

Approved as amended on 2/8/11

**Amendment to Item 64 – revision
in bold.*

**~ AMENDED MINUTES ~
CALIFORNIA STATE LANDS COMMISSION
MEETING OF OCTOBER 29, 2010**

**THE CITY OF CULVER CITY
MIKE BALKMAN COUNCIL CHAMBERS – 1ST FLOOR
9770 CULVER BOULEVARD
CULVER CITY, CALIFORNIA 90232**

APPEARANCES

COMMISSIONERS PRESENT

John Chiang, Controller – voting on minutes and consent calendar (Cindy Aronberg, Deputy Controller, Alternate for Chair and State Controller John Chiang – voting on items 55, 64 and 69)
Amanda Fulkerson, Alternate for Abel Maldonado, Lieutenant Governor – voting on minutes, consent calendar and items 62, 63 and 65
Cynthia Bryant, Chief Deputy Director for Policy, Department of Finance, Alternate for Ana J. Matosantos, Director, Department of Finance – voting on all items

STAFF MEMBERS IN ATTENDANCE

Paul Thayer, Executive Officer
Curtis Fossum, Chief Counsel

REPRESENTING THE OFFICE OF THE ATTORNEY GENERAL

Alan Hager, Deputy Attorney General

NOTE: *A list of individuals making statements before the Commission and the entities they represent, along with the Executive Officer's Report, are included in a complete transcript of the proceedings, which is on file in the Sacramento offices of the Commission and posted on the Commission's website at www.slc.ca.gov. Also included on the website is the voting record of the meeting with the staff report for each agenda item linked to the respective consent, regular or informational item number. A link to a recorded Cal-Span.org webcast of the meeting is also available on the Commission's website. All of these items may be found under Most Popular Links / Previous Meetings, by date of the meeting.*

**RECORD OF ACTION TAKEN BY THE
CALIFORNIA STATE LANDS COMMISSION
MEETING OF OCTOBER 29, 2010**

Chair John Chiang called the meeting of the California State Lands Commission to order at 10:08 A.M. at the Culver City Mike Balkman Council Chambers, 9770 Culver Boulevard, Culver City, California 90232; also present were Commissioner Alternate Amanda Fulkerson and Commissioner Alternate Cynthia Bryant.

The Minutes of the August 20, 2010 meeting were approved as presented by a vote of 3-0.

Culver City Council Member Scott Malsin welcomed the State Lands Commission to Culver City.

EXECUTIVE OFFICER'S REPORT

Executive Officer Paul Thayer updated the Commission on the status of the upcoming audit to be conducted by the Bureau of State Audits. The Commission was informed that staff is currently in the process of reviewing processes for determining rent-setting mechanisms and compiling other information that staff anticipates will be requested by the Bureau of State Audits.

Mr. Thayer updated the Commission on two lease violations and enforcement actions in which both the lessees have taken steps to come into compliance. Additionally, The Spirit of Sacramento, a vessel that half sunk in the Sacramento River, has been refloated and moved to a facility for repair. As to Mr. Asuncion and the Blue Whale Sailing School in Alviso, the Commission has received a court judgment in favor of the State and the State has been authorized to collect back rent.

In accordance with Commission's authorization, staff filed an amicus brief in the Alameda Gateway case to help support one the State's grantees, the City of Alameda. The court has ruled in favor of the City of Alameda.

Lastly, several years ago a ship, named the Command, dumped over 3,000 gallons of oil into the Pacific Ocean off the San Francisco area coastline. The responsible party paid approximately \$4 million for the damage it caused, including loss of the beach for public use. As a result of the Commission's involvement in this case, a new stairway was built using a portion of the \$4 million that improves the public's access to the beach along the San Mateo coast.

PRESENTATION OF PLAQUE: The Commission presented a resolution to Paul Thayer honoring him for his 30 years of state service, including 14 years with the State Lands Commission, 11 of which he served as the Executive Officer.

REGULAR ITEM 69: Prior to considering the Consent Calendar and the Regular Items, Regular Item 69 was considered by the Commission. Paul Thayer made a recommendation to appoint Curtis Fossum as Executive Officer. Commission Chair John Chiang expressed his support of Mr. Fossum for the Executive Officer appointment. Commission Alternate Bryant and Commission Alternate Fulkerson stated that they would like to create a process to cast a wider search for an Executive Officer. The Commission agreed to discuss the process further in closed session. (See below for further action on this item)

CONSENT CALENDAR

Consent Items C02, C07, C29, C47 and C60 were removed from the agenda, to be heard at a later date. C55 was moved to the Regular Calendar. C22 was reconsidered during the Regular Calendar (see below). Consent Items C01, C03-C06, C08-C21, C23-C28, C30-C46, C48-C54, C56-C59 and C61 were approved by a vote of 3-0.

REGULAR CALENDAR

(The Items below appear in the order presented.)

ITEM 68: A staff presentation was made to the Commission asking for sponsorship of legislation that would fully fund the Oil Spill Prevention and Administration Fund (OSPAF), which funds to both the Office of Spill Prevention and Response in the Department of Fish and Game and the State Lands Commission's oil spill prevention program. Commission Alternate Fulkerson requested additional information about how the recommendations, which resulted from a 2008 audit of the OSPAFA, have been implemented.

The Commission did not take action on this item.

ITEM 62: A staff presentation was made regarding a request for an amendment to an existing lease to add Poseidon Resources, Surfside, LLC as a co-lessee with AES Huntington Beach, LLC. The current lease with AES is for one intake and one outfall pipeline, which are currently used as part of a once-through cooling system utilized by AES's electricity generating power plant. The applicant proposes to use the existing intake and outfall pipeline for a desalination facility to be built in conjunction with the upland power plant. A total of 39 people spoke, both in favor and in opposition, to the lease amendment. Commission Alternate Bryant made a motion to adopt staff's recommendation with the modification that at the end of the two-year monitoring periods the Commission, not the Executive Officer, will decide whether the Salinity Monitoring and Reporting Program be extended. Commission Alternate Fulkerson seconded the motion.

The item was approved as amended by a vote of 2-0. (Commission Alternate Fulkerson and Commission Alternate Bryant voting)

ITEM 67: An informational staff report was presented to the Commission regarding the status of the Long Beach legislative grant, specifically Proposition D and its impact on port operations. The Mayor and City Attorney of Long Beach spoke in opposition to the item. A representative of the Pacific Merchant Steamship Association spoke in support of the staff report.

This item was informational - no action taken.

THE COMMISSION ADJOURNED THE PUBLIC SESSION INTO CLOSED SESSION. SUBSEQUENTLY THE COMMISSION RESUMED PUBLIC SESSION.

ITEM 64:** A staff presentation was made to the Commission regarding a Boundary Line Agreement proposed by the Seacliff Beach Colony Homeowner's Association, which would locate the permanent boundary between sovereign lands and private uplands at the proposed design toe of a revetment project in front of the Seacliff Beach Colony, located in Ventura County. Staff recommended denial of the proposed Boundary Line Agreement and recommended approval of a lease to the Seacliff Beach Colony Homeowner's Association for the revetment. ***Staff modified its recommendations of 60 days for execution of the lease to six months. Representatives of the Seacliff Colony Homeowner's Association spoke in opposition the Commission staff's recommendation to deny the proposed boundary line agreement.

The Item was approved as presented by a vote of 2-0. (Commission Alternate Aronberg and Commission Alternate Bryant voting)

ITEM 63: A staff presentation was made to the Commission regarding the State Lands Commission's Oil Spill Prevention programs for oil production facilities and marine oil terminal operations in state waters. Commission Alternate Bryant made a motion to: approve staff recommendations #2, #3, #5, #7 and #8 as presented; approve staff recommendation #1 with the amendment of limiting its scope to blowout prevention; delete recommendations #4, #6 and #9; and direct staff to work with the new administration and the Department of Finance to seek appropriate staffing levels to assure appropriate oil spill prevention program administration. Commission Alternate Fulkerson seconded the motion.

The item was approved as amended by a vote of 2-0. (Commission Alternate Fulkerson and Commission Alternate Bryant voting)

ITEM 66: The Commission was updated on the status of the Owens Lake Master Plan process.

The item was informational - no vote was taken.

ITEM 65: A staff presentation was made to the Commission requesting the Commission adopt a resolution proposed by the Controller urging Congress to adopt a national renewable electricity standard.

The item was approved as presented by a vote of 2-0. (Commission Alternate Fulkerson and Commission Alternate Bryant voting).

ITEM 55: A staff presentation was made regarding a request to consider approval of a Title Settlement and Land Exchange Agreement involving certain parcels of land located in and adjacent to the San Dieguito River/Lagoon in the City of Del Mar, San Diego County. Staff recommended that the Commission approve the settlement and exchange agreement with the 22nd District Agricultural Association. Testimony in favor and in opposition to the item was taken.

The item was approved as presented by a vote of 2-0. (Commission Alternate Aronberg and Commission Alternate Bryant voting)

ITEM 69: The Commission returned to Item 69 to consider appointment of an Executive Officer. Commission Alternate Bryant made a motion to appoint Curtis Fossum the interim Executive Officer, effective November 9, 2010, and direct staff to conduct an open application process for a very short period of time and return in December to consider the matter further.

The item was approved as amended by a vote of 2-0. (Commission Alternate Aronberg and Commission Alternate Bryant voting)

ITEM 22: Consent Item 22 was originally considered and approved by the Commission during its consideration of the Consent Agenda. Subsequently, the Commission took testimony to reconsidered Item 22 during the Regular Agenda. Juliette Hunter, representing the Sheldon Family Limited Partnership, expressed concerns over an increase in rent for the Sheldon Family Limited Partnership lease for their pier and buoys located in Lake Tahoe. The Commission directed staff to review the proposed revision of rent to make sure no mistakes were made in the calculation of the rent.

No additional action was taken on the item.

The Commission meeting public session was adjourned at 4:06 P.M.

**STAFF AND PUBLIC ADDRESSING
THE FOLLOWING CALENDAR ITEMS
CALIFORNIA STATE LANDS COMMISSION MEETING**

OCTOBER 29, 2010

OPENING REMARKS

- Scott Malsin, Councilmember, City of Culver City

CONSENT ITEM 22 – GENERAL LEASE IN LAKE TAHOE

Colin Connor, Assistant Division Chief, Land Management Division

- Juliette Hunter, representing Sheldon Family Partnership

ITEM 55 – 22ND DISTRICT AGRICULTURAL ASSOC.

Kathryn Colson, Staff Counsel, Legal Division

- Rebecca Bartling, Chief Operating Officer, 22nd District Agricultural Association
- Jacqueline Interer, former Mayor, City of Del Mar

REGULAR ITEM 62 – HUNTINGTON BEACH DESAL PLANT

Colin Connor, Assistant Division Chief, Land Management Division

- Jim Adams, Council Representative, LA/OC Building Trades Council
- Mark Baker, Business Representative, IBEW Local 441
- Brett Barbre, Director, Metropolitan Water District
- Mary Jo Baretich, President, Cabrillo Wetlands Conservancy
- Denis Bilodeau, Director, Orange County Water District
- Keith Bohr, Councilmember, City of Huntington Beach
- Lindsay Brennan, Staff Member, Office of Orange County Supervisor John Moorlach
- Perry Cain, President/CEO, Huntington Beach Chamber of Commerce
- Tony Capitelli, District Director, Office of Congressman Dana Rohrabacher
- Lou Correa, State Senator, Orange County
- Pat Davis, representing self
- Shawn Dewane, Director, Mesa Water District
- Siobhan Dolan, representing Desal Response Group
- Karalee Ethridge, representing Orange County Division League of California Cities

REGULAR ITEM 62 – HUNTINGTON BEACH DESAL PLANT CONTINUED

- Conner Everts, representing self
- Joe Geever, California Policy Coordinator for Surfrider Foundation
- Cathy Green, Mayor, Huntington Beach
- Ruben Guerra, Vice Chairman, California Latino Water Coalition
- Tom Harman, State Senator, 35th District
- Kate Klimow, Vice President of Government Affairs, Orange County Business Council
- Rich Kolander, resident of Huntington Beach
- Rodney Larson, Business Representative for Plumbers & Steamfitters Local 582
- Dr. Bill Lochrie, representing self
- Martin McIntosh, representing South Orange County Regional Chambers of Commerce Economic Development Committee
- Scott Maloni, representing Poseidon Resources
- Renee Maas, Senior Organizer with Food and Water Watch
- Kathy Meschuk, representing self
- Merle Moshiri, representing self
- Stephanie Pacheco, Chair, Environmental Committee, Democratic Party of Orange County
- Manny Padilla, representing Orange County Hispanic Chamber
- Martin Paine, District Director for State Senator Mimi Walters
- Reed Royalty, President, Orange County Taxpayers Association
- Karl Seckle, Assistant Manager District Engineer, Municipal Water District of Orange County
- Jose Solorio, Assemblymember, 69th District
- Michelle Sullivan, representing Orange County Coastkeepers
- Mitchell Tsai, representing Environment Now
- Jody Vaughn, District Director for Assemblywoman Diane Harkey, 73rd District
- Noble Waite, Director, Orange County Water District
- Rick Zbur, Latham and Watkins, representing Poseidon Resources

REGULAR ITEM 63 – OIL SPILL PREVENTION OPERATIONS

Greg Scott, Chief, Mineral Resources Management Division

- David Smyser, Senior Coordinator for Marine Issues, Western States Petroleum Association

REGULAR ITEM 64 – SEACLIFF BEACH COLONY

Curtis Fossum, Chief Counsel

- Katherine Stone, Attorney, Representing Seacliff Beach Colony Homeowners' Association
- Al Templeman, Homeowner at Seacliff Beach Colony
- Steve Harbison, Homeowner at Seacliff Beach Colony

REGULAR ITEM 65 – RESOLUTION

Mario De Bernardo, Legislative Liaison/Staff Counsel

REGULAR ITEM 66 – OWENS LAKE

Colin Connor, Assistant Division Chief, Land Management Division

- Martin Adams, Director of Water Operations, Los Angeles Department of Water and Power

REGULAR ITEM 67 – CITY OF LONG BEACH PUBLIC TRUST REVENUES

Jennifer Lucchesi, Senior Staff Counsel, Legal Division

- Bob Foster, Mayor, City of Long Beach
- Michelle Grubbs, Vice President, Pacific Merchant Shipping Association
- Robert Shannon, City Attorney, City of Long Beach

REGULAR ITEM 68 – LEGISLATION

Mario De Bernardo, Legislative Liaison/Staff Counsel

REGULAR ITEM 69 – APPOINTMENT OF EXECUTIVE OFFICER

Paul Thayer, Executive Officer
Curtis Fossum, Chief Counsel