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			Attorneys for ExxonMobil Oil Corporation	
BEFORE THE CALIFORNIA				
STATE WATER RESOURCES CONTROL BOARD				
In the Matter of	Case No			
	EXXONMOBIL OIL CORPORATION'S:			
Petitioner,	(1) PETITION FOR REVIEW OF ADDENDUM TO CLEANUP AND			
	ABATEMENT ORDER NOS. 88-43, 89- 136, AND 95-116;			
	(2) REQUEST TO HOLD PETITION IN ABEYANCE;			
	(3) DECLARATION OF JEFFREY J. PARKER, ESQ., and;			
	(4) DECLARATION OF HOLLY			
	SAFFOLD (attaching Exhibits)			
	[Water Code § 13320; 23 C.C.R. § 2050, et seq.]			
	A Limited Liability Partnership Including Professional Corporations JEFFREY J. PARKER, Cal. Bar No. 155377 OLIVIER THEARD, Cal. Bar No. 217763 (MARIA J. GANGEMI, Cal. Bar No. 246388 333 South Hope Street, 48th Floor Los Angeles, California 90071-1448 Telephone: 213-620-1780 Facsimile: 213-620-1398 Attorneys for ExxonMobil Oil Corporation BEFORE THE STATE WATER RESOU In the Matter of EXXONMOBIL OIL CORPORATION,			

TO THE CALIFORNIA STATE WATER RESOURCES CONTROL BOARD:

I. Summary of Petition and Requested Relief

Petitioner ExxonMobil Oil Corporation ("ExxonMobil")¹ requests that the State Water Resources Control Board ("State Board") review and vacate the Regional Water Quality Control Board, Los Angeles Region's ("Regional Board") March 5, 2008 Addendum to Cleanup and Abatement Orders Nos. 88-43, 89-136, and 95-116 ("CAO Addendum"). [Cal. Water Code § 13320; 23 CCR § 2050]. The Regional Board has abused its discretion and issued an unlawful order which has aggrieved ExxonMobil, as set forth herein:

(1) The CAO Addendum is hopelessly and constitutionally vague, ambiguous and lacking in definition or standards for compliance such that ExxonMobil is forced to guess as to the meaning of the orders while under the threat of civil enforcement at the whim of the Regional Board, in violation of ExxonMobil's right of due process. Among other things, the CAO Addendum requires:

- that ExxonMobil submit undetermined "visual aids";
- that ExxonMobil submit completely undefined "materials for posting on Web sites":
- that ExxonMobil provide "effective outreach to community members who should be informed of meetings";
- that ExxonMobil "facilitate arrangements for future meetings" including by "helping to procure appropriate meeting rooms."

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The Cleanup and Abatement Order challenged in this Petition was issued to "Exxon Mobil Refining and Supply Company." However, the real party in interest is ExxonMobil Oil Corporation, which owns the property subject to the disputed order. [Declaration of Holly Saffold ("Saffold Decl."), ¶ 9]. This Petition is therefore brought in the name of ExxonMobil Oil Corporation.

On their face, these orders are so vague that ExxonMobil cannot reasonably comply with them, yet ExxonMobil is subject to civil penalties for failing to do so, in contravention of ExxonMobil's fundamental rights.

(2) The Regional Board's order is unrelated to and violative of its statutory authority to "clean up" and "abate" waste under Water Code Section 13304, and the order is not justified by any other state statute or regulation.

The Regional Board's action in issuing the CAO Addendum was improper and inappropriate, and therefore must be vacated and set aside.

II. **Brief Statement of Facts**

Petitioner ExxonMobil operates a petroleum refining and bulk storage facility, known as the Torrance Refinery, at 3700 West 190th Street in Torrance, Los Angeles County, California.² [Saffold Decl., ¶ 6]. For the past 20 years, ExxonMobil has complied with the terms and conditions of three cleanup and abatement orders issued by the Regional Board for the Torrance Refinery, including regularly submitting technical reports, groundwater monitoring reports and similar documents. [Saffold Decl., ¶ 2-5, Exs. A-C1.3

Recently, environmental testing in certain residential and commercial areas near the Torrance Refinery revealed levels of methane and benzene in soil vapor that

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ExxonMobil may be contacted via its counsel of record, as set forth in the caption of this Petition. 23 CCR § 2050(a)(1) (requesting that a petition for review include the petitioner's contact information).

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³ CAO No. 88-43 (issued in 1988) and CAO No. 89-43 (issued in 1989) concern recovery of hydrocarbons. CAO No. 95-116 (issued in 1995) concerns groundwater and stormwater discharges.

1	exceed the DTSC screening level. [Saffold Decl., ¶ 7]. ExxonMobil immediately began
2	conducting an investigation, and thereafter, at its own initiative, organized community
3	meetings to encourage public awareness and participation. [Saffold Decl., ¶ 7]. The
4	Regional Board attended and participated in the meetings that ExxonMobil scheduled, and
5	ExxonMobil worked with the Regional Board in meeting preparations. [Saffold Decl.,
6	¶8]. Before public meetings in February 2008 called by the company, the Regional Board
7	requested that ExxonMobil provide certain "visual aids," such as posters, of the area being
8	investigated. [Saffold Decl., ¶ 8]. ExxonMobil provided maps and other figures for the
9	meetings, but due to the ongoing status of the investigation, and ExxonMobil's desire to be
10	accurate in its presentation, did not provide others. [Saffold Decl., ¶ 8].
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12	Days later, on March 5, 2008, the Regional Board issued the CAO
13	Addendum disputed here, purporting to "augment[] existing reporting requirements by
14	including technical information needed to facilitate communication of technical data to the

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A. [ExxonMobil shall] Submit, by April 3, 2007 (sic)⁴, the following technical information in the reporting formats specified below:

Order – made under the guise of Water Code Section 13304 – is as follows:

community." [Saffold Decl., ¶ 9, Ex. D, CAO Addendum ¶ 5]. The Regional Board's

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• Visual Aids: Provide diagrams, posters, maps, and handouts, in print and/or electronic formats that show the lateral and vertical extent of contamination delineated to date, with indications where boundaries may not yet be clearly delineated.

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• Fact Sheets: Provide information and drafts of fact sheets, the final version of which shall be subject to approval by Water Board staff.

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Web Materials: Provide material for posting on websites.

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The Regional Board agreed to extend the April 3, 2008 compliance date to April 11, 2008. [Declaration of Jeffrey J. Parker ("Parker Decl."), ¶ 6; Saffold Decl., ¶ 13].

B. Meeting Logistics: Facilitate arrangements for future meetings, by helping to procure appropriate meeting rooms and by conducting effective outreach to community members who should be informed of the meetings.

On its face, the CAO Addendum is vague, ambiguous and provides ExxonMobil no guidance as to how to comply, while allowing the Regional Board to play "gotcha" and assess civil penalties whenever it decides that ExxonMobil has not offered sufficient "facilitation," or that its outreach has not been "effective" in reaching people who "should be" at meetings, among other innumerable violations that may be covered by the order's overbroad language. Moreover, the CAO Addendum is unrelated to cleanup and abatement, as required by Water Code Section 13304, and it is not justified under any other law or regulation. It should therefore be vacated and set aside, or, alternatively, modified.⁵

Pursuant to 23 CCR § 2050(a)(9), ExxonMobil explained in detail to the Regional Board its objections to the CAO Addendum, including its significant concerns regarding lack of due process and vagueness. [Parker Decl., ¶ 5; Saffold Decl., ¶ 11]. Despite ExxonMobil's requests, the Regional Board decided not to rescind the CAO, forcing ExxonMobil to file this Petition before the State Board. The Regional Board did agree that ExxonMobil's Petition could be held in abeyance, pending efforts to amicably resolve the dispute. [Parker Decl., ¶ 6; (see p. 11, *infra*.]. As such, ExxonMobil does not at this time seek State Board intervention to stay the CAO Addendum, but reserves its right to do so if circumstances warrant. [Water Code § 13321; 23 CCR § 2053]. A copy of this Petition has been sent to the Regional Board. 23 CCR § 2050(a)(8). [Parker Declaration, ¶ 7].

Statement of Points and Authorities and Statement of Reasons Why the Regional Board's Action Was Improper and Inappropriate and Aggrieved ExxonMobil

[(23 CCR § 2050(a)(4)-(7)]

III. <u>The Regional Board Abused its Discretion in Issuing the CAO Addendum, Which is Unconstitutionally Vague, Infringes on ExxonMobil's Due Process Rights, and Does Not Comport with California Law</u>

A. The CAO Addendum is Constitutionally Void For Vagueness

The CAO Addendum is vague and ambiguous and provides no objective standards to determine ExxonMobil's compliance, leaving the company to guess as to what the Regional Board wants, in violation of its due process rights. *Connally v. General Construction Co.*, 269 U.S. 385, 391 (1926) ("[A] statute which either forbids or requires the doing of an act in terms so vague that men of common intelligence must necessarily guess at its meaning and differ as to its application, violates the first essential of due process of law"); *Gatto v. County of Sonoma*, 98 Cal. App. 4th 744, 773-774 (2002); *Papachristou v. City of Jacksonville*, 405 U.S. 156, 162 (1972) (law was unconstitutionally vague for failure to give fair notice of what constituted a violation; "all persons are entitled to be informed as to what the State commands or forbids").

ExxonMobil is at the mercy of the Regional Board to decide whether, for instance, it believes ExxonMobil has provided appropriate "help" in procuring meeting rooms, or whether the company's "outreach" has been "effective" and has reached those who "should be informed of the meetings." These terms and parameters are undefined. How can ExxonMobil possibly know what these terms mean, or how the Regional Board will choose to enforce them now or in the future (since the CAO Addendum has no time

limitation)?⁶ Instead of issuing a discrete order that would allow ExxonMobil to know exactly what it has to do, and either agree to do it or disagree and challenge it, the Regional Board has issued an amorphous order with which ExxonMobil cannot reasonably comply.

Similarly, the orders requiring that ExxonMobil provide "visual aids," "fact sheets" and the especially vague requirement that ExxonMobil provide unnamed "materials for posting on Web sites" (by its terms not limited to the Regional Board website) are also unconstitutional and therefore unenforceable. ExxonMobil has no reasonable way to know in advance what "visual aid" or "material" will satisfy the Board. Indeed, under the CAO Addendum, the Regional Board can effectively require, under threat of penalty, the company to provide a "visual aid" potentially admitting fault (or anything else the Regional Board wants said) before any investigation is complete.

Meanwhile, the Regional Board has explicitly warned that "failure to comply with the requirements contained in this CAO Addendum may result in the Water Board imposing administrative civil liability penalties of up to \$5,000 per day in which the violation occurs." [Saffold Decl., ¶ 9-10, Exs. D-E]. By issuing such a vague order and then threatening massive civil fines for failure to comply, the Regional Board has acted inappropriately and in violation of due process, aggrieving ExxonMobil. *Smith, Sheriff v. Goguen*, 415 U.S. 566, 575-576 (1974) ("Where inherently vague [] language permits such selective law enforcement, there is a denial of due process"); *Gatto*, 98 Cal. App. 4th at 774. Therefore, ExxonMobil's Petition for review should be granted, and the CAO Addendum vacated (or, alternatively, modified to avoid due process concerns).

The orders leave ExxonMobil in the position of doing whatever the Regional Board demands, at any time and however unreasonable (for instance knocking on every door in a two-mile radius to ensure "effective outreach" to the community), or risk civil penalties.

B. The CAO Addendum Does Not Comport with California Law

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The Regional Board has not acted within the scope of its authority under California law. Though ostensibly issued pursuant to the Regional Board's cleanup authority under Water Code Section 13304, in reality the CAO Addendum has nothing to do with cleanup and abatement. Water Code Section 13304 provides that the Regional Board may order a party to "clean up the waste or abate the effects of the waste" and may oversee cleanup and abatement efforts. [Water Code § 13304(a)]. The requests to provide "visual aids," "fact sheets," and "materials for posting on Web sites," and the demand to "facilitate" meetings are unrelated to this purpose. [See, State Board Resolution No. 92-49] (regional board responsibility is to ensure effective cleanup and abatement of contamination)]. The real purpose, as admitted by the Regional Board, is to force ExxonMobil to provide data for the community (or the Regional Board's own interests), a purpose not recognized under Section 13304. [Saffold Decl., ¶9-10, Exs. D-E]. Though community awareness and involvement is very important (indeed, ExxonMobil initiated community meetings specifically to inform the public as to the investigation), the Regional Board is not authorized by Section 13304 to order ExxonMobil to provide "visual aids" and similar materials not related to cleanup and abatement. The CAO Addendum is therefore unlawful and should be vacated.

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Recognizing the CAO Addendum's legal deficiency under Section 13304, the Regional Board attempts to justify its request under Water Code Section 13307.5, which requires the Regional Board to engage the public in decisions regarding clean-up proposals. [Saffold Decl., ¶ 10, Ex. E]. As a preliminary matter, it is significant that

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Despite the legal deficiency of the CAO Addendum, ExxonMobil is in constant communication with the Regional Board, cooperating with the Regional Board throughout the investigation, and working in good faith to achieve a mutually agreeable solution that protects both parties' legitimate interests, while also allowing for meaningful public participation and information. [Saffold Decl., ¶ 8,11, Ex. F]

Section 13307.5 is <u>not</u> cited in the CAO Addendum itself. It is only set forth as an "after the fact" justification in the cover letter accompanying the CAO Addendum. The letter by itself has no force of law.

Regardless, section 13307.5 does not authorize the Regional Board's order. Under Section 13307.5(a), the Regional Board must take actions to promote public participation only "when reviewing or approving a cleanup proposal from a primary or active responsible discharger with respect to a site issued a cleanup and abatement order." [Water Code § 13307.5(a)]. Here, the Regional Board is not reviewing or approving a "cleanup proposal" from ExxonMobil because ExxonMobil has not prepared one, and has not even been asked to prepare one. Therefore, the Regional Board has no authority to issue the CAO Addendum under Section 13307.5.8

Even if the Regional Board was actively considering a cleanup proposal, the CAO Addendum would still be improper because of the manner and scope of the order. The Water Code compels the Regional Board to make information available to the public, but it does not authorize the Regional Board to force a party to provide that information in whatever form the Regional Board decides is appropriate or otherwise serves the Regional Board's purposes or agenda. Given that the Regional Board has granted itself complete discretion to decide what constitutes an appropriate "visual aid" or what constitutes appropriate "material for posting on web sites," the Regional Board is in a position to potentially force ExxonMobil to make admissions against interest in the materials it

ExxonMobil's alleged failure to provide sufficient data for the public meetings ExxonMobil voluntarily called.

Under 13307.5(a)(1), the Regional Board can provide fact sheets and other information to the public regarding its "proposed decision to approve the cleanup proposal for the site." Obviously, the Regional Board has not made a decision to approve ExxonMobil's cleanup proposal because there is no cleanup proposal. There is thus no

basis for the Regional Board's order. It is also noteworthy that the law allows the Regional Board to call public meetings, but here ExxonMobil initiated the public meetings and the Regional Board issued the CAO Addendum and threatened penalties based on

1 provides, whether or not ExxonMobil agrees with what should be included, or face \$5,000 2 per day in civil penalties. If the board wants to prepare its own material, it can do so, but 3 ExxonMobil cannot be ordered, under Section 13307.5 or any other statute or regulation, 4 to make statements which may prove untrue or inaccurate at a public meeting or on the 5 web, especially where technical investigation is incomplete. 6 Conclusion 7 IV. 8 9 ExxonMobil has been aggrieved by the Regional Board's issuance of a 10 vague, unlawful order that violates ExxonMobil's fundamental right of due process. 11 ExxonMobil requests that the State Board review the CAO Addendum, and that it be vacated, or, alternatively, modified to address the significant concerns raised by this 12 Petition. 13 14 15 Dated: April 4, 2008 16 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP 17 By 18 OLIVIER F. THEARD 19 Attorneys for ExxonMobil Oil Corporation 20 21 22 23 24 25 26 27

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REQUEST TO HOLD PETITION IN ABEYANCE

held in abeyance, pending attempts at resolution with the Regional Board. The Regional

Board stipulates to ExxonMobil's request in this regard. [23 CCR § 2050.5(d)(1); Parker

Pursuant to 23 CCR § 2050.5(d), ExxonMobil requests that this Petition be

Dated: April 4, 2008

Decl., ¶ 6].

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SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By

OLIVIER F. THEARD

Attorneys for ExxonMobil Oil Corporation

DECLARATION OF JEFFREY J. PARKER

I, Jeffrey J. Parker, declare as follows:

- 1. I am a partner with the law firm of Sheppard, Mullin, Richter & Hampton LLP, counsel for ExxonMobil Oil Corporation ("ExxonMobil"). I have personal knowledge of the matters stated herein and, if called upon to testify thereto, I could and would competently do so.
- 2. In conformance with 23 CCR § 2050(a)(8), I raised the substantive issues and objections set forth in this Petition to the Regional Board before filing.
- 3. I am informed and believe that, on March 20, 2008, Holly Saffold, the Major Projects Manager for ExxonMobil Environmental Services, sent an e-mail to Ms. Phillips requesting that the CAO Addendum be rescinded. I am further informed and believe that, on Friday, March 28, Ms. Saffold received a voicemail from Ms. Phillips stating that the CAO Addendum would not be rescinded.
- 4. On Monday, March 31, I called Jeff Ogata, who I understood was Regional Board counsel on this matter. However, no one answered (likely because March 31 was a California State holiday). In addition, the voicemail greeting for the number I called said that messages left at that number were not checked regularly and, therefore, messages should not be left in the mailbox. Thus, I did not leave a message. I also called Ms. Phillips, and was able to leave her a voicemail in which I requested that she call me. I had not heard back from Ms. Phillips by 10:30 the next morning, so I called her office again. She was not in, so I left another voicemail message and followed up with an e-mail asking her to call me and providing my cell phone number.

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On April 1, Ms. Phillips and Mr. Ogata called me. We had a lengthy conversation during which I explained ExxonMobil's objection to the CAO Addendum, including our position that the CAO Addendum did not comport with the law and violated my client's due process rights. I again requested that the CAO Addendum be rescinded, and explained that ExxonMobil was willing to explicitly stipulate that rescission of the CAO Addendum would be without prejudice. Mr. Ogata advised me that he would discuss our request with necessary persons at the Regional Board and let me know as soon as possible of the decision. Finally, I explained that it was ExxonMobil's intent and desire to cooperate with the Regional Board staff on the requested items. In furtherance of this goal, I suggested that Ms. Phillips send an e-mail to ExxonMobil's technical contact person, Holly Saffold, listing suggestions and ideas for materials that she believed may be appropriate for upcoming public meetings. Ms. Phillips did so.

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6. On April 2-3, Mr. Ogata and I engaged in a series of telephone calls and e-mails regarding the CAO Addendum. Mr. Ogata stated that the Regional Board would not rescind the CAO Addendum. However, Mr. Ogata did agree that the Regional Board would stipulate to hold ExxonMobil's Petition in abeyance while the parties cooperated to resolve the disputed issues. Mr. Ogata also granted an extension of time in which to comply with the CAO Addendum. These agreements were confirmed in writing by e-mail.

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7. A copy of this Petition has been sent to the Regional Board.

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 4th day of April, 2008

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DECLARATION OF HOLLY SAFFOLD

I, Holly Saffold, declare as follows:

- 1. I am the Major Projects Manager for ExxonMobil Environmental Services. I have personal knowledge of the matters stated herein and, if called upon to testify thereto, I could and would competently do so.
- 2. Attached hereto as Exhibit A is a true and correct copy of Cleanup and Abatement Order No. 88-43, issued to Mobil Oil Corporation by the Regional Board in 1988.
- 3. Attached hereto as Exhibit B is a true and correct copy of Cleanup and Abatement Order No. 89-136, issued to Mobil Oil Corporation by the Regional Board in 1989.
- 4. Attached hereto as Exhibit C is a true and correct copy of Cleanup and Abatement Order No. 95-116, issued to Mobil Oil Corporation by the Regional Board in 1995.
- 5. I am informed and believe that ExxonMobil Oil Corporation ("ExxonMobil") has complied with the terms of the Cleanup and Abatement Orders attached as Exhibits A-C, including by regularly submitting technical reports, groundwater reports and similar documents to the Regional Board. At the public meeting of February 28, 2008, I heard Regional Board representatives say to the assembled crowd that ExxonMobil was not in violation of the CAOs issued to the Torrance Refinery (Exhibits A-C), and had done what it was supposed to do under those orders.

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6. ExxonMobil operates a petroleum refining and bulk storage facility, known as the Torrance Refinery, at 3700 West 190th Street in Torrance, Los Angeles County, California.

7. Recently, environmental testing in certain residential and commercial areas near the Torrance Refinery revealed levels of methane and benzene in soil vapor that exceed the DTSC screening level. Upon learning the results, ExxonMobil began conducting an investigation, and subsequently organized community meetings.

8. The Regional Board attended and participated in the meetings that ExxonMobil scheduled, and ExxonMobil worked with the Regional Board in meeting preparations. Before public meetings in February 2008, the Regional Board requested that we provide certain visual aids, such as posters, of the area under investigation. We provided information. However, because the investigation was ongoing, certain investigative activities were just starting or were in their early stages, and accuracy was important, we did not provide everything requested by the Regional Board. The Regional Board then issued an Addendum to the existing Cleanup and Abatement Orders attached in Exhibits A-C.

9. Attached hereto as Exhibit D is a true and correct copy of the Addendum to Cleanup and Abatement Orders Nos. 88-43, 89-136 and 95-116 ("CAO Addendum"), issued (erroneously) to ExxonMobil Refining and Supply Company by the Regional Board on March 5, 2008. The Torrance Refinery (the site at issue in the CAO Addendum) is actually owned by ExxonMobil, who is the real party in interest.

10. Attached hereto as Exhibit E is a true and correct copy of the Regional Board's March 5, 2008 cover letter, which attached the CAO Addendum.

1	11. On March 20, 2008, I sent an email to Ms. Wendy Phillips at the
2	Regional Board, requesting that the Regional Board rescind the CAO Addendum, without
3	prejudice. I expressed the company's continued desire to work cooperatively with the
4	Regional Board, but explained our concerns regarding the scope of the Regional Board's
5	orders. A true and correct copy of my March 20, 2008 email is attached hereto as Exhibit
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8	12. On March 28, 2008, Ms. Phillips left me a voicemail stating that the
9	CAO Addendum would not be rescinded.
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11	13. On April 3, I spoke with Ms. Phillips by telephone and she agreed to
12	grant ExxonMobil an extension until April 11 to comply with the CAO Addendum. I
13	confirmed the extension in an e-mail later the same day.
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15	I declare under penalty of perjury under the laws of the State of California that the
16	foregoing is true and correct.
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18 19	Executed this 4th day of April, 2008.
20	Holly Saffold
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