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## Aerojet OKs pact for groundwater cleanup

Celia Lamb Staff Writer

Aerojet-General Corp. and McDonnell Douglas Corp. have agreed to settle a legal dispute over the cost of cleaning contaminated groundwater from part of Aerojet's local land, with McDonnell Douglas footing most of the bill.

The dispute dates to 1994, when Rancho Cordova-based Aerojet filed suit against McDonnell Douglas in U.S. District Court seeking help with the costs of cleaning groundwater thought to be polluted by activities on the land.

Aerojet and McDonnell Douglas plan to go through arbitration before completing the agreement, said a spokeswoman for The Boeing Co. of Chicago, which owns McDonnell Douglas.

The land involved is 3,800 acres east of Sunrise Boulevard, between White Rock and Douglas roads, called the Inactive Rancho Cordova Test Site. It's now part of the 12,000 acres that Aerojet and parent company GenCorp Inc. own in Rancho Cordova.

Perchlorate-laced groundwater flows from other parts of Aerojet's land and mixes with the water coming from the test site, complicating efforts to assign responsibility for cleanup costs.

The agreement calls for Aerojet to assume 30 percent of the costs of investigating and cleaning up groundwater contaminated with perchlorate that has flowed beneath Mather Field from its land, and 30 percent to 50 percent of the costs for contamination on its own land. Neither side would say how much money is involved.

Central Valley Regional Water Quality Control Board engineer Alex MacDonald estimated the total groundwater cleanup costs that the companies must jointly cover at \$10 million to \$20 million over the next 30 years.

Years of rocket tests: From 1957 to 1961, McDonnell Douglas predecessor Douglas Aircraft leased part of the 3,800-acre property from Aerojet, and in 1961 Douglas Aircraft bought it all. Douglas Aircraft

tested rocket motors on the site. Perchlorate, which blocks the production of thyroid hormones and may cause cancer, is a component of solid rocket fuel.

Aerojet bought back the property in 1984, and the company has kept it as a buffer between its operations and planned development in the Sunrise-Douglas area, which includes 22,000 new homes.

In 1991 and 1994, after the rest of Aerojet's Rancho Cordova land had already become a federal Superfund site, the state Department of Toxic Substances Control ordered both Aerojet and McDonnell Douglas to clean up pollution from the test site. The Central Valley Regional Water Quality Control Board issued a similar order in 1997.

Aerojet filed the first suit in 1994. Aerojet and McDonnell Douglas signed an initial settlement in 1999 to divide responsibility for some of the costs and negotiate for the remaining costs.

But the two companies differed in their interpretation of that initial agreement. McDonnell Douglas thought the companies should split the costs equally, while Aerojet said it was responsible for only 10 percent.

On Dec. 7, 2001, McDonnell Douglas filed suit in U.S. District Court, alleging that Aerojet had violated the terms of the initial settlement. The latest agreement is an attempt to settle that second suit.

Treatment plant fires up soon: Aerojet disclosed some details of the proposed settlement Feb. 11 in an annual report filed with the Securities and Exchange Commission.

"We thought we needed to identify there had been movement on this issue as part of our financial statement," said GenCorp spokeswoman Linda Cutler. "The details are still part of confidential negotiations."

Meanwhile, cleanup goes on. Boeing has paid for a groundwater treatment plant at Mather Field that pumps groundwater and treats it to drinking water standards. Scheduled to fire up in March, the plant is designed to stop the flow of the contentious groundwater plume. Another treatment plant near Sunrise Boulevard is planned.

If both companies sign a settlement, "it could kick off the ball rolling for the big issue, which is getting the permit to take the water," said the water board's MacDonald.

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