



Los Angeles Regional Water Quality Control Board

October 9, 2023

Sonja A. Inglin
Cermak & Inglin LLP
12121 Wilshire Blvd., Suite 322
Los Angeles, CA 90025

VIA EMAIL ONLY

**SUBJECT: LOS ANGELES REGIONAL WATER QUALITY CONTROL BOARD
CLEANUP AND ABATEMENT ORDER NO. R4-2021-0079 DATED JUNE
18, 2021**

**SITE: SKYPARK COMMERCIAL PROPERTIES (ASSESSOR PARCEL NO.
7377-006-906), 24701 – 24777 CRENSHAW BOULEVARD AND 2530,
2540, AND 2600 SKYPARK DRIVE, TORRANCE, CALIFORNIA (SCP
NO. 1499; GLOBAL ID NO. T10000014333)**

Dear Ms Inglin:

This letter addresses future obligations of Esterline Technologies Corporation (“Esterline”) under Cleanup and Abatement Order No. R4-2021-0079 dated June 18, 2021 issued by the Los Angeles Regional Water Quality Control Board (“Regional Board”), as it may be modified or amended (“Order”) and the Skypark Commercial Properties Site (“Site”).

Esterline was named in the Order with respect to operations of a former subsidiary at 24751 and 24777 Crenshaw Boulevard, Torrance, California, referred to in the Order as Property 1 and with boundaries depicted on Figure 2 to the Order. As referenced herein, “Esterline” refers to Esterline Corporation; Excellon Industries, an Esterline Company, also known as Excellon Industries, Inc.; Excellon Automation Company; EA Technologies Corporation; Excellon Acquisitions, LLC; and Excellon Technologies, LLC, as each of those entities is described in Order No. R4-2021-0079.

The City of Torrance (“City”) is also named in the Order (but only in its capacity as the current owner of Properties 1, 2 and 3, and the Hi-Shear Property), as are other parties, including Magellan Aerospace, Middletown, Inc., who is identified as a discharger with respect to operations on Property 1 and on Property 2 (as depicted on Figure 2 to the Order). Property 1 is located east of the property referred to in the Order as the Hi-Shear Property.

NORMA CAMACHO, CHAIR | SUSANA ARREDONDO, EXECUTIVE OFFICER

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Absent a Trigger Event (as that term is defined below), the Regional Board will look to the appropriate parties named in the Order, other than Esterline, to comply with the requirements contained in the Order and to pay or fund any Regional Board response or corrective action costs, including oversight costs related to the Site. The Regional Board will do so, in light of the following facts and circumstances:

- The City has brought a lawsuit entitled *City of Torrance v. Hi-Shear Corporation, etc. et al*, United States District Court for the Central District of California Case No. 2:17-CV-07732-FWS-JPR (the "Litigation"). In the Litigation, the City seeks, among other relief, the recovery of response costs, and declaratory relief, for the investigation and remediation of the Site. Esterline and others named in the Order are named as parties to the Litigation, which is scheduled for trial in June 2024.
- In connection with the Order and in the Litigation, Esterline disputes it has any liability for the activities of its former subsidiary associated with Property 1.
- The Regional Board has been informed that Esterline, in order to resolve claims against it in the Litigation, and to avoid the further litigation costs associated with the Litigation, has entered into a settlement with the City ("Settlement"). Pursuant to the terms of the Settlement, Esterline will pay the City the sum of \$2.5 million, with the settlement funds to be placed in an account established by the City called the "EA Properties Remediation Account," which is to be exclusively used to fund the following activities (collectively, "EA Properties Remedial Work"): (1) any investigation, assessment, mitigation and/or removal or remedial work, inclusive of any interim remedial work, to address the Contamination within and/or migrating from the EA Properties; (2) any final remedy approved by the Regional Board under the Order; (3) any other activities related to the foregoing, as may be necessary or required under the Order; and (4) the administration and/or oversight of the aforementioned work and the EA Properties Remediation Account itself.
- The Settlement will be the subject of a good faith settlement motion in the Litigation, whereby the United States District Court is to determine, among other issues, whether the settlement terms are fair and reasonable, whether the settlement was entered into in good faith, and whether it bars pending and future claims against Esterline related to the Site (a "Good Faith/Bar Motion").
- The commitments provided by the Regional Board in this letter will not take effect until all of the following has occurred: (1) the United States District Court enters an order granting the Good Faith Motion and that order has become final and is no longer subject to appeal; (2) Esterline has paid the \$2.5 million settlement amount to the City; and (3) the City has deposited the settlement amount into the EA Properties Remediation Account.

For purposes of this letter, a “Trigger Event” means the issuance by the Regional Board of a notice of violation or other formal enforcement action taken by the Regional Board against one or more of the other parties named in the Order, that is specific to the investigation and remediation of conditions on or migrating from Property 1, and resulting from such party’s or parties’ material and continuing failure to comply with requirements under the Order specific to the investigation and remediation of Contaminants (as defined in the Order) on or migrating from Property 1. The determination as to whether a failure to comply is material and continuing shall be within the Regional Board’s sole and absolute discretion.

Should such a notice of violation or other formal enforcement action be withdrawn or resolved, Esterline may then again rely on the terms of this letter with respect to its obligations under the Order. The scope of any obligations of Esterline following a Trigger Event shall be limited to those specifically related to investigation and remediation of conditions on Property 1 associated with operations of Esterline’s former subsidiary on Property 1 as to which Esterline is determined to be legally responsible.

The Regional Board acknowledges that Esterline reserves all of its respective defenses to the Order, including those based on its petition for review of the Order filed with the State Water Resources Control Board (“State Board”) and which is currently being held in abeyance by the State Board.

Sincerely,

for Susana Arrendondo
Executive Officer

cc (via email):

Dmitriy Ginzburg, State Water Board Division of Drinking Water
Joseph Liles, Water Replenishment District
Carla Dillon, City of Lomita
Ryan Smoot, City of Lomita
Trevor Rusin, City of Lomita
Christian Darville, LISI Group
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