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Attorneys for Interested Party
VALLEY-ALHAMBRA PROPERTIES,
a California general partnership

STA

## STATE OF CALIFORNIA STATE WATER RESOURCES CONTROL BOARD

IN THE MATTER OF THE PETITION OF LEGGETT AND PLATT, INC., FOR REVIEW OF WATER CODE SECTION 13267 ORDER DATED JUNE 11, 2008 BY THE CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD, LOS ANGELES REGION Petition No.

PARTIAL JOINDER OF VALLEY ALHAMBRA PROPERTIES IN PETITION FOR REVIEW PURSUANT TO WATER CODE SECTION 13320 AND 23 C.C.R. §2050 ET SEQ [Request to Be Held in Abeyance Under 23 C.C.R. §2050.5(d)]

#### I. <u>INTRODUCTION</u>

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Valley-Alhambra Properties ("Valley Alhambra") is a limited liability company and the owner of real property located at 4900 Valley Boulevard, Los Angeles, California ("Site"). Valley Alhambra is a party interested in the proceedings initiated by the Regional Water Quality Control Board ("Regional Board") resulting in the issuance of orders pursuant to Water Code Section 13267 in July and November 2008 ("2008 Orders") and on August 5, 2010 directed to Leggett and Platt, Inc., the successor in interest to Valley Alhambra's former tenant on the Site. Valley Alhambra has always consisted of a group of elderly owners, several of whom have passed away during the lengthy time that this remediation process has been pending. As set forth in detail in the Declaration of Gary Herman, Sr. filed with the Partial Joinders of Valley Alhambra to previous Petitions in this matter (copy of Joinders and Declarations are attached as Exhibit "A" and "B" hereto), one of the remaining partners of Valley Alhambra, this process has been ongoing for well over 10 years and has had a

significant negative impact on the use and financing of the property, has detrimentally impacted its rental value and has precluded any sale of the property for a full fair market value.

## II. TWO RELATED PETITIONS AND PARTIAL JOINDERS HAVE PREVIOUSLY BEEN SUBMITTED TO THE WATER BOARD AND ARE BEING HELD IN ABEYANCE

On July 10, 2008 and December 24, 2008, Leggett and Platt filed Petitions for Review of the 2008 Orders and Valley Alhambra filed Partial Joinders in those Petitions. Copies of these documents are attached to the Petition of Leggett & Platt on file herein. Those prior Petitions are currently being held in Abeyance pursuant to the request of Leggett & Platt and Valley.

On August 5, 2010, the Regional Water Board issued its additional order requiring modifications to the workplan submitted by ARCADIS on June 1, 2010. Valley Alhambra maintains that some of the conditions and requirements of the August 5, 2010 Order are inappropriate, improper and not supported by the record and, to that extent only, hereby joins in the Petition filed by Leggett & Platt regarding the August 5, 2010 Order and joins Leggett & Platt's request that the Petition and this Partial Joinder be held in abeyance pursuant to Title 23 of the California Code of Regulations, Section 2050.5(d) as requested therein. The factual and legal bases for the partial joinder of Valley Alhambra in the Petitions filed by Leggett & Platt to the 2008 Orders form the basis of this additional partial joinder and are incorporated herein by this reference. Copies of the prior Partial Joinders filed by Valley are Exhibits "A" and "B" hereto. Valley Alhambra reserves the right to supplement this Partial Joinder with a further statement of its position and the factual and legal basis therefore if the Petition is reactivated.

#### III. NAME AND ADDRESS OF PARTY IN INTEREST

Valley Alhambra does not join in and disputes Leggett & Platt's contention that Valley Alhambra is the real party in interest in this proceeding and to Leggett & Platt's characterization of its role as "administrator of the settlement fund." Valley Alhambra further does not join and disputes Leggett & Platt's contention that it has never "owned, leased or operated the Site" and its request to be deleted from Orders relating to the subject proeprty.

|    | ,   |        |  |
|----|---|--------|--|
| 1  | All correspondence and written communications regarding this matter should be directed                              | d to:  |  |
| 2  | Gary J. Herman, Sr.<br>1201 S. Olive Street   |        |  |
| 3  | Los Angeles, California 90015   |        |  |
| 4  | Telephone: 213-747-6531, Ext. 114 Facsimile: 213-747-4305 garysr@sdherman.com                                       |        |  |
| 5  |   |        |  |
| 6  | With a copy to:   |        |  |
| 7  | Linda L. Northrup, Esq., Counsel for Valley Alhambra Properties  Northrup Schlueter, A Professional Law Corporation |        |  |
| 8  | 31365 Oak Crest Drive, Suite 250<br>Westlake Village, California 91361  |        |  |
| 9  | Telephone: 818-707-2600 Facsimile: 818-707-2675 Inorthrup@nsplc.com   |        |  |
| 10 |   |        |  |
| 11 | IV. SPECIFIC ACTION OF THE REGIONAL WATER BOARD FOR WHICH STA   | IE     |  |
| 12 | WATER BOARD REVIEW IS REQUESTED   |        |  |
| 13 | Valley Alhambra joins in the request of Leggett and Platt for review of the August 5, 20                            | 10     |  |
| 14 | Order to the extent set forth herein and incorporates by reference the copy of the order attached                   | to the |  |
| 15 | Petition of Leggett and Platt as Exhibit A.   |        |  |
| 16 | V. DATE OF THE REGIONAL WATER BOARD ACTION  |        |  |
| 17 | August 5, 2010.   |        |  |
| 18 | VI. STATEMENT OF REASONS WHY THE REGIONAL WATER BOARD'S ACTI  | (ON    |  |
| 19 | WAS INAPPROPRIATE OR IMPROPER   |        |  |
| 20 | This Partial Joinder and the Petition of Leggett & Platt present factual and legal issues v                         | which  |  |
| 21 | also form the basis of prior Petitions of the 2008 Orders which are currently held in abeyance.                     |        |  |
| 22 | Valley Alhambra incorporates herein the matters set forth in its Prior Partial Joinders, copies of                  |        |  |
| 23 |   |        |  |
|    |   |        |  |
| 24 | Valley Alhambra joins in the request of Leggett and Platt that the Petition be held in                              |        |  |
| 25 | abeyance for the maximum period and reserves its right to supplement its submission if the Petition                 |        |  |
| 26 | is reactivated.   |        |  |
| 27 | However, to the extent that any portion of the Leggett & Platt Petition is based on an                              |        |  |
| 28 | argument that I eggett and Platt is not a proper party or subject to the jurisdiction of the Water F                | Roard  |  |

with respect to this Site and orders relating thereto, Valley Alhambra expressly declines to join in those portions of the Petition and opposes any such relief sought by Leggett and Platt in connection therewith and reserves the right to supplement its submission with additional authorities and evidence should any hearing be held thereon.

#### VII. STATEMENT OF GRIEVANCE OF INTERESTED PARTY

Valley Alhambra is aggrieved by the Order because: (1) Closure should have been issued when requested by Valley Alhambra on terms which had been approved by the Regional Water Board in January 2007; and (2) the August 5, 2010 Order continues to impose an excessive and continuing unnecessary financial burden on Valley Alhambra as the owner of the Site. See Declaration of Gary J. Herman, Sr. (Attached to Exhibit "A").

## VIII. SPECIFIC ACTION THAT INTERESTED PARTY REQUESTS THE STATE BOARD TO TAKE

Valley Alhambra requests that the 2008 Orders and the August 5, 2010 Orders be rescinded in their entirety on the grounds that they are beyond the scope of investigation necessary to characterize the Site for closure. The State Water Board should direct the Regional Water Board to issue a closure letter for the Site.

Valley Alhambra joins Petitioner's request that the State Water Board hold this Petition in abeyance for the maximum time period or until reactivated. Valley Alhambra reserves the right to amend its submission and to request further action if the Petition is reactivated.

To the extent that any portion of the Leggett & Platt Petition requests that the Orders be rescinded only as to Leggett and Platt, that Valley Alhambra be joined or that there be a finding that Leggett and Platt is not a proper party subject to the 2008 Orders, or either of them, or the August 5, 2010 Order or subject to the jurisdiction of the Water Board or Regional Water Board with respect to this Site and orders relating thereto, Valley Alhambra expressly declines to join in those portions of the Petition and opposes any such relief sought by Leggett and Platt in connection therewith and reserves the right to supplement its submission with additional authorities and evidence should any hearing be held thereon.

## IX. PARTIAL JOINDER IN POINTS AND AUTHORITIES SUBMITTED BY PETITIONER LEGGETT AND PLATT

Valley Alhambra joins and incorporates herein by reference the arguments and authorities contained in the Petition of Leggett and Platt filed in relations to the 2008 Orders in Section VIII., Parts A. (Applicable Standard of Review), C. (Data from Ground Water Sampling Reports ...Show that the Current condition of the Soil and Groundwater Does not Pose a Substantial Risk, etc.), D. (The Regional Water Board Has Not Provided Prima Facie Evidence to Show a Change in Conditions Since it Ordered the Remediation Equipment Removed and Stated the Site was Eligible for Closure, Subject to Restrictive Covenants), and E. (The Cost Associated with the Investigation Required by the Order Has No Reasonable Relationship to the Nominal Threat, etc.). Said authorities are incorporated herein by reference.

Valley Alhambra also joins in the arguments and authorities set forth in the current Petition by Leggett & Platt related to the August 5, 2010 Order in Section IX., parts 1-3 but expressly declines to join and disputes the arguments and contentions in Section IX, part 4 and asserts that Leggett & Platt is a proper party subject to orders regarding the Site and Valley Alhambra reserves its right to submit additional evidence should this Petition be reactivated.

## A. FAILURE TO ISSUE CLOSURE WILL RESULT IN SERIOUS FINANCIAL HARDSHIP TO VALLEY ALHAMBRA PROPERTIES DUE TO REDUCTION IN INCOME AND INABILITY TO FINANCE OR SELL ITS PROPERTY FOR FULL AND FAIR MARKET VALUE

Valley Alhambra is made up of a group of elderly property owners who have never themselves occupied or operated any business on the Site. Valley Alhambra has already suffered significant financial hardship in connection with the lengthy period that this Site has been subject to investigation and remediation, now for over ten (10) years. During that entire period, Valley Alhambra has been prevented from selling its property for a fair commercial price due to the great uncertainty created for any purchaser due to the open investigation underway by regulatory agencies. This situation has also negatively impacted the rental income which may be generated by the

property due to the reluctance of substantial commercial tenants to allow their businesses to operate on a property that is subject to an open environmental investigative proceeding. The details of this past and present hardships are set forth in the Declaration of Gary Herman, a commercial real estate agent and property manager with over fifty years of experience dealing with these types of properties which is incorporated herein by reference. See Exhibits "A" and "B" hereto. Several of the owners have passed away during the lengthy period of the investigation and remediation process thus far and the remainder are elderly and some rely on the income from this property for full time nursing care. See Declaration of Gary Herman attached to the Joinders (Exhibits "A" and "B" hereto).

Given the significant and thorough investigation and remediation already conducted at the Site and the assessment of risks completed showing that future risks to public health and safety are insignificant, as outlined in detail in the Petition of Leggett and Platt and the Declaration of George Linkletter which is referred to and incorporated therein by reference, there is no justification for the 2008 Orders or for the August 5, 2010 Order which will substantially increase the financial hardship and uncertainty to Valley Alhambra (whose owners have never themselves occupied or operated businesses on the Site) for what are, at best, negligible additional benefits to the public health and safety.

#### X. STATEMENT OF SERVICE ON REGIONAL WATER BOARD

A copy of this partial joinder has been sent to the Regional Water Board.

## XI. JOINDER IN REQUEST FOR ABEYANCE, PREPARATION OF RECORD, FOR EVIDENTIARY HEARING AND FOR STAY

Valley Alhambra joins in the request of Leggett and Platt that this Joinder along with the Petition of Leggett & Platt be held in abeyance pursuant to Title 23 of the California Code of Regulations, Section 2050.5(d), for the preparation of the record in this matter by the Regional Water Board, for a Stay of the August 5 Order and for an evidentiary hearing on the matters raised in the Petition for the reasons and based on the authority stated therein to the extent joined by Valley Alhambra herein.

#### XI. CONCLUSION

Based on the fact that this Site has been subject to a full and complete investigation and remediation and was approved for closure by the Regional Water Board and that no new information or conditions warrant reopening of the Site and that the great financial burdens imposed by the 2008 Orders and the August 5, 2010 Order far outweigh the potential benefits, if any, from the new work required thereunder, Valley Alhambra joins in the requests for relief, including a stay and evidentiary hearing, set forth in the Petition of Leggett and Platt, Inc. and incorporates the facts and legal authorities set forth therein to the extent and on the grounds set forth herein.

Dated: September 2, 2010

NORTHRUP SCHLUETE

Linda L. Northrup/F

Attorneys for Valley Alhambra Properties

#### PROOF OF SERVICE

| STATE OF CALIFORNIA   | )     |  |
|-----------------------|-------|--|
|                       | ) ss. |  |
| COUNTY OF LOS ANGELES | )     |  |

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within proceeding; my business address is 31365 Oak Crest Drive, Suite 250, Westlake Village, California 91361.

On September 2, 2010, I served the following document(s) described as PARTIAL JOINDER OF VALLEY ALHAMBRA PROPERTIES IN PETITION FOR REVIEW PURSUANT TO WATER CODE SECTION 13320 AND 23 C.C.R. §2050 ET SEQ on the interested parties in this proceeding by facsimile to the numbers listed below and by placing true and correct copies thereof in a sealed envelope addressed as follows:

| Mr. David Young<br>Regional Water Quality Control Board<br>320 West Fourth St., Suite 200<br>Los Angeles, California<br>Facsimile No. 213-576-6640   | State Water Resources Control Board Office of Chief Counsel Jeannette L. Bashaw 1001 I Street 22 <sup>nd</sup> Floor Sacramento, California Facsimile No. 916-341-5199 |
|--|--|
| Joan C. Donnellan, Esq. Parker, Milliken, Clark, O'Hara & Samuelian 555 So. Flower Street, 30 <sup>th</sup> Floor Los Angeles, California 90071 Facsimile No. 213-683-6669 Counsel for Leggett and Platt, Inc. |  |

#### BY EXPRESS SERVICE CARRIER

- I deposited in a box or other facility regularly maintained by the express service carrier in an envelope or package designated by the express service carrier with delivery fees paid or provided for, addressed to the person on whom it is to be served.
- STATE I declare under penalty of perjury under the laws of the State of California that the above is true and correct.
- **FEDERAL** I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on September 2, 2010, at Los Angeles, California.

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NORTHRUP SCHLUETER A Professional Law Corporation Linda L. Northrup, Esq. (SBN 102156) 31365 Oak Crest Drive, Suite 250 Westlake Village, California 91361 Tel (818) 707-2600 Fax (818) 707-2675

Attorneys for Interested Party VALLEY-ALHAMBRA PROPERTIES. a California general partnership



#### STATE OF CALIFORNIA

#### STATE WATER RESOURCES CONTROL BOARD

IN THE MATTER OF THE PETITION OF LEGGETT AND PLATT, INC., FOR REVIEW OF WATER CODE SECTION 13267 ORDER DATED JUNE 11, 2008 BY THE CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD, LOS ANGELES REGION

Petition No.

PARTIAL JOINDER OF VALLEY ALHAMBRA PROPERTIES IN PETITION FOR REVIEW PURSUANT TO WATER CODE SECTION 13320 AND 23 C.C.R. §2050 ET SEQ; DECLARATION OF GARY J. HERMAN, SR. IN SUPPORT THEREOF

#### I. **INTRODUCTION**

Valley-Alhambra Properties ("Valley Alhambra") is a partnership which is the owner of real property located at 4900 Valley Boulevard, Los Angeles, California ("Site"). Valley Alhambra is a party interested in the proceedings initiated by the Regional Water Quality Control Board ("Regional Board") which resulted in the issuance of an order pursuant to Water Code Section 13267 on June 11, 2008 ("June 11 Order") directed to Leggett and Platt, Inc., the successor in interest to Valley Alhambra's former tenant on the Site. The Valley Alhambra partnership has always consisted of a group of elderly owners, several of whom have passed away during the lengthy time that this remediation process has been pending. As set forth in detail in the accompanying Declaration of Gary Herman, Sr., one of the remaining partners of Valley Alhambra, this process has been ongoing for well over 10 years and has had a significant negative impact on the use and financing of the property, has detrimentally impacted its rental value and has precluded any sale of the property for a full fair market value.

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During the period since Leggett and Platt ceased its operations on the property, the Site has been rented to a succession of warehousing tenants. There have been no manufacturing operations at the property during that period nor occupation by any tenant whose use would have involved any risk of discharge of contaminants or have contributed in any way to any pre-existing hazardous conditions on the Site. Declaration of Gary Herman, Sr., paragraph 3.

#### II. NAME AND ADDRESS OF PARTY IN INTEREST

All correspondence and written communications regarding this matter should be directed to:

Gary J. Herman, Sr. 1201 S. Olive Street Los Angeles, California 90015

Telephone: 213-747-6531, Ext. 114

Facsimile: 213-747-4305 garysr@sdherman.com

With a copy to:

Linda L. Northrup, Esq., Counsel for Valley Alhambra Properties Northrup Schlueter, A Professional Law Corporation 31365 Oak Crest Drive, Suite 250 Westlake Village, California 91361 Telephone: 818-707-2600 Facsimile: 818-707-2675 Inorthrup@nsplc.com

## III. SPECIFIC ACTION OF THE REGIONAL WATER BOARD FOR WHICH STATE WATER BOARD REVIEW IS REQUESTED

Valley Alhambra joins in the request of Leggett and Platt for review of the Section 13267 Order issued by the Regional Water Board on June 11, 2008 ("June 11 Order") to the extent set forth herein and incorporates by reference the copy of the order attached to the Petition of Leggett and Platt as Exhibit A.

## IV. DATE OF THE REGIONAL WATER BOARD ACTION June 11, 2008.

## V. STATEMENT OF REASONS WHY THE REGIONAL WATER BOARD'S ACTION WAS INAPPROPRIATE OR IMPROPER

Valley Alhambra partially joins in the Petition of Leggett and Platt for the reasons set forth below:

- 1. Investigation, remediation, and confirmation monitoring activities, as well as the data derived from these activities, evidence that current conditions of the soil and ground water at the Site do not pose a substantial risk to human health or the waters of the State;
- 2. Given the extensive work performed at the Site over the last 10 years, characterization of the Site is sufficient to understand the pre- and post-remedial conditions at the Site;
- 3. The burden, including costs of compliance, imposed by the Order does not bear a reasonable relationship to the benefits that may be obtained from the reports and investigations sought by the Order;
- 4. Investigation, remediation, and confirmation monitoring to date justifies closure of the Site without further investigation.

Valley Alhambra joins in the request of Leggett and Platt that the Petition be held in abeyance for the maximum period and reserves its right to supplement its submission if the Petition is reactivated.

However, to the extent that any portion of the Leggett & Platt Petition is based on an argument that Leggett and Platt is not a proper party or subject to the jurisdiction of the Water Board with respect to this Site and orders relating thereto, Valley Alhambra expressly declines to join in those portions of the Petition and opposes any such relief sought by Leggett and Platt in connection therewith and reserves the right to supplement its submission with additional authorities and evidence should any hearing be held thereon.

#### IV. STATEMENT OF GRIEVANCE OF INTERESTED PARTY

Valley Alhambra is aggrieved by the Order because: (1) Closure should have been issued when requested by Valley Alhambra on terms which had been approved by the Regional Water Board in January 2007; and (2) the June 11 Order imposes an excessive and continuing unnecessary financial burden on Valley Alhambra as the owner of the Site. See Declaration of Gary J. Herman, Sr. submitted herewith.

## VII. SPECIFIC ACTION THAT INTERESTED PARTY REQUESTS THE STATE BOARD TO TAKE

Valley Alhambra requests that the June 11 Order be rescinded in its entirety on the grounds that it is beyond the scope of investigation necessary to characterize the Site for closure. The State Water Board should direct the Regional Water Board to issue a closure letter for the Site.

Valley Alhambra joins Petitioner's request that the State Water Board hold this Petition in abeyance for the maximum time period or until reactivated. Valley Alhambra reserves the right to amend its submission and to request further action if the Petition is reactivated.

To the extent that any portion of the Leggett & Platt Petition requests that the Order be rescinded only as to Leggett and Platt, that Valley Alhambra be joined or that there be a finding that Leggett and Platt is not a proper party subject to the June 11 Order or subject to the jurisdiction of the Water Board or Regional Water Board with respect to this Site and orders relating thereto, Valley Alhambra expressly declines to join in those portions of the Petition and opposes any such relief sought by Leggett and Platt in connection therewith and reserves the right to supplement its submission with additional authorities and evidence should any hearing be held thereon.

## VIII. PARTIAL JOINDER IN POINTS AND AUTHORITIES SUBMITTED BY PETITIONER LEGGETT AND PLATT

Valley Alhambra joins and incorporates herein by reference the arguments and authorities contained in the Petition of Leggett and Platt in Section VIII., Parts A. (Applicable Standard of Review), C. (Data from Ground Water Sampling Reports ...Show that the Current condition of the Soil and Groundwater Does not Pose a Substantial Risk, etc.), D. (The Regional Water Board Has Not Provided Prima Facie Evidence to Show a Change in Conditions Since it Ordered the Remediation Equipment Removed and Stated the Site was Eligible for Closure, Subject to Restrictive Covenants), and E. (The Cost Associated with the Investigation Required by the Order Has No Reasonable Relationship to the Nominal Threat, etc.).

## A. FAILURE TO ISSUE CLOSURE WILL RESULT IN SERIOUS FINANCIAL HARDSHIP TO VALLEY ALHAMBRA PROPERTIES DUE TO REDUCTION IN INCOME AND INABILITY TO FINANCE OR SELL ITS PROPERTY FOR FULL AND FAIR MARKET VALUE

Valley Alhambra is a partnership made up of a group of elderly property owners who have never themselves occupied or operated any business on the Site. Valley Alhambra has already suffered significant financial hardship in connection with the lengthy period that this Site has been subject to investigation and remediation, now for over ten (10) years. During that entire period, Valley Alhambra has been prevented from selling its property for a fair commercial price due to the great uncertainty created for any purchaser due to the open investigation underway by regulatory agencies. This situation has also negatively impacted the rental income which may be generated by the property due to the reluctance of substantial commercial tenants to allow their businesses to operate on a property that is subject to an open environmental investigative proceeding. The details of this past and present hardships are set forth in the Declaration of Gary Herman, a commercial real estate agent and property manager with over fifty years of experience dealing with these types of properties which is submitted herewith. Several of the owners have passed away during the lengthy period of the investigation and remediation process thus far and the remainder are elderly and some rely on the income from this property for full time nursing care. See Declaration of Gary Herman.

Given the significant and thorough investigation and remediation already conducted at the Site and the assessment of risks completed showing that future risks to public health and safety are insignificant, as outlined in detail in the Petition of Leggett and Platt and the Declaration of George Linkletter which is referred to and incorporated herein by reference, there is no justification for the June 11 Order which will substantially increase the financial hardship and uncertainty to the Valley Alhambra partners (who have never themselves occupied or operated businesses on the Site) for what are, at best, negligible additional benefits to the public health and safety.

#### IX. STATEMENT OF SERVICE ON REGIONAL WATER BOARD

A copy of this partial joinder has been sent to the Regional Water Board.

## X. JOINDER IN REQUEST FOR PREPARATION OF RECORD, FOR EVIDENTIARY HEARING AND FOR STAY

Valley Alhambra joins in the request of Leggett and Platt for the preparation of the record in this matter by the Regional Water Board, for a Stay of the June 11 Order and for an evidentiary hearing on the matters raised in the Petition for the reasons and based on the authority stated therein to the extent joined by Valley Alhambra herein.

#### XI. CONCLUSION

Based on the fact that this Site has been subject to a full and complete investigation and remediation and was approved for closure by the Regional Water Board and that no new information or conditions warrant reopening of the Site and that the great financial burdens imposed by the June 11 Order far outweigh the potential benefits, if any, from the new work required thereunder, Valley Alhambra joins in the requests for relief, including a stay and evidentiary hearing, set forth in the Petition of Leggett and Platt, Inc. and incorporates the facts and legal authorities set forth therein to the extent and on the grounds set forth herein.

Dated: July 10, 2008

NORTHRUP SCHLUETER
A Professional Corporation

Linda L. Northrup,

Attorneys for Valley Alhambra Properties

#### DECLARATION OF GARY HERMAN, SR.

I, Gary J. Herman, Sr. declare as follows:

- 1. I am 77 years old and am one of the remaining partners (with my 76 year old wife, Beverly) of Valley Alhambra Properties, a partnership which is the owner of real property located at 4900 Valley Boulevard, Los Angeles, California ("Site"). I have been a commercial real estate broker and property manager for over fifty years and have been extensively involved in the management, leasing, financing and sale of commercial and industrial properties similar to the Site at issue. I have personal knowledge of the facts set forth herein and could and would competently testify thereto under oath.
- 2. In 1993 when contamination was first identified at the Site, the partners in the property included Ruth Shelby and Barney and Dorothy Weingard. In 2003 at the age of 90, Ruth Shelby passed away. Her interest in the property is currently held by her son, Charles Shelby, a Catholic priest who resides in Illinois. Earlier this year, at the age of 90, Barney Weingard passed away. Although his wife, Dorothy, is a remaining partner, she suffers from severe Alzheimer's disease, was not even able to attend her husband's funeral, and depends on the income from this property to fund her required full time nursing care. My wife and I suffer from numerous age related health conditions. I recently had serious colon surgery and my wife was recently diagnosed with an inoperable aneurysm and faces additional surgery in the coming months.
- 3. I have been the person primarily responsible for managing the Site for the Valley Alhambra partnership. After Leggett & Platt shut down its facility, the property was vacant until August 1995. Since then, the following tenants have occupied the Site for the various businesses described below, none of which involve manufacturing or use of solvents or chemicals to the best of my knowledge and belief. I have visited the Site numerous times while these tenants have been in occupancy and have seen nothing on the Site inconsistent with the type of business authorized to be conducted under their respective leases as set forth below:

| 1995 - 1999 | Apak International       | Warehousing of used clothing |
|-------------|--------------------------|------------------------------|
| 1999 - 2002 | Los Angeles City Mission | Warehousing of used clothing |
| 2002 - 2003 | A-1 Clothing             | Warehousing of used clothing |

2003 - 2007

Sasco Electric

Warehousing of electrical products

2007 - present

Murray Plumbing &

Heating

Warehousing of plumbing products

- 5. In my experience, it is possible to demand and obtain higher rents from tenants with manufacturing operations or more sophisticated business operations. Warehousing is a use which generally brings in a lower quality tenant and property usable only as warehousing space has a lesser rental value than property which can be used for manufacturing operations. Over the past 13 years, I have attempted to market the Site to manufacturing tenants such as had been on the property up to the time it was vacated by Leggett and Platt. However, the fact that the site is subject to an ongoing and open investigation and remediation by the Regional Water Board has been a reason stated to me by numerous prospective manufacturing tenants that they will not consider leasing the property for their businesses as they do not want to risk being held responsible for any hazardous conditions which may exist on the property. This has in my opinion, drastically reduced the rental income that Valley Alhambra has been able to obtain for this property and this impact will continue as long as the Site remains open and the ongoing investigations continue.
- 6. During the lengthy period in which this Site has been under investigation and remains open, the Valley Alhambra partners have been subject to extreme financial hardship as relates to this Site. The pending remediation (now for over 15 years) and characterization of the Site as an open site has had a significant deleterious impact on the ability to obtain financing for the property, on the rental income for this property and has prevented any sale of the property for its full commercial property value.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed this <u>/O</u> day of July, 2008 at Los Angeles, California.

Gary J. Herman, Sr.

#### (PROOF OF SERVICE)

| STATE OF CALIFORNIA   | . ]  |
|-----------------------|------|
| ,                     | ]ss. |
| COUNTY OF LOS ANGELES | 1    |

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within proceeding; my business address is 31365 Oak Crest Drive, Suite 250, Westlake Village, California 91361.

On July 10, 2008, I served the following document(s) described as PARTIAL JOINDER OF VALLEY ALHAMBRA PROPERTIES IN PETITION FOR REVIEW PURSUANT TO WATER CODE § 13320 AND 23 C.C.R. §2050; DECLARATION OF GARY J. HERMAN, SR. IN SUPPORT THEREOF on the interested parties in this proceeding by facsimile to the numbers listed below and by placing true and correct copies thereof in a sealed envelope addressed as follows:

| Mr. David Young Regional Water Quality Control Board 320 West Fourth St. Suite 200 Los Angeles, California Facsimile No. 213-576-6640  | State Water Resources Control Board Office of Chief Counsel Jeannette L. Bashaw 1001 I Street 22 <sup>nd</sup> Floor Sacramento, California Facsimile No. 916-341-5199 |
|--|--|
| Joan C. Donnellan, Esq. Parker, Milliken, Clark, O'Hara & Samuelian 555 So. Flower Street, 30 <sup>th</sup> Floor Los Angeles, California 90071 Facsimile No. 213-683-6669 Counsel for Leggett and Platt, Inc. |  |

#### BY EXPRESS SERVICE CARRIER

I deposited in a box or other facility regularly maintained by the express service carrier in an envelope or package designated by the express service carrier with delivery fees paid or provided for, addressed to the person on whom it is to be served.

Executed on July 10, 2008, at Los Angeles, California.

STATE — I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

FEDERAL — I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

LINDA L. NORTHRUP

N:\WPDOCS\Herman\ALHAMBRA\docs\Water Board Pet Joinder.pos.vpd

NORTHRUP SCHLUETER
A Professional Law Corporation
Linda L. Northrup, Esq. (SBN 102156)
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Tel (818) 707-2600

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Attorneys for Interested Party VALLEY-ALHAMBRA PROPERTIES, a California general partnership



#### STATE OF CALIFORNIA

#### STATE WATER RESOURCES CONTROL BOARD

IN THE MATTER OF THE PETITION OF LEGGETT AND PLATT, INC., FOR REVIEW OF WATER CODE SECTION 13267 ORDER DATED JUNE 11, 2008 BY THE CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD, LOS ANGELES REGION Petition No.

PARTIAL JOINDER OF VALLEY ALHAMBRA PROPERTIES IN PETITION FOR REVIEW PURSUANT TO WATER CODE SECTION 13320 AND 23 C.C.R. §2050 ET SEQ [Request to Be Held in Abeyance Under 23 C.C.R. §2050.5(d)]

#### I. <u>INTRODUCTION</u>

Valley-Alhambra Properties ("Valley Alhambra") is a partnership which is the owner of real property located at 4900 Valley Boulevard, Los Angeles, California ("Site"). Valley Alhambra is a party interested in the proceedings initiated by the Regional Water Quality Control Board ("Regional Board") which resulted in the issuance of an order pursuant to Water Code Section 13267 on November 25, 2008 ("November 25 Order") directed to Leggett and Platt, Inc., the successor in interest to Valley Alhambra's former tenant on the Site. The Valley Alhambra partnership has always consisted of a group of elderly owners, several of whom have passed away during the lengthy time that this remediation process has been pending. As set forth in detail in the Declaration of Gary Herman, Sr. filed with the Joinder of Valley Alhambra to a previous Petition in this matter (copy of Joinder and Declaration are attached as Exhibit "A" hereto, one of the remaining partners of Valley Alhambra, this process has been ongoing for well over 10 years and has had a significant negative impact on the use and financing of the property, has detrimentally impacted its rental value and has

precluded any sale of the property for a full fair market value.

During the period since Leggett and Platt ceased its operations on the property, the Site has been rented to a succession of warehousing tenants. There have been no manufacturing operations at the property during that period nor occupation by any tenant whose use would have involved any risk of discharge of contaminants or have contributed in any way to any pre-existing hazardous conditions on the Site. Declaration of Gary Herman, Sr., paragraph 3.

## II. A RELATED PETITION AND PARTIAL JOINDER HAS PREVIOUSLY BEEN SUBMITTED TO THE WATER BOARD IN IS BEING HELD IN ABEYANCE

Prior to issuing the November 25, 2008 Order, which is the subject of this Partial Joinder, on June 11, 2008, the Regional Water Board issued a Section 13267 Order requiring submitted of a work plan for additional investigation of soil and ground water in and about the Site ("June 11, 2008 Order").

On July 10, 2008 Leggett and Platt filed a Petition for Review of that Order and Valley Alhambra filed a Partial Joinder in that Petition. Copies of these documents are attached to the Petition of Leggett & Platt on file herein.

Between July and November correspondence and meetings occurred between representatives of Leggett & Platt and the Regional Water Board which culminated in submission of a Work Plan for Additional Investigation to the Regional Water Board in or about November 17, 2008 (a true and correct copy of that work plan is Exhibit "G" to the Petition of Leggett & Platt).

On or about November 25, 2008, the Regional Water Board issued a conditional approval of the Work Plan in the form of the November 25, 2008 Order. Valley Alhambra maintains that some of the conditions and requirements of the November 25, 2008 Order are inappropriate, improper and not supported by the record and, to that extent only, hereby joins in the Petition filed by Leggett & Platt regarding the November 25, 2008 Order and joins Leggett & Platt's request that the Petition and this Partial Joinder be held in abeyance pursuant to Title 23 of the California Code of Regulations, Section 2050.5(d) as requested therein. Valley Alhambra reserves the right to supplement this Partial Joinder with a further statement of its position and the factual and legal basis therefore if the Petition is reactivated.

#### 1 III. NAME AND ADDRESS OF PARTY IN INTEREST 2 Valley Alhambra does not join in and disputes Leggett & Platt's contention that Valley 3 Alhambra is the real party in interest in this proceeding and to Leggett & Platt's characterization of its role as "administrator of the settlement fund." All correspondence and written communications regarding this matter should be directed to: Gary J. Herman, Sr. 1201 S. Olive Street Los Angeles, California 90015 Telephone: 213-747-6531, Ext. 114 8 Facsimile: 213-747-4305 garysr@sdherman.com 9

#### With a copy to:

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Linda L. Northrup, Esq., Counsel for Valley Alhambra Properties Northrup Schlueter, A Professional Law Corporation 31365 Oak Crest Drive, Suite 250 Westlake Village, California 91361 Telephone: 818-707-2600 Facsimile: 818-707-2675 lnorthrup@nsplc.com

#### SPECIFIC ACTION OF THE REGIONAL WATER BOARD FOR WHICH STATE WATER BOARD REVIEW IS REQUESTED

Valley Alhambra joins in the request of Leggett and Platt for review of the November 25, 2008 Order to the extent set forth herein and incorporates by reference the copy of the order attached to the Petition of Leggett and Platt as Exhibit A.

#### V. DATE OF THE REGIONAL WATER BOARD ACTION

November 25, 2008.

#### VI. STATEMENT OF REASONS WHY THE REGIONAL WATER BOARD'S ACTION WAS INAPPROPRIATE OR IMPROPER

This Partial Joinder and the Petition of Leggett & Platt present factual and legal issues which also form the basis of SWRCB/OCC File No. A-1936 which is currently held in abeyance. Valley Alhambra incorporates herein the matters set forth in its July 10, 2008 Petition, a copy of which is Exhibit "A" hereto.

Valley Alhambra joins in the request of Leggett and Platt that the Petition be held in

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abeyance for the maximum period and reserves its right to supplement its submission if the Petition is reactivated.

However, to the extent that any portion of the Leggett & Platt Petition is based on an argument that Leggett and Platt is not a proper party or subject to the jurisdiction of the Water Board with respect to this Site and orders relating thereto, Valley Alhambra expressly declines to join in those portions of the Petition and opposes any such relief sought by Leggett and Platt in connection therewith and reserves the right to supplement its submission with additional authorities and evidence should any hearing be held thereon.

#### VII. STATEMENT OF GRIEVANCE OF INTERESTED PARTY

Valley Alhambra is aggrieved by the Order because: (1) Closure should have been issued when requested by Valley Alhambra on terms which had been approved by the Regional Water Board in January 2007; and (2) the November 25 Order continues to impose an excessive and continuing unnecessary financial burden on Valley Alhambra as the owner of the Site. See Declaration of Gary J. Herman, Sr. (Exhibit "A").

## VIII. SPECIFIC ACTION THAT INTERESTED PARTY REQUESTS THE STATE BOARD TO TAKE

Valley Alhambra requests that both the June 11 Order and the November 25 Order be rescinded in their entirety on the grounds that they are beyond the scope of investigation necessary to characterize the Site for closure. The State Water Board should direct the Regional Water Board to issue a closure letter for the Site.

Valley Alhambra joins Petitioner's request that the State Water Board hold this Petition in abeyance for the maximum time period or until reactivated. Valley Alhambra reserves the right to amend its submission and to request further action if the Petition is reactivated.

To the extent that any portion of the Leggett & Platt Petition requests that the Orders be rescinded only as to Leggett and Platt, that Valley Alhambra be joined or that there be a finding that Leggett and Platt is not a proper party subject to the June 11 Order or the November 25, 2008 Order or subject to the jurisdiction of the Water Board or Regional Water Board with respect to this Site

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and orders relating thereto, Valley Alhambra expressly declines to join in those portions of the Petition and opposes any such relief sought by Leggett and Platt in connection therewith and reserves the right to supplement its submission with additional authorities and evidence should any hearing be held thereon.

#### IX. PARTIAL JOINDER IN POINTS AND AUTHORITIES SUBMITTED BY PETITIONER LEGGETT AND PLATT

Valley Alhambra joins and incorporates herein by reference the arguments and authorities contained in the Petition of Leggett and Platt in Section VIII., Parts A. (Applicable Standard of Review), C. (Data from Ground Water Sampling Reports ... Show that the Current condition of the Soil and Groundwater Does not Pose a Substantial Risk, etc.), D. (The Regional Water Board Has Not Provided Prima Facie Evidence to Show a Change in Conditions Since it Ordered the Remediation Equipment Removed and Stated the Site was Eligible for Closure, Subject to Restrictive Covenants), and E. (The Cost Associated with the Investigation Required by the Order Has No Reasonable Relationship to the Nominal Threat, etc.).

#### FAILURE TO ISSUE CLOSURE WILL RESULT IN SERIOUS FINANCIAL A. HARDSHIP TO VALLEY ALHAMBRA PROPERTIES DUE TO REDUCTION IN INCOME AND INABILITY TO FINANCE OR SELL ITS PROPERTY FOR FULL AND FAIR MARKET VALUE

Valley Alhambra is a partnership made up of a group of elderly property owners who have never themselves occupied or operated any business on the Site. Valley Alhambra has already suffered significant financial hardship in connection with the lengthy period that this Site has been subject to investigation and remediation, now for over ten (10) years. During that entire period, Valley Alhambra has been prevented from selling its property for a fair commercial price due to the great uncertainty created for any purchaser due to the open investigation underway by regulatory agencies. This situation has also negatively impacted the rental income which may be generated by the property due to the reluctance of substantial commercial tenants to allow their businesses to operate on a property that is subject to an open environmental investigative proceeding. The details

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of this past and present hardships are set forth in the Declaration of Gary Herman, a commercial real estate agent and property manager with over fifty years of experience dealing with these types of properties which is submitted herewith. Several of the owners have passed away during the lengthy period of the investigation and remediation process thus far and the remainder are elderly and some rely on the income from this property for full time nursing care. See Declaration of Gary Herman.

Given the significant and thorough investigation and remediation already conducted at the Site and the assessment of risks completed showing that future risks to public health and safety are insignificant, as outlined in detail in the Petition of Leggett and Platt and the Declaration of George Linkletter which is referred to and incorporated herein by reference, there is no justification for the June 11 Order or for the November 25, Order which will substantially increase the financial hardship and uncertainty to the Valley Alhambra partners (who have never themselves occupied or operated businesses on the Site) for what are, at best, negligible additional benefits to the public health and safety.

#### X. STATEMENT OF SERVICE ON REGIONAL WATER BOARD

A copy of this partial joinder has been sent to the Regional Water Board.

#### XI. JOINDER IN REQUEST FOR PREPARATION OF RECORD, FOR EVIDENTIARY **HEARING AND FOR STAY**

Valley Alhambra joins in the request of Leggett and Platt for the preparation of the record in this matter by the Regional Water Board, for a Stay of the June 11 Order and the November 25, 2008 Order and for an evidentiary hearing on the matters raised in the Petition for the reasons and based on the authority stated therein to the extent joined by Valley Alhambra herein.

#### XII. CONCLUSION

Based on the fact that this Site has been subject to a full and complete investigation and remediation and was approved for closure by the Regional Water Board and that no new information or conditions warrant reopening of the Site and that the great financial burdens imposed by the June 11 Order and the November 25, 2008 Order far outweigh the potential benefits, if any, from the new work required thereunder, Valley Alhambra joins in the requests for relief, including a stay and

evidentiary hearing, set forth in the Petition of Leggett and Platt, Inc. and incorporates the facts and legal authorities set forth therein to the extent and on the grounds set forth herein.

Dated: December 23, 2008

NORTHRUP SCHLUETER A Professional Corporation

Linda L. Northrup, Fsq.
Attorneys for Valley Alhambra Properties

Legal Tabs Co. 1-800-322-3022

Recycled Stock # EXA-5-B

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Westlake Village, California 91361 Tel (818) 707-2600 Fax (818) 707-2675

Attorneys for Interested Party VALLEY-ALHAMBRA PROPERTIES, a California general partnership



#### STATE OF CALIFORNIA

#### STATE WATER RESOURCES CONTROL BOARD

IN THE MATTER OF THE PETITION OF LEGGETT AND PLATT, INC., FOR REVIEW OF WATER CODE SECTION 13267 ORDER DATED JUNE 11, 2008 BY THE CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD, LOS ANGELES REGION

Petition No.

PARTIAL JOINDER OF VALLEY ALHAMBRA PROPERTIES IN PETITION FOR REVIEW PURSUANT TO WATER CODE SECTION 13320 AND 23 C.C.R. §2050 ET SEQ; DECLARATION OF GARY J. HERMAN, SR. IN SUPPORT THEREOF

#### I. <u>INTRODUCTION</u>

Valley-Alhambra Properties ("Valley Alhambra") is a partnership which is the owner of real property located at 4900 Valley Boulevard, Los Angeles, California ("Site"). Valley Alhambra is a party interested in the proceedings initiated by the Regional Water Quality Control Board ("Regional Board") which resulted in the issuance of an order pursuant to Water Code Section 13267 on June 11, 2008 ("June 11 Order") directed to Leggett and Platt, Inc., the successor in interest to Valley Alhambra's former tenant on the Site. The Valley Alhambra partnership has always consisted of a group of elderly owners, several of whom have passed away during the lengthy time that this remediation process has been pending. As set forth in detail in the accompanying Declaration of Gary Herman, Sr., one of the remaining partners of Valley Alhambra, this process has been ongoing for well over 10 years and has had a significant negative impact on the use and financing of the property, has detrimentally impacted its rental value and has precluded any sale of the property for a full fair market value.

During the period since Leggett and Platt ceased its operations on the property, the Site has 2 been rented to a succession of warehousing tenants. There have been no manufacturing operations at 3 the property during that period nor occupation by any tenant whose use would have involved any risk of discharge of contaminants or have contributed in any way to any pre-existing hazardous 5 conditions on the Site. Declaration of Gary Herman, Sr., paragraph 3. II. NAME AND ADDRESS OF PARTY IN INTEREST 6 All correspondence and written communications regarding this matter should be directed to: 7 8 Gary J. Herman, Sr. 1201 S. Olive Street Los Angeles, California 90015 Telephone: 213-747-6531, Ext. 114 10 Facsimile: 213-747-4305 garysr@sdherman.com 11 With a copy to: 12 Linda L. Northrup, Esq., Counsel for Valley Alhambra Properties 13 Northrup Schlueter, A Professional Law Corporation 31365 Oak Crest Drive, Suite 250 14 Westlake Village, California 91361 Telephone: 818-707-2600 15 Facsimile: 818-707-2675 lnorthrup@nsplc.com 16 III. SPECIFIC ACTION OF THE REGIONAL WATER BOARD FOR WHICH STATE 17 WATER BOARD REVIEW IS REQUESTED 18 Valley Alhambra joins in the request of Leggett and Platt for review of the Section 13267 19 Order issued by the Regional Water Board on June 11, 2008 ("June 11 Order") to the extent set forth 20 herein and incorporates by reference the copy of the order attached to the Petition of Leggett and 21 Platt as Exhibit A. 22 DATE OF THE REGIONAL WATER BOARD ACTION 23 June 11, 2008. 24

WAS INAPPROPRIATE OR IMPROPER

Valley Alhambra partially joins in the Petition of Leggett and Platt for the reasons set forth below:

STATEMENT OF REASONS WHY THE REGIONAL WATER BOARD'S ACTION

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- 1. Investigation, remediation, and confirmation monitoring activities, as well as the data derived from these activities, evidence that current conditions of the soil and ground water at the Site do not pose a substantial risk to human health or the waters of the State;
- 2. Given the extensive work performed at the Site over the last 10 years, characterization of the Site is sufficient to understand the pre- and post-remedial conditions at the Site;
- 3. The burden, including costs of compliance, imposed by the Order does not bear a reasonable relationship to the benefits that may be obtained from the reports and investigations sought by the Order;
- 4. Investigation, remediation, and confirmation monitoring to date justifies closure of the Site without further investigation.

Valley Alhambra joins in the request of Leggett and Platt that the Petition be held in abeyance for the maximum period and reserves its right to supplement its submission if the Petition is reactivated.

However, to the extent that any portion of the Leggett & Platt Petition is based on an argument that Leggett and Platt is not a proper party or subject to the jurisdiction of the Water Board with respect to this Site and orders relating thereto, Valley Alhambra expressly declines to join in those portions of the Petition and opposes any such relief sought by Leggett and Platt in connection therewith and reserves the right to supplement its submission with additional authorities and evidence should any hearing be held thereon.

#### IV. STATEMENT OF GRIEVANCE OF INTERESTED PARTY

Valley Alhambra is aggrieved by the Order because: (1) Closure should have been issued when requested by Valley Alhambra on terms which had been approved by the Regional Water Board in January 2007; and (2) the June 11 Order imposes an excessive and continuing unnecessary financial burden on Valley Alhambra as the owner of the Site. See Declaration of Gary J. Herman, Sr. submitted herewith.

## VII. SPECIFIC ACTION THAT INTERESTED PARTY REQUESTS THE STATE BOARD TO TAKE

Valley Alhambra requests that the June 11 Order be rescinded in its entirety on the grounds that it is beyond the scope of investigation necessary to characterize the Site for closure. The State Water Board should direct the Regional Water Board to issue a closure letter for the Site.

Valley Alhambra joins Petitioner's request that the State Water Board hold this Petition in abeyance for the maximum time period or until reactivated. Valley Alhambra reserves the right to amend its submission and to request further action if the Petition is reactivated.

To the extent that any portion of the Leggett & Platt Petition requests that the Order be rescinded only as to Leggett and Platt, that Valley Alhambra be joined or that there be a finding that Leggett and Platt is not a proper party subject to the June 11 Order or subject to the jurisdiction of the Water Board or Regional Water Board with respect to this Site and orders relating thereto, Valley Alhambra expressly declines to join in those portions of the Petition and opposes any such relief sought by Leggett and Platt in connection therewith and reserves the right to supplement its submission with additional authorities and evidence should any hearing be held thereon.

## VIII. PARTIAL JOINDER IN POINTS AND AUTHORITIES SUBMITTED BY PETITIONER LEGGETT AND PLATT

Valley Alhambra joins and incorporates herein by reference the arguments and authorities contained in the Petition of Leggett and Platt in Section VIII., Parts A. (Applicable Standard of Review), C. (Data from Ground Water Sampling Reports ...Show that the Current condition of the Soil and Groundwater Does not Pose a Substantial Risk, etc.), D. (The Regional Water Board Has Not Provided Prima Facie Evidence to Show a Change in Conditions Since it Ordered the Remediation Equipment Removed and Stated the Site was Eligible for Closure, Subject to Restrictive Covenants), and E. (The Cost Associated with the Investigation Required by the Order Has No Reasonable Relationship to the Nominal Threat, etc.).

# A. FAILURE TO ISSUE CLOSURE WILL RESULT IN SERIOUS FINANCIAL HARDSHIP TO VALLEY ALHAMBRA PROPERTIES DUE TO REDUCTION IN INCOME AND INABILITY TO FINANCE OR SELL ITS PROPERTY FOR FULL AND FAIR MARKET VALUE

Valley Alhambra is a partnership made up of a group of elderly property owners who have never themselves occupied or operated any business on the Site. Valley Alhambra has already suffered significant financial hardship in connection with the lengthy period that this Site has been subject to investigation and remediation, now for over ten (10) years. During that entire period, Valley Alhambra has been prevented from selling its property for a fair commercial price due to the great uncertainty created for any purchaser due to the open investigation underway by regulatory agencies. This situation has also negatively impacted the rental income which may be generated by the property due to the reluctance of substantial commercial tenants to allow their businesses to operate on a property that is subject to an open environmental investigative proceeding. The details of this past and present hardships are set forth in the Declaration of Gary Herman, a commercial real estate agent and property manager with over fifty years of experience dealing with these types of properties which is submitted herewith. Several of the owners have passed away during the lengthy period of the investigation and remediation process thus far and the remainder are elderly and some rely on the income from this property for full time nursing care. See Declaration of Gary Herman.

Given the significant and thorough investigation and remediation already conducted at the Site and the assessment of risks completed showing that future risks to public health and safety are insignificant, as outlined in detail in the Petition of Leggett and Platt and the Declaration of George Linkletter which is referred to and incorporated herein by reference, there is no justification for the June 11 Order which will substantially increase the financial hardship and uncertainty to the Valley Alhambra partners (who have never themselves occupied or operated businesses on the Site) for what are, at best, negligible additional benefits to the public health and safety.

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#### IX. STATEMENT OF SERVICE ON REGIONAL WATER BOARD

A copy of this partial joinder has been sent to the Regional Water Board.

## X. JOINDER IN REQUEST FOR PREPARATION OF RECORD, FOR EVIDENTIARY HEARING AND FOR STAY

Valley Alhambra joins in the request of Leggett and Platt for the preparation of the record in this matter by the Regional Water Board, for a Stay of the June 11 Order and for an evidentiary hearing on the matters raised in the Petition for the reasons and based on the authority stated therein to the extent joined by Valley Alhambra herein.

#### XI. CONCLUSION

Based on the fact that this Site has been subject to a full and complete investigation and remediation and was approved for closure by the Regional Water Board and that no new information or conditions warrant reopening of the Site and that the great financial burdens imposed by the June 11 Order far outweigh the potential benefits, if any, from the new work required thereunder, Valley Alhambra joins in the requests for relief, including a stay and evidentiary hearing, set forth in the Petition of Leggett and Platt, Inc. and incorporates the facts and legal authorities set forth therein to the extent and on the grounds set forth herein.

Dated: July 10, 2008

NORTHRUP SCHLUETER A Professional Corporation

Linda L. Northrup, Esq.
Attorneys for Valley Alhambra Properties

l. Gary J. Herman. Sr. declare as follows:

1. I am 77 years old and am one of the remaining partners (with my 76 year old wife, Beverly) of Valley Alhambra Properties, a partnership which is the owner of real property located at 4900 Valley Boulevard. Los Angeles, California ("Site"). I have been a commercial real estate broker and property manager for over fifty years and have been extensively involved in the management, leasing, financing and sale of commercial and industrial properties similar to the Site at issue. I have personal knowledge of the facts set forth herein and could and would competently testify thereto under oath.

- 2. In 1993 when contamination was first identified at the Site, the partners in the property included Ruth Shelby and Barney and Dorothy Weingard. In 2003 at the age of 90, Ruth Shelby passed away. Her interest in the property is currently held by her son, Charles Shelby, a Catholic priest who resides in Illinois. Earlier this year, at the age of 90, Barney Weingard passed away. Although his wife, Dorothy, is a remaining partner, she suffers from severe Alzheimer's disease, was not even able to attend her husband's funeral, and depends on the income from this property to fund her required full time nursing care. My wife and I suffer from numerous age related health conditions. I recently had serious colon surgery and my wife was recently diagnosed with an inoperable ancurysm and faces additional surgery in the coming months.
- Alhambra partnership. After Leggett & Piatt shut down its facility, the property was vacant until August 1995. Since then, the following tenants have occupied the Site for the various businesses described below, none of which involve manufacturing or use of solvents or chemicals to the best of my knowledge and belief. I have visited the Site numerous times while these tenants have been in occupancy and have seen nothing on the Site inconsistent with the type of business authorized to be conducted under their respective leases as set forth below:

| 1995 - 1999 | Apak International       | Warehousing of used clothing |
|-------------|--------------------------|------------------------------|
| 1999 - 2002 | Los Angeles City Mission | Warehousing of used clothing |
| 2002 - 2003 | A-1 Clothing             | Warehousing of used clothing |

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Murray Plumbing &

Heating

Warehousing of plumbing products

- 5. In my experience, it is possible to demand and obtain higher rents from tenants with manufacturing operations or more sophisticated business operations. Warehousing is a use which generally brings in a lower quality tenant and property usable only as warehousing space has a lesser rental value than property which can be used for manufacturing operations. Over the past 13 years, 1 have attempted to market the Site to manufacturing tenants such as had been on the property up to the time it was vacated by Leggett and Platt. However, the fact that the site is subject to an ongoing and open investigation and remediation by the Regional Water Board has been a reason stated to me by numerous prospective manufacturing tenants that they will not consider leasing the property for their businesses as they do not want to risk being held responsible for any hazardous conditions which may exist on the property. This has in my opinion, drastically reduced the rental income that Valley Alhambra has been able to obtain for this property and this impact will continue as long as the Site remains open and the ongoing investigations continue.
- 6. During the lengthy period in which this Site has been under investigation and remains open, the Valley Alhambra partners have been subject to extreme financial hardship as relates to this Site. The pending remediation (now for over 15 years) and characterization of the Site as an open site has had a significant deleterious impact on the ability to obtain financing for the property, on the rental income for this property and has prevented any sale of the property for its full commercial property value.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed this day of July, 2008 at Los Angeles, California.

Gary J. Herman, Sr.

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#### **PROOF OF SERVICE**

| STATE OF CALIFORNIA   | )     |  |
|-----------------------|-------|--|
|                       | ) ss. |  |
| COUNTY OF LOS ANGELES | )     |  |

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within proceeding; my business address is 31365 Oak Crest Drive, Suite 250, Westlake Village, California 91361.

On December 23, 2008, I served the following document(s) described as PARTIAL JOINDER OF VALLEY ALHAMBRA PROPERTIES IN PETITION FOR REVIEW PURSUANT TO WATER CODE § 13320 AND 23 C.C.R. § 2050; DECLARATION OF GARY J. HERMAN, SR. IN SUPPORT THEREOF on the interested parties in this proceeding by facsimile to the numbers listed below and by placing true and correct copies thereof in a sealed envelope addressed as follows:

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|--|--|--|
| Mr. David Young Regional Water Quality Control Board 320 West Fourth St. Suite 200 Los Angeles, California Facsimile No. 213-576-6640  | State Water Resources Control Board Office of Chief Counsel Jeannette L. Bashaw 1001 I Street 22 <sup>nd</sup> Floor Sacramento, California Facsimile No. 916-341-5199 |  |
| Joan C. Donnellan, Esq. Parker, Milliken, Clark, O'Hara & Samuelian 555 So. Flower Street, 30th Floor Los Angeles, California 90071 Facsimile No. 213-683-6669 Counsel for Leggett and Platt, Inc. |  |  |

#### BY EXPRESS SERVICE CARRIER

- I deposited in a box or other facility regularly maintained by the express service carrier in an envelope or package designated by the express service carrier with delivery fees paid or provided for, addressed to the person on whom it is to be served.
- STATE I declare under penalty of perjury under the laws of the State of California that the above is true and correct.
- FEDERAL I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on December 23, 2008, at Los Angeles, California.

| DIANA ANDERSON | Deana | anderso |
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