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NOTICE OF SETTLEMENT AGREEMENT

WRITTEN COMMENTS DUE BY 5:00 P.M., APRIL 14, 2010

Notice is hereby given that on March 31, 2010, a proposed Settlement Agreement in the bankruptcy matter, *In re Lyondell Chemical Company, et al.*, Jointly Administered Bankruptcy Case No. 09-10023 (REG), was lodged with the United States Bankruptcy Court for the Southern District of New York.

The Central Valley Water Quality Control Board (Central Valley Water Board or Board) has been deemed to have filed proofs of claim in the bankruptcy proceedings of debtor Lyondell Chemical Company and 93 of its affiliates (collectively "Lyondell"). In the bankruptcy proceeding, the Board sought enforcement of environmental obligations at the Bully Hill and Rising Star Mine Sites, the Afterthought Mine, and the Kingsburg Winery. The proposed Settlement Agreement resolves the Central Valley Water Board's claims against Lyondell.

Lyondell currently owns the Bully Hill and Rising Star Mine Sites, which are located in Shasta County. Pursuant to the Settlement Agreement, Lyondell will place the Bully Hill and Rising Star Mine Sites into an environmental custodial trust, which will hold title to the properties. \$8,000,000 will be allocated to the environmental custodial trust, which will be dedicated to remediating the Bully Hill and Rising Star Mine Sites. Board staff will have oversight of the budget of the environmental custodial trust. The Board will release a financial assurances mechanism of \$421,000 within thirty days of when Lyondell places the properties and remediation funds into the environmental custodial trust.

The Kingsburg Winery, in Fresno County, and the Afterthought Mine, in Shasta County, (hereafter referred to as the "Liquidated Sites") are not sites that Lyondell currently owns, but are sites where Lyondell has incurred environmental obligations because of its prior involvement. The subsidiaries of Lyondell that were associated with the Liquidated Sites are to be dissolved during the course of the bankruptcy proceedings. To resolve liability at the Liquidated Sites, the Central Valley Water Board will receive an Allowed General Unsecured Claim of \$500,000 against Millennium Holdings, LLC and an Allowed General Unsecured Claim of \$500,000 against Millennium Petrochemicals, Inc. Cash received from these two claims will be deposited into the State Water Pollution Cleanup and Abatement Account, and will be used to remediate the Liquidated Sites.

Written comments on the proposed Settlement Agreement must be received by 5:00 p.m. on April 14, 2010. Comments should be addressed to the Assistant Attorney General, Environment and Natural Resources Division, and either emailed to: pubcomment-ees.enrd@usdoj.gov or mailed to P.O. Box 7611, U.S. Department of Justice, Washington, D.C. 20044-7611. Please refer to *In re Lyondell Chemical Company, et al.*, D.J. Ref. 90-5-2-1-2132/3. After the public comment period closes, the U.S. Department of Justice will transmit copies of comments received to the Central Valley Water Board for consideration.

The Settlement Agreement may be examined at the Central Valley Water Board's Redding office, 415 Knollcrest Drive, Suite 100, in Redding. During the public comment period, the Settlement Agreement may also be examined at the following web site, http://www.waterboards.ca.gov/centralvalley/press_room/announcements/. For additional information, please contact Phil Woodward at (213) 576-6607 or pwoodward@waterboards.ca.gov.

Date of Notice: April 1, 2010

California Environmental Protection Agency

