA - Enforcement)
)
 CHEVRON ENVIRONMENTAL SERVICES)
 COMPANY, a Delaware Corporation,)
)
 Respondent.)

ATTACHMENTS TO STIPULATION AND PROPOSAL FOR SETTLEMENT

- A RCRA POST CLOSURE PERMIT - JANUARY 30, 2004
- B APPROVAL LETTER FOR LAND USE AREA 8B, LOG B-38-CA-13,
FEBRUARY 7, 2003
- C APPROVAL LETTER FOR LAND USE AREAS 4C AND 7B, LOG B-38-CA-12
FEBRUARY 7, 2003
- D STIPULATED PENALTY ACTIVITY CHART

MAY 05 2004

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

PEOPLE OF THE STATE OF ILLINOIS,)
)
Complainant,)
)
v.)
)
CHEVRON ENVIRONMENTAL SERVICES)
COMPANY, a Delaware Corporation,)
)
Respondent.)

STATE OF ILLINOIS
Pollution Control Board

PCB No. 02-3
(RCRA - Enforcement)

MOTION TO REQUEST RELIEF
FROM HEARING REQUIREMENT

NOW COMES the Complainant, PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois, and requests relief from the hearing requirement in the above-captioned matter. In support thereof, the Complainant states as follows:

1. On June 11, 2003, a Complaint was filed with the Pollution Control Board ("Board") in this matter. Simultaneously with this Motion, the parties are filing a Stipulation and Proposal for Settlement with the Board.

2. Section 31(c)(2) of the Illinois Environmental Protection Act ("Act"), 415 ILCS 5/31(c)(2), (2002) allows the parties in certain enforcement cases to request relief from the mandatory hearing requirement where the parties have submitted to the Board a stipulation and proposal for settlement. Section 31(c)(2) provides:

Notwithstanding the provisions of subdivision (1) of this subsection (c), whenever a complaint has been filed on behalf of the Agency or by the People of the State of Illinois, the parties may file with the Board a stipulation and proposal for settlement accompanied by a request for relief from the requirement of a hearing pursuant to subdivision (1). Unless the Board, in its discretion, concludes that a hearing will be held, the Board shall cause notice of the stipulation, proposal and request for relief

to be published and sent in the same manner as is required for hearing pursuant to subdivision (1) of this subsection. The notice shall include a statement that any person may file a written demand for hearing within 21 days after receiving the notice. If any person files a timely written demand for hearing, the Board shall deny the request for relief from a hearing and shall hold a hearing in accordance with the provisions of subdivision (1).

3. No hearing is currently scheduled in the instant case.

4. The Complainant requests the relief conferred by Section 31(c)(2) of the Act.

WHEREFORE, the Complainant, PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois, requests relief from the requirement of a hearing pursuant to 415 ILCS 5/31(c)(2)(2002).

Respectfully submitted,

PEOPLE OF THE STATE OF ILLINOIS,

LISA MADIGAN,
Attorney General of the
State of Illinois

By: 

Christopher P. Perzan
Assistant Attorney General

Office of the Attorney General
Environmental Bureau
188 West Randolph Street, 20th Fl.
Chicago, IL 60601
312/814-3532

CERTIFICATE OF SERVICE

I, the undersigned, on oath [or affirmation] state that I have served on the date of 5/5/04, the attached MOTION TO CHANGE CAPTION, MOTION FOR LIMITED RELIEF FROM 35 ILL.ADM. CODE 101.302(h), STIPULATION AND PROPOSAL FOR SETTLEMENT and MOTION FOR RELIEF FROM HEARING REQUIREMENT, by hand delivery or U.S. Mail upon the persons on the attached Service List.

A handwritten signature in black ink, consisting of a large, stylized initial 'C' followed by several loops and a long horizontal stroke extending to the right.

Dated: May 5, 2004

