



Cal-Am sues big oil over groundwater pollution

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ACCUSING THE nation's biggest oil companies of "despicable" disregard for public health and safety, Cal-Am Water Co. has filed a multi-million-dollar lawsuit over statewide contamination of groundwater by the gasoline additive MTBE.

The additive, which reduced tailpipe emissions and was introduced in response to 1990 requirements of the federal Clean Air Act, will no longer be permitted in California gasoline supplies after Dec. 31.

But during the last 13 years MTBE leaked into the ground from service stations, pipelines and refineries at thousands of locations all over California, according to Mitchell Dion, general manager of Cal-Am's northern division.

Dion's Monterey counterpart, Steve Leonard, said a very low level of MTBE contamination — seven-tenths of a part per billion — has already been detected at one Cal-Am well in Carmel Valley. The well is about one mile downstream from two mid-valley gas stations.

"It's a small amount now, but the lawsuit was filed in anticipation of future contamination," Leonard said.

“Cleaning up MTBE from groundwater is very expensive, and we don’t think our ratepayers should be responsible for it,” Dion said.

“This is a proactive, protective approach to eliminate the threat and to make sure the costs are borne by the companies responsible for the problem,” said Victor Sher, a San Francisco attorney representing Cal-Am.

According to the lawsuit, five parts per billion of MTBE in water “can render it undrinkable by changing its odor and taste,” while a level of 13 ppb is “considered a health risk because of the chemical’s potential for causing cancer.” MTBE has also been linked in university studies to depression, headache, dizziness, nausea and asthma.

Widespread contamination

Cal-Am’s suit, filed in Monterey County Superior Court Sept. 30, is the latest in a string of similar lawsuits by cities, water companies and private well owners across the country, accusing the oil companies of promoting MTBE as an environmentally beneficial additive to gasoline, even while they allegedly knew of its dangers. And while the chemical will be banned in California at the end of the year, its persistence and mobility underground mean that the threat from old contaminations will be long-term, Cal-Am said. The company operates more than a dozen water systems in California, including the utility that supplies water to more than 100,000 Monterey Peninsula residents.

“MTBE [has] numerous vile properties,” according to the Cal-Am suit. “It spreads farther and faster than other components of gasoline, resists biodegradation, is difficult and costly to remove from groundwater, and can continue to migrate to new areas long after its initial discharge, contaminating an increasing number of drinking water wells as it moves.”

The oil companies, including Unocal, ConocoPhillips, Citgo, Chevron, Texaco, Exxon, Mobil, Atlantic Richfield and BP, “engaged in joint activity to deceive the government as well as the public regarding these dangers,” the suit said.

In some communities, the damage has been widespread. Santa Monica had to abandon more than 70 percent of its municipal water supply in 1996 because of MTBE contamination. Last summer, two oil giants agreed to spend up to \$200 million to build a treatment plant to clean up the city’s supply.

In 2001, Exxon agreed to pay \$12 million to help clean up groundwater in South Lake Tahoe.

Another lawsuit has been settled by oil companies in Orange County.

According to an industry newsletter, MTBE has been detected in 27 percent of urban wells and 1.3 percent of agricultural wells across the country. The San Francisco Chronicle reported that nationwide cleanup costs have been estimated at \$29 billion.

Dion said the timing of Cal-Am's suit was dictated in part by a new federal energy bill, which may exempt oil and petrochemical companies from suits over MTBE contamination because use of the additive was encouraged by federal air quality laws.

The House version the bill contains the exemption, while the Senate bill does not. The issue is now in a conference committee.

Whatever happens to the bill, Cal-Am hopes the "safe harbor" for the oil companies will not apply to suits filed before Oct. 1, Dion said.