STATE OF CALIFORNIA
STATE WATER RESOURCES CONTROL BOARD

In re:
JULY 30, 2009 CALIFORNIA WATER CODE
SECTION 13267 ORDER

Case No. ____________________

PETITION FOR REVIEW

Petitioner Watch Holdings, LLC ("Petitioner") submits this Petition for Review of the July 30, 2009 California Water Code 13267 Order (attached as Exhibit A) issued by the Regional Water Quality Control Board, Los Angeles Region ("Water Board"). This Petition for Review is filed in accordance with Section 13320 of the California Water Code and Section 2050 of Title 23 of the California Code of Regulations.

Petitioner provides the following information in support of its Petition as required by Section 2050 of Title 23 of the California Code of Regulations:

1. Petitioner is Watch Holdings, LLC. Petitioner’s address is 16479 Dallas Parkway, Suite 600, Addison, Texas 75001, and its telephone number is (972) 728-7606.

Petitioner requests that all communications be directed through its counsel, as identified in the caption of this Petition.

2. Petitioner requests that the State Water Resources Control Board ("State Board") review the above-referenced July 30, 2009 Order. Petitioner requests that the State Board hold this Petition in abeyance pursuant to State Board practice.
3. The Water Board, through its Executive Officer, Tracy Egoscue, issued the Order on July 30, 2009.

4. In the event this Petition is made active, Petitioner will submit as an amendment to this Petition a full and complete statement of reasons that the July 30, 2009 Order was inappropriate and improper.

5. Petitioner is aggrieved because Petitioner has engaged in significant work at the 11120, 11160 and 11200 Hindry Avenue properties, and is being asked to undertake substantial additional work even though Petitioner is at most secondarily liable for alleged discharges at the property and believes it should be delisted and removed from the site. In addition, Petitioner is already subject to an existing Water Board Section 13267 Order, and for that among other reasons has asked the Water Board to rescind the July 30, 2009 Order by Letter dated August 10, 2009 (attached as Exhibit B). In the event this Petition is made active, Petitioner will submit as an amendment to this Petition a full and complete statement of the manner in which Petitioner is aggrieved.

6. Petitioner requests that the State Board set aside the July 30, 2009 Order or that the State Board direct the Water Board to set aside the Order.

7. In the event this Petition is made active, Petitioner will submit as an amendment to this Petition a complete statement of points and authorities in support of the legal issues raised in this Petition.

8. A copy of this Petition for Review and the attached Exhibit A has been sent to the Water Board and the other interested parties (see Exhibit C).

9. In the event this Petition is made active, Petitioner will submit as an amendment to this Petition a copy of its request to the Water Board for preparation of the Water Board’s administrative record concerning this matter.

10. In the event this Petition is made active, Petitioner will submit as an amendment to this Petition a statement that the substantive issues and objections raised in this Petition were either raised before the Water Board or an explanation of why Petitioner was not required or were unable to raise the substantive issues and objections before the Water Board.
11. Petitioner requests that the State Board hold a hearing at which Petitioner can present additional evidence to the State Board. In the event this Petition is made active, Petitioner will submit as an amendment to this Petition a statement regarding that additional evidence and a summary of contentions to be addressed or evidence to be introduced and a showing of why the contentions or evidence have not been previously or adequately presented, as required under 23 Cal. Code Regs. § 2050.6(a), (b).

For all the reasons stated herein, Petitioner requests that the State Board set aside the Water Board's July 30, 2009 Order or direct the Water Board to set aside the Order.

DATED: August 31, 2009

Respectfully submitted,

FARELLA BRAUN & MARTEL LLP

By: [Signature]

Robert L. Hines

Attorneys for Petitioner
WATCH HOLDINGS, LLC
July 30, 2009

Mr. Raymond Pomeroy  
Watch Holdings, LLC  
901 Main Avenue  
Norwalk, CT 06851-1168

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
7009 0820 0001 6811 7608

CALIFORNIA WATER CODE SECTION 13267 ORDER: REQUIRING SUBMITTAL OF TECHNICAL REPORTS TO INVESTIGATE THE EXTENT OF GROUNDWATER CONTAMINATION - WATCH HOLDINGS, LLC'S PROPERTY, 11120, 11160 AND 11200 HINDRY AVENUE, LOS ANGELES, CALIFORNIA (SCP NO. 1125A, SITE ID NO. 2040232)

Dear Mr. Pomeroy:

The California Regional Water Quality Control Board, Los Angeles Region (Regional Board) is the State regulatory agency responsible for protecting water quality in Los Angeles and Ventura Counties. To accomplish this, the Regional Board issues investigative orders authorized by the California Porter-Cologne Water Quality Control Act (California Water Code [CWC], Division 7). Enclosed is a Regional Board Order (Order) requiring submittal of technical reports pursuant to CWC Section 13267. The Order is a response to the Additional Soil Vapor, Soil, and Groundwater Investigation Report (Report) dated February 9, 2009, prepared and submitted by Bureau Veritas North America, Inc on your behalf. The Order requires submittal of technical reports for the lateral and vertical delineation of impacted groundwater beneath and in the immediate vicinity of the site to the south and southwest.

The data presented in the Report indicates possible releases of 1,2-Dichloroethane (1,2-DCA) in an area located at the south and southeast portion of the site. Due to groundwater being impacted with 1,2-DCA at concentrations up to 2,420 micrograms per liter (µg/L), which is above its California Drinking Water Maximum Contaminant Level of 0.5 µg/L, further delineation is necessary. You are required to comply with the Order to adequately assess groundwater contamination emanating from the referenced site.

If you have any questions regarding this Order, please contact me at (213) 576-6667 or lchangkuon@waterboards.ca.gov.

Sincerely,

[Signature]

Luis Changkuon  
Engineering Geologist  
Site Cleanup I Unit

Enclosure:  Regional Board CWC Section 13267 Order dated July 30, 2009

cc: See Next Page

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California Environmental Protection Agency

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Our mission is to preserve and enhance the quality of California's water resources for the benefit of present and future generations.
REQUIRING SUBMITTAL OF TECHNICAL REPORTS
(CALIFORNIA WATER CODE SECTION 13267 ORDER)

WATCH HOLDINGS, LLC'S PROPERTY
11120, 11160 AND 11200 HINDRY AVENUE, LOS ANGELES, CALIFORNIA
(SCP NO. 1125A, SITE ID NO. 2040232)

You are legally obligated to respond to this Order. Please read this carefully.

Pursuant to section 13267(b) of the California Water Code (CWC), you are hereby directed to define the extent of groundwater contamination encountered at the subject site and submit the following:

1. By November 20, 2009, you are required to prepare and submit a workplan for our review and approval for the lateral and vertical delineation of volatile organic compounds (VOCs) impacted groundwater on and off site. Following the approval of the required workplan, additional groundwater investigation(s) shall be conducted until the lateral and vertical extents of the subsurface contamination originating from the site are fully defined.

2. A report or reports documenting the results of the required groundwater investigation(s) shall be submitted by the due date(s) specified in future amendments to this Order and in the workplan approval or report review comment letter(s) from the Los Angeles Regional Water Quality Control Board (Regional Board).

Pursuant to section 13268(b)(1) of the CWC, failure to submit the required technical reports by the specified due dates, may result in the imposition of civil liability penalties by the Regional Board, without further warning, of up to $1,000 per day for each day each report is not received.

The Regional Board needs the required information in order to determine the lateral and vertical impact to groundwater from suspected releases of VOCs at the site. You are being required to submit the required documents based on the following justifications:

a. Regional Board staff have reviewed the February 9, 2009, Additional Soil Vapor, Soil, and Groundwater Investigation Report (Report), prepared and submitted by Bureau Veritas North America, Inc., for the referenced site. The Report presents the results of a soil vapor, soil, and groundwater investigation conducted in October and November 2008 at the referenced site. Soil vapor samples were collected from 26 locations at approximately 5, 20, and 40 feet below ground surface (bgs). Soil matrix samples were collected from 15 locations at approximately 2, 5, 10, 20, 30, and 40 feet bgs. Groundwater samples were collected from 16 locations at two zones (A1 and A2), approximately 55 and 65 feet bgs. All samples were analyzed for VOCs.

b. The Report indicates that 1,2-dichloroethane (1,2-DCA) was detected in soil vapor at concentrations up to 4,130, 1,710, and 13,200 micrograms per cubic meter (µg/m³) at approximately 5, 20, and 40 feet bgs, respectively; in soil at concentrations up to 116 micrograms per kilogram (µg/kg) at approximately 40 feet bgs; and in groundwater at concentrations up to 2,420 micrograms per liter (µg/L) in the A1 zone, and 730 µg/L in the A2 zone.
c. The configurations of 1,2-DCA contaminated soil vapor, soil matrix, and groundwater beneath the south and southeast portion of the site indicate possible releases of 1,2-DCA at the site, which is considered a potential source to further impact to groundwater resource beneath the site and site vicinity.

d. 1,2-DCA was detected at concentrations up to 2,420 µg/L in groundwater samples collected from the hydropunch borings located at the southern edge of the site. This further indicates that the lateral extent of impacted groundwater has not been delineated to the south of the site (off site).

e. 1,2-DCA was detected at concentrations up to 730 µg/L in groundwater samples collected at the deepest investigated depth of approximately 65 feet bgs from the hydropunch borings located at the south edge of the site. This further indicates that the vertical extent of impacted groundwater has not been delineated both on site and off site to the south and southwest.

We believe that the burdens, including costs, of these reports bear a reasonable relationship to the need for the reports and the benefits to be obtained from the reports. If you disagree and have information about the burdens, including costs, of complying with these requirements, provide such information to Mr. Luis Changkuon within ten days of the date of this Order so that we may reconsider the requirements.

Any person aggrieved by this action of the Regional Water Board may petition the State Water Board to review the action in accordance with Water Code section 13320 and California Code of Regulations, title 23, sections 2050 and following. The State Water Board must receive the petition by 5:00 p.m., 30 days after the date of this Order, except that if the thirtieth day following the date of this Order falls on a Saturday, Sunday, or state holiday, the petition must be received by the State Water Board by 5:00 p.m. on the next business day. Copies of the law and regulations applicable to filing petitions may be found on the Internet at: http://www.waterboards.ca.gov/public_notices/petitions/water_quality or will be provided upon request.

SO ORDERED,

[Signature]
Tracy I. Egoscue
Executive Officer

July 30, 2009
August 10, 2009

Via Email (pdf) and Federal Express

Mr. Luis Changkuon
Engineering Geologist
Site Cleanup I Unit
Regional Water Quality Control Board
Los Angeles Region
320 W. 4th Street, Suite 200
Los Angeles, CA 90013

Re: California Water Code Section 13267 Order -- Watch Holding LLC Property 11120, 11160 and 11200 Hindry Ave., Los Angeles (SCP No. 1125A, Site ID No. 2040232)

Dear Mr. Changkuon:

On behalf of Watch Holdings LLC ("Watch Holdings"), this letter accompanies a copy of August 10, 2009 correspondence prepared by Bureau Veritas North America, Inc. ("Bureau Veritas"). Watch Holdings has prepared this submittal to provide information to the Regional Water Quality Control Board, Los Angeles Region ("Water Board") so that the Water Board may reconsider the issuance to Watch Holdings of the July 30, 2009 Water Code Section 13267 Order ("13267 Order"), and rescind, or withdraw, that Order.

Watch Holdings does not believe that the burdens, including costs, of the 13267 Order and requested workplan bear a reasonable relationship to the need for the workplan and associated activities and any benefits to be obtained. As set forth in more detail in the August 10, 2009 letter from Bureau Veritas, Watch Holdings asks that the Water Board reconsider the issuance of the Order and rescind its requirements because:

1. Insufficient evidence exists that the 11120, 11160 and 11200 Hindry Ave. property (the "Site") is a source of 1, 2-DCA, or that such contamination originates from the Site.

2. Analytical data suggests that the source of 1, 2-DCA may arise from historic activities on or in the vicinity of the 11220 Hindry Avenue property to the south.
3. The Site is already the subject of an existing RWQCB 13267 Order, issued to Raytheon Company ("Raytheon") and Watch Holdings on December 7, 2005, and Raytheon and Watch Holdings have to date coordinated and continue to coordinate their activities to investigate the Site under that existing Order.

To the extent the Water Board and staff desire further information concerning properties to the south of the Site, the Water Board should, as suggested in the attached letter, seek that information from past and current property owners of 11220 Hindry Avenue, and/or properties in the vicinity. We appreciate the Water Board’s careful consideration of our request, and look forward to hearing from you.

Sincerely,

Robert L. Hines

RLH:crm
Enclosure

(via email/pdf w/enclosure)

cc: Jeffrey Axelrod, Raytheon Company
    Gregg Taylor, Raytheon Company
    Paul Parmentier/Wes Hawthorne, Locus Technologies
    Raymond Pomeroy, Watch Holdings LLC
    Timothy Bodkin, Bureau Veritas North America, Inc.
    Roger Holt, Greenberg Glusker Fields Claman Machtinger Kinsella LLP
    Brett H. Oberst, Gibson, Dunn & Crutcher, LLP
    Lynn Robey, 11105 La Cienega Properties
    Ben Squire, 111000 Hindry LLC
August 10, 2009

Mr. Luis Changkuon
REGIONAL WATER QUALITY CONTROL BOARD
Los Angeles Region
320 West 4th Street, Suite 200
Los Angeles, CA 90013-2343

Bureau Veritas Project No. 33108-008240.01

Subject: Response to RWQCB CWC Section 13267 Order
11120, 11160 and 11200 Hindry Avenue
Los Angeles, CA
SLIC Case No. 1125A, Site ID No. 2040232

Dear Mr. Changkuon:

On behalf of Watch Holdings LLC (Watch Holdings), Bureau Veritas North America, Inc. (Bureau Veritas) provides this response and additional information to the Regional Water Quality Control Board (RWQCB) California Water Code 13267 Order (the 13267 Order) dated July 30, 2009 regarding the above property (the Site). The 13267 Order requires that Watch Holdings (1) by November 20, 2009 submit a workplan to delineate volatile organic compound (VOC) impacted groundwater on and off site (to the south and southwest of the Site), and (2) document the results of the required groundwater investigations consistent with future RWQCB amendments to the 13267 Order. This letter has been prepared consistent with the RWQCB’s request for information such that the RWQCB will revisit the issuance of the 13267 Order and reconsider the requirements of the Order being solely imposed on Watch Holdings. More specifically, and as set forth below, Watch Holdings believes that the burdens, including costs, of the RWQCB-required activities do not bear a reasonable relationship “to the need for the reports and the benefits to be obtained from the reports.”

The additional investigation as required by the 13267 Order is neither beneficial, nor necessary, based on the following:

1. There is insufficient evidence, as suggested by the 13267 Order, that the Site is a source of 1,2-dichloroethane (1,2-DCA), or that such contamination originates from the Site. Chemicals known to have been used during past Site operations (limited to 1,1,1-trichloroethane, Freon, methyl ethyl ketone and isopropyl alcohol) have not been identified in sampled media analyzed to date.

Bureau Veritas North America, Inc.
Health, Safety, and Environmental Services
2430 Camino Ramon, Suite 122
San Ramon, CA 94583

Main: (925) 426.2600
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www.us.bureauveritas.com
2. Analytical data collected to date suggests that the source of 1,2 DCA may arise from historic activities on or in the vicinity of the 11220 Hindry Avenue property to the south. Rather than issue a new, duplicative 13267 Order to Watch Holdings, the RWQCB should instead request information from the 11220 Hindry Avenue property owner (and/or others to the south) to gather information necessary to assist in making a determination of potential source areas. To date, we are not aware of information or for example Environmental Site Assessments having been gathered or performed to assess current or historical chemical storage use(s) or disposal at 11220 Hindry Avenue, or other properties to the south.

3. The Site is already subject to an existing RWQCB 13267 Order: the RWQCB's December 5, 2005 13267 letter Order directive. Watch Holdings believes that the newly-issued 13267 Order is inconsistent with, duplicative of, and potentially disruptive to, the ongoing process (in which Watch Holdings already participates).¹

Watch Holdings has been fully cooperative with all requests made by the RWQCB and in coordination with Raytheon Company, has exhaustively investigated the Site. And in the context of existing December 7, 2005 RWQCB 13267 letter Order directive, Watch Holdings will continue to participate in further Site, and as appropriate, off site, investigation. Watch Holdings should not be burdened with the sole responsibility and cost of this additional investigation and the RWQCB should rescind the July 30, 2009 13267 Order. This result is especially appropriate in light of the data gaps that exist with respect to 11220 Hindry Avenue and other areas to the south.

Since 2002, numerous investigations and groundwater monitoring activities have been performed at the Site and in off site areas. Based on the substantial quantity of data generated to date, no sources for the trichloroethene (TCE) and 1,2-DCA have been identified at the Site. A source for the TCE was identified at the 11101/11105 La Cienega property northeast of the Site, as presented in Locus’ Conceptual Site Model (dated January 15, 2009).

Bureau Veritas’ Additional Soil Vapor, Soil, and Groundwater Investigation Report (dated February 9, 2009) included results from several exploratory borings across the Site. Numerous soil vapor, soil, and groundwater samples were obtained and chemically analyzed to further and adequately define subsurface conditions, and to determine if a source of 1,2-DCA exists at the Site. A large number of the borings were advanced within “suspected source areas” for the TCE and 1,2-DCA, which include the northeast portion of the Site and the southeast corner of the 11200 Hindry Avenue building, respectively.

¹ For example, Locus Technologies (Locus), on behalf of Raytheon Company (“Raytheon”) and Watch Holdings, has defined (or is in the process of further work to define) the lateral extent of 1,2-DCA contamination to the north, east, west, and southwest of the Site as a result of continuing investigation and ongoing groundwater monitoring being conducted pursuant to the RWQCB’s December 7, 2005 13267 letter Order.
Around the 11200 Hindry Avenue building, soil analytical data showed only isolated, low concentrations of TCE and 1,2-DCA, primarily near the groundwater surface. TCE and 1,2-DCA detections in soil exhibit a similar pattern of haphazard detections; these are however more likely attributable to groundwater impacts and vapor phase deposition within preferential pathways, and not indicative of an on site source. Soil vapor analytical data showed lower 1,2-DCA concentrations around the “suspected source area” at the 11200 Hindry Avenue building and higher 1,2-DCA concentrations at the south property boundary. Grab groundwater analytical data showed no 1,2-DCA concentrations at the “suspected source area” at the 11200 Hindry Avenue building, nor was 1,2-DCA detected in groundwater samples from the vicinity of borings advanced along the south property boundary. This coincidence of high 1,2-DCA concentrations in soil vapor and groundwater along the south property boundary suggests a potential off site source to the south.

Recent groundwater analytical results from Locus’ Well Replacement and Additional Subsurface Investigation and Semi-Annual Groundwater Monitoring also showed the highest concentrations for 1,2-DCA in a newly-installed, nested monitoring well (MW-27A1/A2) along the south property boundary. Collectively, Bureau Veritas and Locus’ recent groundwater analytical data, including Locus’ isoconcentration contours for 1,2-DCA in groundwater, does not establish that a source for 1,2-DCA exists at the Site. In addition, Locus recently completed the monitoring of nested Wells MW-22A1/A2 and MW-23A1/A2, both located along Hindry Avenue, which delineated the extent of 1,2-DCA downgradient to the southwest. Groundwater analytical results for Well MW-3B1/B2, which lies along the south side of the 11200 Hindry Avenue building at the Site, show that the vertical extent of 1,2-DCA impacted groundwater has been apparently defined. Based on their recent well installation program and monitoring data, Locus also envisions the need for additional investigation at the 11220 Hindry Avenue property, along the same lines suggested above.

In summary, the data does not establish the existence of a source of 1,2-DCA at the southern end of the Site. In addition, the data suggests that a source for the 1,2-DCA may be present at 11220 Hindry Avenue. It is therefore more appropriate for the RWQCB to gather information directly from current and former owners and operators at the 11220 Hindry Avenue property to better assess and possibly identify a source (or sources) of the 1,2-DCA. Among other things, the RWQCB could request that the property owner of 11220 Hindry Avenue conduct an Environmental Site Assessment (ESA) in accordance with ASTM Designation: E 1527-05 Standard Practice for ESAs: Phase I ESA Process, to identify areas of potential concern. Such a step should be taken well in advance of parties being required to perform additional subsurface work to the south. Additional site-specific information regarding 11220 Hindry Avenue will support an appropriate, systematic, and logical investigative approach to locating the source of 1,2-DCA.
Mr. Luis Changkuon  
REGIONAL WATER QUALITY CONTROL BOARD  
August 10, 2009  

On behalf of Watch Holdings, Bureau Veritas looks forward to the RWQCB's response to this letter and reconsideration of the requirements in the 13267 Order. If you have any questions or comments regarding this letter, please do not hesitate to contact me at (925) 426-2626 or at timothy.bodkin@us.bureauveritas.com.

Sincerely,

[Signature]

Timothy G. Bodkin, C.E.G., R.E.A. II  
Senior Project Manager  
Health, Safety, and Environmental Services  

cc: Raymond Pomeroy, Watch Holdings LLC  
    Robert Hines, Farella Braun & Martel LLP  
    Jeffrey Axelrod, Raytheon Company  
    Greg Taylor, Raytheon Company  
    Daniel Samorano, Raytheon Company  
    Wes Hawthorne, Locus Technologies  
    Roger Holt, Greenberg Glusker Fields Claman Machtinger Kinsella LLP  
    Brett H. Oberst, Gibson, Dunn & Crutcher, LLP  
    Lynn Robey, 11105 La Cienega Properties  
    Ben Squire, 11100 Hindry LLC
August 31, 2009

Via Federal Express

Tracy I. Egoscue
Executive Officer
California Regional Water Quality Control Board
Los Angeles Region
320 W. 4th Street, Suite 200
Los Angeles, CA 90013

Re: July 30, 2009 California Water Code Section 13267 Order
Watch Holdings, LLC Property -- 11120, 11160 and 11200 Hindry Ave., Los Angeles (SCP No. 1125A, Site ID No. 2040232)

Dear Ms. Egoscue:

Enclosed please find a copy of Watch Holdings, LLC’s Petition for Review of the Water Board’s California Water Code Section 13267 Order dated July 30, 2009. We have transmitted the original Petition and exhibits today to the State Water Resources Control Board for timely filing.

We are filing this protective petition to meet California Water Code requirements. We look forward to working with Water Board staff to resolve Watch Holdings’ concerns regarding the July 30, 2009 Order. Thank you.

Sincerely,

[Signature]

Robert L. Hines

RLH:crm
Enclosure

(via email/pdf)

cc: Luis Changkuon, RWQCB - LA Region
Jeffrey Axelrod, Raytheon Company
Gregg Taylor, Raytheon Company
Paul Parmentier/Wes Hawthorne, Locus Technologies
Raymond Pomeroy, Watch Holdings LLC
Timothy Bodkin, Bureau Veritas North America, Inc.
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