

~ MINUTES (REVISED) ~
CALIFORNIA STATE LANDS COMMISSION
MEETING OF APRIL 23, 2015

**SAN FRANCISCO DOWNTOWN COURTYARD BY MARRIOTT
RINCON HILL ROOM – 2ND FLOOR
299 2ND STREET
SAN FRANCISCO, CALIFORNIA 94105**

APPEARANCES

COMMISSIONERS PRESENT

- Gavin Newsom, Lieutenant Governor (Kevin Schmidt, Policy Director and Alternate, participated for Items C109 and 120)
- Betty T. Yee, State Controller
- Eraina Ortega, Chief Deputy Director and Alternate for Director of the Department of Finance Michael Cohen

STAFF MEMBERS IN ATTENDANCE

- Jennifer Lucchesi, Executive Officer
- Mark Meier, Chief Counsel

REPRESENTING THE OFFICE OF THE ATTORNEY GENERAL

- Joseph Rusconi, 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 Previous Meetings, by date of the meeting.

**RECORD OF ACTION TAKEN BY THE
CALIFORNIA STATE LANDS COMMISSION
MEETING OF APRIL 23, 2015**

Chair Gavin Newsom called the meeting of the California State Lands Commission to order at 12:56 P.M. at the San Francisco Downtown Courtyard by Marriott, Rincon Hill Room, 2nd Floor, San Francisco, California 94105; also present were Commissioner Betty T. Yee and Commissioner Alternate Eraina Ortega.

The Minutes of the March 20, 2015 Special Teleconference Meeting were approved by a vote of 2-0 (Newsom-Yes; Ortega-Yes; Yee-Abstained).

EXECUTIVE OFFICER'S REPORT

Executive Officer Jennifer Lucchesi updated the Commission on the following items:

- In order to increase transparency and information to the general public, Commission staff recently placed information on our website about benchmarks used by Commission staff and the Commission to establish uniform rental rates in specific geographic areas (i.e. Lake Tahoe, Tomales Bay, the Colorado River, Huntington Beach, and Solano Beach) with large concentrations of similar facilities, mostly private recreational piers.
- Commission staff is currently in the process of redesigning its website to make it more user friendly to the public, to applicants, and to stakeholders providing much needed transparency in our operations and the business we conduct, as well as provide useful and easily accessible information. Before the website redesign is completed, Commission staff will come back at the June meeting to seek the Commission's insight and direction.
- About a year and a half ago, the Commission authorized the funding of a shore-based ballast water treatment study in California to address ballast water and to prevent and minimize invasive species. The study is being managed by the Delta Stewardship Council. The Commission authorized the budget of the contractor to do the study in December 2014. Due to some unanticipated legal and staff costs associated with the Council's RFP process, and to increase stakeholder participation, the Council has a need to increase the cost of the contract by \$100,000. The Commission manages the State's Marine Invasive Species Program, so the fees collected to support that program help fund these types of studies; the money is not coming out of the General Fund budget.
- Commission staff is diligently working on creating an internal draft of our strategic plan. Commission staff is planning to bring in an outside consultant to help navigate some of the policy and programmatic perspectives of the strategic plan. The Commission also asked staff to consider human resources needs going forward with the strategic plan efforts. In regards to the schedule, the Executive Officer requested the timeline be extended to ensure a robust public outreach and engagement. Commission staff is looking at the public engagement lasting

RECORD OF ACTION CONTINUED

between June and October with possible Commission action either October or December 2015.

- The Commission was updated on Commission staff's efforts in relation to the recent Executive Order by Governor Brown on the drought. In 2014, Governor Brown proclaimed a state of emergency due to severe drought. On April 1st, 2015, Governor Brown issued Executive Order B2915 proclaiming a continued state of emergency due to the ongoing drought and calling for the first ever statewide mandatory water reductions. As part of the Executive Order, paragraph 19 requires State permitting agencies to prioritize, review, and approval of water infrastructure projects and programs that increase local water supplies. The Commission staff has a number of projects in the works:
 - The Commission has one pending application for the construction of a water desalination facility project in Moss Landing in Monterey County. Commission staff anticipates that the project will be considered by the Commission in mid to late 2016 after the completion of the CEQA and NEPA process.
 - The Commission previously authorized two desalination facilities; both involve the joint use of intake and outfall facilities of existing power plants already under lease. These are the 2008 and 2010 lease amendments allowing Poseidon Resources to use existing facilities located at Carlsbad and Huntington Beach. Although construction infrastructure at the Carlsbad facility is underway, neither facility is currently operating.
 - At the December 2014 meeting, the Commission authorized a test slant well by CalAm, located in the City of Marina. The test slant well has been constructed and testing is currently underway.

Commission staff is taking or will be taking other actions in response to the drought conditions. Going forward, staff will be developing lease terms, addressing water conservation that will be incorporated into appropriate industrial, commercial, and agricultural and grazing Commission leases. A letter was recently sent out to all of the Commission's oil, gas, geothermal, industrial, commercial, and agricultural leases whose leases are believed to involve the use of water, encouraging them to take any and all possible steps to conserve water.

- The State received approximately \$15.5 million from the federal government for the Elk Hills settlement that occurred in the 1990s. With this last payment, California will have received a total of \$315 million that will benefit the California State Teachers' Retirement System.
- The Commission's lead negotiator and appraiser will conduct a site visit next week and meet with representatives from Martins Beach, LLC to gather information in furtherance of the staff appraisal being developed. On May 12th,

RECORD OF ACTION CONTINUED

the Executive Officer is scheduled to meet with representatives of Martins Beach, LLC to continue discussions and hopefully get into some details of negotiation for the acquisition of a public access easement at the site.

CONSENT CALENDAR

- Consent Items C63 and C80 were removed from consideration.
- Consent Items C50, C76, C100, and C109 were moved to the Regular Calendar.
- Consent Items C01-C49, C51-C62, C64-C75, C77-C79, C81-C99, C101-C108, and C110-C115 were approved as presented by a vote of 3-0 (Newsom-Yes; Yee-Yes; Ortega-Yes).

INFORMATIONAL

ITEM 116 – was informational – no vote required

ITEM 117 – was informational – no vote required

REGULAR CALENDAR

(Items appear in the order heard)

ITEM 118: A staff presentation was made to the Commission on the statutory trust grant of state sovereign lands to the City and County of San Francisco, administered by the Port of San Francisco. Port of San Francisco representatives, Monique Moyer, Executive Director, and Brad Benson, Director of Special Projects gave a special presentation to explain the history of the Port and describe future projects.

Item 118 – was informational – no vote required.

ITEM 119: A presentation was made to the Commission to report on the Commission staff's activities to address sea level rise.

Item 119 – was informational – no vote required.

ITEM C50: A presentation was made to the Commission to consider an application for a General Lease – Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, near the city of Sacramento, Sacramento County.

Item C50 – was approved as presented by a vote of 3-0 (Newsom-Yes; Yee-Yes; Ortega-Yes).

RECORD OF ACTION CONTINUED

ITEM C76: A staff presentation was made to the Commission to consider an amendment to a General Lease – Recreational and Protective Structure Use, of sovereign land located in the Colorado River, city of Needles, San Bernardino County. After hearing testimony from the lessee, the Commission deferred the item.

Item C76 – was deferred by a vote of 3-0 (Newsom-Yes; Yee-Yes; Ortega-Yes).

ITEM C100: A staff presentation was made to the Commission to consider termination of a General Lease – Commercial Use, an application for a General Lease-Commercial Use, and approval of subleases of sovereign land located at Pebbly Beach, Santa Catalina, Los Angeles County. After hearing testimony from the lessee and members of the public, the Commission deferred the item.

Item C100 – was deferred by a vote of 3-0 (Newsom-Yes; Yee-Yes; Ortega-Yes).

ITEM C109: A staff presentation was made to the Commission for consideration of the Long Beach Unit Program Plan (July 1, 2015-June 30, 2020), and the Annual Plan (July 1, 2015-June 30, 2016), Long Beach Unit, Wilmington Oil Filed, Los Angeles County.

Item C109 – was approved as presented by a vote of 3-0 (Schmidt-Yes; Yee-Yes; Ortega-Yes).

ITEM 120: A staff presentation was made to the Commission to consider supporting federal legislation introduced by Senator Dianne Feinstein and co-sponsored by Senator Barbara Boxer that would enact the California Desert Conservation and Recreation Act of 2015, which would amend and update the historic California Desert Protection Act of 1994.

Item 120 – was approved as presented by a vote of 2-0 (Schmidt-Yes; Yee-Yes; Ortega-Abstained).

ITEM 121 – was removed from consideration

ITEM 122 – was removed from consideration

(The State Lands Commission adjourned into closed session from 4:06 P.M. to 4:09 P.M., then resumed open session at 4:11 P.M.)

CLOSED SESSION: The Chief Counsel reported that the Commission voted to approve the ordinary high water mark/mean high tide line survey, substantially in the form on file in the Commission's Sacramento office, of a portion of shoreline in Ventura County in the vicinity of Seacliff Beach, and to authorize the recordation of that survey in the Ventura County Recorder's Office.

The Commission meeting public session was adjourned at 4:12 P.M.

**STAFF AND PUBLIC ADDRESSING
THE FOLLOWING CALENDAR ITEMS
APRIL 23, 2015**

ITEM C50

Brian Bugsch, Chief, Land Management Division, CSLC

- Gary Nauman, property owner, representing self

ITEM C76

Brian Bugsch, Chief, Land Management Division, CSLC

- John Tesoriero, Property Owner, Self

ITEM 100

Brian Bugsch, Chief, Land Management Division, CSLC

- Martin Curtin, CEO, Curtin Maritime
- Jarod Ficker, representing Santa Catalina Island Company
- Sean Matsler, Attorney, Curtin Maritime
- Daniel Reidy, Attorney, Catalina Freight Line, Inc.

ITEM 119

Kelly Keen, Environmental Scientist, Division of Environmental Planning and Management, CSLC

- James Jonas, resident of Docktown, representing self
- Edward Stancil, Port Captain, representing self

PUBLIC COMMENT

- Lee Callister, representing self
- Ken Ivey, representing self
- Alison Madden, Docktown Marina resident
- William Sloan, Partner, Morrison & Foerester