

EDMUND G. BROWN JR.
GOVERNOR

MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

Santa Ana Regional Water Quality Control Board

April 3, 2014

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Robert A. Malone, President
Atlantic Richfield Company
333 S. Hope Street
Los Angeles, CA 90071

Hans Vestberg, CEO and President
Ericsson, Inc.
6300 Legacy Drive
Plano, TX 75024

Stephen D. Massman
c/o Century Development Company
361 N. Cannon Drive
Beverly Hills, CA 90210

Rita J. Pynoos
455 Palm Drive, Apt # 5
Beverly Hills, CA 90210

Chapman University
Ms. Janine P. DuMontelle, Associate Vice President of Legal Affairs and
University Counsel
1 University Dr., Dept. 3707
Orange, CA 92866
Email: jp Dumont@chapman.edu

**PROPOSED CLEANUP AND ABATEMENT ORDER No. R8-2014-0040 REGARDING
THE FORMER ANACONDA PROPERTY SITE, ORANGE, CALIFORNIA
(GEOTRACKER ID# T10000004509; PCA# 2080102)**

Ladies and Gentlemen,

We are enclosing a copy of proposed Cleanup and Abatement Order (CAO) No. R8-2014-0040, which was drafted in accordance with California Water Code Section 13304. A staff report pertaining to this item is also enclosed. The CAO requires the investigation and cleanup of contaminants that have impacted, are impacting or threaten to impact the beneficial uses of groundwater in the Orange County Groundwater Management Zone, as a result of discharges of wastes from the former Anaconda Site located in Orange, California.

This CAO is scheduled for consideration at a hearing, to be held during the Regional Board's July 25, 2014 meeting. The meeting will start at 9:00 a.m. and will be held at the City Council Chambers, City of Loma Linda, 25541 Barton Road, Loma Linda, CA 92354.

The Hearing will be conducted in accordance with the attached Hearing Procedures. Please read these procedures carefully. If you would like to avoid the cost of preparing

WILLIAM RUH, CHAIR | KURT V. BERCHTOLD, EXECUTIVE OFFICER

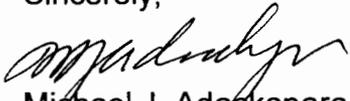
3737 Main St. | Suite 500, Riverside, CA 92501 | www.waterboards.ca.gov/santaana

♻️ RECYCLED PAPER

for the hearing and attending the hearing, a negotiated settlement of the CAO is another possibility that should be considered. If you would like to explore this option, please contact Ann Sturdivant (see contact information below) or have your counsel contact Julie Macedo (see contact information below).

If you have any questions, please contact me at (951) 782-3238, or by email at michael.adackapara@waterboards.ca.gov, or you may contact Ann Sturdivant, Chief of our Site Cleanup Section, at (951) 782-4904, or by email at ann.sturdivant@waterboards.ca.gov. All legal questions should be addressed to Julie Macedo at (916) 323-6847 or julie.macedo@waterboards.ca.gov.

Sincerely,



Michael J. Adackapara
Division Chief

Enclosures: Proposed CAO No. R8-2014-0040, Staff Report
Proposed Hearing Procedures

cc w/enclosures:

Regional Board
Regional Water Quality Control Board - Kurt Berchtold, Executive Officer (Advisory Team)
State Water Resources Control Board, OCC - David Rice (Advisory Team Attorney)
State Water Resources Control Board, OE – Julie Macedo (Prosecution Team Attorney)
Orange County Public Works Department – Chris Crompton
Orange County Coastkeeper – Garry Brown
Latham and Watkins- Paul Singarella
Arnold & Porter, LLP- Matt Heartney, Sean Morris, Jake R. Miller
Newport Trial Group – James B. Hardin
Edgcomb Law Group, LLP- Tiffany R. Hedgpeth
Michael Hickok

State of California
California Regional Water Quality Control Board
Santa Ana Region

CLEANUP AND ABATEMENT ORDER NO. R8-2014-0040 (DRAFT)

3737 Main Street, Suite 500, Riverside, California 92501-3348
Phone (951) 782-4130 - FAX (951) 781-6288 - TDD (951) 782-3221
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Directing Atlantic Richfield Company;

Ericsson, Inc.;

Stephen D. Massman;

Rita J. Pynoos; and

Chapman University

(Collectively referred to as the Responsible Parties)

To Cleanup and Abate the Effects of Pollution and Nuisance and Submit Technical Reports
Pertaining to Site Assessment and Corrective Action

at

The 8.4-acre parcels located at 200-296 W. Cypress Street; 235, 305, and 401 Maple Avenue; and
related parcels in the City of Orange, California (the Site)

The California Regional Water Quality Control Board, Santa Ana Region (Regional Board) finds
that:

1. **Legal and Regulatory Authority:** This Order conforms to and implements policies and requirements of the Porter-Cologne Water Quality Control Act (Division 7, commencing with Water Code section 13000) including: (1) sections 13267 and 13304; (2) applicable State and federal regulations; (3) all applicable provisions of Statewide Water Quality Control Plans adopted by the State Water Resources Control Board (State Board) and the *Water Quality Control Plan, Santa Ana River Basin* (Basin Plan) adopted by the Regional Board including beneficial uses, water quality objectives, and implementation plans; (4) State Board policies and regulations, including State Board Resolution No. 68-16 (*Statement of Policy with Respect to Maintaining High Quality of Waters in California*), Resolution No. 88-63 (*Sources of Drinking Water*), and Resolution No. 92-49 (*Policies and Procedures for Investigation and Cleanup and Abatement of Discharges under California Water Code Section 13304*); and (5) relevant standards, criteria, and advisories adopted by other State and federal agencies.

2. **Unauthorized Discharge of Waste:**
 - a. The California Wire and Cable Company (California Wire) operated a wire manufacturing facility at the Site from 1922 to 1930.

In May 1930, the Anaconda Wire and Cable Company of California, a wholly owned subsidiary of the Anaconda Wire and Cable Company purchased California Wire and took over ownership and operation of the Site.

In December 1938, the Anaconda Wire and Cable Company of California was dissolved into the Anaconda Wire and Cable Company, leaving the Anaconda Wire and Cable Company as the owner and operator of the Site.

On Dec. 31, 1963, the Anaconda Wire and Cable Company merged into Wireco, Inc. which simultaneously changed its name to Anaconda Wire and Cable Company.

On or around January 1, 1973, the Anaconda Wire and Cable Company was merged into The Anaconda Company and became a division of The Anaconda Company. The Anaconda Company assumed all liabilities of the Anaconda Wire and Cable Company.

On or around January 12, 1977, The Anaconda Company merged into the Anaconda Delaware Corporation, and subsequently, the Anaconda Delaware Company merged into Atlantic Richfield Delaware Corporation. In each merger, the surviving company (with ultimate survivor Atlantic Richfield Delaware), assumed the liabilities of the company merged into it. After the mergers, Atlantic Richfield Delaware Corporation changed its name to The Anaconda Company.

On July 25, 1980, Anaconda-Holdings, Inc. was funded with contributions from The Anaconda Company, Atlantic Richfield Company, and Telefonaktiebolaget L M Ericsson. Anaconda-Holdings, Inc. was structured as a joint holding of Atlantic Richfield Company and Telefonaktiebolaget L M Ericsson, with each holding 50% of the company. As part of the agreement, Anaconda-Holdings, Inc. assumed certain liabilities of the prior Anaconda operations, with each of the joint owners agreeing to pay liabilities of Anaconda-Holdings, Inc. if Anaconda-Holdings, Inc. could not. Following the transaction, Anaconda-Holdings, Inc. changed its name to Anaconda-Ericsson, Inc. Also following the transaction, on July 28, 1980, The Anaconda Company transferred ownership of the Site to Anaconda-Ericsson, Inc.

On December 31, 1981, The Anaconda Company merged into Atlantic Richfield Company, and Atlantic Richfield Company assumed all liabilities of The Anaconda Company.

In 1982, Anaconda-Ericsson, Inc. closed the wire manufacturing facility at the Site.

On Nov. 19, 1985, Atlantic Richfield Company sold all of its stock in the Ericsson entities to Telefonaktiebolaget L M Ericsson. Also, Anaconda-Ericsson, Inc. became a wholly owned subsidiary of Ericsson, Inc., a U.S. subsidiary of the Swedish company Telefonaktiebolaget L M Ericsson.

- b. Patents and other information on Anaconda's specific processes from the time period indicate use of the chemicals found at the Site in Anaconda's wire manufacturing processes. Evidence provided to Regional Board staff by Chapman University representatives indicates: (1) some of the chemicals found at the Site were in use only during the period of operation of the wire manufacturing facility; (2) the chemicals found

at the Site were known to have been used by the entities that operated the Site; and (3) large subsurface structures have been found at the Site that were likely used in conjunction with industrial chemicals and appear to be the source(s) of the contamination at the Site. Based on these factors, Regional Board staff believes that the contamination at the Site and in the vicinity of the Site is from the spills and leaks of chemicals that occurred during the wire manufacturing operations at the Site by the entities described above.

- c. Groundwater is present beneath the property at a depth of approximately 120 feet below ground surface. The Site overlies the Orange County Groundwater Management Zone, the beneficial uses of which include:
 1. Municipal and domestic supply,
 2. Agricultural supply,
 3. Industrial service supply, and
 4. Industrial process supply.
- d. Chapman University purchased the property in 1998 to expand its educational facilities after conducting due diligence investigation of the Site. Prior to the purchase of the property, Chapman University hired environmental consultants to conduct site investigations. In July 1998, a Phase I Environmental Site Assessment was performed by Block Environmental. In August 1998, a subsurface investigation was performed by ATC Associates, Inc. (ATC). In September 1998, an Additional Subsurface Investigation was performed by ATC. These preliminary investigations did not identify any significant contamination of the soil or groundwater at the Site.
- e. In 2011, Chapman University started to redevelop the Site into the "Filmmaker's Village," a project that would have included student housing and other facilities associated with Chapman's Dodge College of Film and Media Arts and the Marion Knott Studios. Before Chapman started construction of the Filmmaker's Village project, it hired Block Environmental to perform confirmatory subsurface sampling. Through a series of investigations, Block Environmental discovered that there was contamination at the site, including concentrations of carbon tetrachloride, perchloroethylene (PCE), also known as tetrachloroethylene, and trichloroethylene (TCE), among others.
- f. Block Environmental's investigative reports from the 2011 investigation, and a number of subsequent investigations by other consultants, were provided to Regional Board staff, as well as staff from the Orange County Health Care Agency (OCHCA).
- g. The investigations so far have confirmed the presence of TCE, PCE, carbon tetrachloride and other pollutants at the Site.
- h. In addition to the various investigations, Chapman University also demolished the historical wire factory building and slab and discovered over 30 previously unidentified subsurface features, several of which contained elevated concentrations of contaminants, and are likely sources of contamination at the Site. Many of the

subsurface features are large, and it is believed that they were used as part of the historical industrial operations at the Site.

- i. In 1982, the wire manufacturing operations ceased at the Site. The property was sold to Mr. Massman and Ms. Pynoos in 1990 and Chapman University purchased the property in 1998. There is no evidence to suggest that any of the volatile organic compounds or other pollutants found at the Site were used during the ownership of the Site by Mr. Massman, Ms. Pynoos or Chapman University.
- j. This Cleanup and Abatement Order is being issued to require all Responsible Parties to participate in the investigation and remedial activities at the Site.

3. **Persons Named as Responsible Parties:** Atlantic Richfield Company and Ericsson, Inc. are named as Responsible Parties because they, or their predecessors, owned and operated a wire manufacturing facility at the Site from 1922 through 1982. It appears that the pollutants present in the soil and groundwater at the Site were discharged during the wire manufacturing operations.

Stephen D. Massman and Rita J. Pynoos are named as Responsible Parties because they owned the Site from 1983 through 1998. Massman and Pynoos owned the property for more than a brief time, and during this time, their activities at the Site may have exacerbated contamination caused during the period the wire manufacturing facility operated at the Site. Even if the contamination was not exacerbated, their ownership of the property subjects them to liability under Water Code 13304 and previous State Board Orders.

Chapman University is named as a Responsible Party because it currently owns the property and has owned it since 1998.

4. **Water Quality Standards:** The Site overlies the Orange County Groundwater Management Zone, the beneficial uses of which include: (1) Municipal and domestic supply, (2) Agricultural supply, (3) Industrial service supply, and (4) Industrial process supply.

The Basin Plan contains numeric water quality objectives¹ for chemical constituents to protect groundwater designated for MUN use. The Basin Plan further states, "All waters of the region shall be maintained free of substances in concentrations which are toxic, or that produce detrimental physiological responses in human, plant, animal or aquatic life." The primary maximum contaminant levels (MCLs)² established by the California Department of Health Services in Title 22 of the California Code of Regulations are protective of the MUN beneficial use. Groundwater concentrations of TCE, PCE,

¹ "Water quality objectives" are defined in Water Code section 13050(h) as "the limits or levels of water quality constituents or characteristics which are established for the reasonable protection of beneficial uses of water or the prevention of nuisance within a specific area."

² MCLs, maximum contaminant levels, are public health-protective drinking water standards to be met by public water systems. MCLs take into account not only chemicals' health risks but also factors such as their delectability and treatability, as well as the costs of treatment. Primary MCLs can be found in Title 22 California Code of Regulations (CCR) sections 64431 - 64444. Secondary MCLs address the taste, odor, or appearance of drinking water, and are found in 22 CCR section 64449.

chloroform, and carbon tetrachloride at the Site are not in conformance with the water quality needed to support MUN uses of the groundwater, creating a condition of pollution and nuisance in waters of the State.

5. **Protection of Human Health:** There is a risk to human health that may result from the subsurface migration of PCE and other chemicals in the vapor phase into the indoor air of future buildings at, and adjacent to, the Site. The concentrations of PCE and other chemicals in soil vapor samples exceed the California Human Health Screening Levels (CHHSLs) for indoor air quality for a residential property, as set forth by the California Office of Environmental Health Hazard Assessment.
6. **Basis of Cleanup and Abatement Order:** Water Code section 13304 contains the cleanup and abatement authority of the Regional Board. Water Code section 13304 requires a person to clean up waste and/or abate the effects of the waste discharge if so ordered by a regional board in the event there has been a discharge in violation of waste discharge requirements, or if a person has caused or permitted waste to be discharged or deposited where it is, or probably will be, discharged into the waters of the State and creates or threatens to create a condition of pollution or nuisance. Therefore, based on the these findings, the Regional Board is authorized to order Atlantic Richfield Company, Ericsson, Inc., Stephen D. Massman, Rita J. Pynoos, and Chapman University to cleanup and abate the effects of the waste discharge(s).
7. **Basis for Requiring Reports:** Water Code section 13267 provides that the Regional Board may require Responsible Parties, past Responsible Parties, or suspected Responsible Parties to furnish those technical or monitoring reports as the Regional Board may specify, provided that the burden, including costs, of these reports, shall bear a reasonable relationship to the need for the reports and the benefits to be obtained from the reports. In requiring the reports, the Regional Board must provide the person with a written explanation with regard to the need for the reports, and identify the evidence that supports requiring that person to provide the reports.
8. **Need for Technical and Monitoring Reports:** Technical reports and Monitoring reports required by this Order are needed to provide information to the Regional Board regarding (a) the nature and extent of the discharge, (b) the nature and extent of pollution conditions in State waters created by the discharge, (c) the threat to public health posed by the discharge, and (d) appropriate cleanup and abatement measures. The reports will enable the Regional Board to determine the vertical and lateral extent of the discharge, ascertain if the condition of pollution poses a threat to human health at and in the vicinity of the Site, and provide technical information to determine what cleanup and abatement measures are necessary to bring the Site into compliance with applicable water quality objectives. Based on the nature and possible consequences of the discharges (as described in Findings No. 2a through 2i, above) the burden of providing the required reports bears a reasonable relationship to the need for the reports and the benefits to be obtained from the reports.
9. **Cost Recovery:** Pursuant to California Water Code section 13304, the Regional Board is entitled to, and will seek reimbursement for, all reasonable costs actually incurred by the Regional Board to investigate unauthorized discharges of waste and to

oversee cleanup of such waste; abatement of the effects thereof, or other remedial action, required by this Order.

10. State Board Policies: The State Board adopted Resolution No. 92-49, the *Policies and Procedures for Investigation and Cleanup and Abatement of Discharges under Water Code Section 13304*. This Resolution sets forth the policies and procedures to be used during an investigation or cleanup of a nuisance site and requires that cleanup levels be consistent with State Board Resolution No. 68-16, the *Statement of Policy with Respect to Maintaining High Quality of Waters in California*. Resolution No. 92-49 and the Basin Plan establish the cleanup levels to be achieved. Resolution No. 92-49 requires the waste to be cleaned up to background, or if that is not reasonable, to an alternative level that is the most stringent level that is economically and technologically feasible in accordance with Title 23, CCR section 2550.4. Any alternative cleanup level greater than background must (1) be consistent with the maximum benefit for the people of the state; (2) not unreasonably affect present and anticipated beneficial use of such water; and (3) not result in water quality less than that prescribed in the Basin Plan and applicable Water Quality Control Plans and Policies of the State Board.

11. California Environmental Quality Act (CEQA) Compliance: The issuance of this Order is an enforcement action taken by a regulatory agency and is categorically exempt from the provisions of CEQA pursuant to section 15321(a)(2), Chapter 3, Title 14 of the California Code of Regulations. This Order requires submittal of detailed work plans that address cleanup activities. The proposed activities under the work plans are not yet known, but implementation of the work plans may result in significant physical impacts to the environment that must be evaluated under CEQA. The appropriate lead agency will address the CEQA requirements prior to implementing any work plan that may have a significant impact on the environment.

12. Qualified Professionals: Atlantic Richfield Company's, Ericsson, Inc.'s, Stephen D. Massman's, Rita J. Pynoos', and Chapman University's reliance on qualified professionals promotes proper planning, implementation, and long-term cost-effectiveness of investigation, and cleanup and abatement activities. Professionals should be qualified, licensed where applicable, and competent and proficient in the fields pertinent to the required activities. California Business and Professions Code sections 6735, 7835, and 7835.1 require that engineering and geologic evaluations and judgments be performed by or under the direction of registered professionals.

IT IS HEREBY ORDERED that, pursuant to sections 13267 and 13304 of the Water Code, Atlantic Richfield Company, Ericsson, Inc., Stephen D. Massman, Rita J. Pynoos and Chapman University shall comply with the following Directives.

13. Submit a work plan and a proposed schedule, within 45 days following adoption of this Order, for the complete delineation of the contaminants of concern (COCs) at the Site and adjacent properties. The COCs include all volatile organic compounds (VOCs), 1,4-dioxane, hexavalent chromium, and Title 22 metals. Complete delineation of these COCs includes identification of the vertical and lateral extent of the contamination in soil,

soil vapor, and groundwater. The work plan shall be implemented in accordance with the approved schedules within 60 days of approval by the Executive Officer.

14. Within 45 days following completion of delineation of the COCs, a proposed groundwater monitoring program must be submitted. The proposed program must include sampling protocols, analytical methods and quality assurance/quality control procedures for collecting, preserving and transporting the samples. For the following quarterly groundwater monitoring periods, the monitoring reports are to be submitted by the specified due date:

Groundwater Monitoring Period	Report Due Date
January to March	April 15
April to June	July 15
July to September	October 15
October to December	January 15

This schedule may be modified, with the written approval of the Executive Officer.

15. Submit a work plan and proposed schedule; within 45 days following completion of the delineation, for conducting a human health risk assessment to evaluate the potential risk to occupants of the existing and potential future buildings from migration of VOCs into the indoor air in areas overlying the plume (both on the property and off the property). The work plan shall be implemented, in accordance with the approved schedule, within 30 days of approval by the Executive Officer.
16. Based upon the results from items 13, 14 and 15 (above), submit a feasibility study and remedial action plan (FS/RAP), with a proposed implementation schedule, for remediation of the groundwater, soil, and soil vapor and other contamination and protection of human health. The FS/RAP shall be implemented in accordance with the approved schedule within 90 days of approval by the Executive Officer.
17. Conduct the necessary remediation activities as approved by the Executive Officer, and submit quarterly progress reports to the Executive Officer with the quarterly groundwater monitoring reports as specified in item 15, above.
18. **Certification.** Include the following signed certification with all reports submitted pursuant to this Order:

I certify under penalty of perjury under the laws of the State of California that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best

of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

19. Consistent with Paragraph 13 of this Order, to the extent that any investigation performed reveals that the contaminant plume has migrated off-Site, the "Persons Named as Responsible Parties" shall address the full area and extent of contamination in any submitted work plans for investigation and remediation.
20. All references to the Executive Officer in this Order shall include his delegate.
21. Failure to comply with requirements of this Order may subject the Responsible Parties to further enforcement action, including but not limited to: imposition of administrative civil liability, pursuant to Water Code sections 13268 and 13350, in an amount not to exceed \$5,000 for each day in which the violation occurs under Water Code sections 13304 or 13350 or referral to the Attorney General for injunctive relief or civil or criminal liability.
22. Any person affected by this action of the Regional Board may petition the State Board to review the action in accordance with section 13320 of the Water Code and CCR Title 23 section 2050. The petition must be received by the State Board (Office of Chief Counsel, P.O. Box 100, Sacramento, California 95812) within 30 days of the date of this Order. Copies of the law and regulations applicable to filing petitions will be provided upon request.

I, Kurt V. Berchtold, Executive Officer, do hereby certify that the foregoing is a full, true, and correct copy of an order adopted by the California Regional Water Quality Control Board, Santa Ana Region, on July 25, 2014.

Kurt V. Berchtold
Executive Officer

**State of California
California Regional Water Quality Control Board
Santa Ana Region
July 25, 2014**

Staff Report

Item: XX

Subject: Adoption of Cleanup and Abatement Order No. R8-2014-0040 for Atlantic Richfield Company, Ericsson, Inc., Stephen D. Massman, Rita Pynoos, and Chapman University

Summary

This Cleanup and Abatement Order (CAO) requires Atlantic Richfield Company, Ericsson, Inc., Stephen D. Massman, Rita Pynoos, and Chapman University (collectively referred to as Responsible Parties) to conduct investigation and remediation of soil and groundwater contaminated by the discharges of chlorinated solvents, metals, and other contaminants of concern at the former Anaconda Wire & Cable Company wire manufacturing facility (the Site).

Background

The Site is located at 200-296 W. Cypress Street; 235, 305, and 401 Maple Avenue in the City of Orange, Orange County, California and is currently owned by Chapman University. The site is 8.4 acres.

From approximately 1922 to 1982, various predecessors, subsidiaries and successors of Anaconda Wire & Cable Company operated a wire manufacturing business at the Site.

Beginning in 1922, California Wire & Cable Company (California Wire) operated a wire manufacturing facility at the Site. In 1930, Anaconda Wire & Cable Company purchased California Wire and formed the Anaconda Wire and Cable Company of California which, with its parent, the Anaconda Wire & Cable Company, and successors including The Anaconda Company, was the entity that operated a wire manufacturing facility at the Site until 1977. In 1977, The Anaconda Company was merged into the Atlantic Richfield Delaware Corporation, which then changed its name to The Anaconda Company. In 1980, The Anaconda Company, Atlantic Richfield Company, and Telefonaktiebolaget L M Ericsson created a joint venture, Anaconda-Holdings, Inc. (later renamed Anaconda-Ericsson, Inc.), to own and operate several facilities, including the Site. Anaconda-Ericsson, Inc. operated the Site until it was closed in 1982.

The Anaconda Company merged into the Atlantic Richfield Company in 1981, and Anaconda-Ericsson became a wholly-owned subsidiary of Telefonaktiebolaget L M Ericsson in 1985. In 1995, the successor to Anaconda-Ericsson merged into Ericsson, Inc.

In 1990, Stephen D. Massman and Rita Pynoos purchased the Site from Ericsson, Inc. and subsequently sold the property to Chapman University in 1998.

Wire manufacturing operations conducted at the Site involved the use of solvents and other chemicals, including carbon tetrachloride, perchloroethylene (PCE), also known as tetrachloroethylene, trichloroethylene (TCE), and 1,1,1-trichloroethane (TCA), among others.

A number of environmental investigations have been conducted at the Site. Some of these investigations were done as a due diligence measure prior to Chapman University acquiring the Site. The analytical results from work conducted by Chapman University in 2011 and early 2012, in preparation for planned redevelopment of the Site, detected high concentrations of chlorinated solvents, principally PCE, TCE, and

carbon tetrachloride, in the soil, soil vapor, and groundwater at the Site. The results suggested at least two potential source areas in the northern portion of the property.

Since the initial investigations in 2011 and early 2012, numerous phases of investigations have been conducted at the Site, in an effort to define the nature and extent of chlorinated solvents and metals in the soil, soil vapor, and groundwater at the Site, and on nearby properties. To date, Chapman University has funded all investigation work at the Site and the extent of the pollutant plume in the soil and groundwater has not been completely delineated.

Discussion

The results from the latest investigatory work that was performed at the property (fourth quarter 2013) confirmed that PCE and TCE were present in the groundwater beneath the Site at concentrations up to 1,200 and 17 parts per billion, respectively. The California Department of Public Health has established maximum contaminant levels (MCLs) for both PCE and TCE of 5 parts per billion in drinking water.

The property overlies the Orange County Groundwater Management Zone, the beneficial uses of which include municipal supply, agricultural supply, industrial service supply and industrial process supply. The beneficial uses of the groundwater at the Site and adjacent properties have been impacted by the presence of high concentrations of PCE and TCE. In order to restore the beneficial uses of the groundwater, the full extent of contamination in the vicinity of the Site must be clearly delineated, followed by implementation of appropriate remedial action.

Additional soil and groundwater investigation will be necessary to fully define the lateral and vertical extent of impacts to the soil and groundwater at the Site. In addition, it will be necessary to conduct a human health risk assessment to evaluate the potential impacts that could result from the migration of VOC vapors, which are present in subsurface soil, into the indoor air of the occupied buildings and potential future buildings that may be constructed at the Site. Additionally, other potential exposure pathways should be considered in the risk assessment.

The Responsible Parties have caused waste to be discharged into the soil and into waters of the state and has created a condition of pollution and/or nuisance. As indicated above, there are a number of Responsible Parties and this Cleanup and Abatement Order holds all Responsible Parties individually and severally responsible for the investigation and cleanup of the Site.

The proposed Cleanup and Abatement Order is necessary to address a significant water quality and public health problem. The Order requires the Responsible Parties to complete the Site investigation, and remediate adverse impacts caused by the discharge of pollutants at the Site.

Recommendation

Staff recommends adoption of Cleanup and Abatement Order No. R8-2014-0040, as presented.

Attachments:

Proposed Cleanup and Abatement Order No. R8-2014-0040

Santa Ana Regional Water Quality Control Board

**HEARING PROCEDURE
FOR THE PROPOSED CLEANUP AND ABATEMENT ORDER
ORDER NO. R8-2014-0040**

Issued To
Atlantic Richfield Company;
Ericsson, Inc.;
Stephen D. Massman;
Rita J. Pynoos; and
Chapman University

For the investigation and remediation of discharges at:

The 8.4-acre parcels located at 200-296 W. Cypress Street; 235, 305, and 401 Maple Avenue; and related parcels in the City of Orange, California (the Site)

SCHEDULED FOR REGIONAL BOARD CONSIDERATION ON JULY 25, 2014

PLEASE READ THIS HEARING PROCEDURE CAREFULLY. FAILURE TO COMPLY WITH THE DEADLINES AND OTHER REQUIREMENTS CONTAINED HEREIN MAY RESULT IN THE EXCLUSION OF YOUR DOCUMENTS AND/OR TESTIMONY.

Background

On April 3, 2014, the Division Chief for the Santa Ana Regional Water Quality Control Board ("Regional Board") published a proposed Cleanup and Abatement Order, Order No. R8-2014-0040 (hereinafter "CAO") pursuant to California Water Code Section 13304 that would require that Atlantic Richfield Company, Ericsson, Inc., Stephen D. Massman, Rita J. Pynoos and Chapman University (hereinafter collectively referred to as the "Responsible Parties") to cleanup and abate waste discharged at the above-referenced Site located in the City of Orange, CA. A public hearing on the proposed CAO is scheduled for the July 25, 2014 Regional Board meeting.

From approximately 1922 to 1982, various predecessors, subsidiaries and successors of Anaconda Wire & Cable Company operated a wire manufacturing business at the Site. The entities that operated the wire manufacturing business at the Site were either merged with or purchased by Atlantic Richfield Company and/or Ericsson, Inc. In 1990, Stephen D. Massman and Rita Pynoos purchased the Site from Ericsson, Inc. and subsequently sold the property to Chapman University in 1998. Historical information provided to Regional Board staff by Chapman University, the current owner of the Site, indicates that various solvents and other chemicals might have been used at the Site during the wire manufacturing operations. Recent site investigations confirmed the presence of volatile organic compounds and other pollutants

in the soil and groundwater at the Site. There is no evidence to suggest that the pollutants found at the Site were used at the Site after 1982. Chapman University has voluntarily conducted site investigations and implemented limited remedial activities at the Site. These Site investigations indicate that significant quantities of volatile organic compounds and other pollutants are still present in the soil and groundwater at the Site. This CAO requires all entities that owned (or owns) the Site or operated businesses at the Site to participate in the cleanup and abatement of the pollutants found at the Site.

Purpose of Hearing

The purpose of the hearing is to consider relevant evidence and argument regarding the proposed CAO. At the hearing, the Regional Board will consider whether to adopt the CAO as proposed, amend the CAO or reject the CAO. The details of the public hearing are as follow:

Date: July 25, 2014
Time: 9:00 a.m. or as soon thereafter as practicable, or as announced in the Regional Board meeting agenda.
Location: City Council Chambers
City of Loma Linda
25541 Barton Road
Loma Linda, CA 92354

The Staff Report and an agenda for the meeting will be posted on the Regional Board's website at least ten days prior to the meeting at:

http://www.waterboards.ca.gov/santaana/board_info/agendas/index.shtml.

The agenda will include the final location, and the start time for the meeting. Since the exact start time for this item is unpredictable, all interested parties are urged to be present from the start of the Board meeting.

Hearing Procedures

The hearing will be conducted in accordance with this hearing procedure. A copy of the general procedures governing adjudicatory hearings before the Regional Board may be found at Title 23 of the California Code of Regulations, Section 648 et seq., and is available at <http://www.waterboards.ca.gov> or upon request. In accordance with Section 648, subdivision (d), any procedure not provided by this Hearing Procedure is deemed waived. Except as provided in Section 648 and herein, subdivision (b), Chapter 5 of the Administrative Procedures Act (commencing with Section 11500 of the Government Code) does not apply to this hearing.

Hearing Participants

Participants in this proceeding are designated as either "parties" or "interested persons." Designated parties to the hearing may present evidence and cross-examine witnesses and are subject to cross-examination. Interested persons generally may not submit evidence, cross-examine witnesses, or be subject to cross-examination, but may present policy statements. Policy statements may include comments on any aspect of the proceeding, but may not include

evidence (e.g., photographs, eye-witness testimony, monitoring data, etc.). Interested persons who would like to submit evidence may do so if the evidence is submitted in accordance with the procedures and deadlines for submitting evidence described below. Interested persons who present evidence may be subject to cross-examination. Both designated parties and interested persons may be asked to respond to clarifying questions from the Regional Board, staff or others, at the discretion of the Regional Board.

The following participants are hereby designated as parties in this proceeding:

- (1) Regional Board Prosecution Team (Represented by: Michael Adackapara (michael.adackapara@waterboards.ca.gov), Division Chief; Ann Sturdivant (ann.sturdivant@waterboards.ca.gov), Section Chief; Kamron Saremi (kamron.saremi@waterboards.ca.gov), Water Resource Control Engineer, and Julie Macedo (Julie.macedo@waterboards.ca.gov), Prosecution Team Attorney) Primary contact: Ann Sturdivant (ann.sturdivant@waterboards.ca.gov); Phone: 951-782-4904
- (2) Regional Board Advisory Team, advising the Regional Board on this matter: (Kurt Berchtold (kurt.berchtold@waterboards.ca.gov), Regional Board Executive Officer; and David Rice (david.rice@waterboards.ca.gov), Attorney for the Advisory Team). Primary Contact: David Rice (david.rice@waterboards.ca.gov); Phone: 916-341-5182
- (3) Atlantic Richfield Company, Responsible Party
Robert A. Malone, President; 333 S. Hope Street, Los Angeles, CA 90071
(phone: 213-486-3511)
- (4) Ericsson, Inc., Responsible Party
Hans Vestberg, CEO, President and Director; Torshamnsgatan 23; Kista, Stockholm, Stockholm County 164 83, Sweden (phone: 46-107-190-000)
(or)
Hans Vestberg, 6300 Legacy Drive, Plano, Texas, 75024 (phone: 972-583-0000)
- (5) Stephen D. Massman, Responsible Party
c/o Century Development Company; 361 N. Cannon Drive, Beverly Hills, CA 90210
- (6) Rita J. Pynoos, Responsible Party
455 N. Palm Drive, Apt 5, Beverly Hills, CA 90210
- (7) Chapman University, Responsible Party
Ms. Janine P. DuMontelle, Associate Vice President of Legal Affairs and University Counsel; 1 University Dr., Dept. 3707, Orange, CA 92866
Email: jpumont@chapman.edu

It is not necessary to request Designated Party status to identify counsel for each Responsible Party. Please provide counsel's information in an email to all parties, especially the Prosecution and Advisory Teams, in order to be copied on all future

emails, and such information will be included in the final Hearing Procedures issued by the Advisory Team on April 17, 2014.

Requesting Designated Party Status

See deadlines for requesting designated party status at the end of this Hearing Procedure.

Separation of Functions

To help ensure the fairness and impartiality of this proceeding, the functions of those who will act in a prosecutorial role by presenting evidence for consideration by the Regional Board (Prosecution Team) have been separated from those who will provide advice to the Regional Board (Advisory Team).

Any members of the Advisory Team who normally supervise any members of the Prosecution Team are not acting as their supervisors in this proceeding, and vice versa. Members of the Prosecution Team may have acted as advisors to the Regional Board in other, unrelated matters, but they are not advising the Regional Board in this proceeding. Members of the Prosecution Team have not had any ex parte communications with the members of the Regional Board or the Advisory Team regarding this proceeding.

Ex Parte Communications

The designated parties and interested persons are forbidden from engaging in ex parte communications regarding this matter with members of the Advisory Team or members of the Regional Board. An ex parte contact is any written or verbal communication pertaining to the investigation, preparation, or prosecution of the Complaint between a member of a designated party or interested person on the one hand, and a Regional Board member or an Advisory Team member on the other hand, unless the communication is copied to all other designated parties (if written) or made in a manner open to all other designated parties (if oral). Communications regarding non-controversial procedural matters are not ex parte contacts and are not restricted. Communications among one or more designated parties and interested persons themselves are not ex parte contacts.

Hearing Time Limits

Each Designated Party, including the Prosecution Team, shall have 20 minutes to present evidence, cross-examine witnesses (if warranted), and provide a closing statement; and each interested person shall have 3 minutes to present a non-evidentiary policy statement. Participants with similar interests or comments are requested to make joint presentations, and participants are requested to avoid redundant comments. Additional time may be allocated at the discretion of the Regional Board Chair. There are no length or size limits as to the written submissions any party can timely make, consistent with the evidentiary deadlines, as described below.

Submission of Evidence and Policy Statements

The following information must be submitted in advance of the hearing:

1. All evidence (other than witness testimony to be presented orally at the hearing) that the Designated Parties would like the Regional Board to consider. Evidence and exhibits already in the public files of the Regional Board may be submitted by reference as long as the exhibits and their location are clearly identified in accordance with Title 23, CCR, Section 648.3.
2. All legal and technical arguments or analysis.
3. The name of each witness, if any, whom the designated party intends to call at the hearing, the subject of each witness' proposed testimony, and the estimated time required by each witness to present direct testimony.
4. The qualifications of each expert witness, if any.

The deadlines for submission of evidence and policy statements are specified at the end of this Hearing Procedure. These documents may be submitted electronically to David Rice with copies to all designated parties. If hard copies are submitted, 15 copies should be submitted to David Rice (at the Regional Board address) with a copy to all other designated parties. The Prosecution Team will accept documents electronically.

Surprise Testimony and Evidence

In accordance with Title 23, California Code of Regulations, Section 648.4, the Regional Board endeavors to avoid surprise testimony or evidence. Absent a showing of good cause and lack of prejudice to the parties, the Regional Board may exclude evidence and testimony that is not submitted in accordance with this hearing procedure. Excluded evidence and testimony will not be considered by the Regional Board and will not be included in the administrative record for this proceeding. Power Point and other visual presentations may be used at the hearing, but their content may not exceed the scope of other submitted written material

Request for Pre-hearing Conference

A designated party may request that a pre-hearing conference be held before the hearing in accordance with Water Code Section 13228.15. A pre-hearing conference may address any of the matters described in subdivision (b) of Government Code Section 11511.5. Requests must contain a description of the issues proposed to be discussed during that conference, and must be submitted to the Prosecution Team, with a copy to all other designated parties, as early as practicable.

Evidentiary Objections

Any designated party objecting to written evidence or exhibits submitted by another designated party must submit a written objection to the Advisory Team and all other designated parties so that it is received by the deadline prescribed at the end of this Hearing Procedure. The Advisory Team will notify the parties about further action to be taken on such objections and when that action will be taken.

Evidentiary Documents and File

The CAO and evidentiary documents submitted in accordance with this Hearing Procedure shall be considered part of the administrative record for this matter and may be inspected or copied at the Regional Board office at 3737 Main Street, Suite 500, Riverside, CA 92501 by contacting August Carter (email: august.carter@waterboards.ca.gov; phone: 951-782-7961). Other

submittals received for this proceeding will be added to the administrative record absent a contrary ruling by the Regional Board Chair. Many of these documents are also posted on-line at: http://www.waterboards.ca.gov/santaana/public_notices/enforcement_actions.shtml.

Although the web page is updated regularly, to assure access to the latest information, you may contact Ann Sturdivant (ann.sturdivant@waterboards.ca.gov).

Questions

Questions concerning this proceeding may be addressed to the Advisory Team Attorney David Rice (david.rice@waterboards.ca.gov).

IMPORTANT DEADLINES

(Even though the primary contact is indicated below, all designated parties should be copied on all correspondence related to the proposed CAO)

- | | |
|----------------|--|
| April 3, 2014 | Prosecution Team issues proposed Cleanup and Abatement Order, Proposed Hearing Procedure and publishes Public Notice (Contact: Ann Sturdivant) |
| April 10, 2014 | Deadline for objections, if any, to proposed Hearing Procedure (Contact: David Rice) |
| April 10, 2014 | Deadline for requests for designated party status (Contact: David Rice) |
| April 17, 2014 | Advisory Team issues decision on Hearing Procedure Objections; Hearing Procedure becomes final (Contact: David Rice) |
| April 24, 2014 | Deadline for opposition to requests for designated party status (Contact: David Rice) |
| April 30, 2014 | Advisory Team issues decision on requests for designated party status, if any (Contact: David Rice) |
| June 9, 2014 | Prosecution Team's deadline for submission of all information required under "Submission of Evidence and Policy Statements" (Contact: Ann Sturdivant. All hard copies of documents should be submitted to the Regional Board office with a copy each to all other designated parties.) |
| June 16, 2014 | All designated parties' and interested persons, other than the Prosecution Team's, deadline for submission of all information required under "Submission of Evidence and Policy Statements" (Contact: David Rice. All hard copies of documents should be submitted to the Regional Board office with a copy each to all other designated parties.) |

- June 16, 2014 Deadline for requests of additional time for presentation at the hearing (Contact: David Rice)
- July 1, 2014 Prosecution Teams' deadline for rebuttal information (Contact: Julie Macedo)
- July 7, 2014 All designated parties' and interested person deadline for evidentiary objections, if any (Contact: David Rice)
- July 16, 2014 Deadline for submission of hearing presentation material (Contact: David Rice)
- July 25, 2014 Public Hearing (Contact: Ann Sturdivant)

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