

MINUTE ITEM

This Calendar Item No. C79  
was approved as Minute Item  
No. 79 by the State Lands  
Commission by a vote of 3  
to 0 at its 02/12/97  
meeting.

CALENDAR ITEM  
**C79**

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S 17

02/12/97  
W503.1726  
Valentine

**CONSIDER SETTLEMENT OF LITIGATION INVOLVING THE CITY OF  
LOS ANGELES DEPARTMENT OF WATER AND POWER, COUNTY OF INYO  
AND THE CALIFORNIA STATE LANDS COMMISSION**

**APPLICANTS:**

County of Inyo  
163 May Street  
Bishop, California 93526

Los Angeles Department of Water and Power  
P.O. Box 111  
Los Angeles, California 90051-0100

California State Lands Commission

**BACKGROUND**

In 1972 the County of Inyo (County) successfully sued the Los Angeles Department of Water and Power (LADWP) to require an environmental impact report (EIR) on its program of groundwater pumping in the Owens Valley. The program of groundwater pumping provides water for Los Angeles's second aqueduct which was completed in 1970. LADWP prepared environmental impact reports in 1975 and 1979, both of which were found to be legally inadequate in proceedings before the Third District Court of Appeal. In 1991 the County and LADWP entered into a long-term groundwater management agreement and prepared an EIR to address the agreement. This EIR was submitted to the Third District Court of Appeal along with a request by LADWP and the County for dismissal of the litigation. Shortly thereafter, the State Lands Commission, the Department of Fish and Game, the Sierra Club and the Owens Valley Committee sought to participate in the proceedings before the Third District Court of Appeal by expressing serious reservations about the legal adequacy of this third EIR. While challenging the legal sufficiency of the EIR as it related to the environmental impacts of LADWP's past activities and proposed mitigation, the state agencies and environmental groups supported the long-term groundwater management agreement and did not challenge that part of the EIR which addressed the agreement. In 1993 the Court denied LADWP's and the County's request for dismissal of the litigation and

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allowed State Lands Commission, the Department of Fish and Game, Sierra Club, and Owens Valley Committee to file briefs describing what they believed to be the EIR's shortcomings. A hearing on these concerns was scheduled for January 24, 1997 but has been postponed in light of the proposed settlement.

In the meantime, the parties have engaged in years of settlement discussions. These protracted discussions have finally borne fruit in the form of a Memorandum of Understanding which resolves particularly difficult environmental issues to the satisfaction of all parties. In summary, the settlement as embodied in the Memorandum of Understanding provides that:

1. LADWP will restore flows to approximately 60 miles of the Lower Owens River which has for the most part been dewatered since water deliveries to Los Angeles from the Owens Valley began in 1913;
2. 325 acres of wetlands habitats in the Owens Lake Delta will be maintained and enhanced by flows committed for these purposes;
3. Existing off-river lakes and ponds adjacent to the Lower Owens River will be maintained and enhanced;
4. LADWP will prepare and implement long-term management plans for city-owned lands in the Owens Valley; and
5. Additional environmental documentation will be prepared.

Authority is requested to enter into the settlement agreement as outlined above in the form of the document on file in the offices of the Commission, to secure judicial review of the agreement as necessary and to join with other signatories to the settlement to seek dismissal of the writ now pending in the Third District Court of Appeal.

**PERMIT STREAMLINING ACT DEADLINE:**

N/A

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**OTHER PERTINENT INFORMATION:**

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal.Code Regs.15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and 14 Cal. Regs. 15378.

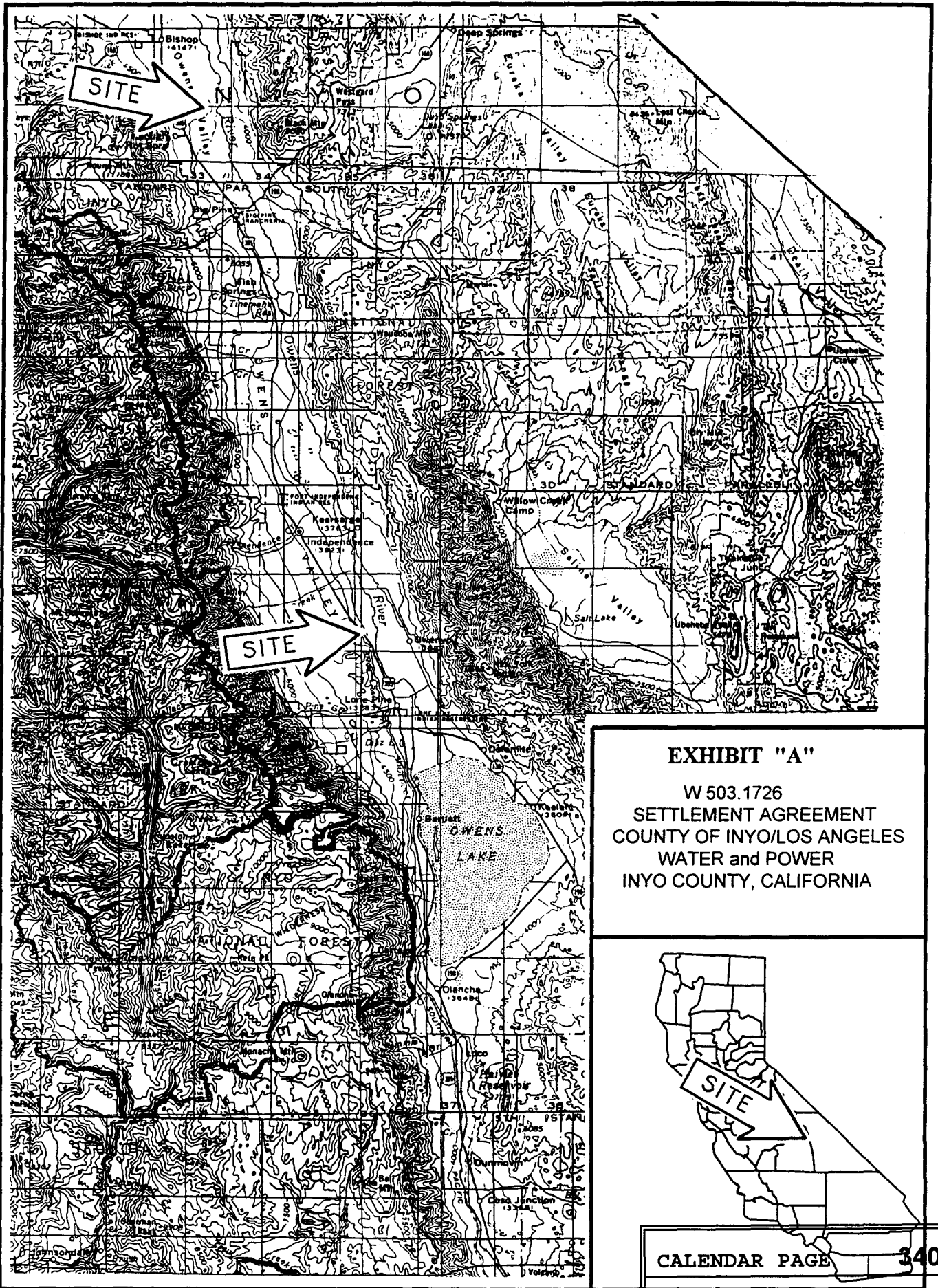
2. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370, et seq. But will not affect those significant lands.

**EXHIBIT**

- A. Site Map

**IT IS RECOMMENDED THAT THE COMMISSION:**

1. FIND THAT THIS ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND 14 CAL. CODE REGS. 15378.
2. FIND THAT THIS ACTIVITY WILL INVOLVE LANDS IDENTIFIED AS POSSESSING SIGNIFICANT ENVIRONMENTAL VALUES PURSUANT TO PUBLIC RESOURCES CODE SECTION 6370, ET SEQ., BUT THAT SUCH ACTIVITY WILL HAVE NO DIRECT OR INDIRECT EFFECT ON SUCH LANDS.
3. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEES TO EXECUTE THE SETTLEMENT DOCUMENTS NECESSARY TO FINALIZE THE SETTLEMENT IN ACCORDANCE WITH THE TERMS OUTLINED ABOVE.
4. AUTHORIZE THE STAFF AND THE OFFICE OF THE ATTORNEY GENERAL TO TAKE ALL STEPS NECESSARY, INCLUDING ANY REQUIRED COURT APPEARANCES, TO IMPLEMENT THE SETTLEMENT AND TO SECURE FINAL DISCHARGE OF ALL PENDING JUDICIAL PROCEEDINGS ASSOCIATED WITH THE DESCRIBED LITIGATION.



**EXHIBIT "A"**  
 W 503.1726  
 SETTLEMENT AGREEMENT  
 COUNTY OF INYO/LOS ANGELES  
 WATER and POWER  
 INYO COUNTY, CALIFORNIA



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