MINUTE ITEM
This Calendar Item No. 78
was approved as Minute Item
No. 78 by the State Lands
Commission by a vote of 3
at its 6/11/90
meeting.

CALENDAR ITEM

78

A 61

S 25

06/11/90
W 23938
Hall
Beutler

REQUEST FOR APPRAISAL
WARD VALLEY, LOW LEVEL RADIATION SITE

PARTY: State Lands Commission
1807 - 13th Street
Sacramento, California 95814

PROJECT INFORMATION:

At the request of the Department of Health Services (DHS), the Commission filed a State Indemnity Selection application with the Bureau of Land Management (BLM) on February 17, 1987 to acquire lands located in Ward Valley, San Bernardino County. DHS proposes to acquire the site from the Commission and develop a Low-Level Radioactive Waste Disposal Facility. The School Land Bank Act requires that the Commission receive fair market value for a sale or transfer of property. In order to establish the value of the property, DHS and the project applicant, U.S. Ecology have agreed to consider an appraisal prepared on behalf of the Commission.

An EIR/EIS is being prepared and the planned completion date of the Final EIR/EIS is September 1990. The land transfer from BLM to SLC of the DHS site cannot take place until the completion of the EIR/EIS process. Because of certain siting requirements, DHS and the applicant are working under specific time frames and have requested that the Commission proceed with an appraisal process to run concurrent with the environmental process.

Staff proposes to circulate a Request for Proposal for this appraisal and accept bids. Staff will then return to the

(ADDED pgs. 515-515.3)

Commission and request an award of a contract based on the results of bidding.

All costs of the Appraisal will be paid for by the applicant U.S. Ecology.

AB 884: N/A.

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: P.R.C. 21065 and 14 Cal. Code Regs. 15378.

EXHIBIT: A. Background Information for the Appraisal.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE 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 P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.

2. AUTHORIZE STAFF TO CIRCULATE A REQUEST FOR PROPOSAL FOR AN APPRAISAL OF PROPERTY LOCATED AT WARD VALLEY, SAN BERNARDINO COUNTY, FOR FUTURE USE AS A LOW LEVEL RADIATION DUMP SITE.

EXHIBIT "A"

BACKGROUND INFORMATION
FOR THE APPRAISAL

Section 1992.2(b), California Civil Code, requires appraisers of real property to, "Utilize due diligence to ensure that any data that would materially affect the appraiser's analysis, opinion, or conclusion, has been considered with appropriate care to produce an informed result". To accomplish this objective in appraisal of the proposed site for a low-level radioactive waste (LLRW) disposal facility, the following background information is relevant.

The subject property is the proposed site for a LLRW disposal facility being developed to meet requirements of existing federal and State law that require that such a facility be established. Other states around the nation are developing similar facilities pursuant to the same federal law, the Low-Level Radioactive Waste Policy Amendments Act (P.L. 99-240).

A completed license application for the California facility has been prepared by US Ecology, Inc., State's license designee to locate, develop and operate the facility. If approved by the Department of Health Services, the disposal facility will provide disposal services to waste producers in California, Arizona, North Dakota and South Dakota for a 30 year period. Disposal fees are to be established through a rate-review process administered by the California Department of Health Services, which is also responsible for licensing and regulating the disposal facility. US Ecology will be California's only licensed operator of a LLRW disposal facility. As the licensed operator of the proposed facility US Ecology is entitled to charge disposal fees which are sufficient to recover its capital investments and operating expenses and to make a profit on the operations. Capital investments will be recovered over a 20 year period as provided for in Title 17, California Code of Regulations, Section 30470 et seq. The Department of Health Services has authority to approve the disposal fees charged by the licensed operator. California's legal obligation is to provide a disposal facility for 30 years. After the California site has been closed, the state is responsible for institutional care of the land for a period of at least 100 years.

By law, the California LLRW disposal facility must be located on federal or State land. The subject property is to be owned by the State of California prior to license issuance. The U.S. Bureau of Land Management (BLM) currently manages the property along with large tracts of adjoining land in the area, and has been formally requested to transfer the property to State ownership under the State Indemnity Selection process.

The proposed site is in a three mile wide BLM designated utility corridor. The utility corridor is intended to accommodate the expansion of utility facilities, e.g. telecommunications and bulk transfer of electricity, natural gas, water, petroleum and other commodities. The Metropolitan Water District has a 400 foot right-of-way traversing the site from north to south. The 400 foot wide right-of-way contains a 230KV electrical transmission line, related support towers and an unimproved maintenance road.

US Ecology, the license designee, undertook extensive studies to identify sixteen candidate siting areas and later focused on three candidate sites before identifying the subject property as the preferred site for licensing purposes. The preferred site was selected because of its specific geologic, hydrologic, climatic, seismic and geographic characteristics, which are consistent with site suitability requirements identified in federal regulations applicable to such disposal facilities. (10 CFR Part 61.50). These federal regulations were adopted by the State prior to the site selection process.

Approximately $16 million have been expended by US Ecology to locate and characterize the site prepare environmental impact documents on the project site and other alternative sites, complete the license application, and to inform agencies and the public throughout the development process. US Ecology estimates the cost for site improvements including buildings, utilities, equipment and access roads to the actual disposal area to be in the range of $5 million, exclusive of land acquisition and financing costs. Currently anticipated improvements will take place on about 90 acres of the property. The remaining approximately 900 acres will comprise a buffer zone that will also be subject to periodic environmental monitoring to ensure that the disposal facility is in compliance with applicable regulatory requirements.

US Ecology's License Application and Proponent's Environmental Assessment are available for review at the following locations:

DHS - 714 P Street, Room 616, Sacramento, CA

US Ecology - 800 West Broadway, Suite E, Needles, CA

BLM - 1675 Spruce Street, Riverside, CA

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