

BORDER ISSUES STATUS REPORT

Revised June 18, 2019

The following is a listing of the history and most recent status of all of the Border Issues that are currently being monitored by the City.

PALOS VERDES PENINSULA WATER RELIABILITY PROJECT (ROLLING HILLS ESTATES, RANCHO PALOS VERDES AND UNINCORPORATED LOS ANGELES COUNTY)

- *Last Update: June 18, 2019*

California Water Service Company (CWSC) made a presentation to the City Council regarding its master plan for the Palos Verdes District on February 17, 2004. Part of this plan envisioned placing two (2) new water mains under Palos Verdes Drive North to replace an existing line serving the westerly Peninsula (the so-called "D-500 System"); and to supplement existing supply lines to the existing reservoirs at the top of the Peninsula (the so-called "Ridge System"). Another previous Border Issue upon which the City commented in 2003 was the Harbor-South Bay Water Recycling Project, proposed jointly by the Army Corps of Engineers (ACOE) and the West Basin Municipal Water District (WBMWD) to provide reclaimed water for irrigation purposes. One of the proposed lines for this project (Lateral 6B) would be placed under Palos Verdes Drive North to serve existing and proposed golf courses and parks in Rolling Hills Estates, Palos Verdes Estates and County territory, as well as Green Hills Memorial Park in Rancho Palos Verdes. Adding to these water line projects is a plan by Southern California Edison (SCE) to underground existing utility lines along Palos Verdes Drive North between Rolling Hills Road and Montecillo Drive. All of these projects would require construction within the public right-of-way of Palos Verdes Drive North, which is already severely impacted by traffic during peak-hour periods.

On February 22, 2005, the Rolling Hills Estates City Council heard a joint presentation by CWSC, WBMWD and SCE representatives of plans to coordinate these three infrastructure projects as a single, large project. The traffic control measures proposed to accomplish these combined projects would involve phased closures of segments of Palos Verdes Drive North over a period of at least fifteen (15) months, assuming 2-shift, 16-hour workdays. Although controlled local access to residences, businesses and schools along Palos Verdes Drive North would be maintained throughout the project, both local and through traffic would be detoured at various times onto Hawthorne Boulevard, Crenshaw Boulevard, Rolling Hills Road, Palos Verdes Drive East/Narbonne Avenue and Pacific Coast Highway.

Both the RHE City Council and members of the public had significant concerns about the proposed project. Of primary concern were the justification for elements of the project; and the number and scope of possible alternatives considered. At the conclusion of the workshop, it was the City Council's consensus that additional public workshops were necessary, as was the preparation of a formal Initial Study (IS) to identify all of the

environmental effects of the proposed project. Staff intended to continue to monitor this project, and to review and comment upon the IS once it is completed.

Previously, Staff has monitored and reported on this project under the title “Joint CalWater-West Basin MWD-Edison Infrastructure Project.” However, it came to Staff’s attention in late 2011 that the scope of the project has changed in that it has reduced the amount of construction activity within Palos Verdes Drive North, and no longer involves reclaimed water or electrical lines.

The primary purposes of the CalWater Palos Verdes Pipeline Project are to “increase water system reliability, improve fire-fighting capability, and reduce the risk of property loss or damage on the Palos Verdes Peninsula.” The two-phase project proposes to replace an existing pipeline that currently traverses multiple private properties within the City of Rolling Hills Estates with two (2) new pipelines to be located primarily within street and bridle trail rights-of-way. One of the new pipelines (the so-called “Crenshaw/Ridge Supply Project”) would extend southward along Crenshaw Boulevard (mainly through unincorporated County territory) to a new reservoir and pump station to be constructed at the northwest corner of Crenshaw Boulevard and Silver Spur Road in the City of Rolling Hills Estates. This pipeline would then continue southward along Crenshaw Boulevard through the City of Rancho Palos Verdes to tie into an existing pipeline in Crest Road that supplies CalWater’s reservoir near the intersection of Crest and Highridge roads.

CalWater is currently conducting engineering and technical studies to identify the environmental impacts of the proposed project, as required pursuant to CEQA. Public Works Staff is aware of this proposal and will be working with CalWater on those portions of the project that are located within our jurisdiction.

Recently, CalWater advised Staff that the preliminary pipeline alignment and conceptual project planning are complete, and that the public environmental review process should begin. After a delay of several years to address concerns about the pipeline alignment in the Palos Verdes Dr. N. right-of-way, CalWater is now ramping up design and construction of this project. The revised alignment will take the buried water pipe along bridle trails in Rolling Hills Estates, between (roughly) the intersection of Palos Verdes Dr. E. and Palos Verdes Dr. N. and the intersection of Crenshaw Blvd. and Palos Verdes Dr. N. The pipe will then turn south and be installed under Crenshaw Blvd. from Palos Verdes Dr. N. to Crest Rd., where it will join an existing water main. CalWater has acquired a small property along Crenshaw Blvd. to build a small pump booster station, so the previous concept of a storage tank near Crenshaw Blvd. and Silver Spur Rd. has been abandoned. The project is about 30% designed and now is being advertised for further development under a design-build project delivery method, with construction expected to begin in early 2018. CalWater will be reaching out to Rancho Palos Verdes with more-frequent updates as the project nears its final design phase.

On September 13, 2016, the Rolling Hills Estates City Council considered a contract with an environmental consulting firm to prepare the environmental impact analysis for this project. For the purposes of the California Environmental Quality Act (CEQA), Rolling

Hills Estates will be the lead agency, while Rancho Palos Verdes and the County will be responsible agencies. The Rolling Hills Estates City Council was expected to approve the contract on September 27, 2016. Rolling Hills Estates Planning Staff will be working with the responsible agencies on the CEQA analysis for this project, and a draft Initial Study may be ready for public review and comment during the first quarter of 2017.

On May 22, 2017, Staff from the Community Development and Public Works departments met with Staff from Rolling Hills Estates and their environmental consultant to discuss the CEQA process for this project. The direct impacts of the project will be limited to the public right-of-way of Crenshaw Boulevard between Silver Spur Road and Crest Road. Indirect impacts are expected in terms of construction effects (e.g., noise, air quality, traffic, etc.) upon neighborhoods adjacent to the route of the pipeline, as well as upon motorists in general. There was mutual agreement for a presentation of the project's CEQA review to the City Council either just before or during the 30-day public review period for the project, which was expected to occur early the summer of 2017.

On September 19, 2017, CalWater made a presentation of the re-named "[Palos Verdes Peninsula Water Reliability Project](#)" to the City Council. At that time, the City awaited the release of the CEQA document for this project for public review and comment.

On January 8, 2018, Staff submitted the comments on the proposed Mitigated Negative Declaration (MND) for the Palos Verdes Peninsula Water Reliability Project (PVPWRP) to the City of Rolling Hills Estates (RHE). RHE is acting as the lead agency for this project since most of the proposed pipeline will be located within its jurisdiction.

The PVPWRP was presented to the RHE Planning Commission at its meeting on February 5, 2018. As proposed, construction of the new pipeline will result in the 1-month closure of a segment of eastbound Palos Verdes Dr. N. (between the Dapplegray Elementary School driveway and Dapplegray Ln.) during Summer 2018. Much of the pipeline construction along Palos Verdes Dr. N. is proposed to occur during overnight hours, while construction along Crenshaw Blvd. is expected to occur during daylight hours. The proposed pump station on Crenshaw Blvd. will be located below homes on Beechgate Dr. in the City's Peninsula Rim neighborhood. Residents and other interested parties expressed concern to the Planning Commission about the traffic impacts of the project during construction. Ultimately, the RHE Planning Commission adopted a resolution forwarding a recommendation of approval for the project to the RHE City Council, with direction to explore the feasibility of shifting construction on Crenshaw Blvd. to overnight hours.

In order to assess the issue of modified construction hours on Crenshaw Blvd., RHE Planning Staff convened a meeting with our City Staff, CalWater and County Public Works on February 20, 2018. CalWater stated that it had recently met with Rancho Palos Verdes residents on Beechgate Dr., who strongly opposed overnight construction hours. City Staff shared our concern that overnight construction on Crenshaw Blvd. would expose the Beechgate Dr. residents to nearly round-the-clock construction noise from the project's pump station and the installation of the new pipeline in Crenshaw Blvd.

Recognizing the desire to minimize both construction noise impacts on nearby residents and peak-hour traffic impacts on a large percentage of Peninsula residents, all parties agreed that the best approach would be to shift the construction hours on Crenshaw Blvd. to 9:00 AM to 7:00 PM. This solution would avoid overnight construction noise and reduce traffic congestion during the morning commute.

On March 27, 2018, the RHE City Council conducted a public hearing to consider the PVPWRP. Staff attended the public hearing to express the City Council's support for the project itself and its opposition to any proposal for overnight construction along Crenshaw Blvd. Several nearby residents from Rancho Palos Verdes and the unincorporated Westfield neighborhood expressed their concerns about the appearance, noise impacts and geological impacts of the proposed pump station on Crenshaw Blvd. just north of Silver Spur Rd. CalWater confirmed that there would be no overnight construction on Crenshaw Blvd. RHE Planning Staff stated that additional acoustical analysis of the pump station building was being conducted to address residents' concerns, and recommending continuing this matter (after receiving public testimony) to the April 10, 2018, RHE City Council meeting.

On April 10, 2018, the RHE City Council concluded its deliberations regarding the PVPWRP. RHE Planning Staff provided additional about the acoustical shielding and aesthetics of the proposed pump station on Crenshaw Blvd. just north of Silver Spur Rd. The RHE City Council then unanimously approved the project. Construction is expected to begin this summer, and Staff is keeping the City Council and residents informed about lane closures and other construction impacts as the project moves forward. Additional information about the project is also available on a dedicated CalWater webpage at www.pvpwaterproject.com.

CalWater is hosting community open houses for the PVPWRP in order to educate Peninsula residents about the benefits and construction impacts of this project. The first open house was held at Dapplegray Elementary School in Rolling Hills Estates on May 9, 2018, and a second open house will be held at Palos Verdes High School in Palos Verdes Estates on June 21, 2018 from 10:00 AM to noon. The 1-month closure of the eastbound lane of Palos Verdes Dr. N. between the Dapplegray Elementary School driveway and Dapplegray Ln. is scheduled to start on July 9, 2018.

Following community open houses on CalWater's Palos Verdes Peninsula Water Reliability Project (PVPWRP) in May and June of 2018 in order to educate Peninsula residents about the benefits and construction impacts of this project, the 1-month closure of the eastbound lane of Palos Verdes Dr. N. between the Dapplegray Elementary School driveway and Dapplegray Ln. started on July 9, 2018. Eastbound through traffic was detoured at Rolling Hills Rd. Construction work within the closure area was completed by the time classes resumed at Dapplegray Elementary School on August 22, 2018.

The next segment of pipeline work in Palos Verdes Dr. N. has been between Dapplegray Ln. and Montecillo Ln., which has resulted in periodic lane closures, turning

restrictions at Palos Verdes Dr. E., and some overnight construction activity. Outside of the public right-of-way of Palos Verdes Dr. N., pipeline construction has been proceeding in nearby equestrian trail easements in Rolling Hills Estates and along the southerly boundary of the South Coast Botanic Garden.

As of early December 2018, construction for the new pump station on Crenshaw Blvd. near Silver Spur Rd. has begun and is expected to continue through the end of 2019. Motorists and Rancho Palos Verdes residents living adjacent to the pump station site will start to see crews clearing the area around the location as part of preparatory site work.

According to California Water Service, most of the pipeline installation in the Palos Verdes Peninsula Water Reliability Project will be complete by the end of 2019, with some additional work connecting the pipeline to the existing system continuing into 2020. Construction on the new pump station on Crenshaw Boulevard near Silver Spur Road continues.

The next leg of the project is on Crenshaw Boulevard and is scheduled to begin at the end of June or in early July 2019 in Rancho Palos Verdes. Crews will work in small segments starting at Crest Road and moving toward the new pump station site north of Silver Spur Road, working from 9 a.m. to 7 p.m. on weekdays.

Construction from Crest Road to the pump station location is expected to last approximately five months, but could change depending on unforeseen circumstances. Preparatory work includes surveying and equipment staging and is expected to last approximately two weeks before pipeline installation begins. The estimated duration for all work on Crenshaw Boulevard (from Crest Road to the South Coast Botanic Garden) is approximately seven months.

Crews plan to work in the following stages on Crenshaw Boulevard:

- Crest Road to Crestridge Road
- Crestridge Road to Indian Peak Road
- Indian Peak Road to Silver Spur Road
- The intersection of Silver Spur Road and Crenshaw Boulevard
- Silver Spur Road to the new pump station site
- Pump station site to Chadwick Lane
- Chadwick Lane to the South Coast Botanic Garden (Nightwork from 8 p.m. to 6 a.m.)

At least one lane of traffic will be open in each direction at all times and all lanes will be open during non-work hours.

- From Crest Road to Silver Spur Road, the southbound lanes of Crenshaw Boulevard will be shut down in stages and all traffic will be shifted across the median to the northbound lanes, with one lane open in each direction.

- From Silver Spur Road to the pump station site, the northbound lanes of Crenshaw Boulevard will be shut down and all traffic will be shifted across the median to the southbound lanes, with one lane open in each direction.
- From the pump station to about 2,300 feet south of Palos Verdes Drive North, the northbound lanes will be closed and all traffic will be shifted to the southbound lanes, with one lane open in each direction.
- From that point to Palos Verdes Drive North, only one southbound lane will be closed, with all northbound lanes open.

Cal Water has [produced a handout](#) showing what traffic control will look like along each of these stages.

Drivers are advised to expect traffic delays, drive slowly and with caution, and to take alternate routes, such as Hawthorne Boulevard, when possible.

Please note that drivers traveling north on Crenshaw Boulevard during working hours will be able to turn left at either Indian Peak Road or Silver Spur Road to head west, meaning one of these roads will be accessible when work reaches this area.

Staff will continue to monitor this issue in future Border Issues Status Reports. For additional information about the Palos Verdes Peninsula Water Reliability Project, visit <http://www.pvpwaterproject.com> or call 310-257-1400.

BUTCHER SOLANA RESIDENTIAL DEVELOPMENT PROJECT (TORRANCE)

- *Last Update: June 18, 2019*

On July 27, 2017, the City of Torrance released the Notice of Preparation (NOP) of an Environmental Impact Report (EIR) for the Butcher-Solana Residential Development Project. The project proposes a 248-unit apartment complex on a 5.71-acre portion of a 24.68-acre former quarry site located at the southwesterly corner of Hawthorne Blvd. and Via Valmonte in the City of Torrance. The project site abuts city-owned parkland in Palos Verdes Estates and Ernie Howlett Park in Rolling Hills Estates. The 30-day public comment period was set to end on August 28, 2017 and a public scoping meeting was scheduled at Torrance City Hall on August 10, 2017. Click [here](#) for additional information on the City of Torrance's website.

On August 10, 2017, the City of Torrance held a scoping meeting for the proposed 248-unit Butcher-Solana Residential Development Project. The meeting was well-attended by residents from Torrance, Palos Verdes Estates and other nearby neighborhoods and cities. Speakers were universally opposed to the proposed project, citing issues related to traffic and parking, neighborhood compatibility, general plan consistency, geology and landslides, noise, air quality, cultural resources and other issues. During the latter half of August 2017, City Staff planned to meet with our colleagues at Palos Verdes Estates and Rolling Hills Estates to coordinate our written comments on the scope of the project's EIR.

Comments on the scope of the EIR were due to the City of Torrance by 5:00 PM on August 28, 2017.

On August 23, 2017, Staff members from all four (4) Peninsula cities met to discuss our responses to the request for comments on the scope of the Environmental Impact Report (EIR) for the proposed 248-unit Butcher-Solana apartment project in the *Walteria* neighborhood of the City of Torrance. Issues of concern to the Peninsula cities included construction impacts, traffic/parking impacts, noise and open space. Each of the cities submitted comments to Torrance by the August 28, 2017 comment deadline. However, Torrance indicated that it would continue to “informally” accept comments on the scope and content of the EIR until September 18, 2017.

As of June 2019, the draft EIR is still being prepared and should be released for public review and comment this summer, according to the City of Torrance.

According to planning staff at the City of Torrance, because the project falls in that city’s Hillside Overlay Area, the applicant is required to construct silhouettes showing the structures’ visual impacts. Due to heightened interest, Torrance planning staff said the silhouettes will be required to go up for a longer-than-usual period of at least 60 days before the development’s first hearing at the Planning Commission, and that staff is encouraging the applicant to construct them as soon as possible.

Staff will continue to monitor this issue in future Border Issues Status Reports.

DEFENSE FUEL SUPPORT POINT SAN PEDRO (LOS ANGELES (SAN PEDRO))

- *Last Update: June 18, 2019*

On October 15, 2018, Staff received notice from the Navy that it is beginning the environmental review process to lease a portion of the Defense Fuel Support Point (DFSP) San Pedro for commercial fueling operations. The Navy sought comments on the scope of the proposed Environmental Assessment (EA) for a 35-day period from October 10, 2018, through November 13, 2018.

On October 17, 2018, Staff attended a special meeting of the Northwest San Pedro Neighborhood Council’s (NWSPNC) Planning and Land Use Committee at which this proposal was discussed. The Navy has prepared a fact sheet for the proposal but the details remain rather vague. The lease area could include both the main terminal on Gaffey St. and the marine terminal at Pier 12 in the Port of Long Beach, as well as existing pipelines connecting to these facilities. The type(s) of fuel to be stored or transshipped is unknown at this time. It is possible that the three (3) remaining aboveground fuel tanks at DFSP San Pedro—located off Western Ave. just south of Palos Verdes Dr. N.—might be put back into service.

On November 13, 2018, Staff sent the attached comments on the scope of the draft EA to the Navy. The Navy reportedly expects to release the draft EA for public review and

comment in Spring 2019. Staff has asked for the standard 15-day public comment period to be expanded to forty-five (45) days.

On April 17, 2019, Staff received notice from the Navy of the release of a [draft environmental assessment \(EA\)](#) of a proposal to renew fueling operations under a commercial lease at Defense Fuel Support Point San Pedro (DFSP), the sprawling, inactive Navy fuel tank farm on North Gaffey Street (which borders the City on a stretch of Western Avenue), and an 8-acre marine terminal about five miles southeast in the Port of Long Beach.

The Navy deactivated DFSP in late 2015, filling its underground tanks with foamcrete for permanent closure, and began exploring how the site could be used in the future. The Navy determined DFSP is desirable for fueling needs for the growing Pacific Fleet. According to the Navy, leasing the property to a commercial operator is optimal because it would enable the Navy to use the site for fueling operations, but have the lessee cover the costs of rehabilitation and maintenance of facilities.

The draft EA studied two alternatives: Alternative 1 proposed renewing fueling operations for a mix of commercial and Navy use on 311 acres at the San Pedro site, the marine terminal and about 14 miles of underground pipelines; and Alternative 2 proposed renewing operations at the marine terminal and pipelines only. A No Action Alternative was also studied, but the Navy determined this would not meet its needs.

The analysis assumed a maximum of 30 million barrels of fuel a year being transported for commercial and Navy use, noting the historical use by the Navy of 4 million to 12 million barrels per year. The assessment found that, with mitigation, there would be no significant impacts across 13 resource areas. Development would be limited to previously disturbed areas and biological resources that support sensitive species, including the Palos Verdes blue butterfly population, would not be disturbed. Three aboveground storage tanks near Western Avenue and Palos Verdes Drive North could be reactivated and additional facilities, including new tanks, could be constructed.

On May 16, 2019, Staff submitted a comment letter to the Navy raising serious concerns with the proposal, including the unknowns of potential commercial uses and the construction of new facilities at the San Pedro site, public safety hazards, increased traffic, and biological and visual impacts.

Los Angeles City Councilman Joe Buscaino, who represents the Harbor Area, sent a letter to the Navy opposing reactivating the San Pedro site, saying multiple existing liquid bulk facilities in the twin ports of Los Angeles and Long Beach are capable of meeting the Navy's needs.

In response to requests from the community, the Navy extended the public comment deadline for the draft EA from May 20, 2019 to June 3, 2019.

On May 29, 2019, Staff attended a meeting of the Northwest San Pedro Neighborhood Council Community Issues Committee, where the panel heard an overview of the proposal from Gregg Smith, a public affairs officer for Naval Weapons Station Seal Beach. Smith took questions and clarified that the Navy would not collect rent from the lessee, saying the arrangement would be for in-kind services (improvements and maintenance). Smith also said that since announcing plans to potentially reactivate DFSP, the Navy has been approached by several local oil industries that expressed interest in the potential outlease.

The committee members raised various public safety concerns about renewing and significantly increasing fueling operations at the depot site in San Pedro, given its proximity to homes, populated areas, the nearby Rancho LPG storage tanks and the Phillips 66 oil refinery. Smith said that under Alternative 2, one possibility could be for a nearby oil refinery with existing pipelines capable of connecting to the marine terminal to enter an outlease, meaning, the use of the site near homes could be avoided.

The Navy granted the Northwest San Pedro Neighborhood Council an extension to submit comments on the draft EA after June 3, 2019 so they could be discussed at the council's next board meeting after the deadline. On June 10, 2019 the board voted unanimously to send a letter opposing Alternative 1 over various environmental and public safety concerns, expressing strong opposition to the construction of new storage tanks, and calling for additional alternatives to be studied before making a decision on Alternative 2.

According to the Navy, a final EA should be released by the end of 2019. The Navy would then put out a request for proposals and make a final decision on its next steps soon after. Any potential development not studied in the EA would require additional analysis.

Staff will continue to monitor this issue in future Border Issues Status Reports.