



NEWS RELEASE
DATE: July 5, 2022
FOR IMMEDIATE RELEASE

SCV Water Awarded \$65.9 Million for the Remediation of Groundwater Contamination from the Whittaker Corporation

On June 28, 2022, the U.S. District Court, Central District of California, awarded SCV Water a final judgment of \$65.9 million for the cleanup of local groundwater contamination by the Whittaker Corporation. An earlier settlement in the case with Saugus Industrial Center, a cross defendant, resulted in a \$2.9 million contribution, for a total recovery of \$68.8 million.

A jury found in December 2021 that Whittaker, a wholly owned subsidiary of Meggitt PLC, was primarily responsible for the damages sought by SCV Water. The final judgment incorporates the jury award as well additional amounts that were subject to a bench trial. SCV Water's trial team was led by Patrick Richard and Byron Gee of the Nossaman law firm.

"This judgment comes as a result of the proactive steps we've taken to protect our ratepayers by getting the Whittaker Corporation to pay for the remediation of the contamination they've caused," said SCV Water Board President Gary Martin.

Restoring Vital Water Supplies

The money SCV Water receives from this judgment will be used to construct and operate new treatment facilities to remove perchlorate and volatile organic compounds (VOC) from several impacted wells and restore lost groundwater production. A portion of the funds will also cover past expenditures that resulted from Whittaker's contamination.

Groundwater is an important local and sustainable water resource in our supply portfolio. This supply becomes increasingly important considering our current drought conditions.

Groundwater Contamination in the SCV: History and Legal Actions

Perchlorate was first detected in groundwater wells in the Santa Clarita Valley in 1997. The predecessors to SCV Water, formerly Newhall County Water District, Santa Clarita Water Division, Valencia Water Company and Castaic Lake Water Agency, investigated the source of contamination and determined that the contamination came from the former Whittaker-Bermite site. After multiple settlement attempts with Whittaker and then property owner, Santa Clarita, LLC (SCLLC) proved to be unsuccessful, a complaint was filed against Whittaker and SCLLC in 2000 to pay for the costs to address groundwater contamination near the Whittaker-Bermite site. Following a 2003 court decision that Whittaker and SCLLC were liable for the costs of groundwater clean-up, the parties began settlement negotiations to develop a plan to treat perchlorate found in the drinking water wells and contain the perchlorate contamination from spreading to other groundwater supply wells.

In 2007, the predecessor water companies entered into a multi-million dollar settlement agreement with Whittaker and its insurers that, among other things, paid for the construction of a state-of-the-art perchlorate treatment facility, located near Lowe's off Bouquet Canyon Road, which began delivering treated groundwater in January 2011. The settlement agreement also funded two replacement wells that are under construction near Magic Mountain.

Working to Ensure Quality Drinking Water

But since 2007, other wells became impacted by perchlorate and groundwater contaminants, such as volatile organic compounds (VOCs). These impacted wells were removed from service until effective treatment systems can be designed, constructed, installed and permitted through the Division of Drinking Water. Whittaker was unwilling to fund the installation of additional treatment systems and a second complaint was filed in 2018. The impacted wells will stay offline until such time treatment systems are installed and the Division of Drinking Water issues permits that allow the treated water to be used for drinking water.

“Water quality is a top priority, and we strive to ensure that the water we serve our customers meets all standards set by Federal and State regulating agencies,” stated Matt Stone, SCV Water General Manager. “With the monies we receive, we will be working to clean and restore several wells that have been offline due to groundwater contamination.”

To learn more about water quality in the SCV, read our annual Consumer Confidence Report: <https://bit.ly/2022SCVWaterConsumerConfidenceReport>

History of Whittaker-Bermite

The Whittaker-Bermite property is an undeveloped 996-acre site located in the center of the City of Santa Clarita, California, just south of Soledad Canyon Parkway and east of San Fernando Road (Railroad Avenue). For approximately forty years, perchlorate was used as a solid fuel component in the manufacture of munitions, fireworks, flares, and other explosives at the site. Other chemicals were used at the site, and its operations were subject to a number of regulatory actions as new pollution control laws were put in place.

Due to improperly disposed waste that leaked into the groundwater, the former munitions testing and manufacturing site has contamination issues, which include perchlorate, volatile organic compounds, and both soil and groundwater contamination.

In addition to groundwater remediation efforts, there is a cleanup effort on the Whittaker-Bermite property under the jurisdiction of the State Division of Toxic Substances Control (DTSC).

The current ownership of the property is complex with multiple entities holding interests in the property. However, the financial responsibility for site cleanup continues to remain with the Whittaker Corporation and their successors.

For more information about the site, visit the Whittaker-Bermite Information website, maintained by the City of Santa Clarita www.whittakerbermite.com.

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About SCV Water:

The Santa Clarita Valley Water Agency (SCV Water) is a full-service regional water agency located in the Santa Clarita Valley. SCV Water provides water service to approximately 75,000 business and residential customers. It was formed on January 1, 2018, when local water suppliers combined into one integrated, regional water provider. More information can be found at www.yourSCVwater.com.

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