

AGREEMENT NO. 96-633

This Agreement is agreed to and entered into by Southern California Gas Company ("The Gas Company") and the municipal government of the City of Pico Rivera ("the City"). It is intended to become effective as of the latest date appearing on the signature page.

RECITALS

A. Whereas, The Gas Company has had a property located at 8101 S. Rosemead Boulevard in the City of Pico Rivera ("Rosemead property") since 1956 that supports a variety of Gas Company operations, including the long-term storage of company-generated hazardous waste.

B. Whereas, The Gas Company has been operating its long-term storage facility ("facility") under Interim Status since 1983 without incident and is seeking a final permit from the California Department of Toxic Substances Control ("DTSC") to operate the facility.

C. WHEREAS, The Gas Company desires to continue operating in the City of Pico Rivera and to enjoy the goodwill of the City and the Community.

D. WHEREAS, The City wishes to address the concerns of its citizens regarding The Gas Company's waste storage in Pico Rivera.

NOW, THEREFORE, for the mutual consideration set forth herein, the parties agree as follows:

1. Quantities of Waste Stored

The Gas Company will store no more than 200 drums of hazardous waste at its facility at any one time. Of the 200 drums, no more than six will contain wastes classified as potentially contaminated with polychlorinated biphenyls ("PCBs"). Any waste potentially containing PCBs will have been generated at the Rosemead property or surrounding areas and will not be brought into the facility from throughout The Gas Company's service territory. "Surrounding Areas" means those cities and communities having borders contiguous with the City of Pico Rivera including the cities of Commerce, Industry, Downey, Montebello, Santa Fe Springs, Whittier and unincorporated Los Angeles areas immediately to the east between Santa Fe Springs and Whittier, immediately to the northeast between Whittier and Industry and immediately to the north between Industry and Montebello.

2. Conditions for Adhering to the Drum Limitation

(a) The limitations set forth in Paragraph 1 will apply under normal business operating conditions and in the absence of "unusual business events." "Unusual business events" include but are not limited to: earthquakes; floods, pipeline, station or storage related upsets; lack of access to disposal facilities; civil or labor unrest; or other conditions or events beyond the control of The Gas Company. In such case, The Gas

Company will notify the City Manager in writing within 30 days of the event and will explain the necessity for exceeding the limitations. In no event will The Gas Company exceed the state-permitted storage limits at the facility.

(b) The Gas Company reserves the right to increase the number of drums stored pursuant to this Agreement if necessary to accommodate regulatory or operational changes. "Operational Changes" are those changes deemed by The Gas Company management to be necessary to remain financially and competitively viable. In such a case, The Gas Company will notify the City Manager's office at least 30 days in advance of any intention to increase storage, explaining the rationale for the change. The City Manager's office can either agree to the increase in writing or request that The Gas Company enter into negotiation to resolve the issue.

3. Access to the Pico Rivera Facility

The Gas Company will allow reasonable access to its facility to personnel designated by City Manager's Office to verify compliance with this Agreement. The City Manager or designee may, in his or her discretion, be accompanied by members of the Pico Rivera community when visiting the facility. Access to the facility will be provided as follows:

(a) During normal working hours only (7:00AM to 3:30PM Monday-Friday, except Gas Company holidays).

(b) The City Manager may be accompanied by up to four members of the community at any one time.

(c) All persons granted access must be escorted to the storage facility by a Gas Company employee from the Environmental Operations Team (or successor organization) or their designee.

(d) The Gas Company may deny access to any person for reasons of security or for other good cause.

The Gas Company reserves the right to limit the foregoing right of access in the event requests for access become overly burdensome or disruptive to business operations. In such case, The Gas Company and the City will develop an alternative access plan.

4. Hazardous Waste Roundup

The Gas Company and the City agree to jointly conduct a "household hazardous waste roundup" for the surrounding community on an annual basis. The Gas Company agrees to supply the host site and the City agrees to obtain funding and coordinate and publicize the event.

5. Annual Community Activity

The Gas Company agrees to sponsor a community activity at its Rosemead property on an annual basis.

6. City Neutrality regarding The Gas Company Permit

In consideration for the foregoing activities on the part of The Gas Company, the City will not oppose issuance of The Gas Company's final permit and will notify in writing the Department of Toxic Substances Control (DTSC) and other public officials of its neutrality on or before January 8, 1996. The City agrees to develop with The Gas Company a joint news release announcing this Agreement to the community immediately following City Council approval.

7. Indemnity

The City agrees to indemnify, defend and hold harmless The Gas Company from any claim, demand, suit, cause of action, or liability in the event any member of the City or any member of the public, granted access to The Gas Company's Pico Rivera facility pursuant to Paragraph 3 of this Agreement, suffers any injury (including death) or damage arising from any cause whatsoever relating to that access. Also, the City agrees to hold The Gas Company harmless from all damage of whatever nature that it may suffer arising from or associated with the access granted herein.

8. Term of Agreement

This Agreement will remain in effect until the expiration of the 10-year permit issued in the year 1996 by the Department of Toxic Substances Control (DTSC) to The Gas Company. In the event DTSC denies or cancels The Gas Company's permit, this Agreement will automatically terminate.

9. Effect on Laws and Regulations

In no event will the terms of this Agreement supersede any federal, state, or local law, regulation, order or decision governing the operation of The Gas Company's hazardous waste storage operations, except that this agreement limits the amount of hazardous waste to be stored at the facility below levels permitted by regulatory agencies.

10. No Precedent

This Agreement relates only to The Gas Company's hazardous waste storage facility in Pico Rivera and shall not serve as precedent for any Gas Company facilities or properties located outside the City of Pico Rivera.

11. No Rights Conferred Upon Non-Parties

This agreement is intended to confer rights and benefits only on the parties hereto and is not intended to confer any right or benefit upon any other person or entity. No person or entity other than the parties hereto shall have any legally enforceable right under this Agreement. All rights of action for any breach of this Agreement are specifically reserved to the parties hereto.

12. Governing Law

This Agreement shall be interpreted and enforced pursuant to the laws of the State of California.

13. Binding Effect

Each of the terms of this Agreement is binding upon each of the parties hereto and their respective successors and assigns, to the extent provided by law.

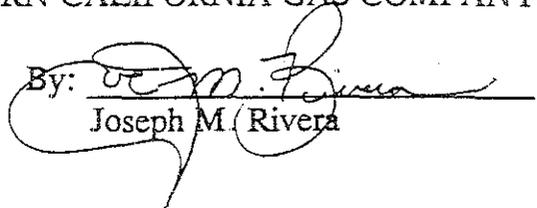
14 Counterparts

This Agreement may be signed in counterparts and shall become effective upon its execution by the parties hereto, each copy having the same force and effect as an original.

IN WITNESS WHEREOF, the parties hereto warrant that they have read all of this Agreement and fully understand everything contained therein. Each party represents that the party fully and freely assents to all terms of the Agreement.

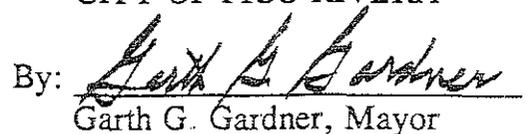
DATED:

SOUTHERN CALIFORNIA GAS COMPANY

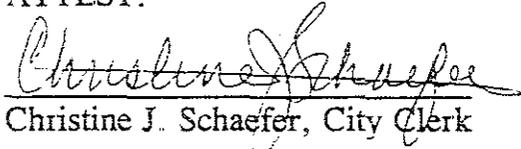
By: 
Joseph M. Rivera

DATED:

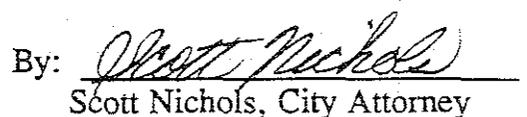
CITY OF PICO RIVERA

By: 
Garth G. Gardner, Mayor

ATTEST:


Christine J. Schaefer, City Clerk

APPROVED AS TO FORM:

By: 
Scott Nichols, City Attorney