



NEWS RELEASE

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APPELLATE COURT AFFIRMS OCWD'S RIGHT TO PROTECT GROUNDWATER BASIN FROM CONTAMINATION

FOUNTAIN VALLEY, Calif. (August 9, 2017) - The California Fourth Appellate District Court of Appeal (the Court) recently reaffirmed the authority of the Orange County Water District (OCWD; the District) to voluntarily investigate and remediate contamination in the southern portion (South Basin) of the Orange County Groundwater Basin and recover costs for these efforts. The ruling in *OCWD v. Sabic Innovative Plastics US, LLC et al.* restored four out of five OCWD causes of action and reversed all trial court summary judgments that had been granted to 22 defendants, allowing OCWD to now have its day in court.

In particular, the Court held that OCWD does have standing to pursue a claim for its response costs under the Hazardous Substance Account Act and that the District's Act allows OCWD to recover both investigation and clean-up costs from responsible parties.

The Court's latest ruling comes on the heels of another appellate court decision recently issued relating to OCWD's efforts to remediate contamination in the northern portion (North Basin) of the Orange County Groundwater Basin. In the North Basin appeals, the Court also affirmed OCWD's right to recover its remediation and response costs and reversed a judgment that previously favored the principal defendant, Northrop Grumman Systems Corporation.

Together, the South and North Basin rulings not only validate the District's right to reimbursement, but they also clarify the legal standards that trial courts will use to determine which parties are responsible for groundwater contamination. "This is a landmark step in preserving and protecting precious groundwater resources not only in Orange County, but throughout California," stated OCWD President Denis Bilodeau.

"This is just another phase in the long and difficult battle with responsible parties," added Bilodeau. "Despite this positive ruling, there is still a lot of work to be done. OCWD is committed to implementing a cost-effective solution to eliminate groundwater contamination and protect the long-term health and viability of the Orange County Groundwater Basin."

OCWD is proceeding with the remedial investigation and feasibility studies of both South and North Basin on a technical path independent of the legal effort. The District has voluntarily taken early action to capture contamination that has the potential to spread deeper into the groundwater basin. An initial pumping well in North Basin, referred to as EW-1, will be operational in late summer. In South Basin, the formal process of selecting a groundwater remedy will follow the completion of the remedial investigation and feasibility study currently being performed. That study is expected to be completed in late 2018.

"The cost of investigation and remediation of both sites are significant. OCWD will continue to participate in a multipart cleanup strategy, including legal remedies, if necessary, to protect residents and businesses from full exposure to that

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financial liability. However, it is our hope that those responsible for the problem will step away from litigation and work toward implementing a groundwater cleanup in collaboration with OCWD for the benefit of the environment and for the protection of our region's most precious natural resource," stated Bilodeau.

The contamination consists of industrial solvents, referred to as volatile organic compounds (VOCs), which spilled into the ground from industrial/manufacturing activities. Stringent and ongoing testing by OCWD from hundreds of monitoring wells and all drinking water wells assures that drinking water meets or exceeds state and federal drinking water standards. To date, one South Basin drinking water well and four in the North Basin area have been removed from service. If not remediated, the contamination could spread and impact other parts of the Orange County Groundwater Basin, which 19 cities rely on for 75 percent of their water demands.

For more information about OCWD, visit www.ocwd.com. For more information about OCWD's cleanup efforts, visit <https://www.ocwd.com/what-we-do/water-quality/groundwater-cleanup/>.

About Orange County Water District (OCWD)

The Orange County Water District is committed to enhancing Orange County's groundwater quality and reliability in an environmentally friendly and economical manner. The following cities rely on the groundwater basin, managed by OCWD, to provide 75 percent of their water demands: Anaheim, Buena Park, Costa Mesa, Cypress, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Irvine, La Palma, Los Alamitos, Newport Beach, Orange, Placentia, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster and Yorba Linda.

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