

1 Settlement Agreement  
2 By and Between  
3 The Bay Area Air Quality Management District  
4 and  
5 Kinder Morgan Liquids Terminals, LLC  
6 (Notices of Violation A61734, A61735, A61737, A61748, and A62771)

7 1. The Bay Area Air Quality Management District (“Air District”) is the regional  
8 governmental agency charged with the primary responsibility for maintaining healthy air quality in the  
9 San Francisco Bay Area.

10 2. Kinder Morgan Liquids Terminals, LLC (“KMLT”) owns and operates a liquids terminal  
11 located at 1140 Canal Blvd, Richmond, CA 94804.

12 3. The Air District alleges that, at all relevant times, KMLT was subject to and violated Air  
13 District regulations as described in Notices of Violation (NOVs) A61734, A61735, A61737, A61748,  
14 and A62771, which are, by this reference, incorporated into this Settlement Agreement.

15 4. The Parties agree to settle NOVs A61734, A61735, A61737, A61748, and A62771 for  
16 payment by KMLT to the Air District of a civil penalty in the amount of **one hundred seventy-two**  
17 **thousand one hundred eighty dollars (\$172,180).**

18 5. KMLT shall pay the \$172,180 civil penalty specified in Paragraph 4 above within thirty  
19 (30) calendar days after the Effective Date of this Settlement Agreement in accordance with the payment  
20 provisions set forth in Paragraph 6 below. If KMLT fails to pay the full penalty by the due date, KMLT  
21 shall pay the Air District a stipulated penalty of one thousand dollars (\$1,000) for each day after the due  
22 date on which the Air District has not received full payment.

23 6. KMLT shall pay the \$172,180 civil penalty specified in Paragraph 4, and any stipulated  
24 penalties owed under this Settlement Agreement, either (i) by wire transfer, according to wire transfer  
25 instructions provided by the Air District; or (ii) by check, made payable to the “Bay Area Air Quality  
26 Management District” and with “NOV Nos. A61734, A61735, A61737, A61748, and A62771” written  
27 in the memo area of the check. If paid by check, KMLT shall mail or deliver the check to:  
28

1 Bay Area Air Quality Management District  
2 Office of the General Counsel  
3 Alexander Crockett, General Counsel  
4 375 Beale Street, Suite 600  
5 San Francisco, California 94105

6 Upon initiating the wire transfer or mailing or delivering the check, KMLT shall notify the Air District  
7 via email at [gdhawanmuren@baaqmd.gov](mailto:gdhawanmuren@baaqmd.gov). KMLT shall be responsible for all payment processing,  
8 check cancellation, and other fees and costs associated with making penalty payments under this  
9 Paragraph 6.

10 7. Within thirty (30) calendar days after the Effective Date of this Settlement Agreement,  
11 KMLT shall provide a completed IRS Form W-9 for KMLT. The completed IRS Form W-9 shall be  
12 sent to Gregory Dhawan-Muren at [gdhawanmuren@baaqmd.gov](mailto:gdhawanmuren@baaqmd.gov).

13 8. KMLT's full payment of the \$172,180 civil penalty specified in Paragraph 4 and  
14 complete satisfaction of all of its other obligations under this Settlement Agreement will fully and  
15 finally settle, conclude and resolve all claims that have been or could have been asserted between the Air  
16 District and KMLT arising out of or related to the allegations and conduct that are the basis for NOVs  
17 A61734, A61735, A61737, A61748, and A62771.

18 9. This settlement is the compromise of the above-referenced disputed claims and shall not  
19 be treated as an admission of liability by either party for any purpose.

20 10. Nothing in this Settlement Agreement shall be construed as limiting the ability of the Air  
21 District to take future enforcement action arising out of violations or alleged violations not covered by  
22 this Settlement Agreement. Furthermore, nothing in this Settlement Agreement shall be construed as  
23 limiting the rights of the Air District to rely on the violations alleged in NOVs A61734, A61735,  
24 A61737, A61748, and A62771, and to offer proof thereof, in any such future enforcement action for  
25 purposes of demonstrating KMLT's frequency of past violations pursuant to Health & Safety Code  
26 section 42403(b)(4) or other applicable provision of law.

27 11. KMLT's failure to perform any of the terms or conditions of this Settlement Agreement  
28 will render KMLT in violation of the Settlement Agreement, and the Air District may, at its sole  
discretion, void this Settlement Agreement, upon written notice to KMLT, or take any other action to  
enforce the Settlement Agreement. The failure by a Party to enforce any provision of this Settlement

1 Agreement shall not be construed as a waiver of such provision, nor shall it prevent the Party thereafter  
2 from enforcing such provision or any other provision of this Settlement Agreement. The rights and  
3 remedies granted to each Party herein are cumulative, and the election of one right or remedy by a Party  
4 shall not constitute a waiver of such Party's right to assert all other remedies available to it under this  
5 Settlement Agreement or as otherwise provided by law.

6 12. Unless otherwise specified in this Settlement Agreement, whenever one Party is required  
7 to provide notice to the other Party under this Settlement Agreement, the notice shall be provided in  
8 writing by first class mail and/or email addressed as follows:

9 As to the Air District:

10 Bay Area Air Quality Management District  
11 Gregory Dhawan-Muren  
12 Assistant Counsel  
13 375 Beale Street, Suite 600  
San Francisco, CA 94105  
gdhawanmuren@baaqmd.gov

As to KMLT:

Mary Clair Lyons  
Assistant General Counsel - HSE  
1001 Louisiana St.  
Houston, Texas 77002  
Mary\_Lyons@kindermorgan.com

14 Either Party may change its contact information for purposes of notices, at any time, by giving notice of  
15 such change in conformity with the notice provisions of this paragraph. Notices provided pursuant to  
16 this paragraph shall be deemed to be provided and received upon emailing or five days from mailing, as  
17 applicable.

18 13. This Settlement Agreement binds KMLT, and any principals, officers, receivers, trustees,  
19 successors and assignees, subsidiary and parent corporations, and the Air District and any successor  
20 agency that may have responsibility for and jurisdiction over the subject matter of this Settlement  
21 Agreement.

22 14. The Superior Court of California, County of San Francisco, shall hear any dispute  
23 between the Parties arising from this Settlement Agreement.

24 15. This Settlement Agreement shall be interpreted and enforced in accordance with the laws  
25 of the State of California, without regard to California's choice-of-law rules.

26 16. Both Parties have jointly participated in the drafting and reviewing of this Settlement  
27 Agreement. Accordingly, the Parties agree that any rule of construction to the effect that any ambiguities  
28 are to be resolved against the drafting party shall not be applied in interpreting this Settlement

1 Agreement.

2 17. This Settlement Agreement is not a permit, or a modification of any permit, under any  
3 federal, State, or local laws or regulations. KMLT is responsible for achieving and maintaining  
4 compliance with all applicable federal, State, and local laws, regulations, and permits; and KMLT's  
5 compliance with this Settlement Agreement shall not be a defense to any action commenced pursuant to  
6 any such laws, regulations, or permits. The Air District does not, by its execution of this Settlement  
7 Agreement, warrant or aver in any manner that KMLT's compliance with any aspect of this Settlement  
8 Agreement will result in compliance with any provisions of federal, State, or local laws, regulations, or  
9 permits.

10 18. The Parties understand and agree that the penalties provided for and payable under this  
11 Settlement Agreement are non-dischargeable under United States Code, title 11, section 523(a)(7),  
12 which provides that a debt may not be discharged in bankruptcy to the extent such debt is for a fine,  
13 penalty, or forfeiture payable to and for the benefit of a governmental unit.

14 19. The settlement of the matters covered by this Settlement Agreement without further  
15 litigation is fair, reasonable, and in the interests of the Air District, KMLT, and the public. The Parties,  
16 and each of them, (i) have participated fully in the review and drafting of this Settlement Agreement; (ii)  
17 understand and accept all of the terms of this Settlement Agreement; (iii) enter into this Settlement  
18 Agreement freely and voluntarily; (iv) have had an opportunity to consult with legal counsel regarding  
19 this Settlement Agreement; (v) are fully informed of the terms and effect of this Settlement Agreement;  
20 (vi) have agreed to this Settlement Agreement after independent investigation and agree that it was not  
21 arrived at through fraud, duress, or undue influence; and (vii) knowingly and voluntarily intend to be  
22 legally bound by this Settlement Agreement.

23 20. Each provision of this Settlement Agreement is severable, and in the event that any  
24 provision, or part thereof, of this Settlement Agreement is held to be illegal, invalid or unenforceable in  
25 any jurisdiction, the remainder of this Settlement Agreement shall remain in full force and effect.

26 21. This Settlement Agreement constitutes the entire agreement and understanding between  
27 the Parties, and fully supersedes and replaces any and all prior negotiations and agreements of any kind  
28 or nature, whether written or oral, between the Parties, concerning the matters covered herein.

1 22. No agreement to modify, amend, extend, supersede, terminate, or discharge this  
2 Settlement Agreement, or any portion thereof, shall be valid or enforceable unless it is in writing and  
3 signed by both Parties.

4 23. This Settlement Agreement may be executed in one or more counterparts, each of which  
5 shall have the same force and effect as an original, but all of which together shall constitute one and the  
6 same instrument. Electronic, facsimile, and photocopied signatures shall be considered as valid  
7 signatures.

8 24. The Effective Date of this Settlement Agreement shall be the date upon which it is fully  
9 executed.

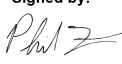
10 25. Each of the undersigned expressly represents that they are authorized to execute this  
11 Settlement Agreement on behalf of, and to bind, the Party for whom they sign below.


12 \* \* \* \* \*

13 So agreed, stipulated and executed:

14 Bay Area Air Quality Management District  
15 375 Beale Street, Suite 600  
San Francisco, California 94105


Kinder Morgan Liquids Terminals, LLC  
1001 Louisiana St.  
Houston, Texas 77002


16 Signed by:  
17  4/22/2025  
By: 98506AF9981D4CC...  
Philip M. Fine  
Executive Officer/APCO

By:   
Josh Etzel  
Chief Operating Officer

20 Approved as to Form By:  
21 Bay Area Air Quality Management  
Office of the General Counsel  
22 Alexander G. Crockett  
General Counsel  
23 Gregory Dhawan-Muren  
24 Assistant Counsel

Approved as to Form By:  
Mary Clair Lyons  
Assistant General Counsel - HSE

25 DocuSigned by:  
26  4/21/2025  
By: 6DC7110552B5451...  
Alexander G. Crockett  
General Counsel

By:   
Mary Clair Lyons  
Assistant General Counsel - HSE