

City's Cleanup Pact With Mobil Sets a Precedent

Other Municipalities May Use Settlement To Get Similar Deals

MTBE Contamination

By Tom Orewyler
Daily Journal Staff Writer

Environmental attorneys around California and even nationwide are calling last week's multimillion-dollar settlement of a lawsuit brought by the city of Santa Monica against Mobil Oil Corp. the beginning of a new wave of cooperation between municipalities and oil companies seeking to resolve a relatively novel — but very serious — contamination problem.

The March 17 agreement — which offers a precedent that other cities could use to secure their own favorable agreements— provides in part for an initial \$2.2 million payment by Mobil to Santa Monica to cover costs incurred as a result of the contamination of the city's Arcadia water well field by the chemical MTBE. The gasoline additive had seeped into the ground from the company's nearby underground gasoline tanks. Santa Monica filed the suit in January 1997. *City of Santa Monica v. Mobil Oil Corp.*, 778141.

Under the comprehensive settlement agreement, the parties are committed to undertaking a cooperative effort to continue the cleanup of the site.

"It's a remarkable resolution between an industry that has a lot of liability at stake and a government ... a city with a lot of resources," said Barry Groveman, an attorney from Proskauer Rose who represented the city.

Methyl tertiary butyl ether is the second-most produced commercial chemical in the United States. It is highly soluble in water and very mobile underground. In addition, it does not absorb well into soil and does not biodegrade well.

Leak Into Water Supply

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The chemical had leaked into the drinking water supply from a Mobil service station that used to sit on the southeast corner of Wilshire Boulevard and Bundy Drive. All that separated the Arcadia site from the gas station was an alley.

Tom H. Turner, a third party to the settlement who owns the land where the station was located, has agreed to restrictions on future uses of the site, including a prohibition on hazardous materials and limitations on subsurface development.

Because other areas of the country are facing similar MTBE contamination problems, telephone calls have been pouring into Groveman's office from attorneys, city officials and concerned citizens' groups from as far away as North Carolina seeking guidance on the issue, Groveman said.

Station to Station

"Everywhere there is a gas station in America there is potential for MTBE contamination," Groveman said in a press release the day the settlement was announced. Numerous other California cities and many other states — including Texas, Florida, Pennsylvania and

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