



**Meeting Report for March 15, 2010
by Richard Bort**

Valley VOTE Board members, community leaders, and concerned citizens convened on March 15, 2010 at Galpin Ford to hear featured speaker Carmen Trutanich bring us up to date on what is happening in the L.A. City Attorney's Office and other issues.

Carmen Trutanich

Brief Bio

Carmen A. Trutanich took office as City Attorney for Los Angeles on July 1, 2009, replacing Rocky Delgadillo. "Nuch", as he is known to friends and family, grew up in San Pedro, where he attended local public schools. He went on to earn both his undergraduate degree and MBA at the University of Southern California, and he earned his law degree at night at the South Bay University College of Law in 1978.

Carmen joined the L.A. County District Attorney's Office and was assigned to the Environmental Crimes/OSHA Unit. In his tenure as an California Lawyer magazine named him as one of the top 10 environmental and land use lawyers. He has been named a Southern California "Superlawyer" for the past four years, and has received the highest possible rating from Martindale-Hubbell in the areas of legal ability and ethical standards.

Since taking office, Nuch has trimmed the staff by 140 people, substantially reduced reliance on the use of outside counsel, and gone to trial with spectacularly successful results instead of caving in and paying off in negotiated settlements. By June 30, 2010 – the end of his first year in office – he said he expects to have brought the City Attorney's office into compliance with the current budget. In describing his efforts to date, Nuch said, "I didn't know what hard work was until I took this job", but he said he loves it despite the 16-hour days and working seven days a week.

Auditing the City Attorney's Worker Comp. Cases

Trutanich explained the workers comp case as being much ado about nothing. Former City Controller Laura Chick had insisted on auditing the City Attorney's workers comp actions, and former City Attorney Delgadillo resisted as a matter of principle. Chick had gone to the City Council for approval to hire an attorney, since she was suing the city's attorney and, therefore, he could not represent her. The Council refused her request, so she engaged a pro bono lawyer.

Two weeks before both Trutanich and Wendy Greuel came into office, a judge heard the case and his tentative ruling backed the City Attorney. The ruling said Chick did not have the power to audit the workers comp program or conduct performance audits of the city's other elected officials.

Upon taking office on the same day as Greuel, who replaced Chick, Trutanich informed Greuel's (formerly Chick's) pro bono attorney that he was not entitled to represent Greuel since she was not a party to the case. Trutanich felt that Greuel had no standing in the lawsuit because, technically, the suit was brought by Laura Chick and not the Controller's Office.

When Trutanich and Greuel took office, she asked Trutanich to permit withdrawal of the suit, as he had told her personally that he would allow her to audit his department. But Trutanich felt bound to refuse to dismiss because – ironically – that would have made the Controller's office the winner. Also, only his client, the City Council, could ask him to dismiss the suit and the Council refused. The pro bono attorney now wanted some \$200,000 according to Trutanich. He told Valley VOTE that there was no way he was going to pay a pro bono attorney anything, "especially one who lost the case!" The upshot is that the dust has now cleared, and the Controller's private auditors have been in the City Attorney's office auditing the workers comp system. Trutanich footnoted this story by telling us that he has asked the Mayor to move ALL workers comp claims to the City Attorney's office, starting when the claim is made, and he will manage the entire process without adding

any more staff. So far, he said, the mayor has not responded. Somewhat frustratingly, Trutanich said, "We need risk management in this city – there are more unimaginable cases that become workers comp cases than anyone would believe." He pointed out that Los Angeles is no different from a very large business, but "no business would manage its risks as poorly as L.A. does."

In summarizing his department's adherence to the letter of the law Trutanich said, "We've taken some harsh stances and have had some victories. We took the stances because they were the right thing to do."

Protecting L.A. Tax Dollars

Illustrating his toughness in protecting taxpayers, Trutanich told the story of how a driver plowed through a very busy intersection in South L.A. and hit two 17 year-old pedestrians. One was killed and the other severely injured, and the driver didn't stop. The families sued the city for \$12 million for maintaining a dangerous intersection. It seems that one portion of the curb should have been painted red but it was never painted. As a result, a vehicle was parked in that space and partially obstructed the view of the pedestrians. Nuch noted that in prior administrations, the city would have negotiated a multimillion dollar settlement with the families, but he stood his ground. He said that while this case was a terrible tragedy for the two families involved, the only reason the city was named as defendant was that it had deep pockets and the driver of the vehicle could not be found. He instructed his staff to research the situation and found that some 10 million vehicles have passed through that intersection annually in the past 10 years since the city improved the intersection (and forgot to paint the particular curb red). In that time, only 11 accidents occurred in the intersection. Trutanich instructed his staff attorneys to argue the case before the jury vehemently on the basis of facts, not emotions, and the jury returned a verdict in favor of the city.

Trutanich said this case, while tragic for the families, illustrated his insistence on "doing the right thing." He emphasized that he is playing hardball with all cases and taking them to trial instead of settling with taxpayers' money, and his winning percentage is quite high.

As for bringing his office expenses down to meet or beat the budget, Nuch said, "If I can do it, there is no reason why every other department in the city can't do it, too – without layoffs!"

Having a strong backbone is not enough for Nuch Trutanich. He wants the additional tool of being able to convene grand juries and issue subpoenas so that his office can conduct investigations of misdemeanor criminal offenses. State Senator Gil Cedillo is carrying Trutanich's water, having introduced SB 1168 on February 18, 2010. While the bill explicitly says that any such grand jury would not have any power to return an indictment (a power reserved to grand juries convened by the county's District Attorney), SB 1168 would add considerably to the City Attorney's arsenal to investigate cases such as potentially illegal medical marijuana sales.

Medical Marijuana shops and the Mexican Connection

Nuch pointed out the California Health and Safety Code has some very specific provisions about medical marijuana. A review of the Code shows that those provisions include limiting possession or cultivation of limited quantities of marijuana for medical use to "Qualified patients, persons with valid identification cards, and the designated primary caregivers of qualified patients and persons with identification cards...." [Section 11362.775]. This does not empower pot shop employees to possess marijuana, Nuch said. The same Code section permits these qualified patients and designated primary caregivers to "associate within the State of California in order collectively or cooperatively to cultivate marijuana for medical purposes." According to Trutanich, this limits distribution of medical marijuana in California to collectives and co-ops. Moreover, the Code specifically prohibits "any individual or group to cultivate or distribute marijuana for profit." [Section 11362.765]. As Nuch pointed out, "Unless you are a primary caregiver, it is illegal for you to distribute marijuana."

This controversial Code provision has led some to assert that marijuana may not be sold, although a collective or co-op would need cash to pay for seed, water, and other production and distribution costs. Nuch made no bones about it when he emphasized, "My job is to enforce the law as written." He interprets the law to say that storefront pot shops that sell marijuana are illegal unless proven otherwise. The only pot shops that will remain open in L.A. will be true collectives, he said. For example, he told us that he has counseled the Jewish Home for the Aged in Reseda that it could qualify as a collective and thereby legally cultivate marijuana for distribution to its qualified patients.

One of the things, besides the law, that irks Trutanich about the distribution of marijuana, whether for medical or recreational purposes, is that most of it is grown using heavy duty pesticides that are absorbed into the marijuana plants. He has had the LAPD collect samples of marijuana from pot shops all over the city and had them tested at a federal FDA lab, and found the level of pesticides to be 1,000 times the level permitted by the FDA in otherwise legal foods. He noted that in California the Sherman Food, Drug, and Cosmetic Law [Health and Safety Code, Sections 109875-111915] protects consumers much like the FDA does at the federal level.

As a result, Nuch has initiated the creation of a "marijuana DNA" database and is working through the American Prosecutors Association to expand this database throughout the country. He is certain that by using this database authorities will be able to trace marijuana to its sources, which he is certain are in Mexico.

Which brought Nuch to the topic of the current violence between rival Mexican drug cartels. He predicted that these cartels are eyeing the pot shops in L.A. and elsewhere in the U.S. as important components of their drug distribution systems if marijuana is legalized in the U.S. It is such a potentially lucrative proposition that he said he fully expects to see heavy funding of political campaigns to legalize marijuana, whether for medical or recreational use, or both. And the shocker is that he predicted that much of that funding will come from the Mexican cartels (he did not elaborate as to how the funds would be funneled into the campaigns, though).

Enforcing the City's Sign and Billboard Ordinance

The city has historically had thousands of illegal or unregistered billboards spread all over the city. Prior to his inauguration, the city was known to create "sign districts" of one block square to accommodate billboard companies. The previous City Attorney had lost every billboard case it tried. But when he came into office, Nuch told all the billboard companies that they had 90 days from his inauguration date (he actually gave them 180 days) to bring their signs into compliance with the city's billboard ordinance. Then he started to fight the companies and he has won every case, he said. Two recent cases were most notable, involving electronic billboards at the L.A. Live entertainment complex adjacent to Staples Center, and an eight-story movie advertisement on an office building across the street from where the Academy Awards were scheduled a few days later.

L.A. Live's developer, AEG, had built and began operating the entertainment venue but had apparently failed to apply for permits for several large signs before the City Council banned all new billboards in the city. The media has fully documented the tussle between AEG and Trutanich, who maintained that AEG did not have a permit and, therefore, could not erect the signs. Nuch said, though, that he offered to go to court and support AEG's bid to erect the signs on the basis that the failure to obtain the permits was merely a bureaucratic screw-up; but AEG chose to go to the City Council instead, which voted 12-0 to have the permits issued to AEG. Nuch commented that he doesn't make policy; he only enforces the law, and he had no authority to grant an exception to the law.

Then, a few days before the February 28th Academy Awards were to take place in the Kodak Theater at Hollywood Blvd. and Highland Ave, a businessman began having a series of three supergraphic signs erected on an aging office building across the street from the theater. It was a prime spot for advertising the film "How to Train Your Dragon" because the sign would be caught by hundreds of cameras trained on the famous red carpet. Trutanich demanded that the first of three sign components be removed, when the second – and then the third – components were hung from the building on successive nights. Trutanich then had an arrest warrant issued and the man was arrested at his home Friday night, February 26, and ordered held over the weekend on \$1 million bail. Trutanich accused the man of three misdemeanor city code violations. The signs came down immediately and the bail was reduced to \$100,000. This case is pending.

Carmen Trutanich gets very excited when talking about what he is trying to do and has accomplished, as evidenced by the length of this report. President Joe Vitti had to cut him off at 9 PM; otherwise Nuch would have regaled us with even more exploits in his first nine months in office.

Valley VOTE Committee Reports

Citizens Redistricting Commission... Warning - Joe Vitti

Joe Vitti, who has applied to become a member of the 14-member panel that will conduct the redistricting of the state Assembly Districts next fall, warned about a movement by a group of congressional representatives to thwart the redistricting plan that was approved by voters last November (Proposition 11). Apparently these representatives fear that if the state redistricting is conducted by a citizens commission, the redistricting of the congressional districts will be next, and they strongly oppose that.

According to news reports some of the people behind this subterfuge, and their contributions to the effort, are: Karen Bass \$50,000; Alex Padilla \$15,000; Linda Sanchez \$25,000; Nancy Pelosi \$10,000; Mike Honda \$10,000; Diane Watson \$10,000; Howard Berman \$10,000; and Judy Chu \$10,000. The petition campaign is underway with plans to put it on the November 2010 ballot.

Nuclear Power Report – Joe Vitti

President Obama's position on U.S. Nuclear Power

Joe Vitti reminded the meeting attendees that in his State of the Union address on January 28th, President Obama said, "To create more of these clean energy jobs, we need more production, more efficiency, more incentives. And that means building a new generation of safe, clean nuclear power plants in this country."

Keeping to his word, on February 16, 2010 the President announced the U.S. Department of Energy had offered to guarantee loans for the building of two new reactors at the Vogtle Electric Generating Plant in Georgia. **These will be the first nuclear reactors to be built in the U.S. in 30 years** and will add 2,200 mw to the existing plant.

The plant's units 1 and 2 were completed in 1987 and 1989 and their operating licenses will expire in 2049, 60 years after the reactors were completed. Each unit has a Westinghouse pressurized water reactor with a General Electric turbine and electric generator. The Municipal Electric Authority of Georgia is co-owner of the Vogtle plant and the operator is Southern Nuclear Operating Co. Inc.

Clean Nuclear power will lower future power rates in L.A.

Joe noted that the L.A. DWP anticipates that its electric rates will rise to about 17.7 cents per kWh by 2014, which would be a 68% increase over the 2008 rates. The increase can be largely attributed to the higher costs per kWh from wind and solar, which the DWP is committed to adding to the energy mix to reach 35% renewables by the year 2020. At this price (17.7 cents per kWh), nuclear energy becomes quite competitive price wise and should therefore be included if in the mix, according to Vitti. The Palo Verde nuclear power plant in Arizona, in which the DWP is a minority partner, provides about 9% of the DWP's mix currently, at a cost to the DWP similar to its cost of coal-generated power. If the Palo Verde capacity were increased by two additional reactors, for which the plant was designed, the amount of nuclear energy in the DWP's mix could be raised from 9% to 15%. The DWP, however, continues to maintain that nuclear power is too expensive and refuses to consider Palo Verde expansion or any other nuclear energy sources.

Joe also noted, however, that with modern nuclear plants being licensed for 60 years, the owner has more than ample time to recover its capital costs as well as all operating, maintenance, and decommissioning costs.

Joe noted that the Fresno Nuclear Energy Group, about which he reported in the January 18, 2010 Valley VOTE meeting, has now signed a contract with the French engineering firm Areva, which is a leading builder of nuclear power plants. Areva reportedly will ship spent fuel rods back to France for reprocessing and reuse, to circumvent a long standing Ca. State requirement to have a solution to the safe permanent storage requirements for spent fuel.

Housing – Vic Viereck

The City charges a 150% late fee penalty.

Each year the City of Los Angeles's Housing Department assesses apartment owners Rent Registration and Systematic Code Enforcement Fees. The fees are due by the last day of February. If that day is on a weekend or holiday, the due date is on the next business day. Unlike other governmental taxes and fees, the amount

assessed needs to actually be received by the due date. The post marked date is not relevant. If the assessed amount is not received by the due date, the late penalty until March 31 is 58.57%. If it's received after March 31, the penalty is 149.88%. The amount assessed for each unit is \$54.23. With the first penalty it grows to \$85.99 per unit, and to \$135.51 per unit with the second penalty rate. Also, if the owner fails to pay for the Rent Registration Certificate, the owner is prohibited from collecting any rent from the respective tenants. Elected public officials make such a fuss when businesses charge high service charges, interest, and late fees. But the Housing Department's penalties would make organized crime jealous, Vic said. If property taxes are paid late, the late charge is about 10.5%. Late charges for Federal and California income tax are at that same general level.

Vic argued that the city should not assess any penalties in excess of 10%.

L.A. World Airports (LAWA) – Denny Schneider

Denny could not attend the meeting because of a family medical event, but he provided his report, which Joe Vitti read to attendees.

Airline traffic is slightly up from its lowest point but continues to be depressed; LAX is at about 54 Million Annual Passengers (MAP), which is down from 68 MAP before 9/11/2001. Experts disagree on what will happen over the next few years, but several expect a gradual improvement in passenger volume while others expect a double-dip reduction again. Either way it's not heartwarming. Several overseas carriers, including Qantas, are removing many of their first class seats and reducing business class seating in response to the downturn.

The draft Northside Runway Safety Report, prepared by a team of academics based on simulation studies by NASA, was released this past month. It concludes that the runway is already safer than most equivalent runway complexes in the nation. Although there can be additional improvement reaped from expanding the distance between the runways, the report states that the incremental increase would be small and the expense of moving runways could be better spent on other safety improvements.

The Tom Bradley International Terminal expansion, to construct a new building with newer, larger aircraft gates about 75 feet further back, is progressing in stages. LAWA has just authorized another \$2 billion in bonds to help pay for it. Meanwhile the Central Utilities Plan, to update the 1960s heating, cooling, and electrical service, is progressing as well as the midfield taxiway project. Of note, few of the traveler-oriented "green light" projects, such as the Consolidated Rental Car Facility, have progressed. Many other critical repairs, such as fixing the upper roadway in the Central Terminal area, remain "planned" but not started.

Transportation – Bart Reed

"Corridor" vs "Hub and Spoke" Rail Systems

Bart's main point was that rail "corridors" do well financially while so-called hub-and-spoke commuter-oriented systems suffer financially. For example, the "LoSan" corridor, running between San Luis Obispo and San Diego (and running diagonally through the San Fernando Valley), is second only to the Boston-Washington D.C. corridor in passenger volume in the country, and it is profitable. Yet the MetroLink spokes, all of which run from outlying areas like Moorpark and the Antelope Valley into downtown L.A., struggle to break even. That's why MetroLink has proposed service cuts during the day between commuter rush hours.

Bart told us that the Transit Coalition, of which he is Executive Director, is discussing redesigning the MetroLink's services into corridor-type lines that would not end at Union Station; rather, the lines would extend southward into Orange County. By eliminating the necessity to change trains – and waiting for the next train – a passenger could travel from Moorpark or Lancaster to Buena Park or Anaheim without getting out of his/her seat. This would encourage greater use of trains, thereby increasing revenue, probably cost no additional funds, and relieve highway traffic. Reed said he is discussing this concept with county representatives and MetroLink management and board members, and he reported to us that they are "getting excited" about the idea. Adding to the value of such corridor-type service, Burbank Airport is planning to build a people-mover between the airport and the nearby MetroLink station, which should benefit both the airport and MetroLink.

Next Meeting

Valley VOTE will hold its next meeting at Galpin Ford on Monday, April 19, 2010 starting at 6:30PM. Ron Kaye will be our featured speaker

Valley VOTE is a diverse coalition of San Fernando Valley residents, business people, educators, community activists, and organizations, committed to exploring and fostering the implementation of programs that empower the people of the San Fernando Valley and the City of Los Angeles, to improve local governance, education and public participation on policy matters.

For additional information about Valley VOTE, for an upcoming meeting agenda, or for previous meeting reports and press releases, we encourage you to go to the Valley VOTE website: www.ValleyVote.org.

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