

**DEPARTMENT OF TOXIC SUBSTANCES CONTROL
NOTICE OF PROPOSED SETTLEMENT
LODI GROUNDWATER SITE
LODI, SAN JOAQUIN COUNTY, CALIFORNIA**

Public Comment Period: May 20 to June 20, 2005

The Department of Toxic Substances Control (DTSC) pursuant to the authority vested in DTSC under chapters 6.5 and 6.8, division 20 of the Health and Safety Code, and under its inherent governmental authority to resolve claims within its jurisdiction, proposes to enter into a settlement with the City of Lodi, a municipal corporation (the City), regarding the area of the City located within the County of San Joaquin, California bordered approximately by the Mokelumne River to the north, Beckman Road to the east, Harney Lane to the south, and Mills Avenue to the west and the surrounding commercial and residential area composed of five areas of groundwater contamination that have been referred to as the Central Plume Area, the Northern Plume Area, the Western Plume Area, the Southern Plume Area and the Busy Bee Area from which Hazardous Substances have been, or are threatened to be, released or where Hazardous Substances have or may come to be located (the Site).

Notice is hereby given that DTSC proposes to enter into a Settlement Agreement and Mutual Covenants Not to Sue (Settlement Agreement) with the City of Lodi regarding the Site.

Under the proposed Settlement Agreement, DTSC and the City will resolve disputed claims concerning the Site, and the parties' respective obligations under the Comprehensive Joint Cooperative Agreement (JCA) entered into by DTSC and the City in 1997. If, as a result of a judicially approved settlement of the City's claims against a defendant in the action entitled City of Lodi v. M&P Investments, et al., Case No. CIV-S-00-2441 FCD JFM, United States District Court, Eastern District of California ("City Action"), the City receives any cash settlement payments from or on behalf of a defendant, then the City shall make certain monetary payments to DTSC as reimbursement for DTSC response costs relating to the Site. The City will also waive any defense it may have arising out of the JCA or the Settlement Agreement to the jurisdiction of the Regional Water Quality Control Board, Central Valley Region or any successor lead agency for the Site.

In return, the parties will covenant not to sue each other each other for claims relating to the Site, subject to certain conditions and reservations. In addition, the Settlement Agreement will recognize that the City is entitled to contribution protection for matters addressed in the Settlement Agreement.

DTSC is holding a 30-day comment period on the Settlement Agreement. Written comments on the proposed Settlement Agreement must be submitted on or before 5:00 p.m. June 20, 2005. DTSC may withhold its consent to the Settlement Agreement if such comments disclose facts or considerations that indicate the proposed Settlement Agreement is inappropriate, improper or inadequate.

Comments should be addressed to:

Steve Koyasako (skoyasak@dtsc.ca.gov)
Department of Toxic Substances Control
Office of Legal Counsel
P.O. Box 806
Sacramento, California 95812-0806

Steve Schwabauer (sschwabauer@lodi.gov)
City Attorney
City of Lodi
P.O. Box 3006
Lodi, CA 95240

Any comments sent electronically should also be sent by mail. Comments should refer to the City of Lodi Groundwater Site.

The Settlement Agreement may be examined at the DTSC headquarters office at 1001 I Street, Sacramento, California 95812-0806. Please contact Ms. Mary Anderson at (916) 324-1667 (phone) or (916) 323-5542 (fax) for an appointment.

During the public comment period, the Settlement Agreement may also be examined on the DTSC Internet Web site at:

http://www.dtsc.ca.gov/SiteCleanup/Lodi_Central_Plume/index.html

A copy of the Settlement Agreement may also be obtained by mail from the DTSC Office of Legal Counsel at P.O. Box 806, Sacramento, California 95812-0806, or by faxing or e-mailing a request to Steve Koyasako (skoyasak@dtsc.ca.gov), fax no. (916) 323-5542, phone confirmation number (916) 322-6996. If requesting a copy from DTSC, the cost for reproductions is \$0.15 (15 cents) per page. Please make your check or money order payable to the Department of Toxic Substances Control.