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Via E-Mail (commentletters@waterboards.ca.gov)

Ms. Jeanine Townsend
Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor [95814]
P.O. Box 100
Sacramento, CA 95812-0100

Re: Comments to A-1824 – December 4, 2012 Board Meeting
Agenda Item No. 12

Dear Members of the State Water Board:

We represent Pyro Spectaculars, Inc. ("PSI") and Astro Pyrotechnics, Inc. (collectively, "Settling Parties") in connection with the groundwater contamination from the former Rialto Ammunition Backup Storage Point ("RABSP"), including various federal and state cases, enforcement efforts of the Santa Ana Regional Water Quality Control Board ("RWQCB"), and the December 4th hearing before the State Water Resources Control Board ("State Water Board"). We also represent PSI in SWRCB/OCC File A-1824 which focuses on a portion of the RABSP commonly referred to as the "160-acre site." The Settling Parties provide these comments in *support* of the settlement agreement ("Settlement") attached to Michael Lauffer's November 13, 2012 letter.

As the Members of the State Water Board know, the RABSP groundwater cases and regulatory matters, including SWRCB/OCC File A-1824, have been hotly contested for many years. After lengthy, complicated negotiations, Settling Parties along with Trojan Fireworks Company, the Peters Parties, and Stonehurst Site, LLC, reached a global settlement with the United States Government, the RWQCB, the Cities of Rialto and Colton, and the County of San Bernardino that requires a payment of \$6 million and installation and maintenance of a basic asphalt cap on the five-acre Stonehurst property, which is also located in the RABSP. In exchange, Settling Parties get "peace" in the RABSP groundwater cases and regulatory matters, including SWRCB/OCC File A-1824. The cash payment provides: (1) substantial funding for the interim remedy

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required by EPA's 2010 Record of Decision which will be implemented by Emhart Industries, Inc. as provided in the Work Consent Decree; (2) payment to the Cities and the County for some of their past response costs; and, (3) payment to the RWQCB for some of its past and future regulatory costs.

Michael Lauffer's November 13, 2012 letter attaches the proposed Settlement between Settling Parties, Trojan Fireworks Company, the Peters Parties, Stonehurst Site, LLC, the RWQCB and the State Water Board. Evidencing their support of and commitment to the Settlement, the Settlement has already been signed by Settling Parties, Trojan Fireworks Company, the Peters Parties, Stonehurst Site, LLC, and Kurt Berchtold, as Executive Officer of the RWQCB. The State Water Board's endorsement of the Settlement will be before the State Water Board on December 4. Accordingly, Settling Parties request that the State Water Board direct its Chief Deputy Director to approve and execute the Settlement attached to Michael Lauffer's November 13, 2012 letter. Settling Parties also request that the State Water Board approve the proposed resolution attached to the Office of Chief Counsel Staff Report for Agenda Item No. 12.

I will be present at the December 4, 2012 hearing to answer any questions or address comments submitted by other parties.

Very truly yours,
Hunsucker Goodstein PC



Brian L. Zagon

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cc: Designated Parties (via email)
John Van Vlear (via email)
Steve Renshaw (via email)
Gene Tanaka (via email)
David Lawton (via email)