MEETING
STATE OF CALIFORNIA
STATE LANDS COMMISSION

DEPARTMENT OF FINANCE
STATE CAPITOL
CONFERENCE ROOM 1145
SACRAMENTO, CALIFORNIA

THURSDAY, SEPTEMBER 27, 1990
9:00 A.M.

Doris M. Bailey
Certified Shorthand Reporter
License Number 8751
COMMISSION MEMBERS PRESENT:

Mr. Gray Davis,
State Controller,
Chairman
Represented by Mr. James Tucker
Chief Deputy Controller

Honorable Leo T. McCarthy,
Lieutenant Governor,
Represented by Mr. Ed Manning
Chief Environmental Counsel

Mr. Jesse R. Huff,
Director of Finance
Represented by Mr. LaFenus Stancell
Assistant Director

STAFF PRESENT

Mr. Charles Warren, Executive Officer
Mr. Robert C. Night, Chief Counsel
Mr. Dwight E. Sanders, Chief, Division of Research & Planning
Mr. Jeff Fong, Associate Land Agent
Ms. Gail Moore, Commission Executive Secretary

ALSO PRESENT

Mr. Jan Stevens, Deputy Attorney General
Mr. Dennis Eagen, Deputy Attorney General
Mr. Mike Crow, Deputy Attorney General
Proceedings

Call to Order

Confirmation of the minutes of the Meeting of August 22, 1990

Consent Calendar

Removal of Consent Calendar Items 28, 29, and 13

Move of Consent Calendar Item 25

Adoption of Consent Calendar Items 1 through 12, 14 through 25, and 27

Regular Calendar Items

Item 26

Item 30

Item 31

Recess for Executive Session

Adjournment

Reporter's Certificate
CHAIRMAN TUCKER: Okay, let's begin. We have the minutes to adopt from the last meeting. I assume those are adopted without objection.

All right. We will go through the calendar. Most of you are here as I understand -- everybody who wants to speak, I hope, has filled out one of these forms. If you haven't, please fill one out so that way we know who wants to address the Commission. Make sure you fill out one of these if you want to speak.

We start out with the Consent Calendar. Those are items of which, C-1 through 20 -- whatever it is.

EXECUTIVE OFFICER WARREN: Twenty-nine.

CHAIRMAN TUCKER: Yes, 29.

And Items 28, 29, and 13 have been taken off the Consent Calendar. Is there anybody here that wants to speak on any of the items on the Consent Calendar?

EXECUTIVE OFFICER WARREN: Mr. Chairman, with your permission, I recommend that inasmuch there is a person who wishes to speak on Consent Calendar Item Number 26, that it be moved from the Consent Calendar and put on the regular calendar.

CHAIRMAN TUCKER: Okay. Item 26 we'll take up. And I have a note here that Kevin Eagen is here on Items two through eight and Item 11.
MR. EAGEN: Only if required.

CHAIRMAN TUCKER: Okay. Anybody want to speak on the other consent items, other than Item 26? If not, we'll adopt a Consent Calendar if there's no objection?

COMMISSIONER STANCELL: Moved.

CHAIRMAN TUCKER: Okay. Why don't we take up Item 25 then.

EXECUTIVE OFFICER WARREN: Mr. Chairman, Item 25 is a public agency permit for the construction of a protective structure. Essentially, an extension of an existing gabion wall designed to protect the toe of the berm existing at the Portuguese Bend Landslide.

There, an approximately 800 foot gabion berm has been permitted in the past, and now exists. It has been successful in reducing erosion. This is an extension of that gabion wall, another additional 1,600 feet.

All the reviewing agencies and Coastal Commission have approved.

CHAIRMAN TUCKER: Okay, and this was a subject of a City of Rancho Palos Verdes hearing or Redevelopment Agency hearing or what?

EXECUTIVE OFFICER WARREN: Yes.

CHAIRMAN TUCKER: Which? City or Redevelopment Agency or what?

CHIEF COUNSEL HIGHT: I believe the Redevelopment
Agency, and the latest hearing was with the Coastal Commission.

CHAIRMAN TUCKER: Okay. Lois Larue, would you like to speak on this item?

MS. LARUE: Yes, but how do I do it?

CHAIRMAN TUCKER: Well you can sit where you were and speak, or you can stand up, whatever. I think everybody can hear you wherever you want to be, it's a pretty small room.

MS. LARUE: Thank you very much. Three minutes, correct?

CHAIRMAN TUCKER: Take your time.

MS. LARUE: May I? Thank you. I have a whole history to tell you about.

My name is Lois Larue, and I hold a Master's Degree in the History of Art and Architecture from the University of Southern California, and taught this at the college level for seven years.

I am here this morning to inform the State Lands Commission about what is happening in Rancho Palos Verdes which, for seven and a half miles, fronts the magnificent Pacific Ocean Catalina Channel, and for which you are responsible up to the mean high tide line.

My interest began 27 years ago when I moved to this beautiful area, and was sharpened 10 years ago when this City
of Rancho Palos Verdes, formed by a group known as "Save Our Coastline," in 1973, permitted developers to place storm drains in the canyons leading down to the ocean. I live on Barkentine Canyon. And I have written about the rape of Barkentine Canyon in this publication, The Monitor, which is a local newspaper published in response to what the City of Rancho Palos Verdes is doing.

As I discussed with them the rape of Barkentine Canyon, I wondered about the canyon next to it, Altimara Canyon. I climbed over there and found a veritable boulder dam at the top, and they were shooting this water down into a known slide area.

The Abalone Cove landslide, adjacent to Portuguese Bend, where they now have put gabions, and which is the topic of our conversation this morning.

Let me explain that my son holds a Doctorate in Geology, and that when he was a senior at USC, he discovered that the ancient Abalone Cove landslide had begun moving again and reported this on the front page of the local newspaper, the Palos Verdes Peninsula News, with photographs, in 1974. The city did nothing until there were heavy 100-year rains in 1977, '78, when the devastation there too occurred and began to threaten homes. The city formed a Redevelopment Agency, purportedly to stop the Abalone Cove landslide and the Portuguese Landslide which dates back to 1956.
In 1976, Karl Vonder Linden wrote his doctoral dissertation on the Portuguese Bend landslide, and suggested four ways of managing the landslide: if you remove the pressure at the top of the landslide; if you support the landslide at the bottom; if you de-water; and, if you can place a sea wall; you will be able to manage the landslide.

What concerns us is the formation of the Redevelopment Agency, because shortly thereafter, the people in Abalone Cove sued the city and the County of Los Angeles, saying that it was their actions which caused the Abalone Cove landslide to be reactivated.

The people in the Portuguese Bend area, after 1956, had sued successfully for $3 million, which I understand through the appeals process ended up in the sum of around $9 million.

The people in Abalone Cove thought they could do something of the same, and Eli Churnow, in the Los Angeles Superior Court, agreed to a settlement in which the people who were suing, 40 families, will receive thousands of dollars for their properties, and then the County of Los Angeles will give this Redevelopment Agency and the City of Rancho Palos Verdes $10 million with which to "stop the Abalone Cove landslide."

And they will place liens against the properties of 120 people who live in that area.

To me, that does not represent due process or equal
protection of the 14th Amendment of the United States Constitution, and I joined in support of a lawsuit against the City by a group known as "Friends of the Bend." The same judge, Eli Churnow, was appointed to this suit. He did not declare a conflict of interest, but found for the city, and this suit is on appeal at the present time.

In the meantime, as this letter explains, after the heavy rains of '77, '78, a professor at Cal State L.A., Perry Ehlig, became interested in the Portuguese Bend landslide. And he became the City Geologist.

If you read this article which I wrote, you'll understand that, at that time, there was an Assistant Public Works Director and the county was doing the geology for the city, whose work was in question, and, therefore -- he was working for Roy Jurgensen -- they sent Carl Abel to supervise him. Carl Abel later became Public Works Director of Manhattan Beach and, I'm sorry, recently died.

Charlie Abbott is a perfectly charming Irishman. He befriended the then City Manager, Galuzzy, who evidently mishandled $70,000 and was asked to resign. But while he was there, Charlie Abbott became Project Engineer. Roy Jurgensen sued him, but Charlie Abbott managed somehow to become the engineer for the City of Rancho Palos Verdes. And Charlie Abbott we think of as the environmentalist, the Donald Trump, of the peninsula and beyond.
CHAIRMAN TUCKER: Excuse me. Is this leading up to the problem with the gabions --

MS. LARUE: Yes.

CHAIRMAN TUCKER: -- because that's what we're being asked to address today.

MS. LARUE: Yes. The geologist, Perry Ehlig, told the city that if they would let him move the road, Palos Verdes Drive South, back to where it was originally, they would not have to repair that road for 20 or 30 years. The city gave permission, and suddenly Perry Ehlig found out he was wrong.

You understand we've been in a drought now for four years, but the road began to move. He wrote a memo to the Public Works Director, who works for Charlie Abbott, and is paid at a rate more than Chief Justice Rehnquist of the Supreme Court of the United States.

Mr. Abbott understands public relations. He had produced this publication last January. The city surreptitiously invited, I believe it was five Coastal Commissioners to come down to this area and look at the gabions.

I happened to be in Long Beach at the Coastal Commission's office because Gar Goodson, environmentalist and author of "Fishes of the Pacific Coast," among other Stanford University publications, had appealed this, the gabions.
because there was no Environmental Impact Report.

I joined this group down there and found out that each of them, and evidently Mr. Fong, has received a copy of this public relations report on the Portuguese Landslide.

We appealed this to the Coastal Commission, and the Coastal Commission found out that the Portuguese Bend landslide has a beneficial effect on the pollution off the coast of Rancho Palos Verdes. The Environmental Protection Agency of the United States Government has declared its intention to correct that problem out of there.

In the meantime, the city had gone ahead and declared an emergency when the road didn't stay where Perry Ehlig said it would, and started putting in the gabions. We appealed.

Now, on the material, excuse me, which the Coastal Commission put out, you'll see the substantive file documents. Please note that the Environmental Impact Reports have nothing to do with the gabion area, that none of those other reports would have been done if Gar Goodson and I had not appealed it. It was after the fact.

In fact, in his report here, Mr. Bernard, who is, if you want an oxymoron, it's Director of Environmental Services, admits that between September, '88, and January, 1989, the gabions were placed. And then he says the city issued a coastal development permit in April, 1989. So they refused to
abide by the laws of the State of California.

The day that the Coastal Commissioners were down there, I was in a van provided by the same Charlie Abbott, and the Director of Public Works said before we put the gabions in we made sure they were on Rancho Palos Verdes land.

Ladies and gentlemen, the Coastal Commission has found that this is on State land and --

CHAIRMAN TUCKER: That's the reason that it's here today.

MS. LARUE: Yes.

CHAIRMAN TUCKER: Is your contention that there should have been an Environmental Impact Report filed in regards to the placement of the gabions?

MS. LARUE: Yes.

CHAIRMAN TUCKER: And that's because you believe they're doing some environmental damage.

MS. LARUE: Yes.

CHAIRMAN TUCKER: And what is that?

MS. LARUE: Yesterday I went down to the gabions. At the Coastal Commission they discussed, even the staff said these gabions are ugly, they are horrendous. They have not maintained them under the new permit which we were instrumental in getting. Our appeal is moot, but the permit allows them two years, and they tell them this, you cannot use machinery in the inter-tidal area.
My question to this State Lands Commission is how are they going to build the gabions when the Coastal Commission will not permit them to use machinery? If you see these gabions they are great huge wire baskets filled with rock. The rock has to be terrestrial, it cannot be inter-tidal. And all of these conditions in here are impossible to fulfil.

CHAIRMAN TUCKER: Well, if they can't fulfill them then presumably they won't be able to do it?

MS. LARUE: Not that city, they'll do it anyhow. That's what I'm telling you, they've been doing this all along. They got $2 million from the State. Now, site management, I explained to you, removed the pressure on the top. They did, they excavated one million cubic yards of earth and brought it down to the toe of the slide. Okay?

CHAIRMAN TUCKER: Okay --

MS. LARUE: Let me tell you then they sold it to Torrance.

CHAIRMAN TUCKER: Well, let me understand your position. Your position is that this has a negative impact on the environment because it's unattractive?

MS. LARUE: Because they haven't studied the damage to wildlife. I was there yesterday so that I could report to you firsthand. The area is a disaster. The gabions have come apart, people have been picnicking there, there are mussel
shells all over the place on top of these gabions, you see.

Obviously this is nothing that the city has taken
into consideration. They try and pretend they have, but they
have not. And we are asking and we still ask for an
Environmental Impact Report. They've given them a two-year
permit and we ask again, at the end of two years, we want a
proper Environmental Impact Report. You know how important
they are.

CHAIRMAN TUCKER: My understanding is that our staff
is recommending that the application be approved, but if the
Coastal Commission doesn't continue it after two years, then
our application would not --

CHIEF COUNSEL HIGHT: The Commission's lease, yes.
The Commission's lease would expire at the expiration of the
Coastal Commission's permit.

CHAIRMAN TUCKER: Okay. I think we understand your
position. Was there anything you wanted to say in conclusion?

MS. LARUE: Thank you.

CHAIRMAN TUCKER: Thank you.

MS. LARUE: I'd like to give each of you one of
these articles so you'll understand what's happening.

CHAIRMAN TUCKER: Thank you.

MS. LARUE: It's over on the right.

CHAIRMAN TUCKER: Okay, is there anybody else that
wishes to speak on this?
The recommendation of the staff is that we find their negative declaration, and that we authorize issuance of a lease to the City of Rancho Palos Verdes Redevelopment Agency for five years, subject to their having to get approval of the Coastal Commission for renewal after two years.

Is there any comment? Is there a motion?

COMMISSIONER MANNING: Move the items.

CHAIRMAN TUCKER: Second?

COMMISSIONER STANCELL: Second.

CHAIRMAN TUCKER: Okay. I think all the Commissioners vote aye on this. So, the lease is approved subject to those conditions.

CHIEF COUNSEL HIGHT: Mr. Tucker, for the record, we can only have two votes.

CHAIRMAN TUCKER: Okay, well then --

COMMISSIONER STANCELL: I'll vote aye.

CHAIRMAN TUCKER: Okay, I'll vote aye.

Okay, what is the next item?

EXECUTIVE OFFICER WARREN: Item 30, Mr. Chairman.

Item 30 is a general lease for right-of-way use of three parcels of school land in the County of Lassen. The lands are proposed to be used for the construction and maintenance of an overhead 69 kilovolt transmission line, and the maintenance of an existing 7.2 kilovolt distribution line.

This is a segment of a corridor which the lessee has
acquired for the purpose of upgrading the services it provides to the service area. Reports are that the present services are easily interruptible during seasonal weather and are difficult to repair, frequently leaving the residents of the service area without access to electricity.

The proposed line would, the line for which this lease is required, will mostly go through the existing utilities corridor. It is in a sparsely populated area, estimates are about three persons per square mile.

All other agencies have approved. We are here, our lease is required because it is to go through the school lands. A map is behind you showing the segment of school lands which will be involved in the corridor. It is subject to eminent domain in the event that this permit, or the lease is not issued.

CHAIRMAN TUCKER: What does that mean?

EXECUTIVE OFFICER WARREN: It means if we denied the lease then the property will be condemned, subject to condemnation proceedings.

Now, there are a number of folks here who wish to speak on this and I will think that the issue is as set forth in our report, and I think we have to give time for these folks to set forth their opposition.

You want me to call or do you have the list?

CHAIRMAN TUCKER: Yeah, I think I have the list.
EXECUTIVE OFFICER WARREN: Go ahead then, you can call them in the order as they appear to you.

CHAIRMAN TUCKER: Paul Herman.

MR. HERMAN: My name is Paul Herman. I live about two miles north of the little green square there along the route of the proposed transmission line.

My objection is that this negative declaration is based on this environmental assessment which is totally inadequate and didn't take any input from the people that live along that transmission route. And, there's a lot of consideration for things like the view of the tourists along the highway as they roar along in their Winnebago.

I'm here speaking for the people that are going to have to live with that damn thing for the rest of their lives, pretty much. And I also think that to declare no significant impact from a 32-mile long power line is just ridiculous, gentlemen. And that's what you're doing by issuing a negative declaration. You're saying there's no significant impact.

Now, I can't cite you the CEQA laws, but if you guys rubber stamp this thing, I'm going to find somebody who can cite those laws and I'm going to hire them.

I'm not going to read my whole statement because I can't do it in three minutes. The people that live in Doyle have serious objections to this. The alternatives were not addressed really, they were just dismissed in this.
environmental assessment. They weren't analyzed, the costs weren't analyzed, nobody told how much it cost to maintain this line in the winter or anything like that.

What we want is a real environmental impact study with public input, and that means public scoping. That means the people that live there can tell the company what they have to study. We don't want this promotional brochure. And in the words of the California Energy Commission, this thing looks more like a promotional brochure than a serious environmental document.

Okay, that's all I have to say. Thank you.

COMMISSIONER MANNING: Dwight, were there alternatives considered in the initial study.

MR. HERMAN: There --

COMMISSIONER MANNING: I'm sorry, I'm asking our staff member.

MR. SANDERS: There were alternatives considered, in effect, three environmental documents. The Bureau of Land Management did an environmental assessment and issued a FONSI on the line. The Rural Electrical Administration did a FONSI, did an environmental assessment initiative FONSI, both of which are equivalent to a negative declaration under CEQA.

We have the opportunity to use either or both of those documents, and did not feel they were adequate, and did an independent judgment checklist, initial study, and
conducted a -- issued a proposed negative declaration which was widely circulated and commented upon.

We received, in fact, 16 individual letters from people in the area, and comments also from the Energy Commission and from the Department of Fish and Game.

The alternative question is somewhat complicated by the fact that this issue and this project has already been litigated in Superior Court in Lassen County. The decision from the judge in that particular litigation confirmed that the line, as proposed, was the best line in terms of all alternatives that were presented to the Court, in consideration of all of the issues that were presented to the Court at that particular time.

The project, as analyzed by us, was revised so that it was a mitigated project proposed negative declaration. As a result of the changes to the project description, staff feels that we can legitimately make a finding based on the evidence that we have because we feel there is no substantial evidence to the contrary, that there are no significant impacts to the installation of the line.

COMMISSIONER MANNING: Thank you.

CHAIRMAN TUCKER: Our Chief Counsel's given me a copy of the decision from Plumas-Sierra Rural Electric Cooperative versus Beckett, and in that the Court found that the public interests and necessity require the project to be
located in a manner that would be most compatible with the
most public good and the least private injury.

Was this a condemnation action?

CHIEF COUNSEL HIGHT: Yes, sir.

MR. SANDERS: It was brought about as a result of
the condemnation actions that were initiated by the utilities.
The action was brought by individuals within the area which
were objecting to the condemnation activities and asked the
Court, in effect, to have the utilities suspend those
condemnation activities.

CHAIRMAN TUCKER: Okay, is there anybody else here
who is a landowner or other person who is objecting to the
project?

Okay. I take it the rest of the people are here to
answer any questions that we might have?

MS. CAHILL: That would be correct. Let me just
tell you the General Manager of the utility is here if you
have any questions.

MR. SANDERS: Mr. Chairman, before going perhaps
further, that this might help the Commission's deliberation,
I'd like to enter a few items into the record that we just
received.

We have received a letter from the Department of
Fish and Game which indicates as a result of our formal
consultation with them on the Bank Swallow, which is an
endangered species, that they have concluded that, at this point in time, they believe that the proposed long valley 69kv transmission line will not affect the Bank Swallow.

I would also like to enter into the record a letter received from the State's correctional facility in Susanville, which indicates that they are in support of the installation of the line because of its service to them.

And then, I would also like to introduce petitions that we have received which contain the names of 104 individuals who are in opposition to the project and have asked a variety of entities to take specific action.

Specifically, Lassen County to adopt an emergency ordinance that would stop the project; number two, the Plumas-Sierra Board of Directors to suspend all work on the transmission line including the eminent domain proceedings; three, that the Rural Electric administration suspend funding or any consideration of the line; and four, that the State of California Governor's office make a determination as to the 16kv project's compliance with the California Environmental Quality Act.

And then lastly, I would like to enter into the record a series of 18 depositions submitted by Mr. Gary F. Woolverton, Attorney-at-Law, in Susanville, California. The depositions raise issues as to routing, health effects of the line, and alternatives.
CHAIRMAN TUCKER: And you've reviewed those?

MR. SANDERS: Yes, sir, we have.

CHAIRMAN TUCKER: Are there any questions from the Commissioners?

Okay Mr. Herman, was there anything else you wanted to add?

MR. HERMAN: I just would like to point out again, there's a letter of concern for the Bank Swallow. There's no mention of the residents, the people that live there. They should be mentioned in this document, and they're not. They're just nonentities according to that.

And it's assumed that nobody cares if they live next to a big power transmission line. Well, I'll tell you, that's wrong. There's a lot of people that care whether they live next to one and have to look at it, possibly risking themselves and their health.

CHAIRMAN TUCKER: Okay. Thank you.

COMMISSIONER MANNING: How close is the closest residence to the line?

MR. HERMAN: I don't know, see that's one of the things that should be addressed in this report is how many residences are within 1,000 feet of the center line of every alternative. I don't know.

MR. SANDERS: Mr. Manning, I believe Ms. or someone from the Cooperative could answer that.
CHAIRMAN TUCKER: Do you know the answer to that?

MR. NERVINO: You said the closest residence was 50 feet?

MR. MCGREW: Yes, I believe there's approximately 50 residences within 50 feet of the power line along the 32 miles of line.

Excuse me, I was just corrected. There's 13. Ten are residences, and three are commercial buildings.

MS. CAHILL: Commissioners, we're presenting this small photo to give you a sense so when you think transmission line you don't picture the giant lattice tower type transmission line. This would be a wooden pole line very similar to the small picture you were just given.

MR. SANDERS: At this present time, Mr. Chairman, the Public Utilities Commission exempts from its requirement for a Certificate of Public Convenience and Necessity all lines below 200kv.

As such, this line is not within the purview of the Public Utilities Commission or any other electrically related agency, including the Energy Commission.

CHAIRMAN TUCKER: Okay. Anything else? Okay, is there a motion?

COMMISSIONER STANCELL: Move.

COMMISSIONER MANNING: Second.

CHAIRMAN TUCKER: It's moved, seconded. And there
are two votes, Mr. Manning and Mr. Stancell. That item is approved.

What's the next item?

EXECUTIVE OFFICER WARREN: The next concluding item, Mr. Chairman, is Item 31, which is the staff seeks authorization to litigate for trespass and ejectment and damages for unauthorized occupation and use of State-owned land, mainly a marina known as the Rainbow Resort, which is located on State-owned land and submerged by Seven-Mile Slough at Andrus Island.

CHAIRMAN TUCKER: Okay. Any questions on this from anybody? Is there a motion?

COMMISSIONER STANCELL: Moved.

COMMISSIONER MANNING: Second.

CHAIRMAN TUCKER: Okay. Mr. Manning, Mr. Stancell approved the item. Okay.

EXECUTIVE OFFICER WARREN: That concludes the public portion of the meeting, Mr. Chairman.

CHAIRMAN TUCKER: Do we have an Executive Session?

EXECUTIVE OFFICER WARREN: We do.

CHAIRMAN TUCKER: We have a number of things. We request the vacation of the room.

(Thereupon the September 27th, 1990 meeting of the State Lands Commission was concluded at 9:40 a.m.)
I, DORIS M. BAILEY, a Certified Shorthand Reporter, in and for the State of California, do hereby certify that I am a disinterested person herein; that I reported the foregoing State Lands Commission Meeting of the State of California in shorthand writing and thereafter caused my shorthand writing to be transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand as a Certified Shorthand Reporter on this 3rd day of October, 1990.

Doris M. Bailey
Certified Shorthand Reporter
License Number 8751