

David Wilkin

**VOLUNTARY CLEANUP CONTRACT
13 - 6078 - RP**

**IN THE MATTER OF
ITRON SITE, GREENWOOD COUNTY
and
ITRON, INC.**

This Contract is entered into by the South Carolina Department of Health and Environmental Control and Itron, Inc., pursuant to the Brownfields/Voluntary Cleanup Program, S.C. Code Ann. §§ 44-56-710 to 760, as amended; the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. §§ 9601 to 9675, as amended; and the South Carolina Hazardous Waste Management Act (HWMA), S.C. Code Ann. § 44-56-10 to 850, as amended, with respect to the facility known as the Itron Site ("Site"). The Itron, Inc. property is located at 1310 Emerald Road, Greenwood, South Carolina ("Property"). The Property includes approximately 24.04 acres and is bounded generally to the north by Emerald Road, beyond which is residential/agricultural land; on the east by residential property; on the south by Parkland Place Road, beyond which are residential and church properties; and on the west by rural and residential property. The Property is identified by the County of Greenwood as Parcel ID 6866-827-879 and a legal description of the Property is attached to this Contract as Appendix A. By voluntarily entering this Contract, Itron, Inc. does not admit liability for the release or threat of release of hazardous substances at the Site and expressly denies the same.

DEFINITIONS

1. Unless otherwise expressly provided, terms used in this Contract shall have the meaning assigned to them in CERCLA, the HWMA, and regulations promulgated under the foregoing statutes, or by the Brownfields/Voluntary Cleanup Program. S.C. Code Ann. §§ 44-56-710 through 760.

- A. "Itron" shall mean Itron, Inc., a Washington corporation authorized to do business in South Carolina.
- B. "Contamination" shall mean impact by a Hazardous Substance,

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- Contaminant, Petroleum, or Petroleum Product.
- C. "Contract" shall mean this Responsible Party Voluntary Cleanup Contract.
- D. "Department" shall mean the South Carolina Department of Health and Environmental Control or a successor agency of the State of South Carolina that has responsibility for and jurisdiction over the subject matter of this Contract.
- E. "Hazardous Substance" shall have the same meaning as defined under subparagraphs (A) through (F) of Paragraph (14) of CERCLA, Section 101, 42 U.S.C. Section 9601(14).
- F. "Petroleum" and "Petroleum Product" shall mean crude oil or any fraction of crude oil, which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds for each square inch absolute), including any liquid, which consists of a blend of petroleum and alcohol and which is intended for use as a motor fuel.
- G. "Pollutant" or "Contaminant" includes, but is not limited to, any element, substance, compound, or mixture, including disease-causing agents, which after release into the environment and upon exposure, ingestion, inhalation, or assimilation into any organism, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavioral abnormalities, cancer, genetic mutation, physiological malfunctions, including malfunctions in reproduction, or physical deformations, in organisms or their offspring; "Contaminant" does not include petroleum, including crude oil or any fraction of crude oil, which is not otherwise specifically listed or designated as a hazardous substance under subparagraphs (i) through (vi) of Paragraph (D) of CERCLA § 101, 42 U.S.C. §§ 9601, as amended, and does not include natural gas, liquefied natural gas, or synthetic gas of pipeline

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- quality or mixtures of natural gas and such synthetic gas.
- H. "Property," as described in the legal description attached as Appendix A, shall mean that portion of the Site, which is subject to ownership, prospective ownership, or possessory or contractual interest of Itron.
 - I. "Response Action" shall mean any assessment, cleanup, inspection, or closure of a Site as necessary to remedy actual or potential damage to public health, public welfare, or the environment.
 - J. "The Site" shall mean all areas where a Hazardous Substance, Pollutant or Contaminant, Petroleum, or Petroleum Product originating from the Property has been released, deposited, stored, disposed of, or placed, or otherwise comes to be located; The "Site" does not include any consumer product in consumer use or any vessel, as defined in CERCLA.
 - K. "Voluntary Cleanup" shall mean a Response Action taken under and in compliance with the Brownfields/Voluntary Cleanup Program.
 - L. "Work Plan" shall mean the plan for additional Response Actions to be conducted at the Site as described in Paragraph 3 of this Contract.

FINDINGS

- 2. Based on the information known by or provided to the Department, the following findings are asserted for purposes of this Contract:
 - A. Prior to 1972, the Property was reportedly used for agricultural purposes. The current building located on the Property was constructed in 1972 for flow meter manufacturing by Neptune Carolina, Inc.
 - B. In April 1972, Neptune Carolina, Inc. (d/b/a Neptune Measurement Company) transferred ownership of the Property to Greenwood County. While the Property was owned by Greenwood County for nearly 30 years, flow meter manufacturing was conducted at the Property by Allied Signal, Wheelabrator-Frye, Inc., and Schlumberger

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- Industries, Inc. during that time.
- C. A Department hazardous waste inspection report from 1982 states that approximately eight 55-gallon drums of perchloroethylene (PCE) were generated by Neptune Measurement Company.
 - D. In September 2001, the ownership of the Property reverted from Greenwood County to Schlumberger Industries. Schlumberger transferred ownership of the Property to Actaris U.S. Liquid Measurement ("Actaris") on October 26, 2001, and the manufacture of water meters began at the Property in 2004.
 - E. URS France conducted a Phase I Environmental Site Assessment (ESA) on the Property in 2003 and a Phase I ESA Update in 2007.
 - F. Itron acquired Actaris in 2008 and operation of the facility remained under Itron's direction until 2012 when the business operations were conveyed to Red Seal Measurement, LLC.
 - G. URS Corporation prepared a Phase I ESA of the Property, dated December 13, 2011, for Itron ("Itron ESA I"). URS Corporation also prepared a Phase II ESA of the Property, dated January 25, 2012, for Itron ("Itron ESA II").
 - H. The Itron ESA I identified the following Recognized Environmental Conditions (RECs) at the Property:
 - 1. Prior use of perchloroethylene (PCE) in 1978 as a cleaning solvent for paint guns. Current site contacts have no knowledge regarding the past use or storage of chlorinated solvents, and current operations preclude the use of chlorinated solvents.
 - 2. Four (4) underground storage tanks (USTs) were removed from the Property in 1987. The tanks included a 1,000-gallon gasoline tank, a 5,000-gallon No. 2 Fuel Oil tank, a 12,000-gallon No. 2 Fuel Oil tank and a 12,000-gallon mineral spirits tank. No soil samples were collected during the tank removal

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process.

3. Lack of integrity inspections to ascertain the condition of the oil-water separator at the Property.
- I. The Itron ESA I also identified the following historic RECs at the Property:
1. A LUST incident reported on August 28, 2009 and was issued a NFA status on September 3, 2009. This NFA may be related to the 12,000- gallon mineral spirits UST removed in June 2009. The Department issued a letter dated September 18, 2009 indicating no further assessment or rehabilitation was required for 12,000-gallon UST. However, not enough information is provided in the database to confirm that these two items are related.
 2. Approximately 10 gallons of waste oil/coolant released from a metal catch pan/containment structure as a result of heavy rainfall on July 17, 1992. Soil and surface water were impacted on site and in a neighboring ditch. No record of confirmation sampling following clean-up activities is available.
 3. A spill of approximately 13 gallons of mineral spirits outside the test room on the east side of the building on April 29, 2009. The apparent cause of the incident was a pump float in the containment tank, which became stuck, and the delivery pump continued pumping fluid into the containment tank. The delivery pump was not adequately set up to discontinue pumping the mineral spirits into the containment tank, consequently leading to an overflow of the containment tank. The affected rock and soil, approximately 3 feet around the tank and 1 foot deep was excavated, placed in 55-gallon drums, removed from the Site and properly disposed of by Environmental Services of Charlotte, North Carolina.
 4. A spill of approximately 5,162 gallons of Mineral Spirits 66 was



contained in a test room on Site on January 31, 2004. The apparent cause of the incident was a pump that was left on causing a hose to separate. Site officials were able to turn the pump off and notified the Greenwood Metropolitan District of the issue. Absorbent pads and pigs were used to clean up the spill on site. Material that entered the sanitary sewer was skimmed and vacuumed at the Greenwood Metropolitan District's facility and disposed of by 3R Inc. The Department was notified about the incident.

- J. Soil and groundwater samples were collected at the Property in March and April 2012, as part of an additional Itron ESA II by URS Corporation. Volatile organic compounds (VOCs), including PCE, and various polycyclic aromatic hydrocarbons (PAHs) were detected at several soil sampling locations. VOCs, including PCE, and various PAHs were detected at some groundwater sampling locations. PCE concentrations ranged from non-detect to 10,000 ug/L.
- K. In August 2012, eleven (11) permanent groundwater-monitoring wells were installed across the Property. PCE was detected in certain wells from non-detect to 56,000 ug/L.

RESPONSE ACTIONS

3. Itron agrees to submit to the Department for review and written approval within forty five (45) days of the execution date of this Contract a Work Plan for the Site consistent with the technical intent of the National Contingency Plan. The Work Plan shall be implemented upon written approval from the Department. The Work Plan shall include the names, addresses, and telephone numbers of the consulting firm, the analytical laboratory certified by the Department, and Itron's contact person for matters relating to this Contract. Itron will notify the Department in writing of changes in the contractor or laboratory. The Department will review the Work Plan and other documents for accuracy, quality, and completeness and will notify Itron in writing of any deficiencies in the Work Plan or other

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documents, and Itron will respond in writing within thirty (30) days to the Department's comments. The Work Plan and all associated reports shall be prepared in accordance with industry standards and endorsed by a Professional Engineer (P.E.) and/or Professional Geologist (P.G.) duly-licensed in South Carolina and shall set forth methods and schedules for accomplishing the following tasks:

- A. Conduct a Remedial Investigation (RI) to determine the source(s), nature, and extent of Contamination at the Site. The assessment must include, but is not limited to, investigation of all on-site RECs based on Itron ESA I and II and associated data.
 - B. Submit to the Department a RI Report (to include a Baseline Risk Assessment or other evaluation of risk to human health, if determined necessary by the Department), in accordance with the schedule in the approved RI Work Plan. The Department shall review the RI Report for accuracy, quality, and completeness. If the Department determines that the field investigation is not complete, it will send written notification of such to Itron, and Itron shall subsequently conduct additional field investigation to further determine the source, nature, and extent of Contamination. If the Department determines that the field investigation is complete but the RI Report is incomplete, the Department shall send to Itron a letter indicating that revision of the report is necessary. Within thirty (30) days of receipt of such letter from the Department, Itron shall submit a revised report addressing the Department's comments.
 - C. If determined necessary by the Department, conduct a Feasibility Study (FS) or other study to evaluate remedial and/or removal alternatives for addressing Contamination at the Site.
4. Itron shall prepare and submit under separate cover from the Work Plan(s), a Health and Safety Plan(s) that is consistent with Occupational Safety and Health Administration

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regulations. The Health and Safety Plan is submitted for information purposes only to the Department. The Department expressly disclaims any liability that may result from implementation of the Health and Safety Plan by Itron.

5. Except in the event of emergency response, Itron shall inform the Department in writing at least five (5) working days in advance of all field activities pursuant to this Contract and shall allow the Department and its authorized representatives, where circumstances warrant, to take duplicates of any samples collected by Itron pursuant to this Contract.

6. Within sixty (60) days of the execution date of this Contract and once a quarter thereafter, Itron shall submit to the Department a written progress report that must include the following: (A) actions taken under this Contract during the previous reporting period; (B) actions scheduled to be taken in the next reporting period; (C) sampling, test results, and any other environmental data related to the Site, in summary form, generated during the previous reporting period whether generated pursuant to this Contract or not; and (D) a description of any environmental problems at the Site related to work under this Contract experienced during the previous reporting period and the actions taken to resolve them.

7. All correspondence required or permitted to be given by either party to the other hereunder shall be in writing and deemed sufficiently given if sent by (A) electronic mail, (B) regular U.S. mail, (C) certified or registered mail, postage prepaid, return receipt requested, (D) overnight delivery service company or (E) otherwise delivered by hand to the other party at the address shown below or at such place or to such agent as the parties may from time to time designate in writing.

Unless otherwise directed in writing by either party, all correspondence, work plans, and reports should be submitted to:

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The Department: Carol Minsk
South Carolina Department Health & Environmental Control
Bureau of Land and Waste Management
2600 Bull Street
Columbia, South Carolina 29201
minskcc@dhec.sc.gov

Itron Itron, Inc.
Jeff Stewart, Director
Sustainability and HSE
2111 North Molter Road
Liberty Lake, Washington 99019

All submissions of final work plans and reports shall include two (2) paper copies and one (1) electronic copy on compact disk.

PUBLIC PARTICIPATION

8. Upon execution of this Contract, the Department will seek public participation in accordance with HWMA, S.C. Code Ann. § 44-56-740, and the National Contingency Plan. Itron will pay costs of response associated with public participation (e.g., publication of public notice(s), building and equipment rental(s) for public meetings, etc.).

COSTS OF RESPONSE

9. As provided for by HWMA, S.C. Code Ann. §§ 44-56-200 and 44-56-740(B), Itron shall, on a quarterly basis, reimburse the Department for oversight costs of activities required under this Contract. "Oversight Costs" shall mean those costs, both direct and indirect, incurred by the Department in implementing the Brownfields/Voluntary Cleanup Program as defined by this Contract and any future amendments thereto. Oversight Costs include, but are not limited to, the direct and indirect costs of negotiating the terms of this Contract, reviewing Work Plans and reports, supervising corresponding work and activities, and costs associated with public participation. Payments will be due within thirty (30) days of the Department's invoice date. The Department shall provide documentation of its Oversight Costs in sufficient detail so as to show the personnel involved, amount of time spent on the project for each person, expenses, and other specific costs. Unless otherwise

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directed in writing, invoices shall be submitted to:

Itron, Inc.
Jeff Stewart, Director
Sustainability and HSE
2111 North Molter Road
Liberty Lake, Washington 99019

All of Itron's payments should reference the Contract number on page 1 of this Contract and made payable to:

The South Carolina Department of Health & Environmental Control

If complete payment of the quarterly billing of oversight costs is not received by the Department by the due date, interest shall accrue on the principal balance until such time as the entire amount is submitted. The interest applied to such outstanding balance shall be the rate specified by the federal government for any debts owed.

ACCESS

10. The Department, its authorized officers, employees, representatives, and all other persons performing response actions will not be denied access to the Property during normal business hours or at any time work under this Contract is being performed or during any environmental emergency or imminent threat situation, as determined by the Department (or as allowed by applicable law). Itron shall ensure a copy of this Contract is provided to any lessee or successor or other transferee of the Property, and to any owner of other property that is included in the Site. If Itron is unable to obtain access under reasonable terms from any property owner, the Department may obtain access and perform response activities. All of the Department's costs associated with access and said response actions will be reimbursed by Itron.

RESTRICTIVE COVENANT

11. If hazardous substances in excess of residential standards exist at the Property after Itron has completed the response actions required under this Contract, a covenant placing necessary and appropriate restrictions on use of the Property shall be executed and recorded. Upon the Department's approval of the items outlined therein, the restrictive

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covenant shall be signed by the Department, representatives of Itron and, if the Property has been sold, the current owner of the Property and witnessed, signed, and sealed by a notary public. Itron or the current owner of the Property shall file this restrictive covenant with the Register of Mesne Conveyance or Deeds in Greenwood County. The signed covenant shall be incorporated into this Contract as an Appendix. With the approval of the Department, the restrictive covenant may be modified in the future if additional remedial activities are carried out which meet appropriate clean-up standards at that time or circumstances change such that the restrictive covenant would no longer be applicable. The Department may require Itron or subsequent owners of the Property to modify the restrictive covenant if a significant change in law or circumstances requiring remediation occurs. Itron or the current owner of the Property shall file an annual report with the Department by May 31st of each year detailing the current land uses and compliance with the restrictive covenants for as long as the restrictive covenant remains in effect on the Property. The report must be submitted in a manner prescribed by the Department.

OBLIGATIONS AND BENEFITS

12. Upon execution of this Contract by the Department, Itron, its signatories, parents, subsidiaries, successors and assigns, shall be deemed to have resolved its liability to the State in an administrative settlement for purposes of, and to the extent authorized under 42 U.S.C. § 9613(f)(2) and § 9613(f)((3)(B), S.C. Code Ann. § 44-56-200 (2002), for the response actions specifically covered in the Contract including the approved Work Plan(s) and reports. A thirty (30) day comment period shall be required prior to the Department's execution of the Contract, and shall commence upon publication of the notice of the proposed Contract in the South Carolina State Register.

13. The terms, conditions, obligations and protections of this Contract apply to and inure to the benefit of Itron's signatories, parents, successors, assigns, and subsidiaries.

14. Nothing in this Contract is intended to be, or shall be construed as, a release or covenant not to sue for any claim or cause of action, past or future, that the Department

may have against any person, firm, or corporation not a signatory of this Contract or a signatory's parent, successor, assign, or subsidiary.

15. Subject to Paragraph 17, nothing in this Contract is intended to limit the right of the Department to undertake future response actions at the Site or to seek to compel parties to perform or pay for costs of response actions at the Site. Nothing in this Contract shall in any way restrict or limit the nature or scope of response actions that may be taken or be required by the Department in exercising its authority under State and Federal law.

16. Subject to Paragraph 17, nothing in this Contract is intended to be or shall be construed as a release or covenant not to sue for any claim or cause of action that the Department may have against Itron for any matters not expressly included in this Contract.

17. Upon successful completion of the terms of this Contract and the approved Work Plan(s) as referenced in Paragraph 3 above, Itron shall submit to the Department a written notice of completion.

Once the Department determines that Itron has successfully and completely complied with this Contract, the Department, pursuant to S.C. Code Ann. § 44-56-740(A)(5) and (B)(1), as amended, shall issue Itron a Certificate of Completion that provides a covenant not to sue Itron, its signatories, parents, successors, assigns, and subsidiaries, for the work done in completing the Response Action specifically covered in the Contract and completed in accordance with the approved work plans and reports. The covenant not to sue and administrative settlement for purposes of contribution protection are contingent upon the Department's determination that Itron successfully and completely complied with the Contract.

In consideration of the Department's covenant not to sue, Itron its signatories, parents, successors, assigns, and subsidiaries agree not to assert any claims or causes of action against the Department arising out of activities undertaken at the Site or to seek other costs, damages, or attorney's fees from the Department arising out of activities undertaken at the Site, except for those claims or causes of action resulting from the

Department's intentional or grossly negligent acts or omissions.

18. Subject to Section 19 below, Itron and the Department each reserve the right to unilaterally terminate this Contract. Termination may be accomplished by giving a thirty (30) day advance written notice of the election to terminate this Contract to the other party.

Should Itron or subsequent owners of the Site elect to terminate, it must submit to the Department all data generated pursuant to this Contract.

19. The Department may terminate this Contract only for cause, which may include but is not limited to, the following:

- A. Conducting activities at the Site that are inconsistent with the terms and conditions of this Contract;
- B. Failure to complete the terms of this Contract or the Work Plan;
- C. Failure to submit timely payments for Oversight Costs as defined in Paragraph 9 above;
- D. Additional contamination or releases or consequences at the Site caused by Itron its parents, successors, assigns, and subsidiaries;
- E. Providing the Department with false or incomplete information or knowingly failing to disclose material information;
- F. Business activities on or uses of the Property that are inconsistent with the terms and conditions of this Contract or any related restrictive covenant; however, the foregoing notwithstanding, inconsistent activities and uses by subsequent owners of the Property that are unaffiliated with Itron shall not affect the rights of Itron or other beneficiaries hereunder; or
- G. Failure by Itron to obtain the applicable permits from the Department for any response actions or other activities undertaken at the Property.

Cause shall not be found where events beyond Itron's reasonable control is or would be the exclusive basis for the finding of cause.

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20. Upon termination of the Contract, the covenant not to sue will be null and void. Termination of this Contract by Itron or the Department does not end the obligations of Itron to pay Oversight Costs already incurred by the Department and payment of such costs shall become immediately due.

21. In consideration of this Contract, The Department acknowledges Itron enters the Contract voluntarily and its terms are not compulsory or the result of any legal action (direct or indirect) by the United States and/or the Department on behalf of the State; Itron reserves the right to seek recovery of its cost of response incurred under the Contract pursuant to §§107 and/or 113 of CERCLA, 42 U.S.C.A. § 9607 and/or 9613 against any potentially responsible party to the Site as defined by § 101 CERCLA, 42 U.S.C.A. § 9601 and applicable state law.

22. The signatories below hereby represent they are authorized to and enter into this Contract on behalf of their respective parties.

THIS IS CERTIFIED AS A TRUE
AND CORRECT COPY

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THE SOUTH CAROLINA DEPARTMENT OF HEALTH
AND ENVIRONMENTAL CONTROL

BY: Daphne G. Neel
Daphne G. Neel, Chief
Bureau of Land and Waste Management
Environmental Quality Control

DATE: 10/2/13

 Claire H. Brune
Reviewed by Office of General Counsel

DATE: 9/30/13

ITRON, INC.

 Shannon Votava
Signature

DATE: 7/1/13

Shannon Votava, Esquire
General Counsel and Corporate Secretary

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APPENDIX A

Legal Description of the Property

County of Greenwood

Tax Map Serial Number/Parcel ID: 6866-827-879

The Property is located at 1310 Emerald Road, Greenwood, South Carolina, and includes all that certain piece, parcel or tract of land, situate, lying and being in the County of Greenwood, State of South Carolina, containing Twenty-Four and 04/100 (24.04) Acres as shown on plat prepared by Hearst Coleman and Associates, Engineers, entitled "Plat Showing Property to be Deeded to Neptune Meter Company by Spring Valley Company", dated January 6, 1972, revised January 14, 1972 and recorded in Plat Book 21 at Page 78, in the Office of the Clerk of Court for Greenwood County. According to said plat, Twenty-Four and 04/100 (24.04) Acre tract is bounded as follows: on the North by Emerald Road No. 100, measuring thereon One Thousand Fifty-Two and 59/100 (1,052.59) feet; on the East by property of Diversified Management Inc., measuring thereon along an irregular line One Thousand Three Hundred Fifty-Three and 10/100 (1,353.10) feet; on the South by property of Diversified Management, Inc., measuring thereon Five Hundred Eighty-Six and 42/100 (586.42) feet along a Thirty (30) foot utility easement; and on the West by Road No. S24-424 for a distance of One Thousand Four Hundred Thirty-Nine and 17/100 (1,439.17) feet.