

MEETING
STATE OF CALIFORNIA
LANDS COMMISSION

PORT OF SAN DIEGO ADMINISTRATION BUILDING
BOARD ROOM - 1ST FLOOR
3165 PACIFIC HIGHWAY
SAN DIEGO, CALIFORNIA

AND

PORTS O' CALL WATERFRONT DINING
BRIDGEVIEW BALLROOM - 2ND FLOOR
1200 NAGOYA WAY, BERTH 76
SAN PEDRO, CALIFORNIA

THURSDAY, AUGUST 17, 2017

1:10 P.M.

JAMES F. PETERS, CSR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

A P P E A R A N C E S

COMMISSION MEMBERS:

Mr. Gavin Newsom, Lieutenant Governor, Chairperson, also represented by Mr. Rhys Williams

Ms. Betty T. Yee, State Controller

Mr. Michael Cohen, Director of Department of Finance, represented by Ms. Eraina Ortega

STAFF:

Ms. Jennifer Lucchesi, Executive Officer

Mr. Mark Meier, Chief Counsel

Mr. Reid Boggiano, Public Land Management Specialist
(San Pedro)

Ms. Kathryn Colson, Senior Staff Attorney, Legal Division

Mr. Steve Curran, Senior Petroleum Drilling Engineer

Ms. Jamie Garrett, Staff Attorney, Legal Division
(San Pedro)

Mr. Eric Gillies, Assistant Chief, Environmental Planning
and Management Division

Ms. Wendy Hall, Special Projects Liaison

Ms. Kim Lunetta, Administrative Assistant

Ms. Jennifer Mattox, Science Policy Advisor

ATTORNEY GENERAL:

Mr. Andrew Vogel, Deputy Attorney General

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Ms. Paloma Aguire, Wildcoast

Ms. Calla Allison, MPA Collaborative Network

Mr. Caney Arnold(San Pedro)

Ms. Nina Babiarz, Watchdogs

Mr. Leo Bellamonte

Mr. Peter Burmeister, San Pedro Peninsula Homeowners
United(San Pedro)

Mr. Rafael Castellanos, Port of San Diego

Mr. Ron Conrow, Rancho LPG

Ms. Stacey Dahlquist(San Pedro)

Mayor Serge Dedina, Imperial Beach

Mr. Mike Egan, CEMEX

Ms. Katie Gherard, Wildcoast

Mr. Philip Gibbons, Port of San Diego

Mr. Don Gourlie, Center for Ocean Solutions

Ms. Marcela Graudins, Azul

Ms. Janet Gunter

Ms. Lisa Haage, California Coastal Commission

Mr. Chuck Hart, San Pedro Peninsula Homeowners United(San
Pedro)

Mr. Jack Hedge

Ms. Gwendolyn Henry(San Pedro)

Mr. Justin Houterman, City of Los Angeles

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Ms. Bobbi Lisk(San Pedro)

Rear Admiral Yancy Lindsey, United States Navy

Ms. Toni Martinovich, San Pedro Peninsula Homeowners
United(San Pedro)

Mr. Jesse Marquez, Coalition for a Safe Environment(San
Pedro)

Ms. Gayle McLaughlin, Former Mayor of Richmond,
California(San Pedro)

Mr. Aaron McCroskey(San Pedro)

Mr. Aaron McClendon, California Coastal Commission

Mr. Pat Nave(San Pedro)

Mr. John Papadakis, Watts Economic Development
Corporation(San Pedro)

Mr. Anthony Patchett, San Pedro Peninsula Homeowners
United, Tongva Ancestral Territorial Nation(San Pedro)

Mr. Zach Plopper, San Diego County, MPA Collaborative

Mr. Peter Joseph Rosenwald, South Coast Interfaith
Council(San Pedro)

Ms. Connie Rutter, San Pedro Peninsula Homeowners
United(San Pedro)

Ms. Mandy Sackett, Surfrider Foundation

Ms. Jennifer Savage, Surfrider Foundation

Mr. Brian Vassallo, Law ARC(San Pedro)

Mr. Noel Weiss

Mr. Robert West(San Pedro)

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Mr. Jayme Wilson, representing LA County Supervisor Janice Hahn(San Pedro)

Ms. Kathleen Woodfield, San Pedro Peninsula Homeowners Coalition(San Pedro)

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I 1:00 P.M. - OPEN SESSION	1
II CONFIRMATION OF MINUTES FOR THE MEETING OF JUNE 22, 2017	17
III EXECUTIVE OFFICER'S REPORT	17
Continuation of Rent Actions to be taken by the Executive Officer pursuant to the Commission's Delegation of Authority:	
• Patrick T. Beckley and Lynn Marie Beckley, Trustees of the Beckley Family Trust (Lessee): Continuation of annual rent at \$137 per year for a General Lease - Recreational Use located on sovereign land in the Georgiana Slough, adjacent to 409 W. Willow Tree Lane, near Isleton, Sacramento County. (PRC 3365.1)	
• Calido Bay Homeowners Association (Lessee): Continuation of annual rent at \$170 per year for a General Lease - Recreational Use located on sovereign land in Corte Madera Creek, adjacent to 505 Larkspur Plaza Drive, near Larkspur, Marin County. (PRC 5411.1)	
• Daniel J. Cockrum and Suzanne M. Cockrum, as trustees of The Daniel J. Cockrum and Suzanne M. Cockrum Revocable Trust dated June 12, 2001 (Lessee): Continuation of annual rent at \$377 per year for a General Lease - Recreational Use located on sovereign land in Lake Tahoe, adjacent to 949 Lakeview Avenue, city of South Lake Tahoe, El Dorado County. (PRC 8418.1)	
• Jesus Gama Dominguez and Rosa Lilia Dominguez (Lessee): Continuation of annual rent at \$262 per year for a General Lease - Recreational Use located on sovereign land in the Sacramento River, adjacent to 53750 South River Road, near Clarksburg, Yolo County. (PRC 8425.1)	
• Jaroslaw Glembocki, or his successor(s), Trustee under Revocable Trust Agreement dated August 24th, 2001, as amended (Lessee): Continuation of annual rent at \$754 per year for a General Lease - Recreational Use located on sovereign land in	

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Lake Tahoe, adjacent to 5090 West Lake Boulevard, near Homewood, Placer County. (PRC 8250.1)

- Jay Gudebski, Trustee of the Jay Gudebski Trust dated 8/25/2008 (Lessee): Continuation of annual rent at \$754 per year for a General Lease - Recreational Use located on sovereign land in Lake Tahoe, adjacent to 8315 Meeks Bay Avenue, near Meeks Bay, El Dorado County. (PRC 8178.1)
- Auburn Hamer, LLC, a California Limited Liability Company (Lessee): Continuation of annual rent at \$299 per year for a General Lease - Recreational Use located on sovereign land in the Sacramento River, adjacent to 1210 2nd Avenue, near Walnut Grove, Sacramento County. (PRC 7645.1)
- Craig Miller and Beverly Jo Yuke-Miller, Trustees of the Craig Miller and Beverly Jo Yuke-Miller Trust Dated March 27, 2000 (Lessee): Continuation of annual rent at \$754 per year for a General Lease - Recreational Use located on sovereign land in Lake Tahoe, adjacent to 3356 Edgewater Drive, near Tahoe City, Placer County. (PRC 5528.1)
- Richard E. Stowell (Lessee): Continuation of annual rent at \$415 per year for a General Lease - Recreational Use located on sovereign land in Lake Tahoe, adjacent to 8253 Meeks Bay Avenue, near Meeks Bay, El Dorado County. (PRC 8952.1)
- Ronald T. Vanderbeek and Billie J. Vanderbeek (Lessee): Continuation of annual rent at \$754 per year for a General Lease - Recreational Use located on sovereign land in Lake Tahoe, adjacent to 1620 Sequoia Avenue, near Tahoe City, Placer County. (PRC 9010.1)

IV CONSENT CALENDAR C01-C75

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THE FOLLOWING ITEMS ARE CONSIDERED TO BE
NONCONTROVERSIAL AND ARE SUBJECT TO CHANGE AT ANY TIME
UP TO THE DATE OF THE MEETING.

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LAND MANAGEMENT DIVISION

NORTHERN REGION

- C01 BRUCK-MCLAIN PROPERTIES, A GENERAL PARTNERSHIP;
AND GARY R. SITZMANN AND LINDY LOU SITZMANN,
CO-TRUSTEES OF THE JENNIFER B. LAVIS 2010
IRREVOCABLE TRUST U/A/D JUNE 25, 2010, AND GARY
R. SITZMANN AND LINDY LOU SITZMANN, CO-TRUSTEES
OF THE MATTHEW M. SITZMANN 2010 IRREVOCABLE TRUST
U/A/D JUNE 25, 2010 (LESSEE): Consider an
amendment of lease and revision of rent to Lease
No. PRC 3368.1, a General Lease - Recreational
Use, of sovereign land located in Lake Tahoe,
adjacent to Assessor's Parcel Numbers 098-210-026
and 098-210-027, near Tahoma, Placer County; for
an existing pier and four mooring buoys. CEQA
Consideration: not projects. (PRC 3368.1) (A 1; S
1) (Staff: M.J. Columbus)
- C02 JAMES W. CAMERON, JR., TRUSTEE OF THE JAMES W.
CAMERON, JR. QUALIFIED PERSONAL RESIDENCE TRUST
DATED NOVEMBER 19, 2012 (APPLICANT): Consider
application for a General Lease - Recreational
Use, of sovereign land located in Lake Tahoe,
adjacent to 6940 Pomin Avenue, near Tahoma,
Placer County; for an existing pier, open-sided
boathouse, boat lift, sundeck with stairs, and
one mooring buoy. CEQA Consideration: categorical
exemption. (PRC 3527.1; RA# 10916) (A 1; S 1)
(Staff: M.J. Columbus)
- C03 PAUL THOMPSON AND KATHLEEN THOMPSON, AS TRUSTEE
OF THE THOMPSON FAMILY LIVING TRUST (1998) DATED
APRIL 15, 1998 (APPLICANT): Consider application
for a General Lease - Recreational Use, of
sovereign land located in Lake Tahoe, adjacent to
7015 Pine Street, near Tahoma, Placer County; for
an existing pier, marine rail, and two mooring
buoys. CEQA Consideration: categorical exemption.
(PRC 7036.1; PRC 9279.1; RA# 04016)(A 1; S 1)
(Staff: M.J. Columbus)
- C04 CARLE AND CARLE, A PARTNERSHIP (APPLICANT):
Consider application for a General Lease -
Recreational Use, of sovereign land located in

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Donner Lake, adjacent to 13869 Donner Pass Road, near Truckee, Nevada County; for an existing pier and deck. CEQA Consideration: categorical exemption. (PRC 7974.1;RA# 27216) (A 1; S 1) (Staff: M.J. Columbus)

C05 SKYLAND HOMEOWNERS ASSOCIATION, A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3296 West Lake Boulevard, near Homewood, Placer County; for an existing pier. CEQA Consideration: categorical exemption. (PRC 1797.1;RA# 21116) (A 1; S 1) (Staff: K. Connor)

C06 MURRAY B. HALL, TRUSTEE OF THE MURRAY B. HALL REVOCABLE TRUST DATED SEPTEMBER 16, 1997, AS AMENDED AND RESTATED (ASSIGNOR); WAVERLY OAKS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (ASSIGNEE): Consider an application for an assignment of Lease No. PRC 3401.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3920 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing pier, boat lift, and one mooring buoy. CEQA Consideration: not a project. (PRC 3401.1; RA# 26816) (A 1; S 1) (Staff: K. Connor)

C07 WAYNE D. JORDAN AND M. QUINN DELANEY, AS TRUSTEES, OR THE SUCCESSOR TRUSTEE OR TRUSTEES, U/A/D APRIL 29, 1996, AS AMENDED, CREATING THE JORDAN/DELANEY FAMILY TRUST (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 7127 Highway 89, Tahoma, El Dorado County; for an existing pier, boat lift, and two mooring buoys previously authorized by the Commission and an existing water intake line not previously authorized by the Commission. CEQA Consideration: categorical exemption. (PRC 3598.1;RA# 17416) (A 5; S 1) (Staff: K. Connor)

C08 AARON A. GIOVARA, TRUSTEE OF THE AIDAN JOSEPH GIOVARA 2012 TRUST; AARON A. GIOVARA, TRUSTEE OF

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THE JACKSON RYAN GIOVARA 2012 TRUST; AARON A. GIOVARA, TRUSTEE OF THE PARKER JOSEY GIOVARA 2012 TRUST; AND ARTHUR GIOVARA, TRUSTEE OF THE GIOVARA FAMILY 2012 IRREVOCABLE TRUST (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 2000 West Lake Boulevard, Sunnyside, Placer County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 4279.1; RA# 13916) (A 1; S 1) (Staff: K. Connor)

- C09 JON E. MARING AND TAMARA MARING (LESSEE): Consider amendment of Lease No. PRC 5563.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 6460 North Lake Boulevard, near Tahoe Vista, Placer County; for the proposed installation, use, and maintenance of a boat lift. CEQA Consideration: categorical exemption. (PRC 5563.1; RA# 23416) (A 1; S 1) (Staff: K. Connor)
- C10 PAUL OTELLINI AND SANDRA PRICE, CO-TRUSTEES OF THE OTELLINI FAMILY TRUST U/D/T DATED OCTOBER 26, 1987 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 900 and 950 West Lake Boulevard, near Tahoe City, Placer County; for an existing pier, boathouse with boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 7251.1; RA# 11116) (A 1; S 1)(Staff: K. Connor)
- C11 WILLIAM ALLAN DALE AND BETTY ANN DALE, TRUSTEES OF THE WILLIAM ALLAN DALE AND BETTY ANN DALE REVOCABLE LIVING TRUST AGREEMENT DATED APRIL 28, 1989 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 731 Lakeview Avenue, city of South Lake Tahoe, El Dorado County; for one existing mooring buoy. CEQA Consideration: categorical exemption. (PRC 7567.1; RA# 23516) (A 5; S 1) (Staff: K. Connor)

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- C12 JOHN M. NIVINSKI AND BRENDA ALLEN NIVINSKI (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Donner Lake, adjacent to 14630 South Shore Drive, near Truckee, Nevada County; for an existing pier. CEQA Consideration: categorical exemption. (PRC 8757.1; RA# 24816) (A 1; S 1) (Staff: K. Connor)
- C13 RICHARD HELZBERG AND CAROL HELZBERG, TRUSTEES OF THE RICHARD M. HELZBERG AND CAROL A. HELZBERG REVOCABLE TRUST DATED APRIL 10, 2003; MELVIN BLAUSTEIN AND MARILYN BLAUSTEIN, TRUSTEES OF THE MELVIN BLAUSTEIN AND MARILYN BLAUSTEIN REVOCABLE TRUST DATED 7/15/2015 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 6061 North Lake Boulevard, near Carnelian Bay, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (W 27067; RA# 16216) (A 1; S 1) (Staff: K. Connor)
- C14 R. ALLEN ENNIS AND JILL N. ENNIS, TRUSTEES OF THE ALLEN AND JILL ENNIS FAMILY TRUST DATED AUGUST 2, 2011 (APPLICANT): Consider acceptance of a quitclaim deed for Lease No. PRC 3676.9, a Recreational Pier Lease; and an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3965 Belleview Avenue, near Homewood, Placer County; for the removal and reconstruction of an existing pier with an extension and continued use and maintenance of two existing mooring buoys. CEQA Consideration: categorical exemption. (PRC 3676.1; RA# 16916) (A 1; S 1)(Staff: K. Connor)
- C15 DOLLAR POINT ASSOCIATION, INC. (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 3391.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3000 Edgewater Drive, near Dollar Point, Placer County; for an existing pier, swim line, 63 mooring buoys, and two marker buoys. CEQA Consideration: not projects. (PRC 3391.1) (A 1; S 1)(Staff: N. Lee)

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- C16 KELLY F. CRANE (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Petaluma River, adjacent to 5636 Lakeville Highway, Lakeville, Sonoma County; for an existing floating boat dock and appurtenant facilities previously authorized by the Commission and an existing storage building and deck with shed not previously authorized by the Commission. CEQA Consideration: categorical exemption. (PRC 5694.1; RA# 16809) (A 10; S 3)(Staff: N. Lee)
- C17 ANNEKE DE WEERD SHURTLEFF, AS TRUSTEE OF THE LAWTON AND ANNEKE SHURTLEFF FAMILY TRUST DATED OCTOBER 2, 1989, SURVIVOR'S TRUST (ASSIGNOR); TERRY P. MILLER, TRUSTEE OF THE SHELTER TRUST UNDER STEPHEN ROY MILLER 1982 TRUST (ASSIGNEE): Consider application for the assignment of Lease No. PRC 2724.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 241 Drum Road, near Meeks Bay, El Dorado County; for an existing pier and two mooring buoys. CEQA Consideration: not a project. (PRC 2724.1; RA# 22816) (A 5; S 1)(Staff: M. Schroeder)
- C18 CRAIG P. FILICE (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3980 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing pier, boathouse, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 4993.1; RA# 10816) (A 1; S 1) (Staff: M. Schroeder)
- C19 EVELYN H. HYATT, TRUSTEE OF THE ALBERT M. HYATT CREDIT SHELTER TRUST DATED JULY 10, 1997 (LESSEE); ADON A. PANATONNI, TARA E. MCCARTY, AND JUSTIN D. MCCARTY (APPLICANT): Consider waiver of rent, penalty, and interest; acceptance of a quitclaim deed for Lease No. PRC 5787.1, a General Lease - Recreational Use; and an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8415 Meeks Bay Avenue, near Meeks Bay, El Dorado County; for an existing pier, boat

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hoist and one mooring buoy. CEQA Consideration: categorical exemption. (PRC 5787.1;RA# 24016) (A 5; S 1) (Staff: M. Schroeder)

C20 AT&T CORP. (LESSEE): Consider revision of rent to Lease No. PRC 8203.1, a General Lease - Non-Exclusive Right-of-Way Use, of sovereign land located in the Pacific Ocean, offshore of Manchester State Beach, Mendocino County; for five steel conduits and two fiber optic cables. CEQA Consideration: not a project.(PRC 8203.1) (A 2; S 2) (Staff: M. Schroeder)

C21 CITY OF PETALUMA (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the Petaluma River, adjacent to 951 Petaluma Boulevard South, city of Petaluma, Sonoma County; for an existing floating boat dock and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 8249.1; RA# 13716) (A 10; S 3) (Staff: M. Schroeder)

C22 LELAND F. PORTEOUS AND MARY L. PORTEOUS, TRUSTEES OF THE LELAND AND MARY PORTEOUS REVOCABLE TRUST CREATED AUGUST 18, 1997; LELAND F. PORTEOUS AND MARY L. PORTEOUS; GEORGE J. SORNBORGER AND MARGARET E. SORNBORGER, TRUSTEES OF THE GEORGE AND MARGARET SORNBORGER FAMILY TRUST DATED OCTOBER 12, 1987; ROBERT M. DIEL AND JOAN S. DIEL (FORMERLY KNOWN AS JOAN E. DIEL); AND ROBERT M. DIEL AND JOAN S. DIEL (FORMERLY KNOWN AS JOAN E. DIEL), TRUSTEES OF THE ROBERT MANN DIEL AND JOAN S. DIEL REVOCABLE FAMILY TRUST DATED FEBRUARY 28, 1996 (ASSIGNOR); BABAK BROUMAND AND MALAMATENIA MAVROMATIS BROUMAND (ASSIGNEE): Consider application for the assignment of Lease No. PRC 8621.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3275 West Lake Boulevard, near Homewood, Placer County; for two existing mooring buoys. CEQA Consideration: not a project. (PRC 8621.1) (A 1; S 1) (Staff: M. Schroeder)

C23 U.S. FISH AND WILDLIFE SERVICE (APPLICANT): Consider application for a General Lease - Public

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Agency Use, of sovereign land located in the Yuba River, adjacent to Assessor's Parcel Numbers between APNs 005-300-010/005-300-014, 006-320-007, 50-010-13, 050-010-79 near Smartsville, Nevada and Yuba Counties; for the placement and maintenance of gravel for the rehabilitation and restoration of Central Valley spring-run Chinook salmon and Central Valley steelhead spawning and rearing habitat, dredging as needed to create side channels, grading, and riparian revegetation. CEQA Consideration: Environmental Assessment/Initial Study/Mitigated Negative Declaration, adopted by Yuba County, State Clearinghouse No. 2016122042 and adoption of a Mitigation Monitoring Program. (W 27111; RA# 25216) (A 1, 3; S 1, 4) (Staff: M. Schroeder)

- C24 PACIFIC GAS AND ELECTRIC COMPANY (APPLICANT): Consider application for a General Lease - Right-of-Way Use, of sovereign land located in the Feather River, adjacent to 2nd and 5th Streets, city of Yuba City, Sutter County and River Front Park, city of Marysville, Yuba County; for existing electric distribution lines and related facilities. CEQA Consideration: Mitigated Negative Declaration, adopted by the City of Yuba City, State Clearinghouse No. 2013082011. (W 27117; RA# 29916)(A 3; S 4) (Staff: M. Schroeder)
- C25 STUART D. CORVIN, TRUSTEE OF THE STUART D. CORVIN 2003 TRUST DATED JANUARY 23, 2003 (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 3996.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3730 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: not projects. (PRC 3996.1) (A 1; S 1) (Staff: J. Toy)
- C26 JOHN ROBERT PROCIDA, JR. AND MARY CHRISTINE MARTINSON, TRUSTEES OF THE JPMM TRUST DATED SEPTEMBER 10, 2002 (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 4203.1, a General Lease - Recreational

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Use, of sovereign land located in Lake Tahoe, adjacent to 4156 Ferguson Avenue, near Carnelian Bay, Placer County; for an existing pier, boathouse, boat lift, and two mooring buoys. CEQA Consideration: not projects. (PRC 4203.1) (A 1; S 1) (Staff: J. Toy)

C27 KAREN STONE MCCOWN, TRUSTEE OF THE KAREN STONE MCCOWN REVOCABLE TRUST AGREEMENT DATED MAY 11, 1990 AMENDED AND RESTATED AUGUST 13, 2003 (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 4469.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 263 Drum Road, near Meeks Bay, El Dorado County; for an existing pier, boathouse, and one mooring buoy. CEQA Consideration: not projects. (PRC 4469.1) (A 5; S 1) (Staff: J. Toy)

C28 WILLEM GEORGE C. PARSON OR NORMA MILDRED PARSON, CO-TRUSTEES UNDER REVOCABLE TRUST DATED AUGUST 21, 1986 (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 5631.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3560 West Lake Boulevard, near Tahoe City, Placer County; for an existing pier and two mooring buoys. CEQA Consideration: not projects. (PRC 5631.1) (A 1; S 1)(Staff: J. Toy)

C29 RICHARD J. BOYLE, JR. AND CATHERINE M. BOYLE, TRUSTEES OF THE BOYLE FAMILY TRUST DATED APRIL 13, 2006 (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 8227.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8789 Rubicon Drive, near Tahoma, El Dorado County; for existing pier and two mooring buoys. CEQA Consideration: not projects. (PRC 8227.1) (A 5; S 1) (Staff: J. Toy)

C30 W. KENT RAMOS AND KYLE RAMOS (LESSEE): Consider revision of rent to Lease No. PRC 3773.1, a General Lease - Industrial Use, of sovereign land located in the Sacramento River, adjacent to 1555 South River Road, near West Sacramento, Yolo

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County; for an industrial transient accommodation facility for fueling consisting of an existing pier and appurtenant facilities and a dock. CEQA Consideration: not a project. (PRC 3773.1) (A 7; S 6) (Staff: J. Toy)

- C31 JASON A. DILULLO AND SARAH E.K. DILULLO (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 3209.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 2620 West Lake Boulevard, near Sunnyside, Placer County; for an existing pier, boathouse with a boat hoist, and one mooring buoy. CEQA Consideration: not projects. (PRC 3209.1) (A 1; S 1) (Staff: J. Toy)

BAY/DELTA REGION

- C32 DEMETRIUS BARMETTLER AND PAULA BARMETTLER (ASSIGNOR); FRANK MARIO CARSON, JR. (ASSIGNEE): Consider application for the assignment of Lease No. PRC 9044.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 6057 Garden Highway, near Sacramento, Sacramento County; for an existing covered floating boat dock, appurtenant facilities, a portion of a deck, and bank protection. CEQA Consideration: not a project. (PRC 9044.1; RA# 28516) (A 7; S 6)

(Staff: G. Asimakopoulos)
- C33 CITY OF SACRAMENTO (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the Sacramento River, adjacent to Assessor's Parcel Number 002-0010-023, near Sacramento, Sacramento County; for the construction, use, and maintenance of storm water pump station, force main, and outfall discharge structure with rock slope protection. CEQA Consideration: Environmental Impact Report, certified by the City of Sacramento, State Clearinghouse No. 2006032058, and adoption of a Mitigation Monitoring Program and Statement of Findings and Statement of Overriding

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Considerations. (W 27070; RA# 16716) (A 7; S 6)
(Staff: G. Asimakopoulos)

- C34 COUNTY OF SAN JOAQUIN (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in Middle River, adjacent to Assessor's Parcel Numbers 129-200-35 and 129-180-36, on Woodward Island, near Stockton, San Joaquin County; for the construction, use, and maintenance of the Woodward Island Bridge, use of a temporary construction easement, and the removal of the existing Woodward Island Ferry system. CEQA Consideration: Mitigated Negative Declaration, adopted by the County of San Joaquin, State Clearinghouse No. 2016012065, and adoption of a Mitigation Monitoring Program. (W 27087; RA# 20816) (A 13; S 5) (Staff: G. Asimakopoulos)
- C35 CHEVRON PRODUCTS COMPANY, A DIVISION OF CHEVRON USA, INC. (APPLICANT): Consider an application for a General Lease - Industrial Use of sovereign land located in San Francisco Bay in the city of Richmond, north of the Richmond-San Rafael Bridge and just south of Point San Pablo, Contra Costa County; for an existing non-operational wharf in caretaker status known as Chevron Pt. Orient Wharf. CEQA Consideration: categorical exemption. (PRC 139.1; RA# 27415) (A 15; S 9) (Staff: V. Caldwell)
- C36 RIVER VIEW MARINA, A LIMITED PARTNERSHIP (APPLICANT): Consider acceptance of a Quitclaim Deed; an application for a General Lease - Commercial Use; and an Agreement and Consent to Encumbrancing of Lease, for Lease No. PRC 6015.1, of sovereign land located in the Sacramento River, adjacent to 1801 Garden Highway, near Sacramento, Sacramento County; for an existing commercial marina. CEQA Consideration: categorical exemption. (PRC 6015.1; RA# 31116) (A 7; S 6) (Staff: V. Caldwell)
- C37 PACIFIC GAS AND ELECTRIC COMPANY (LESSEE): Consider consent to abandonment-in-place of a decommissioned natural gas pipeline as provided

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under Lease No. PRC 5438.1-A, a General Lease - Right-of-Way Use, of sovereign land located in Whiskey Slough, near Stockton, San Joaquin County. CEQA Consideration: categorical exemption. (PRC 5438.1-A; RA# 22216) (A 7; S 6) (Staff: A. Franzoia)

C38 LODI GAS STORAGE, LLC (LESSEE): Consider revision of rent to Lease No. PRC 8207.1, a General Lease - Right-of-Way Use, of sovereign land located in the Mokelumne River, North and South Mokelumne Rivers, Broad, Georgiana, Three Mile, Jackson, and Tomato Sloughs, between the cities of Lodi and Rio Vista, Sacramento and San Joaquin counties; for a natural gas pipeline. CEQA Consideration: not a project. (PRC 8207.1; RA# 12714) (A 11, 13; S 3, 5)(Staff: A. Franzoia)

C39 DEPARTMENT OF TRANSPORTATION - DISTRICT 3 (APPLICANT): Consider application for a General Lease - Right-of-Way Use, of sovereign land located in the Sacramento River adjacent to the Tower Bridge, near Sacramento and West Sacramento, Sacramento and Yolo counties; for the Tower Bridge Fender System Replacement Project. CEQA Consideration: Mitigated Negative Declaration, adopted by the California Department of Transportation, State Clearinghouse No. 2015112002, and adoption of a Mitigation Monitoring Program. (W 27074;RA# 15716) (A 7; S 6) (Staff: A. Franzoia)

C40 DONALD JOSEPH GLIDEWELL, DBA METRO MARINA (ASSIGNOR); METRO MARINA PROPERTIES, LLC (ASSIGNEE): Consider application for assignment of lease and revision of rent to Lease No. PRC 4812.1, a General Lease - Commercial Use, of sovereign land located in the Sacramento River, adjacent to 5871 Garden Highway, near Sacramento, Sacramento County, for an existing commercial marina. CEQA Consideration: not a project. (PRC 4812.1; RA# 09216) (A 7; S 6)(Staff: J. Holt)

C41 JEFF CHENU AND WENDY HOLMQUIST, AS TRUSTEES OR ANY SUCCESSOR TRUSTEES OF THE CHENU HOLMQUIST FAMILY TRUST DATED OCTOBER 22, 2009 (APPLICANT):

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Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 7701 Garden Highway, near Sacramento, Sacramento County; for an existing floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: categorical exemption. (PRC 5551.1; RA# 20916) (A 7; S 6) (Staff: J. Holt)

- C42 ROBERT E. SULZEN AND DORA L. SULZEN, TRUSTEES OF THE SULZEN FAMILY TRUST, DATED NOVEMBER 14, 1991 (LESSEE); HARRY NICHOLAS BUNFILL AND CARLA ANN BUNFILL (APPLICANT): Consider acceptance of a Lease Quitclaim Deed for Lease No. PRC 8124.1, a General Lease - Recreational and Protective Structure Use, and an application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 2575 Garden Highway, near Sacramento, Sacramento County; for an existing floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: not a project. (PRC 8124.1; RA# 15816) (A 7; S 6) (Staff: J. Holt)
- C43 DRILL HOLDINGS, LLC (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 3997 Garden Highway, near Sacramento, Sacramento County; for an existing floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: categorical exemption. (PRC 8746.1; RA# 26616) (A 7; S 6) (Staff: J. Holt)
- C44 WILLIAM H. KEARNS, JR., TRUSTEE OF THE WILLIAM H. KEARNS, JR. SEPARATE PROPERTY TRUST DATED JULY 27, 1999 (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in Georgiana Slough, adjacent to 17075 Terminous Road, near Isleton, Sacramento County; for an existing covered floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: categorical exemption. (PRC

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8760.1; RA# 21516) (A 11; S 3) (Staff: J. Holt)

- C45 ROBERT A. PANELLA AND DOROTHY PANELLA, CO-TRUSTEES OF THE ROBERT A. PANELLA AND DOROTHY PANELLA FAMILY TRUST DATED 8/7/81 (APPLICANT): Consider application for a General Lease - Protective Structure Use, of sovereign land located in the Mokelumne River, adjacent to 23160 N. Davis Road, near Woodbridge, San Joaquin County; for existing bank protection. CEQA Consideration: categorical exemption. (PRC 7169.9; RA# 19016) (A 13; S 5)(Staff: J. Holt)
- C46 DELTA YACHT CLUB (LESSEE): Consider revision of rent to Lease No. PRC 3930.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in the San Joaquin River, adjacent to Assessor's Parcel Number 129-120-01, near Stockton, San Joaquin County; for an existing boat dock, walkway, and bank protection. CEQA Consideration: not a project. (PRC 3930.1) (A 13; S 5)(Staff: N. Lavoie)
- C47 PHILLIPS 66 COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 7859.1, a General Lease - Right-of-Way Use, of sovereign land located in Pacheco Slough, near Martinez, Contra Costa County; for an existing petroleum pipeline. CEQA Consideration: not a project. (PRC 7859.1) (A 14; S 3) (Staff: N. Lavoie)
- C48 SAN PABLO BAY PIPELINE COMPANY LLC (LESSEE): Consider revision of rent to Lease No. PRC 5040.1, a General Lease - Right-of-Way Use, of sovereign land located in Pacheco Slough and Hastings Slough, near Martinez, and filled sovereign land in the town of Crockett, Contra Costa County; for an existing non-operational pipeline. CEQA Consideration: not a project. (PRC 5040.1) (A 14; S 3, 7)(Staff: N. Lavoie)
- C49 BRIAN PERRY (LESSEE): Consider revision of rent to Lease No. PRC 5344.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 1977 Garden Highway, city of

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Sacramento, Sacramento County; for an existing floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: not a project. (PRC 5344.1)(A 7; S 6) (Staff: J. Toy)

C50 WICKLAND PIPELINES, A LIMITED LIABILITY COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 8415.1, a General Lease - Right-of-Way Use, of sovereign land located in the Sacramento River, city of West Sacramento and city of Sacramento, Sacramento and Yolo counties; for an existing jet fuel pipeline. CEQA Consideration: not a project. (PRC 8415.1) (A 7; S 6) (Staff: J. Toy)

C51 PACIFIC GAS AND ELECTRIC COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 8416.1, a General Lease - Right-of-Way Use, of sovereign land located in Burns Cut-off, between Roberts Island and Rough and Ready Island, near Stockton, San Joaquin County; for an existing natural gas pipeline. CEQA Consideration: not a project. (PRC 8416.1) (A 13; S 5) (Staff: J. Toy)

CENTRAL/SOUTHERN REGION

C52 PC LANDING CORP., A WHOLLY-OWNED SUBSIDIARY OF NTT COMMUNICATIONS CORPORATION (LESSEE): Consider an application for an amendment of Lease No. PRC 8152.1, a General Lease - Non-Exclusive Right-of-Way Use, of sovereign land in the Pacific Ocean, offshore of the city of Grover Beach, San Luis Obispo County; for an existing fiber optic submarine cable system. CEQA Consideration: not a project. (PRC 8152.1; RA# 24616) (A 35; S 17)(Staff: S. Avila)

C53 DEAN EDWARD DAUGER, TRUSTEE OF THE ALAN B. DAUGER QUALIFIED PERSONAL RESIDENCE TRUST DATED MAY 20, 1999, FBO DEAN EDWARD DAUGER; DEAN EDWARD DAUGER, TRUSTEE OF THE MARLENE CHENG DAUGER QUALIFIED PERSONAL RESIDENCE TRUST DATED MAY 20, 1999, FBO DEAN EDWARD DAUGER (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Main Channel of Huntington

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Harbour, adjacent to 3582 Venture Drive, Huntington Beach, Orange County; for an existing boat dock, access ramp, cantilevered deck, and bulkhead protection. CEQA Consideration: categorical exemption. (PRC 8284.1;RA# 26016) (A 72; S 34) (Staff: S. Avila)

- C54 WENDY WEISS SAWYER, TRUSTEE OF THE MALDEN IRREVOCABLE TRUST, DATED AUGUST 16, 2007 (LESSEE): Consider revision of rent to Lease No. PRC 8810.1, a General Lease - Recreational Use, of sovereign land located in the Main Channel of Huntington Harbour, adjacent to 16462 Malden Circle, Huntington Beach, Orange County; for a boat dock, access ramp, and cantilevered deck. CEQA Consideration: not a project. (PRC 8810.1) (A 72; S 34) (Staff: S. Avila)
- C55 SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST, INC. (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the San Joaquin River, near Fresno, Fresno County; for the construction of a gangway, floating boat dock, two stainless steel dock anchors, and shoreline grading for an unimproved boat launch. CEQA Consideration: Mitigated Negative Declaration, adopted by Fresno County, State Clearinghouse No. 2014089019, and adoption of a Mitigation Monitoring Program. (W 24246;RA# 17816) (A 23; S 8) (Staff: R. Collins)
- C56 FORT MOJAVE INDIAN TRIBE, DBA AHA MACAV POWER SERVICE (APPLICANT): Consider application for a General Lease - Right-of-Way Use, of sovereign land located in the bed of the Colorado River, City of Needles, San Bernardino County; for an overhead electrical distribution line. CEQA Consideration: categorical exemption. (PRC 8478.1; RA# 18516) (A 33; S 16) (Staff: R. Collins)
- C57 ROYCE MATHEWS, MARK E. MATHEWS, AND NICOLE A. MATHEWS (LESSEE): Consider acceptance of a quitclaim deed and an application for an amendment to Lease No. PRC 9191.1, a General Lease - Recreational and Protective Structure

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Use, of sovereign land located in the Colorado River, adjacent to 1234 Beach Drive, City of Needles, San Bernardino County; to release Royce Mathews as a lessee; and for the construction, use, and maintenance of an aluminum gangway with railing, a floating walkway, and boat dock. CEQA Consideration: categorical exemption. (PRC 9191.1; RA# 22616) (A 33; S 16)(Staff: R. Collins)

C58 DCOR, LLC (APPLICANT): Consider application for a General Lease - Right-of-Way Use of 29.018 acres of sovereign land in the Pacific Ocean, near Summerland, Santa Barbara County; for an existing power conduit. CEQA Consideration: categorical exemption. (PRC 3997.1; RA# 21916) (A 37; S 19) (Staff: L. Pino)

C59 ARNOLD R. MENDOZA, RANDALL S. MENDOZA, AND ROBERT D. MENDOZA (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Main Channel of Huntington Harbour, adjacent to 16512 Somerset Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: categorical exemption. (PRC 3165.1; RA# 30516) (A 72; S 34) (Staff: L. Pino)

C60 SAMIR MOBASSALY AND PAMELA SUE MOBASSALY, TRUSTEES OF THE MOBASSALY FAMILY TRUST U/D/T, DATED AUGUST 09, 2000 AS AMENDED AND RESTATED ON DECEMBER 3, 2013 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Main Channel of Huntington Harbour, adjacent to 16602 Somerset Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: categorical exemption. (PRC 3171.1; RA# 26116) (A 72; S 34)(Staff: L. Pino)

C61 ROBERT J. MIELKE AND DIANNE C. MIELKE, TRUSTEES OF THE MIELKE REVOCABLE TRUST, DATED JUNE 6, 2003 AS AMENDED AND RESTATED ON NOVEMBER 2, 2005 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land

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located in the Main Channel of Huntington Harbour, adjacent to 16482 Somerset Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: categorical exemption. (PRC 3176.1; RA# 28416) (A 72; S 34) (Staff: L. Pino)

C62 EVON HALAKA (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Main Channel of Huntington Harbour, adjacent to 16621 Carousel Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp previously authorized by the Commission; and an existing cantilevered deck not previously authorized by the Commission. CEQA Consideration: categorical exemption. (PRC 4100.1; RA# 28216) (A 72; S 34)(Staff: L. Pino)

C63 SANTA BARBARA COUNTY PARKS DIVISION (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in Pacific Ocean, at Miramar Beach, Arroyo Burro Beach, Butterfly Beach, Goleta Beach, and Lookout Beach, near Montecito, Goleta, and Summerland, Santa Barbara County; for the seasonal placement of swim and channel marker buoys, floats, and signs; and a boat launch corridor at Goleta Beach. CEQA Consideration: categorical exemption. (PRC 7082.1; RA# 14716) (A 37; S 19) (Staff: L. Pino)

C64 CALIFORNIA DEPARTMENT OF PARKS AND RECREATION (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the Pacific Ocean, adjacent to Refugio State Beach, near Goleta, Santa Barbara County; for management of an existing underwater recreation area. CEQA Consideration: categorical exemption. (PRC 8010.9; RA# 29216) (A 37; S 19) (Staff: L. Pino)

SCHOOL LANDS

C65 SFPP, L.P. (APPLICANT): Consider application for a General Lease - Right-of-Way Use, of State-owned indemnity school lands located on three parcels, within portions of Section 30,

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Township 9 South, Range 13 East, SBM; Section 12, Township 9 South, Range 11 East, SBM; Section 34, Township 8 South, Range 11 East, SBM, near the Salton Sea, Riverside and Imperial counties; for an existing petroleum pipeline known as (LS) 111. CEQA Consideration: categorical exemption. (PRC 6868.2; RA# 13815) (A 56; S 40) (Staff: C. Hudson)

C66 BAR ONE CATTLE COMPANY (APPLICANT): Consider application for a General Lease - Grazing Use, of State-owned school land located in a portion of Section 16, Township 22 North, Range 16 East, MDM, near Loyalton, Plumas County; for livestock grazing and existing fencing. CEQA Consideration: categorical exemption. (PRC 8018.2; RA# 23016) (A 1; S 1) (Staff: C. Hudson)

C67 BARSTOW SPANISH TRAIL, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (APPLICANT): Consider authorization, as trustee of the School Land Bank Fund, for the sale and issuance of a patent to Barstow Spanish Trail, LLC, a California limited liability company, of 63.3 gross acres, more or less, of State-owned Indemnity school lands located in the vicinity of Interstate 15 and L Street, City of Barstow, San Bernardino County, and authorization to execute and to record concurrently with the patent a Modification of Surface Entry Rights to the subject lands. CEQA Consideration: Parcels 1 and 2 - categorical exemption; Parcels 3 and 4 - Mitigated Negative Declaration, adopted by the City of Barstow on May 9, 2005. (SA 5772; RA# 24716) (A 33; S 16) (Staff: J. Porter, C. Huitt, P. Huber, G. Pelka)

MINERAL RESOURCES MANAGEMENT

C68 IMPERIAL WELLS POWER, LLC (LESSEE): Consider acceptance of a Full Quitclaim Deed of State Geothermal Resources Lease No. PRC 9116.0, Assessor's Parcel Numbers: 003-220-011, 020-010-001, 020-010-041, and 020-010-042, near Niland, Imperial County, administered by the Commission, on behalf of the California Department of Fish and Wildlife. CEQA

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Consideration: not a project. (PRC 9116.0) (A 56; S 40) (Staff: V. Perez)

- C69 RADIUS GOLD (U.S.) INC. (APPLICANT): Consider application for a prospecting permit for minerals other than oil, gas, geothermal resources, sand, and gravel, Assessor's Parcel Number 009-140-007, administered by the Commission, containing approximately 480 acres of State-owned 100 percent reserved mineral interest school land, within Section 16, Township 5 North, Range 27 East, MDBM, located about 15 miles northeast of the town of Bridgeport and 5 miles north of Bodie State Historic Park, Mono County. CEQA Consideration: categorical exemption. (W 40993; RA# 29816) (A 5; S 8) (Staff: V. Perez)
- C70 SAN DIEGO STATE UNIVERSITY RESEARCH FOUNDATION (APPLICANT): Consider an application for a Non-Exclusive Geophysical Survey Permit on inland submerged sovereign lands located throughout the open waterways of the Sacramento-San Joaquin Delta, Contra Costa, Sacramento, San Joaquin, and Solano counties. CEQA Consideration: categorical exemption. (W 6005.180; RA# 32616) (A 11, 13, 14; S 3, 5, 7) (Staff: R. B. Greenwood)
- C71 U.S. DEPARTMENT OF AGRICULTURE NATURAL RESOURCES CONSERVATION SERVICE (APPLICANT): Consider an application for a Non-Exclusive Geological Survey Permit on sovereign tide and submerged lands located in San Pablo Bay, Marin County. CEQA Consideration: categorical exemption. (W 6005.179; RA# 25716) (A 10; S 2) (Staff: R. B. Greenwood)
- C72 UNITED STATES GEOLOGICAL SURVEY (APPLICANT): Consider an application for a Non-Exclusive Geophysical Survey Permit on inland submerged granted and sovereign lands in San Francisco Bay, San Pablo Bay, and the western Delta region inland waterways, Alameda, Contra Costa, Marin, Napa, Sacramento, San Mateo, Santa Clara, Solano, and Sonoma counties. CEQA Consideration: categorical exemption. (W 6005.181; RA# 00817)

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(A: 4, 10, 11, 14, 15, 20, 22, 24, 25;S: 2, 3, 7, 9, 10, 13) (Staff: R. B. Greenwood)

MARINE ENVIRONMENTAL PROTECTION

C73 SMITHSONIAN ENVIRONMENTAL RESEARCH CENTER, CALIFORNIA STATE LANDS COMMISSION (PARTIES): Request authority for the Executive Officer to enter into an agreement with the Smithsonian Environmental Research Center to support a study examining historical shipping patterns and links to the transport of nonindigenous species. CEQA Consideration: categorical exemption. (W 9777.234, W 9777.243, W 9777.295) (A & S: Statewide) (Staff: N. Dobroski, C. Connor)

ADMINISTRATION

C74 CALIFORNIA STATE LANDS COMMISSION: Consider granting authority to the Executive Officer to execute an agreement that requires renewal for Budget Fiscal Year 2017-2018. CEQA Consideration: not a project. (A & S: Statewide)(Staff: C. Connor, D. Cook, A. Abeleda)

LEGAL - SEE REGULAR

KAPILOFF LAND BANK TRUST ACQUISITIONS - NO ITEMS

EXTERNAL AFFAIRS

GRANTED LANDS

C75 CALIFORNIA STATE LANDS COMMISSION: Review a proposed tideland oil revenue expenditure increase in an amount not to exceed \$685,000 by the City of Long Beach for a capital improvement project located adjacent to legislatively granted sovereign land in the city of Long Beach, Los Angeles County. CEQA Consideration: not a project. (A 70; S 33) (Staff: M. Moser)

V INFORMATIONAL 76-79

76 CALIFORNIA STATE LANDS COMMISSION: Legislative Report providing information and a status update

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concerning state and federal legislation relevant to the Commission. CEQA Consideration: not applicable. (A & S: Statewide)(Staff: S. Pemberton)

77 CALIFORNIA STATE LANDS COMMISSION: Staff report on the recent history of operational compliance by Rincon Island Limited Partnership; the status of ongoing chapter 11 bankruptcy proceedings; and, an update on a settlement between the Commission and Atlantic Richfield Company, a prior lessee, Ventura County. CEQA Consideration: not applicable. (PRC 145.1, PRC 410.1, PRC 1466.1) (A 37; S 19) (Staff: J. Planck, J. Fabel)

78 CONFERENCE WITH REAL PROPERTY NEGOTIATORS: Instructions to negotiators in Closed Session regarding proposed amendments to the existing Commission Lease No. PRC 1980.1 with AES Huntington Beach LLC and AES Poseidon Resources (Surfside) LLC, relating to the proposed Seawater Desalination Project at Huntington Beach, Orange County. Negotiating parties: AES Huntington Beach LLC, AES Poseidon Resources (Surfside) LLC, State Lands Commission; Under negotiation: price and terms.

79 CONFERENCE WITH REAL PROPERTY NEGOTIATORS: Instructions to negotiators in Closed Session regarding proposed amendments to the existing State Oil and Gas Lease Nos. PRC 91, PRC 163, PRC 425, PRC 426, and PRC E-392 with SoCal Holdings, LLC located offshore Huntington Beach, Orange County. Negotiating parties: SoCal Holdings, LLC, State Lands Commission; Under negotiation: price and terms.

VI REGULAR CALENDAR 80-86

80 CALIFORNIA STATE LANDS COMMISSION (INFORMATIONAL): Informational update on issues related to a Revocable Permit issued by the Port of Los Angeles to Rancho LPG Holdings LLC for use of a Railroad Spur located within the Legislative Trust Grant to the Port of Los Angeles, in the city of

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	Los Angeles, Los Angeles County. CEQA Consideration: not applicable. (A 70; S 28, 35) (Staff: J. Garrett, S. Pemberton)	54
81	RMC PACIFIC MATERIALS, LLC D/B/A CEMEX AND THE CALIFORNIA STATE LANDS COMMISSION (PARTIES): Consider approval of a settlement agreement concerning sand mining at the Lapis Sand Plant located in the city of Marina, Monterey County. CEQA Consideration: not a project. (A 29; S 17) (Staff: J. Lucchesi, C. Connor, J. Mattox, L. Calvo, M. Farnum)	29
82	CALIFORNIA STATE LANDS COMMISSION (PARTY): Consider certification of a Final Environmental Impact Report (State Clearinghouse No. 2016101008); adoption of Findings, Statement of Overriding Considerations, and Mitigation Monitoring Program for the Becker and Legacy Wells Abandonment and Remediation Project; consider delegating authority to the Executive Officer to solicit bids, award and execute agreements for the implementation of the project, Santa Barbara County. (W 26911, W 30214) (A 37; S 19) (Staff: S. Curran, E. Gillies, S. Blackmon)	42, 87
83	CENTER FOR OCEAN SOLUTIONS (INFORMATIONAL): Presentation by the Center for Ocean Solutions on a report entitled "The Public Trust Doctrine: A Guiding Principle for Governing California's Coast Under Climate Change." CEQA Consideration: not applicable. (A & S: Statewide) (Staff: J. Lucchesi)	163
84	CALIFORNIA STATE LANDS COMMISSION, BOLSA CHICA LAND TRUST (PARTIES): Consider delegating authority to the Executive Officer to execute the Memorandum of Agreement between the Parties, to collaborate in seeking and implementing grant funding for the Bolsa Chica	

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Lowlands Restoration Project. CEQA
 Consideration: not a project. (W 025306A)
 (A 72; S 34) (Staff: W. Hall) 82

85 CALIFORNIA STATE LANDS COMMISSION, OCEAN
 PROTECTION COUNCIL, CALIFORNIA NATURAL
 RESOURCES AGENCY, CALIFORNIA DEPARTMENT OF
 FISH AND WILDLIFE, CALIFORNIA FISH AND
 GAME COMMISSION, CALIFORNIA DEPARTMENT OF
 PARKS AND RECREATION, STATE WATER RESOURCES
 CONTROL BOARD, CALIFORNIA COASTAL
 COMMISSION, CALIFORNIA OCEAN SCIENCE TRUST,
 RESOURCES LEGACY FUND, MARINE PROTECTED
 AREA COLLABORATIVE NETWORK STAFF, MARINE
 PROTECTED AREA COLLABORATIVE NETWORK
 MEMBERS (PARTIES): Consider execution of a
 memorandum of understanding among the
 member agencies of the Marine Protected
 Area Statewide Leadership Team, Marine
 Protected Area Collaborative Network staff,
 and Marine Protected Area Collaborative
 Network members, relating to advancing
 management of California's Marine Protected
 Area Network. CEQA Consideration: not a
 project. (A & S: Statewide) (Staff: J.
 Mattox) 187

86 CALIFORNIA STATE LANDS COMMISSION
 (INFORMATIONAL): Informational update on the
 Commission's Environmental Justice Policy
 Public Outreach and Development. CEQA
 consideration: not applicable. (A & S:
 Statewide)(Staff: S. Pemberton) 195

VII PUBLIC COMMENT 7
195

VIII COMMISSIONERS' COMMENTS 211

IX CLOSED SESSION: AT ANY TIME DURING THE MEETING
 THE COMMISSION MAY MEET IN A SESSION CLOSED TO
 THE PUBLIC TO CONSIDER THE FOLLOWING PURSUANT
 TO GOVERNMENT CODE SECTION 11126: 212

A. LITIGATION.
 THE COMMISSION MAY CONSIDER PENDING AND POSSIBLE

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LITIGATION PURSUANT TO THE CONFIDENTIALITY OF
ATTORNEY-CLIENT COMMUNICATIONS AND PRIVILEGES
PROVIDED FOR IN GOVERNMENT CODE SECTION 11126(e).

1. THE COMMISSION MAY CONSIDER MATTERS THAT FALL
UNDER GOVERNMENT CODE SECTION 11126(e)(2)(A):

California State Lands Commission v. City and
County of San Francisco

Seacliff Beach Colony Homeowners Association
v. State of California, et al.

SLPR, LLC, et al. v. San Diego Unified Port
District, California State Lands Commission

San Francisco Baykeeper v. California State
Lands Commission

Center for Biological Diversity v. California
State Lands Commission

Sierra Club et al. v. City of Los Angeles, et
al.

United States v. Walker River Irrigation
District, et al.

United States v. 1.647 Acres

Nowel Investment Company v. State of
California; California State Lands Commission

Little Beaver Land Company, Inc. v. State of
California

City of Goleta v. California State Lands
Commission

World Business Academy v. California State
Lands Commission

In re: Rincon Island Limited Partnership
Chapter 11

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San Francisco Baykeeper v. California State
Lands Commission II

Martins Beach 1, LLC and Martins Beach 2, LLC
v. Effie Turnbull-Sanders, et al.

SOS Donner Lake v. State of California, et
al.

Redevelopment Agency of San Francisco v. John
W. Lebolt, et al.

In re: Venoco, LLC, Bankruptcy Chapter 11

San Joaquin River Exchange Contractors Water
Authority v. State of California; State Lands
Commission

2. THE COMMISSION MAY CONSIDER MATTERS THAT FALL UNDER GOVERNMENT CODE SECTION 11126(e)(2)(B) or (2)(C).
- B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS.
THE COMMISSION MAY CONSIDER MATTERS THAT FALL UNDER GOVERNMENT CODE SECTION 11126(c)(7) - TO PROVIDE DIRECTIONS TO ITS NEGOTIATORS REGARDING PRICE AND TERMS FOR LEASING OF REAL PROPERTY.
1. The Commission may provide instructions to negotiators regarding proposed amendments to the existing Commission Lease No. PRC 1980.1 with AES Huntington Beach LLC and AES Poseidon Resources (Surfside) LLC, relating to the proposed Seawater Desalination Project at Huntington Beach, Orange County. Negotiating parties: AES Huntington Beach LLC, AES Poseidon Resources (Surfside) LLC, State Lands Commission; Under negotiation: price and terms.
 2. The Commission may provide instructions to negotiators regarding proposed amendments to the existing State Oil and Gas Lease Nos. PRC 91, PRC 163, PRC 425, PRC 426, and PRC E-392 with SoCal Holdings, LLC located offshore Huntington Beach, Orange County. Negotiating

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parties: SoCal Holdings, LLC, State
Lands Commission; Under negotiation:
price and terms.

- C. OTHER MATTERS.
THE COMMISSION MAY CONSIDER MATTERS THAT
FALL UNDER GOVERNMENT CODE SECTION 11126
(e)(2)(B) or (2)(C). THE COMMISSION MAY
ALSO CONSIDER PERSONNEL ACTIONS TO APPOINT,
EMPLOY, OR DISMISS A PUBLIC EMPLOYEE AS
PROVIDED IN GOVERNMENT CODE SECTION
11126(a)(1).

Adjournment	213
Reporter's Certificate	214

P R O C E E D I N G S

1
2 CHAIRPERSON NEWSOM: Let's call this meeting of
3 the State Lands Commission to order. And all the
4 representatives of the Commission are present. I'm Gavin
5 Newsom, Chair of the State Lands Commission.

6 For the benefit of those in here in the audience
7 at the Port of San Diego - and we're grateful to be here
8 at the Port of San Diego and to our satellite location in
9 San Pedro. We're grateful that you're hopefully watching,
10 if our feed is working, though that's in peril or in
11 question, at least from an audio perspective, and for
12 those that may be watching more generally on our webcast
13 briefly, the State Lands Commission has interest in over
14 five million acres of land, including all mineral
15 interests in the State.

16 The Commission also has the responsibility for
17 the prevention of oil spills in marine oil terminals, and
18 offshore oil platforms and preventing the introduction of
19 marine invasive species in the California marine waters.
20 Today, we're going to requests and presentations involving
21 lands and resources within the Commission's jurisdiction
22 mostly. That's an interesting point, isn't it, Jennifer,
23 the question of jurisdiction.

24 EXECUTIVE OFFICER LUCCHESI: Yes.

25 CHAIRPERSON NEWSOM: That's a preview of things

1 to come, Commissioners, correct?

2 (Laughter.)

3 CHAIRPERSON NEWSOM: Interesting question.

4 With that, we have now opening remarks. When
5 we're on the road, we like to hear from our landlords.
6 And it's a pleasure to have two individuals one
7 representing the United States Navy, and on the Port of
8 San Diego. The Vice Chair is here from the Port of San
9 Diego, and ask Rafael if you would be so kind as to come
10 on up. And again, we're grateful for you letting us in.

11 MR. CASTELLANOS: Well, good afternoon. I'm not
12 used to speaking on this side of the dais --

13 (Laughter.)

14 MR. CASTELLANOS: -- so I had to get some
15 instructions for how to operate this fancy equipment up
16 here. On behalf of the Board of Port Commissioners, I
17 serve as Vice Chairman this year, and the entire district,
18 we're very, very happy to have you here. We welcome you,
19 Commissioner Newsom, Commissioner Yee, Deputy Controller
20 Baker, Executive Director Lucchesi. We've hosted you from
21 time to time over the years, and we really, really enjoy
22 it for a couple of reasons.

23 Number one, we get to thank you in person for the
24 very important partnership that we have with you, the very
25 special relationship that we have with you. Only when we

1 work together and collaborate with each other, can we
2 really fulfill the mission of both the State Lands
3 Commission and the Port of San Diego. Six thousand of
4 those five million acres are under our jurisdiction. We
5 hold that in trust as a fiduciary for all of the people of
6 California. So we're very grateful to have that
7 opportunity.

8 And we also want to thank you specifically for
9 the recent Memorandum of Agreement that we entered into
10 last year, the San Diego Ocean Planning Partnership.
11 Thank you, Commissioner Yee in particular for your vision
12 and your leadership on that initiative. It is a very,
13 very innovative, very exciting initiative where we will
14 work together to, in a scientific way, with a lot of
15 transparency and civic engagement, in a scientific
16 approach figure out how to best adaptively manage our
17 ocean resources. This is a time to embrace ocean
18 optimism. And this is a wonderful example of that. And I
19 know that working together we're going to get some really
20 great results.

21 The other reason why we're happy to have you here
22 is because it's always a bit of show and tell. And we
23 hope that you take the opportunity to talk to our staff
24 and learn about many of the initiatives that we have
25 already embarked on.

1 We have started a blue incubator, a blue economy
2 incubator here. We are growing oysters in the bay,
3 oysters that we are going to sell to nurseries in the
4 Pacific northwest. We are supporting and investing in
5 blue economy initiatives that will help clean the water,
6 that will help people get around the water, and that will
7 bring more prosperity, more jobs, and more technical
8 innovation to this region and to the entire State of
9 California. So that's a good thing for everyone.

10 So with that being said, thank you again,
11 welcome, and I hope you have a wonderful meeting.

12 CHAIRPERSON NEWSOM: Grateful. Thank you. Like
13 ocean optimism. I haven't heard that.

14 Thanks, Rafael.

15 Rear Admiral Lindsey is kind enough to join as
16 well. Grateful.

17 REAR ADMIRAL LINDSEY: Well, thank you very much.
18 And do I need to move this up or are we good?

19 CHAIRPERSON NEWSOM: We're good. Those are
20 sensitive. Yeah, they work.

21 REAR ADMIRAL LINDSEY: Okay. Well, thank you,
22 Commissioners, for the opportunity to address you today.
23 And welcome to the largest concentration of Naval forces
24 in the world that call San Diego -- the San Diego area
25 home. I represent part of that, the Navy part. There's a

1 Marine Corps part as well. And as the higher headquarters
2 for the nine Navy installations in California, six of
3 which are in coastal areas. It's a pleasure to talk to
4 you today. And I think we share an affinity with the use
5 of miles of coastline and mutual water areas.

6 And so in support of that, we've had tremendous
7 valuable relationship with the staff, Jennifer and the
8 rest of the folks on the staff. And so we are glad for
9 that relationship and we think it's very productive, and
10 very positive for what we do in and around California, but
11 also we hope that there's a reciprocal benefit to the
12 Commission as well.

13 I do want to offer, if any of the Commissioners,
14 if you're traveling through San Diego or really anywhere
15 in the State, and you'd like to visit a Navy base, it's an
16 open invitation. We'd love to show you what we do and
17 have you visit and share the importance of what California
18 means to our military men and women and their mission.

19 We do have a -- two of your staff that are going
20 to take a visit, a tour of the bases here in San Diego
21 tomorrow. And then they're going to have an opportunity
22 to actually go out to an aircraft carrier that's currently
23 training off the coast and spend the night out there, and
24 see how that aircraft carrier and its strike group trains.
25 And so I'm really excited and hopefully they'll bring back

1 good news of what we do and why it's important.

2 So thank you again for the opportunity. A final
3 offer, if there's anything I can do for you, please reach
4 out directly to me. And we look forward to continuing our
5 very important and valuable relationship.

6 CHAIRPERSON NEWSOM: I appreciate it. Very kind.
7 Thank you for your comments --

8 REAR ADMIRAL LINDSEY: Thank you.

9 CHAIRPERSON NEWSOM: -- and your service.

10 REAR ADMIRAL LINDSEY: Thank you.

11 CHAIRPERSON NEWSOM: Grateful.

12 So we've got -- I know -- we've got a number of
13 things that are agendized. I want to -- I'm going to be
14 the bad guy and move some things around, and I apologize
15 in advance, but I want to be respectful to one individual
16 in particular, and that's the Mayor of Imperial Beach,
17 who's here. And I know that the Mayor has a busy agenda,
18 as a former Mayor. At least, I hope the Mayor has a busy
19 agenda.

20 (Laughter.)

21 CHAIRPERSON NEWSOM: And I want to respect your
22 time. And I know you're here to offer some thoughts, and
23 I appreciate, by the way, the reason you're here as well.

24 IMPERIAL BEACH MAYOR DEDINA: Right.

25 CHAIRPERSON NEWSOM: And I thank you for raising

1 this issue. And I'm grateful you're here to now raise it
2 more publicly.

3 IMPERIAL BEACH MAYOR DEDINA: I appreciate it.
4 Thanks for having me. And I have a presentation.

5 CHAIRPERSON NEWSOM: We've got it somewhere?

6 IMPERIAL BEACH MAYOR DEDINA: Is that queued up?
7 Sorry. So I'm here. I'm the Mayor of Imperial
8 Beach, California. We're last town on the California
9 coast, arguably the most beautiful town on the California
10 coast.

11 We're also the most cultural and economically
12 diverse small beach city in Southern California. We're
13 the lowest income coastal city -- city in San Diego
14 County, the highest poverty rate, 25 percent. I'm not
15 proud of that, and that's something we're trying to
16 address.

17 You can be proud that our city is a city that
18 takes the issue of affordable housing seriously. We take
19 coastal access seriously. We take our partnership with
20 the Navy and the Port of San Diego seriously, and to make
21 sure that everyone of our residents have a super high
22 quality of life, regardless of their income, or where
23 they're from, or what they do, or who they are, right?
24 It's -- everyone of our residents should have the highest
25 quality of life possible, and our city does everything to

1 make that possible, to make sure that every day that they
2 want to go to the beach they can.

3 The problem is -- and am I getting the --

4 CHAIRPERSON NEWSOM: It came up briefly. One of
5 the...

6 IMPERIAL BEACH MAYOR DEDINA: Are we getting on
7 that.

8 There you go.

9 (Thereupon an overhead presentation was
10 presented as follows.)

11 IMPERIAL BEACH MAYOR DEDINA: Okay. So to get to
12 the point, when it rains, we get cataclysmic flows of Raw
13 sewage that flow across the border.

14 --o0o--

15 IMPERIAL BEACH MAYOR DEDINA: Over the last
16 decade, our beach has been closed a total of three years.
17 That's three years that our beaches have been closed.
18 Those include two State beaches, Border Field State Park,
19 and Silver Strand State Beach.

20 --o0o--

21 IMPERIAL BEACH MAYOR DEDINA: This is what Border
22 Field State Park looks like after it rains. This is a
23 State park. That's also within the City of Imperial
24 Beach.

25 --o0o--

1 IMPERIAL BEACH MAYOR DEDINA: We had a beach -- a
2 Tijuana River closure last year with a rain event that
3 caused sewage from Mexico to flow into the Tijuana
4 Estuary. It killed all known living life in the Tijuana
5 Estuary, federally protected estuary in a State Park
6 including every leopard shark. I watched those leopard
7 sharks die. That was on the front page of the Wall Street
8 -- Los Angeles Times

9 --o0o--

10 IMPERIAL BEACH MAYOR DEDINA: We happened to be
11 downhill from Tijuana, a city of more than two million
12 people. It's a developing city. You can see the sewage
13 pretty much flows downhill.

14 --o0o--

15 IMPERIAL BEACH MAYOR DEDINA: Just south of the
16 border, four and a half miles, 40 million gallons of
17 sewage is discharged into the ocean every day. That's raw
18 sewage. On the week of July 1st, Paloma Aguire, who's
19 here, was surfing with my oldest son, who's a California
20 State lifeguard -- both my boys are State lifeguards -- he
21 came down with vibrio, a life-threatening illness, had to
22 go to urgent care to get cured, because someone had dumped
23 sewage in the water at Playas de Tijuana. It washed
24 through the surf and he surfed in it mid-morning.

25 --o0o--

1 IMPERIAL BEACH MAYOR DEDINA: You can see that
2 these canyons in the Tijuana River drain into the Tijuana
3 River Valley. We've had 315 spills over the last two
4 years. Since August of 2015, 315 spills.

5 --o0o--

6 IMPERIAL BEACH MAYOR DEDINA: This is a diverter
7 pipe in the Tijuana River that collects sewage spills.

8 --o0o--

9 IMPERIAL BEACH MAYOR DEDINA: These are the
10 canyons where basically every other night toxic waste and
11 toxic sewage are dumped into these canyons. That's black
12 goo. It was never identified, but these are heavy metals,
13 chemicals, you name it, it's in the water.

14 --o0o--

15 IMPERIAL BEACH MAYOR DEDINA: This is red goo
16 that was -- this is at Border Field State Park. This is
17 actually a State Park.

18 --o0o--

19 IMPERIAL BEACH MAYOR DEDINA: This is a State
20 Park.

21 --o0o--

22 IMPERIAL BEACH MAYOR DEDINA: You can see that it
23 used to be that the federal government used to provide
24 funding for infrastructure along the border. They pretty
25 much no longer do so.

1 And so why am I here?

2 --o0o--

3 IMPERIAL BEACH MAYOR DEDINA: And the reason I'm
4 here is because I'd like to ask the State Lands Commission
5 to assist us in evaluating whether or not there are
6 options that the State Lands Commission and the Attorney
7 General's office can take to help protect our beaches and
8 our way of life in California, and make sure that all my
9 kids and our communities have access to the beach 365 days
10 a year.

11 The City of Imperial Beach is now working with
12 the City of Coronado. We're meeting with the Port of San
13 Diego today, the City of Chula Vista, and the County of
14 San Diego to evaluate the idea of filing a Clean Water
15 Action -- a clean water -- I'm sorry, a federal Clean
16 Water Act lawsuit. We're -- we've developed a Notice of
17 Intent to do that. We're consulting with other
18 jurisdictions.

19 We'd like to have the assistance with the State
20 of California in that. We're seriously concerned about
21 the ongoing sewage discharges. Last week, there was a
22 total of a million and a half gallons spilled into the
23 Tijuana River. Last night, there were 150,000 gallons of
24 sewage spilled. So it's non-stop, but -- so I'm here to
25 thank you for your time. Thank you for all the good work

1 you do to safeguard our gorgeous State, and ask you that
2 you help us to allow me to continue to safeguard my
3 beaches for everyone in California, and anyone who visits
4 California.

5 Thank you very much.

6 CHAIRPERSON NEWSOM: Appreciate it, Mayor.

7 The answer is absolutely am grateful. And thank
8 you again for highlighting this. And, you know, Jennifer,
9 I know we've had some conversations. What are your
10 thoughts in terms of what we can do to be very
11 specifically helpful.

12 EXECUTIVE OFFICER LUCCHESI: Well, I have talked
13 with the Mayor, and our staff has also been in contact
14 with the City of Imperial Beach on this issue. And we're
15 starting to conduct our initial investigation into what
16 our jurisdiction is, what kind of leases we have in that
17 area, and start analyzing in a more -- in more depth about
18 how we might be able to help on this issue.

19 And we will also be talking with the Attorney
20 General's office as well as it relates to our specific
21 jurisdiction.

22 CHAIRPERSON NEWSOM: Right. What about, Mayor,
23 any -- what about the engagement with folks down in
24 Tijuana. Have you had any --

25 IMPERIAL BEACH MAYOR DEDINA: Yeah, so that --

1 that's good. So there's two -- there's a parallel process
2 going on. We're asking the Congress of the United States
3 and the Mexican federal government to provide money for
4 the EPA border infrastruact -- water infrastructure funding
5 program.

6 So our entire congressional delegation has
7 supported that effort. Obviously Senator Harris and
8 Senator Feinstein have as well. They've been strong
9 proponents of that to try to make sure that the Trump
10 Administration zeroing out that budget is put back in, And
11 \$35 million would be authorized to get into the sewage
12 system in Tijuana.

13 I just talked to the Undersecretary for the
14 National Water Agency, or CONAGUA, two days, he called me
15 to assure me that the Mexican federal government would
16 provide matching funds for that. I met with the
17 Ambassador of Mexico in Washington recently to talk about
18 that. We're concerned about having a back-up plan.

19 And because basically we're dependent on someone
20 turning on a switch for collector systems or pump stations
21 in Tijuana that aren't accountable to the United States
22 government of the people of California.

23 CHAIRPERSON NEWSOM: Right.

24 IMPERIAL BEACH MAYOR DEDINA: My concern also is
25 that I -- like you, I want to make sure that every kid in

1 California has access to our wonderful State beaches. Our
2 folks at State Parks are spending their time cleaning up
3 sewage and toxic waste. Literally, State Parks is
4 responsible for that mess. Instead of making sure that I
5 was with kids from the Imperial Valley yesterday at Silver
6 Strand State Beach, one of the beaches, and there -- they
7 came from the Boys and Girls Club to kayak and surf at
8 Silver Strand. That's what all of us need to spend our
9 time doing.

10 I don't want our State Parks staff spending their
11 time cleaning up toxic waste and not spending their time
12 figuring out how to get kids from the Imperial Valley to
13 the Central valley, or East San Diego, or basically
14 Southeast L.A. onto the beach. I think that's the big
15 picture.

16 And I think why we're concerned about the State
17 of California, we love our State Parks. And the fact that
18 our State Parks staff are spending their time mucking in
19 toxic waste instead of doing what they're supposed to be
20 doing. Or my son who's a State lifeguard is getting sick
21 instead of rescuing people is a problem.

22 CHAIRPERSON NEWSOM: Amen.

23 IMPERIAL BEACH MAYOR DEDINA: I know you guys
24 know that.

25 COMMISSIONER YEE: Thank you, Mayor, for bringing

1 the issues to our attention. Just a question as to
2 whether you're engaging your legislative delegation in
3 Sacramento --

4 IMPERIAL BEACH MAYOR DEDINA: Yeah. So let me --

5 COMMISSIONER YEE: -- and really with the timing
6 of the deliberations over new bond measures, especially.

7 IMPERIAL BEACH MAYOR DEDINA: Over the what?

8 COMMISSIONER YEE: New bond measures that are --

9 IMPERIAL BEACH MAYOR DEDINA: Yeah, so
10 absolutely. We've been with the State Parks bond and even
11 a potential water bond there would be money for this.

12 We feel like we can't wait. Given the severity
13 of these spills, the fact they're happening every other
14 day, we're concerned about winter is coming -- to
15 paraphrase from Game of Thrones.

16 (Laughter.)

17 IMPERIAL BEACH MAYOR DEDINA: And so we'd like to
18 fast track this issue. We can't wait years for this to
19 happen, so we want to really make sure we can figure out
20 how to get that infrastructure in.

21 Now, Ben Hueso and Todd Gloria have put a bill in
22 that would basically provide some funding for a
23 feasibility study to put this infrastructure in the
24 Tijuana River Valley. What we want to make sure as a
25 federal government, United States government, is held

1 responsible and the State of California isn't left holding
2 the bag.

3 We don't want -- we want to make sure that the
4 State Treasury isn't depleted because someone in
5 Washington has decided that it's not a priority. And
6 that's our goal is to make sure that our team in
7 California is working to together collaboratively, along
8 with our friends at the port and other cities to make sure
9 that our friends in Washington understand this is United
10 States property, it's the U.S. -- United States border,
11 but that their inaction and their violation of the Clean
12 Water Act impacts our kids, and our families, and our
13 communities.

14 CHAIRPERSON NEWSOM: Hear, hear. Well, good. We
15 look forward to working collaboratively. And, as I said,
16 thank you again for raising this issues and --

17 IMPERIAL BEACH MAYOR DEDINA: Great.

18 CHAIRPERSON NEWSOM: -- and your work, and
19 advocacy. And we'll make sure -- we're -- trust me, right
20 when I walked in, the Executive Director said we're on
21 this, so --

22 IMPERIAL BEACH MAYOR DEDINA: Great. And thank
23 you for all the work you do. We really appreciate

24 CHAIRPERSON NEWSOM: Grateful. Thanks, Mayor.

25 So we'll go back to the regular agenda. We have

1 the first item of business is the adoption of the minutes
2 from the June 22nd meeting.

3 Is there a motion?

4 COMMISSIONER YEE: So moved.

5 ACTING COMMISSIONER ORTEGA: Second.

6 CHAIRPERSON NEWSOM: Without objection, the
7 minutes are approved.

8 Next order of business is the Executive Officer's
9 Report.

10 EXECUTIVE OFFICER LUCCHESI: Yes. Thank you.
11 Thank you very much.

12 And many thanks to the Port of San Diego for
13 hosting us today. Just a couple of things to update the
14 Commission and the members of the public watching, and in
15 the room with us today.

16 In July, Commission staff, on behalf of the
17 Commission, sent two letters to the federal government,
18 one supporting our national marine sanctuaries and marine
19 national monuments, and opposing any efforts by the
20 federal government to make changes to those that would
21 have negative impacts on the benefits that they are
22 providing.

23 Commission staff also transmitted the
24 Commission's resolution that it adopted in a couple
25 meetings ago opposing the President's America First

1 offshore energy strategy that would open up the outer
2 continental shelf oil and gas leasing program offshore
3 California.

4 Next, I wanted to update the Commission on our
5 San Diego Ocean Planning Pilot Project and Partnership
6 effort. The San Diego Ocean Planning Partnership is
7 midway through phase one, learning about the existing
8 environmental and resource use conditions throughout the
9 State waters off San Diego County. We are holding
10 one-on-one stakeholder engagement meetings and continuing
11 to gather sector-level data and process it for use in the
12 interactive spatial tool we will be developing in phase
13 two.

14 In July, our staff came down here to the Port of
15 San Diego for a dedicated work session that included a
16 briefing with the Navy and site visits. And during those
17 site visits, we toured the restored tidal wetlands in San
18 Diego Bay National Wildlife Refuge, and the endangered
19 Ridgeway Rail recovery program, as well as two major port
20 terminals, National City and the 10th Avenue Marine
21 Terminal.

22 Finally, the harbor police took staff on a
23 comprehensive tour of the bay, and surrounding waters, on
24 a busy afternoon in -- on Friday, where our staff was able
25 to witness the incredible variety of water-related

1 activities on the bay, from sail boats to Coast Guard
2 Cutters, jet skis to giant sport fishing rigs, and learned
3 about a number of pressing challenges that law enforcement
4 faces in providing a safe space for all of these different
5 users, and ensuring the protection of the waterfront.

6 We are grateful to our partners at the port for
7 providing these opportunities to learn more about this
8 marine space firsthand. And it greatly furthers our
9 understanding of the Public Trust resource management
10 needs that the planning effort will address.

11 We will be wrapping up our initial stakeholder
12 meetings by the end of September and hold public community
13 workshops at the end of September, beginning of October,
14 ahead of drafting our summary assessment report that will
15 capture what we've learned so far in phase one.

16 We also, as we mentioned at our last Commission
17 meeting, we have set up our -- its own website for this
18 effort. And it's www.sdoceanplanning.org. And I
19 encourage everyone to take a look at that and see what
20 we've accomplished so far.

21 Next, just a quick legislative update. The final
22 four weeks of the California legislative session, the
23 first half of a two-year session starts on Monday. There
24 are several bills pending that impact the Commission.

25 Staff report number 77 on today's agenda details

1 those bills. I do want to highlight though AB 1472. The
2 Commission supported AB 1472 by Assembly Member Limón,
3 which was recently vetoed by the Governor. This bill
4 would have specified the factors the Commission may
5 consider when deciding whether to assign or transfer an
6 oil or gas lease. The Governor's veto message stated that
7 the Commission has -- already has wide latitude to
8 consider the factors specified in the bill, and he
9 therefore viewed the bill as unnecessary.

10 We are disappointed with this outcome, but we're
11 grateful to Assembly Member Limón for authoring the bill,
12 and to her staff for their great work on the bill.

13 Next, I wanted to update the Commission on events
14 surrounding Martins Beach in San Mateo County. Last week,
15 as many of you heard, the first district court of appeals
16 in San Francisco ruled 3 to 0 holding that the owners of
17 Martins Beach must apply for a coastal development permit
18 with the Coastal Commission, or San Mateo County, before
19 closing down access.

20 The court also rejected the owner's argument the
21 trial court injunction requiring the owners to allow
22 public access was a pursuit -- per se, excuse me, taking
23 of owner's private property. This is a huge win by the
24 Surfrider's and by members of the public that value
25 accessing their beaches.

1 While I'm on the subject of Martins Beach, I
2 wanted to just update the Commission on the other
3 litigation pending. This is the Friends of Martins Beach
4 case dealing with implied dedication.

5 On July 14th, Martins Beach, LLC filed a motion
6 for summary judgment, which is scheduled to be heard
7 September 27th. If the motion for summary judgment is
8 denied, then trial is scheduled for October 30th, and we
9 are monitoring that case very closely as well.

10 And finally, on the same subject, Senator Hill's
11 bill, SB 42, would create a Martins Beach subaccount in
12 the Commission's Kapiloff Land Bank Fund to acquire public
13 access to Martins Beach. The bill is currently in the
14 Assembly Appropriations Committee, and will likely go to a
15 suspense file when it is considered on Monday. Again, we
16 are actively monitoring that and working with Senator
17 Hill's office on a technical basis.

18 The next two items I would like to update the
19 Commission on deal with two of our offshore oil and gas
20 leases. The first is Platform Holly and the Venoco
21 bankruptcy. As described in detail at the Commission's
22 June meeting, staff negotiated a temporary reimbursement
23 agreement in late April 2017 to ensure qualified Venoco
24 personnel would remain on Platform Holly and Ellwood
25 Onshore Facility.

1 This agreement was set to expire on June 30th,
2 but has been extended twice and is now set to expire on
3 August 31st, 2017. The Commission staff issued a
4 statement of interest for prospective engineering
5 consultants to conduct the operations and maintenance of
6 Platform Holly to secure the facilities as well as the
7 Ellwood Onshore Facility, and our other offshore lease,
8 the Ellwood Beach Oil and Gas Piers lease, and also to
9 perform plugging and abandonment activities on those
10 leases.

11 We received a number of proposals, which were
12 reduced to the top three. We have interviewed the
13 prospective consultants over the following week and
14 determined the ranking. Staff is now in its contracts
15 negot -- contract negotiations with the top ranked firm,
16 and expects to have the final contractual agreement
17 executed by no later than next week, with the expectation
18 that the operations and maintenance will be transferred
19 from Venoco to the Commission's contractor on September
20 1st, 2017. Again, that's a necessary step to ensure the
21 safety and security of Platform Holly and its associated
22 facilities.

23 Staff has previously identified that it believes
24 ExxonMobil, a predecessor in interest to the leases, has
25 an obligation to fulfill the terms and mandates of the

1 leases regarding the abandonment of the wells of --
2 subject to these State oil and gas leases.

3 Commission staff continues to work with
4 ExxonMobil in a cooperative manner towards an -- a
5 resolution regarding the outstanding liability to fulfill
6 the terms of the lease. We actually expect some formal
7 communication early next week that details what that
8 resolution looks like.

9 Beginning July 26th, staff has organized biweekly
10 teleconferences with impacted State and local agencies,
11 including the State Fire Marshal, DOGGR, OPC, OSPR, the
12 City of Goleta, the Santa Barbara Air Pollution Control
13 District, and the County of Santa Barbara to discuss
14 ongoing actions and to enhance future cooperation during
15 the plugging and abandonment process and ultimate
16 decommissioning of this -- of the last State platform in
17 the Santa Barbara channel.

18 Venoco's Chapter 11 bankruptcy continues to
19 proceed as Venoco seeks to divest its assets to fulfill
20 payment to its creditors. And we are actively
21 participating in that bankruptcy proceeding to protect the
22 State's interests.

23 A quick update on Rincon Island in Ventura
24 County. This is -- there's a lot more detail about this
25 issue in staff report number 77. But just to give a

1 couple of highlights, Rincon Island Limited Partnership
2 filed for bankruptcy in Texas on August 8th of last year.
3 We have been an active participant protecting the State's
4 interest in that bankruptcy proceeding for the past year
5 along with DOGGR.

6 Just recently, the court appointed a Chapter 11
7 trustee, which basically that bankruptcy trustee takes
8 over the operations of the island. That bankruptcy
9 trustee is negotiating a contract with the contractor to
10 come out onto the island to secure the island and continue
11 operation and maintenance. And we expect that to be
12 approved by the court tomorrow. That's not dissimilar to
13 what we're doing with our contractor on Platform Holly.

14 We anticipate the potential of the -- Rincon's
15 bankruptcy protections to be lifted October 31st of this
16 year. And in which case, staff is preparing to bring to
17 the Commission at its October 19th meeting the
18 potential -- or consideration of terminating those leases.
19 So that is a stay-tuned, depending on whether the -- we
20 foresee the court actually lifting those bankruptcy
21 protections.

22 We are working closely with DOGGR, Department of
23 Conservation, and OSPR on both of these efforts to address
24 these offshore oil and gas leases, and ensure that we are
25 protecting public health and safety, and the State's

1 interest in ensuring the transition and decommissioning of
2 these offshore facilities.

3 I do want to just take a moment to recognize our
4 staff and their work on these two issues, both with the
5 Rincon Island and the bankruptcy, as well as the Platform
6 Holly quitclaim, subsequent bankruptcy, and now the State
7 Lands Commission taking over securing that facility.

8 We are in uncharted territory. The Commission
9 has never been involved in something to this extent, and
10 we're doing it on two different -- dealing with two
11 different oil and gas leases in two different counties.

12 And our legal team of Seth Blackmon and Joe
13 Fabel, our Mineral Resources Management team led by Marina
14 and Jeff, and our Accounting Division in that -- our
15 Accounting Department in the Minerals Resources Management
16 Division that keeps track to ensure that we're spending
17 the State's money appropriately and the most efficiently
18 in pursuing plugging and abandonment.

19 Their work is unparalleled, and they are working
20 many, many hours, many weekends. And I just needed to
21 call them out, because I'm very, very proud of the work
22 that they're doing on behalf the State here. So I just
23 wanted to thank them and acknowledge that -- the work that
24 they're putting in on this.

25 Finally, I wanted to give an update on the

1 State's Marine Invasive Species Program. As you know,
2 there is federal legislation that's pending known as the
3 Vessel Incidental Discharge Act, or VIDA, which would
4 preempt the State's authority to address vessel discharges
5 and imperil California's efforts to prevent invasive
6 species from being released into State waters.

7 Our staff has been working closely with Senator
8 Feinstein's office, Senator Harris's office, and the staff
9 to Senate Commerce, Science, and Transportation Committee
10 to ensure the Commission's priorities, which are State
11 enforcement authority, fee authorization, and real-time
12 access to vessel reporting information are included in the
13 eventual VIDA bill.

14 Staff is still negotiating these elements, and
15 it's unclear whether VIDA will be considered by the full
16 Senate when Congress reconvenes in September.

17 The VIDA language, however, is still part of the
18 Coastguard reauthorization bill, and could come up any
19 time when Congress returns next month. Many other states
20 are also working with their congressional representatives
21 to ensure their priorities are included in the eventual
22 VIDA compromise, and to advocate for State's rights. We
23 are obviously keeping a very close eye on -- on this
24 federal legislation and will continue to keep the
25 Commission updated.

1 And finally, under the same umbrella of our
2 Marine Invasive Species Program, on April 20th, the
3 Commission approved the biofouling management regulations
4 aimed at preventing the introduction of non-indigenous
5 species from vessels arriving at California ports.

6 These regulations have now been procedurally
7 approved by the Office of Administrative Law and are
8 scheduled for implementation on October 1st. These
9 biofouling management regulations are the result of seven
10 years of consultation, collaboration, and discussions with
11 the shipping industry, scientific, public, and regulatory
12 stakeholders, a truly collaborative process.

13 California now becomes the first State in the
14 country to adopt and implement biofouling management
15 regulations and one of the first globally. We are
16 preparing outreach materials, an informational webinar,
17 and customer service meetings to ensure that up-to-date
18 and accurate information is shared with the shipping
19 industry prior to implementation.

20 And again, I just want to personally recognize
21 the work of our Senior Environmental Scientist Chris
22 Scianni on this effort. His dedication, perseverance, and
23 also just his willingness to engage one on one with
24 stakeholders as well as in group settings to get to a
25 compromise resolution on very important and effective

1 regulations were the key to the successful adoption of
2 these regulations, and especially by the shipping
3 industry. So that's huge kudos for our program on that
4 level.

5 And that concludes my report, and I'm happy to
6 answer any questions

7 CHAIRPERSON NEWSOM: Any questions?

8 Thank you. Comprehensive. And we'll -- there's
9 plenty of questions, but I'm going to spare everybody, a
10 number of them, yeah, and particularly -- well, as I say,
11 I'll spare you.

12 So with the next -- with that in mind, we'll move
13 to the next item, which is the adoption of the consent
14 calendar. Is there a motion?

15 COMMISSIONER YEE: So moved.

16 CHAIRPERSON NEWSOM: Without exception --

17 EXECUTIVE OFFICER LUCCHESI: Oh, excuse me.
18 Sorry.

19 CHAIRPERSON NEWSOM: You want to move which
20 items.

21 EXECUTIVE OFFICER LUCCHESI: Yes. I'm sorry, you
22 went through that very first -- very fast.

23 I do want to remove one item from the consent
24 calendar to be heard at a later date, number 53.

25 CHAIRPERSON NEWSOM: Fifty-three. Anyone here to

1 speak on Item 53?

2 Seeing none.

3 Anyone here to speak on any of the items on the
4 consent calendar?

5 Seeing none. We'll close public comment.

6 With the exception of Item 53, is there a motion?

7 COMMISSIONER YEE: Yes, so moved.

8 ACTING COMMISSIONER ORTEGA: Second.

9 CHAIRPERSON NEWSOM: Seconded.

10 Without objection, consent calendar, save Item
11 53, is approved.

12 Next is the issue of order. What order to go in?

13 Now, I know a number of you are here for -- well,
14 there's a lot of you are here for a lot of reasons, so I
15 should step back and acknowledge that.

16 Item 80, which is the next item I believe on the
17 agenda, I want to just skip over briefly and go to Item 81
18 and 82, with the indulgence of the Commission, because I
19 believe those will be dealt with rather expeditiously, and
20 then we will have a little more time and less anxiety with
21 Item number 80 for those of you who are here to speak.

22 Now, I have a number of -- as I call Item 81, I
23 have three speaker's cards. And if there's anyone else,
24 I'm not rule based, so you can come on up, but just fill
25 out a form and make it easier for us. And it seems like a

1 number of you have.

2 So this is the item to consider the settlement
3 agreement with CEMEX concerning the sand mining Lapis sand
4 plant located in the City of Marina in Monterey County.

5 And very brief presentation, since we are all
6 intimately familiar with the details of this.

7 Jennifer.

8 EXECUTIVE OFFICER LUCCHESI: Yes. So I will be
9 giving the very brief presentation. The settlement
10 agreement before the Commission today is an integral
11 element of the consent agreement that the Coastal
12 Commission approved last month unanimously as a
13 comprehensive agreement, including the agreement that
14 Cemex reached with the City of Marina. Before you is a
15 comprehensive, fair, and certain resolution relating to
16 the CEMEX sand mining plan in the City of Marina, Monterey
17 County, that achieves important objectives of protecting
18 and enhancing the marine and dune environment, and public
19 access in an extremely efficient timeframe.

20 The agreement requires mining operations to end
21 in three years, limits the volume of sand extracted in the
22 interim, and requires the preservation of the property's
23 dune habitat while providing public access to the public's
24 tidelands.

25 This agreement also allows for the respectful

1 transition for current employees of the facility to help
2 secure their future and the future of their families.
3 This resolution is anchored on concrete public benefits
4 and represents certainty on an issue that is legally
5 complex.

6 And I'll just end -- conclude by saying this
7 resolution could not have been reached without the intense
8 collaboration of CEMEX, the Coastal Commission, the City
9 of Marina, and, of course, the State Lands Commission.
10 And we appreciate the leadership of the Lieutenant
11 Governor in steering us to this resolution.

12 So with that, I am available for questions, and
13 I'll turn it back to the Chair.

14 CHAIRPERSON NEWSOM: Appreciate it.

15 Any questions, Commissioners?

16 COMMISSIONER YEE: Thank you, Mr. Chairman.
17 Thank you, Jennifer. And I want to just applaud you for
18 really asserting the State Lands Commission rights and
19 jurisdiction in this matter. And then to you, Mr.
20 Lieutenant Governor, Mr. Chairman, for the involvement of
21 your office, particularly through Mr. Williams. It's
22 really balanced approach, and comprehensive as you said.
23 And I really appreciate the respectfulness with respect to
24 the workers and the future of the community.

25 Thank you.

1 CHAIRPERSON NEWSOM: No, I appreciate it. That's
2 generous comments. And I share the same sentiment in
3 terms of the staff leadership, and my staff, Rhys and
4 others, for leaning into this. It wasn't -- it just seems
5 like yesterday, we were having public comment and folks
6 were out there, very upset and animated by the fact we're
7 still sand mining out here on the California coast or any
8 coast in the continental United States, and raise the
9 issue to a fever pitch of sorts.

10 And lo and behold to CEMEX's credit, to the city
11 and Coastal Commission's credit, to you, Jennifer, and
12 your team, people in good faith collaborated and organized
13 a framework. It's not ideal from everybody's perspective.
14 I recall folks chanting say not one more grain of sand
15 shall be removed.

16 Sure. There will be 240,000 plus tons of it, but
17 not the 300,000 tons. And we will see none removed in
18 just a few years. And that's a victory, and I think an
19 appropriate framework for a compromise, which is an
20 interesting word in American democracy at this moment.

21 And it's an important one to reflect on. But
22 with that, we have public comment that I believe is
23 generally supportive, since they seem to represent
24 everybody that was at the negotiating table.

25 With that, there's a representative from Cemex.

1 And, Mike, I apologize I can't read at all. So you're
2 last name it escapes me, but come on up. And then
3 obviously Jennifer Savage, Lisa -- you guys all know who
4 you are. Come on up if you wish to speak.

5 Yeah. Mike Egan, please. Thanks. Mike, are you
6 here?

7 Good. Everybody come on up. There's four of
8 you. And if there are more -- in no order. If you guys
9 have an order, maybe you can self-organize.

10 Jennifer, you go for it.

11 MS. SAVAGE: Okay. I will be very brief. As you
12 likely remember, the closure of CEMEX's sand mine has been
13 a huge priority for Surfrider. We greatly appreciate the
14 Commission's strong engagement on this issue which surely
15 proved critical in reaching this historic consent order.

16 California's coast is rightly treasured, partly
17 because it supports a \$44 billion coastal
18 economy, and also because of the joy it brings to all,
19 regardless of income, background, or social status. This
20 is true on the Monterey coast, as it is everywhere in our
21 State.

22 The meaningfulness of this consent order extends
23 far beyond geographical boundaries, in a time when, as the
24 Commission has noted, we are facing both natural threats
25 and federal ones. To see the perseverance of a small

1 group of citizens and extremely dedicated public agencies
2 result in an agreement that frankly exceeded our hopes is
3 just incredible. I mean, seriously when I heard -- I was
4 reading the terms, I was like this is good, and this is
5 good, and this is good. But I was waiting, I was waiting
6 for like the bad thing, the thing like all right what's
7 the thing we have to fight about, and there was nothing.
8 And it was like a really strange and great feeling.

9 So thank you very much.

10 (Laughter.)

11 MS. SAVAGE: And again, we appreciate the
12 critical role that Commissioners and your staff have
13 played, and I appreciate the opportunity to say thank you.

14 Thank you.

15 CHAIRPERSON NEWSOM: Appreciate it. Thanks very
16 much.

17 MS. HAAGE: Hello. Mike is insisting on going
18 after me. So I'm going --

19 CHAIRPERSON NEWSOM: That's all good. All right.

20 MS. HAAGE: I'm not jumping in in front to be
21 rude. Good afternoon, Chair Newsom and Commissioners.
22 I'm Lisa Haage. I'm the Chief of Enforcement for the
23 California Coastal Commission. And I wanted to note that
24 we've already submitted a letter of support for the
25 record, signed by our Executive Director Jack Ainsworth.

1 But we're so enthusiastic, we wanted to be here in person
2 to share this great moment with you. We really want to
3 reiterate our unqualified support for the proposed
4 settlement agreement before you today.

5 We, as you know, have long sought also a solution
6 to halt the loss of sand here, and thereby protect the
7 beaches in the Monterey Bay. It has become increasingly
8 apparent by the day that sand is a critical and
9 unappreciated resource worldwide that plays an enormous
10 role in the ecosystems of our coast. It's critically
11 important in providing habitat for endangered species,
12 such as the Snowy Plover here, but also providing everyone
13 in our State access to and recreation of the coast, and in
14 protecting our shoreline in light of climate change and
15 sea level rise.

16 To that end, we believe this agreement provides
17 an important outcome with significant benefits to the
18 people of the State of California. As Jennifer Lucchesi
19 mentioned at our hearing in July, the Coastal Commission
20 unanimously approved the consent order associated with the
21 resolution before you today. And the proposed settlement
22 before you for your approval is the last shoe of three
23 required to be executed before all terms and conditions of
24 our consent order become fully effective. So we have a
25 dog in this fight.

1 The agreement provides for, as you just heard,
2 ceasing sand mining and doing so in a verifiable and
3 measured way, and was specifically designed to allow time
4 for employees to be transferred and retrained.

5 It provides for certainty. It provides a finite
6 date for the sand extract operations to cease permanently.
7 In the interim, it also provides for operating conditions
8 to protect coastal resources while sand mining is being
9 phased out. They -- CEMEX has agreed to treat the
10 property as if it were covered by a deed restriction
11 during this period, and so -- and thereby protect habitat
12 values.

13 It provides for restoration and reclamation
14 activities to restore the habitat values of the property.
15 In addition, the agreement provides ultimately, and most
16 excitingly perhaps, for the transfer of the property to a
17 nonprofit or governmental entity at a reduced price. It
18 protects the property in perpetuity by placing a deed
19 restriction on the entire property, limiting use to
20 specified types of future uses, specifically including
21 public access, conservation, low impact, passive
22 recreation, and public education. This is literally a
23 priceless benefit to the coast and to the people of the
24 State of California.

25 I also want to take this opportunity to express

1 our profound gratitude to the State Lands Commission, the
2 Lieutenant Governor, and to your staff for the work
3 they've done to help reach this historic resolution. It
4 will ultimately result in the shuttering of the last
5 coastal sand mine in California.

6 Reaching this result required long and arduous
7 process. And several State Lands Commission staff
8 members, as well as the Lieutenant Governor's inimitable
9 chief of staff, Rhys Williams, were indispensable
10 throughout, including the remarkable Jennifer Lucchesi,
11 Colin Connor, Jennifer Mattox, Lucinda Calvo, and Maren
12 Farnum.

13 The resolution of this matter presented many
14 complex problems for which your staff's participation and
15 expertise were invaluable, especially with regard to the
16 transactional and land acquisition aspects of the
17 negotiations and settlement agreement. The grace and
18 professionalism displayed by your staff during periods of
19 high tension negotiations was remarkable. And their
20 willingness to work long hours until a final resolution
21 had been reached went well above the required by public
22 servants. It was an enormous undertaking, and you and
23 your staff should take great pride in this accomplishment.

24 CHAIRPERSON NEWSOM: It reads like a thriller.

25 (Laughter.)

1 CHAIRPERSON NEWSOM: And it's just -- yeah.

2 MS. HAAGE: It was so good.

3 (Laughter.)

4 MS. HAAGE: It was also -- and I have to just
5 generally, we are excited about this as a template for
6 future work between our agencies. It was a pleasure to
7 coordinate seamlessly with another agency, and to realize
8 that there's a way to effectuate both mandates of both
9 agencies, and to achieve a result that will provide a
10 tremendous benefit to protect Public Trust Lands, access
11 to the coast, and protection of enhancement of habitat
12 values. So we think this is a model for things going
13 forward.

14 I did just want to say briefly that we really
15 appreciate the cooperation and vision of CEMEX and their
16 representatives in reaching the agreement, and the
17 participation of the many public members and organizations
18 that were, as you noted, been outspoken and supportive of
19 this process all the way along. So I just -- and they've
20 been constructive in terms of seeking resolution.

21 So once again, we strongly endorse the agreement
22 before you today, and I'm happy to answer any questions
23 you may have.

24 That's it. Thank you very much.

25 CHAIRPERSON NEWSOM: Appreciate it. I think

1 we're good. Thank you. Grateful you took the time to
2 come down here, and thank you for all the kind words. And
3 I concur with the sentiment, particularly on the
4 collaboration. It's nice to see. And particularly with
5 CEMEX, to your credit. I'm grateful, sir.

6 MR. EGAN: Well, thank you. I think it's all
7 been covered pretty fully. We would just reinforce our
8 thank you's to Jennifer, Rhys, and the staff. We
9 appreciate it.

10 CHAIRPERSON NEWSOM: We're grateful.

11 MR. EGAN: Thank you for your consideration.

12 CHAIRPERSON NEWSOM: Thank you. Appreciate it.
13 Thank you for being as collaborative and as cooperative as
14 you were. You guys did not have to be and that is not
15 lost on any of us.

16 Oh, Aaron, you want to speak as well. Apologies.

17 MR. McCLENDON: Thank you. And good afternoon,
18 Chair Newsom and Commissioners. And I do want to -- and I
19 won't take as long, but I do want to echo Ms. Haage's
20 comments. The work that the State Lands staff has done
21 was incredible, long hours, late nights, weekends. And
22 also to CEMEX for their cooperation as well. I do want to
23 acknowledge the City of Marina. A very small city with a
24 huge heart. And I did want to read a letter from Mayor
25 Bruce Delgado into the record. He asked that we read that

1 for you and for the record.

2 Chair Newsom, Commissioners members, and
3 Executive Officer Lucchesi, good afternoon. This message
4 comes from Bruce Delgado, Mayor of the City of Marina.
5 Bruce is unable to attend today, and he asked me to
6 deliver this message for him and on behalf of Marina.

7 It is my great pleasure today to enthusiastically
8 support your approval of a settlement agreement between
9 your Commission and CEMEX on your action agenda for this
10 afternoon. Your proposed settlement, and those already
11 approved by the City of Marina and the Coastal Commission
12 will combine to end over 100 years of sand mining at the
13 Lapis site located in the city.

14 This is welcome and joyous news for our city, and
15 for all of us who supported the cessation of erosion and
16 damage to Monterey Bay shoreline. Once scientific report
17 after another has revealed the sand plant's significant
18 contribution to erosion -- erosive action, and the
19 consensus that the CEMEX plant has contributed to the
20 highest coastline erosion rates in California.

21 Your city, its able experts, legal -- our city,
22 excuse me, its able experts, legal staff, and many
23 interested cities contributed to the effort that resulted
24 in the Marina City Council passing on June 6th a
25 resolution determining that the CEMEX plant constitutes a

1 public nuisance.

2 And as you -- and as you well know, the Coastal
3 Commission staff issued a cease and desist order and set a
4 hearing before the Commission regarding the continued
5 operation. What ensued were numerous rounds of
6 negotiation that produced very satisfactory settlements of
7 the dispute between CEMEX and two very aggressive public
8 agencies.

9 The Coastal Commission and City agreements are
10 comprehensive documents resolving not only the immediate
11 nuisance declaration and cease and desist order, but also
12 avoiding very probable lengthy and expensive litigation.

13 Now it is your turn. Our sincere request is that
14 you follow suit and approve your settlement. Only then
15 will the Herculean effort of so many finally -- so many
16 finally result in a major victory for the public and the
17 California coastline.

18 Please approve your settlement agreement. Thank
19 you, signed Mayor Bruce Delgado.

20 And thank you.

21 CHAIRPERSON NEWSOM: Grateful. Thank you. Thank
22 the Mayor as well.

23 Anyone else that is here and didn't fill out a
24 speaker's card?

25 Seeing none, we'll close public comment.

1 Again, thank you all very much for your generous
2 words and all the hard work And it is gratifying to see
3 something happen in a reasonably quick period of time,
4 which fabulous. And I thought it was important to
5 highlight as was highlighted, the significance of this
6 property being ultimately transferred to a nonprofit or
7 government agency below market. That will ensure in
8 perpetuity public access. That was another significant
9 part of the achievement of this collaboration. Again to
10 CEMEX and their representatives, we are grateful for that
11 as well.

12 Commissioners, any additional final thoughts?

13 Seeing none.

14 We'll ask for a motion to approve.

15 COMMISSIONER YEE: So moved.

16 ACTING COMMISSIONER ORTEGA: Second.

17 CHAIRPERSON NEWSOM: Without objection, we'll
18 move this item.

19 And we will call on Item number 82, and then
20 we'll get back to the original agenda and Item number 80.
21 And this is the approval of the Becker and Legacy Wells
22 Abandonment and Remediation Project. We've got, I think,
23 a staff presentation.

24 EXECUTIVE OFFICER LUCCHESI: We do. Our fearless
25 leader on these issues -- excuse me. Our fearless leader

1 on abandoning legacy oil wells in the Santa Barbara
2 Channel, Steve Curran.

3 (Thereupon an overhead presentation was
4 presented as follows.)

5 CHAIRPERSON NEWSOM: Thanks, Steve.

6 SENIOR PETROLEUM DRILLING ENGINEER CURRAN: Good
7 afternoon, Honorable Commissioner and -- Commissioners.
8 This is for the final certification of the Environmental
9 Impact for -- Report for the Becker Well. And I'm here to
10 do the engineering part. Eric will do the environmental
11 section. So if we go to -- do you have Item 82 up?
12 PowerPoint.

13 --o0o--

14 SENIOR PETROLEUM DRILLING ENGINEER CURRAN: Okay.
15 So we're going to give a brief history. You've heard this
16 history many times.

17 CHAIRPERSON NEWSOM: Yeah.

18 SENIOR PETROLEUM DRILLING ENGINEER CURRAN: A
19 phase one assessment --

20 CHAIRPERSON NEWSOM: With the briefest history.
21 That's what it says, yeah.

22 SENIOR PETROLEUM DRILLING ENGINEER CURRAN: It
23 will be very brief.

24 Current conditions, latest leakage, drone
25 surveys -- I want to give new information -- the proposed

1 project description, the workplan for the Becker Well, and
2 then Eric will cover the discussion on the Environmental
3 Impact Report, status of permits and the staff
4 recommendations.

5 --o0o--

6 SENIOR PETROLEUM DRILLING ENGINEER CURRAN: So
7 you've all seen this location map. It's the location of
8 the Summerland Oil Field. And the project site is down
9 coast from Montecito, and up coast from Carpenteria. And
10 this shows the peers in the earlier times in the -- toward
11 the turn of the century.

12 --o0o--

13 SENIOR PETROLEUM DRILLING ENGINEER CURRAN: This
14 is a more detailed location map. It shows the Becker Pier
15 and the Becker Well with the blue cross. And, of course,
16 the Treadwell Pier is one of our main markers. That's
17 what one of our main problem wells is. That's the oldest
18 and longest pier.

19 --o0o--

20 SENIOR PETROLEUM DRILLING ENGINEER CURRAN: Okay.
21 The brief history. We all know that this was developed in
22 the 1890s. It was the first offshore development. It was
23 completely abandoned by the late 1930s. We've done a lot
24 of work in the '60s, '70s, and '80s and '90s. We've done
25 surveys, we've put in -- we created a seep report form

1 that's had major reporting since 2013. We excavated the
2 Becker Well in October of 2015. You'll see a slide in a
3 minute. We completed the Becker engineering study with a
4 consultant in March of '16. And in the spring of '17 we
5 reported to you again and showed you an update on legacy
6 wells that were uncovered a total of eight and now there
7 are nine. And we added two to the 190, so I believe we
8 have 192 now. And then the final EIR, of course, is here
9 now to be approved.

10 --o0o--

11 SENIOR PETROLEUM DRILLING ENGINEER CURRAN: So
12 here is a picture of the excavation October 29th of 2015.
13 You can see the wellhead is exposed at low tide.

14 --o0o--

15 SENIOR PETROLEUM DRILLING ENGINEER CURRAN: It's
16 been a very active year for the Becker Well. We've almost
17 seen it weekly. So here is a picture of it in May where
18 it's in all its glory leaking profusely. And you can see
19 we're at low tide.

20 --o0o--

21 SENIOR PETROLEUM DRILLING ENGINEER CURRAN:
22 Here's a little video of the Becker Well leaking
23 again. And hopefully, you guys can start that video,
24 right? It's very short. It just shows that it's active
25 and it's bubbling up live. That was also in May.

1 --o0o--

2 SENIOR PETROLEUM DRILLING ENGINEER CURRAN: Okay.
3 So this is the new information. We did drone surveys
4 starting in 2017. We've done a total of 20 drone flights
5 assessing the oil sheening trying to get the point sources
6 to see whether they're going to be seeps or whether
7 they're actually leaking wells.

8 From that, we'll develop a dive plan, and we're
9 almost to that point. We will have a final report on that
10 out this week from the 20 surveys. That was privately
11 funded, by the way by the Manitou Fund from Minnesota
12 through Heal the Ocean in Santa Barbara. Both have been
13 very active helping with this. Great advocacy --
14 advocates and have been with us step for step along the
15 way.

16 This gives us the oil sheening baseline for the
17 Becker Well. And if you look at the Environmental Impact
18 Report, actually the cover sheet, shows a preliminary map
19 of the oil sheening. That's on the cover of the
20 Environmental Impact Report. You'll see that later in the
21 presentation with Eric.

22 --o0o--

23 SENIOR PETROLEUM DRILLING ENGINEER CURRAN: Okay.
24 Project summary. This involves staging, and installing a
25 cofferdam, abandoning the well, and removing the

1 cofferdam. So you can see a cofferdam down in the
2 left-hand corner, what one would look like. And you can
3 see a jack-up barge on the right. And I'm going to give
4 you some more pictures here momentarily.

5 --o0o--

6 SENIOR PETROLEUM DRILLING ENGINEER CURRAN: These
7 are typical spud barges or jack-up barges where you float
8 the vessel and it has your equipment on it, and you jack
9 up the legs, and so you can work in shallow water, or in
10 surf zones as needed. We will be -- have a configuration
11 similar to the one on the left-hand side

12 --o0o--

13 SENIOR PETROLEUM DRILLING ENGINEER CURRAN: This
14 is what a cofferdam looks like. They'll probably be
15 prefabricated, and brought out on the barge. So you can
16 see on the left-hand side a single cofferdam, and you can
17 see on the right-hand two cofferdams being transported out
18 by barge to a site.

19 --o0o--

20 SENIOR PETROLEUM DRILLING ENGINEER CURRAN: The
21 last slide here shows a barge configuration and a
22 cofferdam in place on a project site. So that's what
23 we're doing. And now I'll turn it over to Eric.

24

25 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

1 ASSISTANT CHIEF GILLIES: Good afternoon, Commissioners.
2 I'm Eric Gillies, Assistant Chief of the Environmental
3 Planning and Management Division.

4 Go to the next slide.

5 --o0o--

6 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

7 ASSISTANT CHIEF GILLIES: So I'm here to present sign the
8 Environmental Impact Report that was -- the final report
9 was just issued last month. I'm going to go -- briefly go
10 over the Environmental Impact Report and go over --
11 conclude with the staff recommendation.

12 --o0o--

13 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

14 ASSISTANT CHIEF GILLIES: So here's the EIR timeline. The
15 EIR was prepared pursuant to the California Environmental
16 Quality Act, or CEQA. The process began in October of
17 last year with the publication of a notice of preparation.
18 A public scoping meeting was held in the City of
19 Carpenteria on October 20th.

20 In May 19th, 2017, the Draft EIR was completed
21 and circulated for a 45-day public review period. The
22 public hearing was held on June 7th, 2017 also in the City
23 of Carpenteria. Comments received and responses to
24 comments are provided in part 2 of the Final EIR, which is
25 published July 28th.

1 --o0o--

2 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

3 ASSISTANT CHIEF GILLIES: So the EIR covered several
4 alternatives: Onshore access, offshore access, and the
5 no-project alternative as required by CEQA.

6 And the offshore access by barge was preferred
7 because of the short time schedule, less construction, and
8 fewer onshore impacts.

9 --o0o--

10 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

11 ASSISTANT CHIEF GILLIES: The project could result in
12 significant impact to several environmental resource
13 areas, as you see in this slide. Impacts to these
14 resources are mostly due to potential to oil spills, and
15 temporary construction activities.

16 The project does have one significant unavoidable
17 impact under air quality. This is due to the air
18 emissions from barge and tug transiting from Port of Long
19 Beach through the South Coast Air Quality Management
20 District. This is the reason for the Statement of
21 Overriding Considerations provided in exhibit C of the
22 staff report.

23 The EIR also covers several mitigation measures,
24 which are incorporated in the project, to less than the --
25 significant impacts to less than significant other than

1 the one air quality impact.

2 Some of the key measures include oil spill
3 contingency plan, readily available emergency response
4 equipment, and marine noise reduction measures, as well as
5 others as you see here.

6 The complete Mitigation Monitoring Program is
7 provided in exhibit B in the staff report.

8 --o0o--

9 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION
10 ASSISTANT CHIEF GILLIES: The project also baseline in the
11 slides you saw from Steve, that there will be beneficial
12 impacts to closing this well.

13 Oops, sorry.

14 As you see on this slide, the resource areas that
15 would benefit from properly abandoning the well, these
16 include esthetics, air quality related to odors,
17 biological resources, reduced risk of upset, water
18 quality, and recreation.

19 --o0o--

20 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION
21 ASSISTANT CHIEF GILLIES: Right now, staff is working on
22 getting other permit from other agencies, including
23 Coastal Commission, regional water quality control board,
24 Army Corps of Engineers, and Santa Barbara County. In
25 fact, we just received a provisional permit from the Corps

1 this week. So the permitting agencies are acting quickly
2 as well.

3 --o0o--

4 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

5 ASSISTANT CHIEF GILLIES: And the last slide is staff
6 recommendation. We recommend the staff -- or the
7 Commission certify the EIR, adopt the Mitigation
8 Monitoring Program as contained in exhibit B, adopt the
9 findings and Statement of Overriding Considerations as
10 contained in exhibit C, and authorize staff to solicit
11 bids from contractors to implement the project. And that
12 concludes staff's presentation.

13 CHAIRPERSON NEWSOM: Fabulous.

14 How much?

15 How much money?

16 (Laughter.)

17 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

18 ASSISTANT CHIEF GILLIES: I'll have Steve come up for that
19 as far as the cost. As far as the EIR cost, we had
20 \$200,000, and they came in at 190.

21 CHAIRPERSON NEWSOM: Well, that's good.

22 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

23 ASSISTANT CHIEF GILLIES: So we're under budget on the
24 EIR, but...

25 SENIOR PETROLEUM DRILLING ENGINEER CURRAN: We

1 have a budget of 1.4 million. We got the extra 700 for
2 this fiscal year.

3 CHAIRPERSON NEWSOM: Right.

4 SENIOR PETROLEUM DRILLING ENGINEER CURRAN: So
5 we're going to come in under that.

6 CHAIRPERSON NEWSOM: That's great. I appreciate
7 it.

8 I know that there's one -- I think, Jennifer,
9 you're back for this as well. Ms. Savage, which we really
10 appreciate. And if there's anyone else who wishes to
11 speak, you can lineup as well, but I'll ask Jennifer for
12 her comments.

13 MS. SAVAGE: I'll be quick.

14 When I was writing about this, I was actually
15 looking for a synonym for legacy and one of the words that
16 came up was hangover, which made me laugh for a second.
17 But in a way, it's appropriate, because this is the
18 aftermath of indiscriminate guzzling. And it's just our
19 planets resources instead of, I don't know, margaritas
20 maybe.

21 And it's a shared pain, you know, especially for
22 the residents and visitors to Santa Barbara County and a
23 mess that's a lot harder to clean up. It's one of the
24 most egregious reminders, the Becker wellhead, of how bad
25 decisions made over a century ago can continue to

1 collectively poison us, injuring our wildlife, polluting
2 our beaches, otherwise harming one of the most unique and
3 beautiful areas of our coast.

4 And I can't go that far without this metaphor,
5 but your staff can go the distance when it comes to
6 stopping the most serious of the leaking oil wells at
7 Summerland. It's critical. These wells continue to leak
8 crude oil and methane gas.

9 It's horrible, and, you know, it really keeps
10 members of the public, who we represent, from exercising
11 our right to access the beach, engage in surfing,
12 swimming, all the things people love to do. So we
13 therefore appreciate and wholly support staff's
14 recommendations for the Becker and Legacy Wells
15 Abandonment and Remediation Project.

16 And thank you for that.

17 CHAIRPERSON NEWSOM: Hear, hear.

18 Anyone else wish to speak on this item?

19 Perfect. Seeing none, we'll close public
20 comment.

21 Hard to argue with this one, unless you are here
22 to argue this issue.

23 Nothing. All right.

24 Well, if there's a motion to approve?

25 COMMISSIONER YEE: So moved.

1 ACTING COMMISSIONER ORTEGA: Second.

2 CHAIRPERSON NEWSOM: A second.

3 Unanimous.

4 Look forward to getting to work on this. My
5 gosh, no brainer. And thank you for all the hard work
6 folks, and gratefully you were here as well.

7 So far, so good. I like these two items,
8 Jennifer.

9 (Laughter.)

10 CHAIRPERSON NEWSOM: Government is working right
11 now.

12 EXECUTIVE OFFICER LUCCHESI: Look at the
13 progress.

14 Yes, it is.

15 CHAIRPERSON NEWSOM: Feels good. Of course, now,
16 we're going to go back to Item 80, where you may not feel
17 that government is working as effectively.

18 And that item is an informational update on
19 issues related to the Rancho, the LPG facility. And I
20 know we've got a staff presentation. And I have got a
21 number of speaker cards that have been spelled out on this
22 as well.

23 EXECUTIVE OFFICER LUCCHESI: Yes. Our Senior
24 Attorney, Kathryn Colson, will be giving staff's
25 presentation.

1 (Thereupon an overhead presentation was
2 Presented as follows.)

3 SENIOR STAFF ATTORNEY COLSON: Good afternoon,
4 Commissioners. I'm just going to be giving an overview of
5 our staff report.

6 The State Lands Commission has general oversight
7 authority over sovereign lands granted by the legislature
8 to local entities in trust for the benefit of the State.
9 In 1911, the legislature granted the city of Los Angeles
10 certain tide and submerged lands in the area known as the
11 Port of Los Angeles.

12 The Los Angeles Board of Harbor Commissioners
13 oversees the management and operation of the port. The
14 board's jurisdiction is limited to the harbor district,
15 which it manages in accordance with the Public Trust
16 Doctrine, and the city's statutory grant to promote
17 maritime commerce, navigation, fisheries, and public
18 access to the water front. San Pedro and --

19 --o0o--

20 SENIOR STAFF ATTORNEY COLSON: -- Wilmington
21 community members have expressed public health and safety
22 concerns about the operations of the Rancho LPG holdings
23 facility that stores butane and propane in an area near
24 the Port of Los Angeles. The facility, which has two 12.5
25 million gallon refrigerated tanks, and five 60,000-gallon

1 horizontal storage tanks has operated since 1973.

2 Although the facility is located on private
3 property, Rancho LPG uses a railroad spur on property
4 owned by the Port to transport its commodities. It also
5 transports products via pipeline and trucks.

6 Members of the community have expressed concerns
7 that the butane and propane are extremely hazardous
8 materials, they're highly explosive and represent
9 potential threats to life, health, loss of business,
10 private and public property and infrastructure from and
11 explosion or fire.

12 The Rancho LPG facility, as I mentioned, is
13 located on private property. Not on land under the
14 Commission's jurisdiction or on land under the Port's
15 jurisdiction. Several decades ago, the Port acquired the
16 railroad spur property that Rancho LPG uses to transport
17 commodities to and from the facility to the Pacific Harbor
18 Line. And the Pacific Harbor Line is the common carrier
19 that operates the rail line through the ports of Los
20 Angeles and Long Beach.

21 The Port holds the railroad spur property as an
22 asset of the Trust. Rancho LPG has a revocable permit
23 from the Port to use the railroad spur. As apart of this
24 revocable permit, the Port receives indemnification from
25 Rancho, they require insurance, and they receive

1 approximately \$14,000 in annual rent.

2 Additionally, the Port requires significant
3 insurance from the Pacific Harbor Line and the railroad
4 companies that operate at the port.

5 Issues surrounding the Rancho permit and Rancho
6 LPG's use of the railroad spur track have been brought to
7 the Commission's attention in June and October of 2014 of
8 both those meetings.

9 One significant update since those meetings is
10 that the Surface Transportation Board recently provided
11 additional clarity on the Port's role related to the
12 Port's regulating the use of the railroad spur track.

13 In 2016, the Surface Transportation Board
14 considered a petition requesting a declaratory order
15 against the Port for issuing the Rancho permit without
16 environmental review under CEQA. The Surface
17 Transportation Board ruled that it had exclusive
18 jurisdiction over the regulation of rail transportation
19 pursuant to the Interstate Commerce Act, and noted that
20 federal law broadly preempted State and local regulation
21 to interfere -- excuse me, to avoid interference with
22 interstate commerce.

23 The ruling acknowledged that State and local
24 entities were retained police powers to protect public
25 health and safety. The Surface Transportation Board also

1 acknowledged that any exercised police power must be
2 exercised in a way that, one, is non-discriminatory --
3 non-discriminatory, and generally applied; and two, does
4 not unreasonably interfere with rail transportation.

5 In summary, the Surface Transportation Board
6 found that the rail spur track is subject to the exclusive
7 jurisdiction of the Surface Transportation Board; that the
8 Pacific Harbor Line is a common carrier subject to the
9 Surface Transportation Board's jurisdiction; that the
10 common carriers, like the Pacific Harbor Line, have an
11 obligation to transport hazardous materials; and that any
12 terms in the Port permits attempting to restrict the
13 transportation of hazardous materials are preempted by
14 federal law.

15 And this decision by the Surface Transportation
16 Board is consistent with a recent California Supreme Court
17 opinion in the Friends of Eel River that noted that
18 federal preemption of a railroad regulation does not
19 prevent local governments from using their police powers
20 to impose health, safety, and environmental regulations
21 that apply to railroads, such as in land-use planning,
22 CEQA, or applicable building and fire codes.

23 However, such regulations are not permissible if
24 they discriminate against rail transportation, purport to
25 govern rail transportation directly or prove unreasonably

1 burdensome to rail transportation.

2 Another issue that has been raised and related --
3 in relation to the Rancho LPG facility is concerns the
4 underground pipeline that runs from the Rancho LPG site to
5 the Valero refinery. The pipeline is owned by Ultramar
6 Valero and it travels from the facility through the cities
7 of Harbor City and Wilmington to the Valero refinery.

8 This pipeline is six inches in diameter and
9 transports butane to and from the refinery from the Rancho
10 LPG facility. According to the Port, it does not have a
11 permit or a lease with Ultramar for this pipeline. And
12 based on the records that the Commission staff has been
13 able to locate, it appears that Ultramar holds a permanent
14 pipeline easement for the portion of the pipeline that
15 runs through the port property in the berth 200 area.

16 Staff also confirmed with the Office of the State
17 Fire Marshal, that this pipeline is under its jurisdiction
18 for inspection and regulation, and that the pipeline was
19 last inspected in 2012. They also noted that there's a
20 new law that requires pipelines to be inspected annually,
21 and that is currently slated for inspection at the last
22 quarter of 2017.

23 That concludes my presentation. I'm available
24 for questions. And I also believe that staff from the
25 Port of Los Angeles is here and available for questions as

1 well.

2 CHAIRPERSON NEWSOM: All right. How do we want
3 to do this?

4 Jennifer, do you want to amplify, or should I ask
5 the Port of L.A. perhaps if they want to --

6 EXECUTIVE OFFICER LUCCHESI: No, if I -- if I --
7 if I may suggest an order.

8 CHAIRPERSON NEWSOM: You want to amplify.
9 Yeah.

10 EXECUTIVE OFFICER LUCCHESI: I would recommend
11 that we start with Ms. Janet Gunter and that -- start with
12 some of the concerned community members that are located
13 here in San Diego, then move to the San Pedro location so
14 we can hear from other members of the community that were
15 not able to travel down here to be here in person, and
16 then I do believe we have representatives of the Rancho
17 LPG facility and the Port of LA --

18 CHAIRPERSON NEWSOM: Here as well.

19 EXECUTIVE OFFICER LUCCHESI: -- that may want to
20 say a few words or answer questions.

21 CHAIRPERSON NEWSOM: On the back end.
22 Does that make sense, Commissioners?

23 COMMISSIONER YEE: Yes.

24 CHAIRPERSON NEWSOM: Fabulous. Thank you.

25 MS. GUNTER: Good afternoon, Commissioners and

1 staff. First of all, I do want to thank Commissioner Yee
2 and Anne Baker, and Jennifer Lucchesi for their interest
3 in working with us on this very, very important issue.

4 I also want to apologize in advance, because I've
5 never done a PowerPoint before. And we struggled with
6 this, and I'm going to let Chris help me here in trying to
7 get this done. So if you could just start it, Chris, that
8 would be great.

9 (Thereupon an overhead presentation was
10 presented as follows.)

11 MS. GUNTER: Okay. I think we're not there.
12 That's the second. We want the first. Yes, there we go.

13 Telltale here, preventing the inevitable
14 disaster, disregarding responsibility of Plains Rancho
15 LPG. I'm representing today the San Pedro Peninsula
16 Homeowners United. And this homeowners group has been
17 instrumental in their opposition to this facility since
18 1977.

19 It took them three years to find out that this
20 thing was going within 1,000 feet of their own
21 neighborhoods, because it was issued an emergency
22 exemption by the Nixon administration under the false
23 assumption that propane would be become America's energy
24 source of the future, and wean us off of foreign oil.

25 So it was -- the phrase is used a lot with this

1 facility that they are grandfathered in, and they are in
2 compliance with all existing regulations. That's not
3 true. This facility was entered with multiple exemptions
4 from multiple different areas, and it exists now only
5 because of those exemptions. So it will never be in
6 actual compliance.

7 So I want to get back to the EIR on this, which
8 there was a very, very deficient EIR that was performed
9 for this, but it fails to represent -- it doesn't respond
10 to the transportation of rail at all in that report. All
11 it was, was a receiving storage facility for gas that was
12 supposed to come from Algeria. I think they had a couple
13 of ship loads that came in, and that was it, because that
14 was the end of Nixon and his energy policies. And the
15 original facility, Petrolane went belly-up in 1980s and
16 was assumed by AmeriGas, who was the predecessor to Plains
17 All American Pipeline.

18 Plains All American Pipeline, operating under the
19 name Rancho LPG, purchased the facility in 2008 when the
20 facility was already 35 years, an antiquated facility, and
21 one that everyone knew was a problem. So every legislator
22 and public official over all these years, it took the
23 neighborhoods three years to understand what was now in
24 their laps of the community.

25 When they found this out, they began to fight.

1 over then.

2 (Laughter.)

3 CHAIRPERSON NEWSOM: I'm going to defer. It's
4 all yours.

5 CHAIRPERSON NEWSOM: Whatever she says goes.

6 MS. GUNTER: All right. So it only took me like
7 five hours to put this thing together. All right.

8 CHAIRPERSON NEWSOM: All good.

9 MS. GUNTER: So -- all right, next slide, because
10 we're anxious here.

11 Okay. This slide - and I'll go quickly on this -
12 this shows you the schools. And unfortunately, those
13 little floaters moved around, so they're not real
14 accurate. It also shows you the red is the rail line, and
15 the red up at the top is the pipeline, but that's not an
16 accurate description of where that pipeline goes, but it
17 gives you a clue of where it extends.

18 And you see the City of Rancho Palos Verdes. You
19 see 600 new homes now being built in the shadow of those
20 tanks. And I'm -- we'll get on to the -- and the sport
21 fields obviously there as well.

22 Next slide.

23 --o0o--

24 MS. GUNTER: Okay. This one is -- follow me on
25 this. What this is about is showing that there are four

1 segments of this rail that have very disparate ownership
2 issues. And he will relate to those later on. I just
3 wanted you to see on the right, if you look at the blue
4 line, if you look at the pink line, if you look at the red
5 line, the red line is the rail spur, and the yellow one
6 below is the main rail.

7 Next slide.

8 --o0o--

9 MS. GUNTER: Okay. If you would click on to the
10 first for the video.

11 Short video. I hope we have sound.

12 (Thereupon a video was played.)

13 MS. GUNTER: This is a derailment, and it's in
14 Murdock, Texas. It's impossible for anybody's words to
15 describe the kind of massive blast we're talking about.

16 (Thereupon a video was played.)

17 MS. GUNTER: On to the next please. The next
18 slide into the next video.

19 --o0o--

20 (Thereupon a video was played.)

21 MS. GUNTER: Okay. This is a three-minute video.
22 You can cut it now, Chris.

23 Okay. The next one we will, for the sake of
24 expediency, I'm going to -- I can't remember what's up
25 next. Could you put me the slide up. What -- okay. This

1 we have to see. All right. This is a very short news
2 clip on ABC and this is our Mayor -- LA Mayor Garcetti
3 speaking to this issue.

4 (Thereupon a video was played.)

5 MS. GUNTER: So I hope you can kind of understand
6 our frustration with this issue.

7 The next slide, please.

8 --o0o--

9 MS. GUNTER: I won't play this video. I'll just
10 let you know that there is a video that shows this Tianjin
11 explosion in China, which was in a port town. This --
12 there were multiple hazardous chemicals in there,
13 including propane gas. The blast has now been established
14 as a 21 ton TNT blast. Twenty-five million gallons of
15 butane gas equate to a TNT equivalency that is over a
16 thousand times greater than what was endured there. And
17 it affected a 20 -- a two-mile radius.

18 The facility has been claiming they have a
19 half-mile blast radius because they're using a
20 nonresponsive impound basin that would capture less than
21 one percent of a liquefied gas when it vaporizes in that
22 basin.

23 Next slide, please.

24 --o0o--

25 MS. GUNTER: So what we're asking, we're asking

1 you to please meet your obligation as guardians of the
2 Public Trust by ensuring that public safety is being
3 protected, and that there is no burden of liability to the
4 people of the State with regard to this operation. This
5 is the economic engine of the State of California.

6 Assert authority with regard to the Port's
7 management of all four segments of the rail use associated
8 with Plains Rancho LPG, and the pipeline servicing the
9 outline refineries of Valero and Tesoro.

10 Next slide, please.

11 --o0o--

12 MS. GUNTER: Expedite a legal opinion from
13 Attorney General Becerra on the State's liability from an
14 accident stemming from Plains Rancho's use of Public Trust
15 Lands for their private business operation, discontinue
16 use of Public Trust property pipeline -- on the pipeline
17 and the rail access, until a comprehensive risk analysis
18 and audit are completed reflecting degree of risk and any
19 costs associated with that risk. Immediately instruct
20 State Lands Commission staff to agendize all approvals and
21 authorizations given to existing leases, contracts, and
22 permits associated with Plains All American Pipeline,
23 Rancho LPG, LLC operations for SLC review to ensure that
24 the Port has complied with all proper laws and procedures
25 in granting them.

1 Next slide.

2 --o0o--

3 MS. GUNTER: In closing, working below the
4 surface of these catastrophic events are often political
5 and economic instabilities, resource constraints, and
6 organizational inefficiencies at global and local levels.
7 And so warning signs often go ignored and red flags
8 unheralded. Ignoring this neon red flag for so many years
9 is no longer tolerable. Continuing to do so, in fact, is
10 criminal.

11 Next slide, please, and the end.

12 --o0o--

13 MS. GUNTER: This disaster is entirely
14 preventable. And we look to you, and whatever you can do,
15 and I understand -- I've been told about your constraints,
16 but there -- we can no longer accept the excuse there's
17 nothing we can do. This is going to happen. It's not an
18 if, it's just a when.

19 So please, please do whatever you can to assist.
20 Thank you very much for your time and patience.

21 CHAIRPERSON NEWSOM: Thank you.

22 Jennifer, yeah, why don't you -- you've got the
23 speakers cards, so what order do you think works now,
24 respecting the folks that in San Pedro that want to speak
25 as well. And I don't know. Do we have those -- that list

1 as well, or are these the individuals, or is there an
2 additional list?

3 EXECUTIVE OFFICER LUCCHESI: We do have an
4 additional list, and it will be moderated by our staff at
5 the San Pedro location.

6 CHAIRPERSON NEWSOM: At the site. Okay.
7 Perfect.

8 EXECUTIVE OFFICER LUCCHESI: So what I would
9 recommend is there are two more speakers from the
10 community that are located here.

11 CHAIRPERSON NEWSOM: That are here. Perfect.

12 EXECUTIVE OFFICER LUCCHESI: Mr. Weiss and Mr.
13 Bellamonte.

14 So I would recommend they be allowed to speak and
15 then we can move to the San Pedro location.

16 MR. WEISS: I mean, you know, with all due
17 respect, maybe it would be better to have the San Pedro
18 people speak first. This way it would be important to
19 give us an opportunity to respond to whatever they may
20 say. But if that's not alright, I'm happy to go forward
21 now.

22 EXECUTIVE OFFICER LUCCHESI: Please go ahead.

23 MR. WEISS: Okay. I just need that one
24 particular slide. I think it was the second slide that
25 had the map of the railroad -- the railroad segment on it.

1 It was the I think the second or the third that you had
2 put up there.

3 No, the one after that, I think. Next one.

4 EXECUTIVE OFFICER LUCCHESI: Under the Janet
5 Rancho LPG. That one.

6 MR. WEISS: Yeah, it's under -- yeah. Next one
7 there. One. That one. Perfect.

8 Okay. Is there a member here -- is the State --
9 is the State Governor's representative here, or State
10 Finance Office.

11 Oh. Hi, how are you?

12 ACTING COMMISSIONER ORTEGA: I'm here.

13 MR. WEISS: Okay. The -- again, recognizing that
14 politics is basically the art of the possible, we
15 recognize the fact that this Commission obviously cannot
16 control what Rancho does on its property. The thing that
17 I wanted to point out that's incredible -- that's
18 extremely important and relevant and directly appropriate
19 to your jurisdiction, power, right, and authority are
20 these four rail segments.

21 It's kind of a walk between the rain drops deal,
22 Commissioners, because what we're talking about is it used
23 to be privately owned. The Alameda corridor came in, they
24 basically eminent domained the whole thing, they took
25 control of Union Pacific, and then they said these

1 particular rail segments we don't need anymore.

2 Therefore, we're giving them over to the Port.
3 That made them after-required tidelands assets. That put
4 it within your jurisdiction. This may be a unique
5 situation in the entire State, but it is what it is, and
6 that gives you the right power and authority to control
7 their use. Just like the other 50 or 60 lease items that
8 you had on your consent calendar, you approve of the
9 leases, you approve of the terms, you approve of the
10 conditions.

11 Segment one -- and the staff report is a little
12 misleading, because it says railroad along Gaffey Street.
13 That's not correct. The segment within the Rancho
14 property there that's in blue, that's within the
15 boundaries of the Rancho property. So you own rail lines
16 or you own tidelands trust assets after acquired, that
17 rail line is within the boundaries of Rancho's property.
18 A very unique situation.

19 Now, the city may have the history of where that
20 came from. Do they own it in fee or is it just simply an
21 easement? But the bottom line is you got an ownership
22 interest. Meanwhile, there's no lease for that. There's
23 no compensation paid to the State for that. The liability
24 still exists for that. It is an absolute legal mess, and
25 it needs to get cured.

1 Secondly, when Rancho properties exited that
2 cyan, that light blue turquoise area, that's the southern
3 boundary of Rancho's property. That rail line then goes
4 through there to the rail spur, which is in the red, and
5 then following the -- over the rail spur to the south is
6 PHL's operating line throughout the Port, which they
7 operate pursuant to an operating agreement that was signed
8 in December 1997.

9 Now, so -- and that cyan area, the blue area,
10 again same deal. You've got a private company, PHL, using
11 your property not paying you a dime for it. You are
12 incurring the liability. God forbid should a train car
13 carrying 33,000 gallons of propane explode, there be an
14 accident, you think a million dollars worth of insurance
15 is going to do any good? I don't think.

16 The idea is again what we're talking about is
17 public health, welfare, and safety. And the rail spur is
18 the one that is signed incredibly with the -- with
19 Rancho -- Plains Rancho not in the Port, rather than with
20 PHL.

21 And by the way, we should also note for the
22 record that Plains Rancho is the same company that
23 operated the Santa Barbara pipeline where they're being
24 crim -- it's a criminal indictment by the State and by the
25 district attorney of Santa Barbara County for 46 counts of

1 negligence in the operation of that pipeline. That's the
2 same company that we're talking about here, the same
3 company, Plains, that operated in Alberta Canada, the
4 largest oil spill in 2012 in 35, 36 years, criminally
5 indicted there.

6 We got a company, we got a problem, and we need
7 to basically get it resolves. My contention, our request,
8 is, one, you have to stay on top of this. This isn't --
9 there's no question, in terms of the politics of the
10 situation, let's do what we can do.

11 Number one, we have an operating agreement
12 between PHL and the Port on tidelands trust assets. That
13 is your jurisdiction. It's never been approved. It's
14 never been reviewed by this Commission. I want an
15 agendaized item, respectfully, where the terms of that
16 agreement are reviewed, the scope of the indemnity
17 provisions are reviewed, the protections of the State are
18 preserved and guaranteed to -- and that adequate
19 compensation is paid, likewise the operating agreement.

20 What this will do as a practical matter,
21 Commissioners, is keep the pressure on a company that is
22 under a tremendous cash crisis. Our concern is that
23 they're going to start cutting costs in their operation.
24 It's a money-losing proposition, Commissioners. They're
25 not making any money there at all. In fact, it's losing

1 about a million one a day.

2 They originally bought the facility with the
3 expectation of developing the port Pier 400 program. That
4 basically went by the wayside. So now it's sitting there,
5 and it's -- it needs to be -- the legal relationships need
6 to be clarified. The circumstances need to be resolved.
7 You all need to understand before there's an explosion
8 by -- and I'm not talking about in the facility. I'm just
9 talking about the rail cars, because when those rail cars
10 are sitting there next to the facility being loaded, it's
11 the functional equivalent of another storage facility.
12 And you have the right, you have the power, you have the
13 authority to at least investigate the facts.

14 And then with respect to again another couple of
15 quick points. One, you Mr. Lieutenant Governor, Madam
16 Controller, you are in a position independently to ask,
17 using your office, the State Attorney General for a
18 written legal opinion, Attorney General opinion that basic
19 says what is an -- what is the liability -- I'm mean, not
20 the liability. What is the right of the State to regulate
21 this intra-state, this intra-port rail line?

22 It's a -- and we're talking, in this day and age,
23 sanctuary cities, we're talking about State's rights,
24 we're talking about all the important thing -- rights that
25 the State has and this is, on top of everything else, a

1 tidelands trust asset, and that belongs to the State.

2 What rights did the State have in this situation?

3 I think you need a legal opinion from that -- of
4 that issue from the Attorney General. You can request it
5 again in your individual capacity. I think the Commission
6 can put on its agenda a request for that. Let Rancho tell
7 you why you shouldn't be entitled to it. That's the other
8 point.

9 And also again, the accounting of all these
10 revenues that frankly you should have had for the use of
11 your property. It's an indirect subsidy. It's not
12 proper. It's not appropriate. And I think by doing those
13 things that you do have the power to do, I think it's
14 going to put the kind of pressure on Rancho and Plains to
15 make -- to make sure that if they decide to cut dime one
16 in their operation of this facility, forget it altogether.

17 Finally, the Port, in the staff report, talks
18 about -- and likewise, the same with the pipeline, but
19 they also talk about, Commissioners, the idea of it's not
20 your job to micromanage. I agree, it's not your job to
21 micromanage, but you can certainly macromanage. And
22 that's what you do when you approve the leases.

23 And it's not an unreasonable request for you all
24 to agendize this and put these leases, and these operating
25 permits, and these operating agreements on your agenda and

1 approve them just like you do the 50 or 70 or whatever
2 else on your agenda.

3 And again, your consideration is very much
4 appreciated.

5 Thank you.

6 CHAIRPERSON NEWSOM: Appreciate that. Very well.

7 So I'm going to now -- we're going to have to --
8 and I appreciate both presentations. So we're going to --
9 I'm going to make sure we abide by the time rules just out
10 of respect to everybody else. And those of you that are
11 waiting to speak, I imagine you appreciate that, and until
12 you have the chance to speak, and then you're going to be
13 a little sensitive.

14 But I want to extend that to everybody. And so
15 we'll be a little bit tighter, not a lot -- excuse me, not
16 a little bit, a lot.

17 With that, who do you have up next?

18 EXECUTIVE OFFICER LUCCHESI: We have Mr.
19 Bellamonte.

20 CHAIRPERSON NEWSOM: Thank you, sir.

21 MR. BELLAMONTE: Thank you.

22 Yes, I heard one of your Commissioners say
23 earlier that you wanted to make sure that you're
24 protecting public health and safety of the people of the
25 State. You are not doing that with regard to this

1 facility, the Rancho LPG facility.

2 You have deferred authority on this facility to
3 the Port of Los Angeles. You know, you might as well
4 defer to the devil. The Port of Los Angeles is not going
5 to do anything about the LPG tanks. They are as
6 intransigent and as corrupt as you can get. They're a
7 corrupt body. And if you're going to defer to them,
8 you're also acting as though you are corrupt. That's my
9 opinion.

10 There has been a pattern of continual negligence,
11 not only on this issue, but on a lot of issues, regarding
12 the Port of Los Angeles, the issues of China shipping, and
13 pollution. This is just one example.

14 There is also the question of the capacity of
15 these storage tanks. 12.5 million gallons in each of
16 these tanks. That is 25 million gallons total, 25 million
17 gallons. One tank car with 30,000 gallons has the blast
18 radius of a half a mile. How is it possible that this
19 facility that has potential to store 25 million gallons of
20 gas can have the equivalent blast radius of half a mile?
21 It's ridiculous.

22 There is also a comparable facility in
23 Bakersfield that contains 22 million gallons in five tanks
24 that has -- it's run by Inergen. It has a blast radius of
25 3.36 miles. 3.36 miles. That is 22 million gallons.

1 Okay. These numbers don't add up. They cannot
2 be reconciled. They cannot be reconciled. This
3 Commission has a responsibility to protect the safety of
4 people who live in San Pedro. You are ignoring your
5 responsibility and so is the whole State of California.

6 I love the State of California. I honestly
7 believe that we have the finest State in the union here.
8 But if there is ever an accident at that tank facility,
9 there are going to be thousands of deaths. And this State
10 is going to be sued into oblivion, oblivion. Seriously.

11 You need to do something. You -- this State,
12 this Commission, the authorities of this State have been
13 given adequate warning, and repeated warning.

14 Please do your jobs.

15 Thank you.

16 CHAIRPERSON NEWSOM: Thank you. Anyone else here
17 before we go to San Pedro?

18 EXECUTIVE OFFICER LUCCHESI: No.

19 CHAIRPERSON NEWSOM: So why don't we head over to
20 San Pedro. Take a virtual walk over.

21 (Sound system feedback.)

22 CHAIRPERSON NEWSOM: Okay.

23 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO: My
24 name is Reid Boggiano. I'm a Public Land Management
25 Specialist at the Commission.

1 Next to me, I have Jamie Garrett a staff attorney
2 with the Commission.

3 I would like to remind all of the public speakers
4 in San Pedro when you reach the podium, please announce
5 your name and look directly at the screen and --

6 (Sound system feedback.)

7 CHAIRPERSON NEWSOM: Yeah. Guys, just very
8 briefly, if I can interject, can you guys hear me?

9 It looks like you can. It doesn't sound like you
10 can, however. The audio is not working at all, and we
11 need the audio to work in order to get a record of our
12 conversation.

13 And so let's work on that.

14 CHAIRPERSON NEWSOM: Yeah, so let's -- is there
15 anyone else here that wishes to speak, as we work on that
16 audio, or do you need us to shut up - excuse my language -
17 in order to figure that out, or can we do both things at
18 once?

19 You guys need us --

20 MR. MATHIEU: No.

21 CHAIRPERSON NEWSOM: You don't. Oh, good. So
22 you'll keep working on that.

23 Anyone else here? I think -- I know there's a
24 representative of the Port of Los Angeles, I imagine, has
25 some thoughts after the last speaker's comments. But I

1 don't know if anyone else is here that wishes to speak on
2 this item?

3 EXECUTIVE OFFICER LUCCHESI: We do have
4 representatives from the Port and from the Rancho LPG
5 facility, Mr. Chair. But I think they wanted to go after
6 the community members went, so that they could answer
7 questions.

8 CHAIRPERSON NEWSOM: Some stuff up.

9 EXECUTIVE OFFICER LUCCHESI: Yeah.

10 CHAIRPERSON NEWSOM: Is that right?

11 Okay. You're all sitting together. I see. All
12 right. Good.

13 Can you be patient.

14 What -- so let us know and want to skip ahead?

15 EXECUTIVE OFFICER LUCCHESI: We could -- go
16 ahead.

17 CHAIRPERSON NEWSOM: As you guys figure this out,
18 let's skip to the next item, as you guys -- and we
19 apologize to everyone in San Pedro for the technical
20 difficulties. Let's suspend conversation on this, and
21 we'll move to Item 83.

22 EXECUTIVE OFFICER LUCCHESI: May I make a
23 suggestion?

24 CHAIRPERSON NEWSOM: Yes.

25 EXECUTIVE OFFICER LUCCHESI: Can we skip to --

1 CHAIRPERSON NEWSOM: As long as it's a good one.

2 (Laughter.)

3 EXECUTIVE OFFICER LUCCHESI: I hope so, but you
4 be the judge of that.

5 How about 84, because that won't require a
6 PowerPoint, so we can --

7 CHAIRPERSON NEWSOM: Even better. That's a
8 really good one actually.

9 Let's do 84. Thanks. And that's memorandum
10 Chica Land Trust.

11 SPECIAL PROJECTS LIAISON HALL: Good afternoon,
12 Commissioners. My name is Wendy Hall and I'm here to
13 present staff report 84, which recommends the Commission
14 authorize the execution of a Memorandum of Agreement
15 between the California State Lands Commission and the
16 Bolsa Chico Land Trust regarding the Bolsa Chica Lowlands
17 Restoration Project.

18 The Bolsa Chica Lowlands Restoration Project is
19 the largest coastal wetland restoration in Southern
20 California history. Born out of a collaborative
21 partnership with seven other State and federal agencies
22 through an interagency agreement to restore and preserve
23 over 900 acres of degraded wetlands in the Bolsa Chica
24 Lowlands of Orange County.

25 The project restored over 600 acres of marine and

1 wetland habitat as mitigation for the ports of Los Angeles
2 and Long Beach, restoring part of what had historically
3 been a vast estuarine ecosystem. The Commission holds the
4 land title and administers the management funds and
5 performs general management oversight for the project, on
6 behalf of the other State and federal partner agencies
7 pursuant to the interagency agreement.

8 Ten years of post-restoration monitoring has
9 shown that the project has meaningfully increased the
10 availability of tidal habitat for a variety of vegetative
11 invertebrate fish and avian species, including 23
12 endangered and special status species.

13 The project is also listed by the Environmental
14 Protection Agency as a critical habitat for fish and
15 migrating birds on the Pacific Flyway. In addition to a
16 valuable ecological resource, the Bolsa Chica Lowlands
17 also today provide a valuable public resource.

18 Educational groups non-profit organizations, and
19 the general public frequent the site throughout the year
20 with as many as 80,000 members of the general public
21 visiting the wetlands each year. The greatest challenge
22 the Bolsa Chica Wetlands Project faces today is a lack of
23 sufficient funding for long-term management.

24 The project restoration design requires the
25 management of an open ocean inlet, water control

1 structures, nest sites, berms, and other features to
2 ensure continuing -- the continued functioning of the
3 wetlands and protect the biological benefits gained by
4 their restoration investment.

5 Other ongoing management costs include on-site
6 California Department and -- of Fish and Wildlife staff,
7 repairs, maintenance, and consultant contracts for a total
8 operational cost of up to \$3 million a year annually.

9 These costs have proven to be greater than the
10 original design contemplated. And original -- and the
11 original funds set aside for ongoing management of the
12 restored wetland are inadequate to address the long-term
13 sustainability of the restoration as designed.

14 Commission staff, along with our other State and
15 federal agency partners continue to work diligently to
16 identify potential funding sources for the long-term
17 sustainability of these wetlands.

18 The staff report before you today is an example
19 of these continuing efforts. Commission staff are
20 collaborating with the Bolsa Chica Land Trust, a local
21 non-profit organization in Orange County to seek grant
22 funding for a sustainability alternative study.

23 The Land Trust has graciously agreed to utilize
24 their resources to apply for these grants. The purpose of
25 this study is to analyze the existing wetlands system and

1 physical parameters, and identify alternatives to enhance
2 habitat functions, create climate resiliency, and reduce
3 operations and management costs to achieve greater
4 long-term sustainability for the project.

5 The proposed Memorandum of Agreement further
6 describes the respective authorities and obligations of
7 the parties in the development and implementation of grant
8 applications, and the sustainability alternative study.

9 In addition to these current grants, other staff
10 efforts to obtain funding sources include grant
11 applications in prior years, although the Commission staff
12 was not successful in receiving any grant funding with
13 these previous applications. However, this year, we were
14 successful in receiving a one-time appropriation of \$1
15 million for the 2017-18 fiscal year, which will allow the
16 Commission to continue the operations and management
17 responsibilities of the project through the end of this
18 current fiscal year.

19 Staff have also collaborated with the Port of Los
20 Angeles to execute a Memorandum of Intent in January of
21 this year to establish a mechanism to receive \$2.5 million
22 dollars in funding from the Port toward the development
23 and approval of Eelgrass mitigation credits in exchange
24 for future credits to the Port. Staff are currently
25 working with the Port of Los Angeles to develop an

1 implementing agreement pursuant to this MOI.

2 This concludes my staff report. Thank you. I'm
3 available for any questions.

4 CHAIRPERSON NEWSOM: Good. It all makes sense to
5 me, except I don't know how we spend a million dollars a
6 year, but that's another conversation.

7 I'm curious. Yeah, I mean, you mentioned you
8 were successful in getting a million dollars for this
9 fiscal year. Where is that -- I mean, where does that
10 expenditure lie. Where --

11 SPECIAL PROJECTS LIAISON HALL: The greatest
12 expenditure ongoing is the need to maintain the open ocean
13 inlet. And so we are doing an annual -- annual dredging
14 event, which runs about a million dollars a year.

15 CHAIRPERSON NEWSOM: Got it. All right.

16 SPECIAL PROJECTS LIAISON HALL: So the overall
17 operating costs are actually greater than a million.

18 CHAIRPERSON NEWSOM: That helps. That helps make
19 me understand. Okay. Good. Good to know.

20 Beyond that, this makes absolute sense.
21 Encourage you to collaborate to get more resources,
22 continuing the good work. Without it, we'll struggle.

23 So with that, is there anyone here that wishes to
24 speak ill of this idea or well of it?

25 Neither. We'll close public comment.

1 The item is in the hands of the Commission. Is
2 there any comments or a motion?

3 COMMISSIONER YEE: Motion.

4 ACTING COMMISSIONER ORTEGA: Second.

5 CHAIRPERSON NEWSOM: Motion, seconded.

6 Without objection, thank you very much.

7 We will move Item 84.

8 And that brings us to you, sir, what say you?

9 How are you doing?

10 MR. MATHIEU: What if you announce for them to do
11 their public comment, we could do it all in one line,
12 and --

13 CHAIRPERSON NEWSOM: Make it happen.

14 MR. MATHIEU: Okay.

15 CHAIRPERSON NEWSOM: All right. You guys in San
16 Pedro, you all set out there. Can you hear us? If you
17 can, let us know.

18 There you are. You look great. We just can't
19 hear you. We'll be patient.

20 MR. MATHIEU: My bad on that one.

21 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO: --
22 to the screen. My name is Reid Boggiano. I'm a Public
23 Land Management Specialist with the Commission.

24 Next to me, I have Jamie Garrett, Staff Attorney
25 for the Commission. And with that, let's get to it.

1 First up we have Gayle McLaughlin and following
2 we have Jesse Marquez.

3 MS. McLAUGHLIN: Hello, Lieutenant Governor Gavin
4 Newsom and members of the California State Lands
5 Commission. My name is Gayle McLaughlin. I'm the former
6 Mayor of Richmond, California. I'm making this statement
7 to demand that you, Lieutenant Governor Newsom and members
8 of the State Lands Commission take immediate action to
9 terminate the catastrophic risk that the Rancho LPG
10 facility represents for the lives of the people of San
11 Pedro, Long Beach and the Los Angeles area and to the
12 economy of the State of California.

13 Lieutenant Governor Newsom, you are presiding
14 over this meeting and you must act responsibly to the
15 people of California. You and the Lands Commissioners
16 must immediately revoke the ill-granted permit that allows
17 Rancho LPG Holdings, LLC, a private corporation, to
18 continue using the public lands you oversee and putting at
19 risk, the lives of half a million Californians, as well as
20 the economy of most of Southern California.

21 Rancho LPG stores 25 million gallons of very
22 explosive and flammable propane and butane gases. And
23 there's no way possible to make these tanks safe. These
24 tanks can be penetrated easily by a power rifle, drone, or
25 grenade launcher.

1 Additionally, the Rancho tanks are only 150 feet
2 from a rupture zone, where a 7.3 magnitude earthquake is
3 expected. And the tanks are built on sand in areas that
4 are subject to liquefaction.

5 Butane and propane gases burn at 3200 degrees and
6 cannot be controlled with water. These tanks are just a
7 quarter mile from the Port of Los Angeles. A blast of 25
8 million gallons of propane and butane will be equivalent
9 to the blast of several atomic bombs. All the nearby
10 petroleum tanks and pipelines above and underground will
11 become part of the hell-ish firestorm that will kill tens
12 of thousands and knock down flat the economy of the
13 region.

14 None of us have ever experienced a disaster of
15 this magnitude, but words like Deepwater Horizon and
16 Fukushima come to mind. I speak from some experience. I
17 was serving as Mayor of Richmond, California when in
18 August 2012 the local Chevron refinery exploded and burned
19 for many hours sending 15,000 people to local hospitals,
20 19 Chevron refinery workers barely escaped with their
21 lives.

22 Years before the fire, Chevron ignored safety
23 demands from the people and city government of Richmond.
24 They gave the same type of empty reassurances that the
25 good people of San Pedro continue to receive from Rancho

1 LPG. It's all fine and safe.

2 Well, after the refinery explosion, Chevron
3 pleaded no contest to criminal neglect, and last month it
4 was mandated to initiate repairs or \$25 million, mostly to
5 replace corroded pipes they had refused to fix until now.
6 It's all too clear that corporations put profits before
7 people, and companies like Chevron and Rancho LPG gamble
8 with the safety and well-being of the community.

9 Furthermore, too often our regulatory agencies
10 have allowed and enabled these companies to do this
11 gambling at our expense. The fact that other agencies
12 have acted irresponsibly and granted permits to Rancho,
13 and are allowing this disaster in the making, does not
14 relieve you, Lieutenant Governor Newsom and members of the
15 Commission, of your responsibility to protect the lives of
16 the people of California.

17 Use the powers bestowed on you by the State of
18 California to protect the people of California.
19 California is not yet the 100 percent renewable energy
20 State we must become. And for the time being, fossil fuel
21 industries will continue to exist.

22 However, both oil refineries and LPG storage
23 facility must be located in isolated areas of the State,
24 where they do not pose immediate dangers to residents. The
25 tragedy of the Richmond 2012 refinery fire pales in

1 comparison to the colossal devastation that could easily
2 occur in the San Pedro Los Angeles area.

3 So I'm here to say to the Commission that
4 Californians are watching. They are expecting you to do
5 much better than the other regulatory agencies who have
6 failed them. Revoke the temporary permit -- permitted use
7 of this State land for Rancho LPG. It will end the threat
8 to thousands of lives and to the State's economy. And it
9 will usher the relocation of the facility eliminating --
10 into a isolated area eliminating this risk that it
11 presented to the entire Los Angeles Harbor area.

12 Be responsible. Revoke the permit. Approving
13 the continuation of the permit, allowing the risk of these
14 tanks to remain until disaster strikes is equivalent to
15 the dereliction of duty and criminal neglect. And you
16 will be judged for it, and rightly so.

17 So thank you for giving me this opportunity to
18 speak.

19 (Applause.)

20 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:

21 Thank you, Gayle. And please, I'd like to remind
22 everyone, please, if you can, stick to the three-minute
23 time limit. We do have a lot of people that would like to
24 speak.

25 Up next we have Jesse Marquez followed by Flavio

1 Mercado.

2 MR. MARQUEZ: Good afternoon. And thank you,
3 Lieutenant Governor Newsom, members of the State Lands
4 Commission, as well as your State Lands Commission staff.
5 We appreciate this opportunity to be able to present to
6 you and discuss some of our concerns.

7 (Thereupon an overhead presentation was
8 presented as follows.)

9 MR. MARQUEZ: I actually have six minutes
10 assigned to me, because Flavio has delegated his time for
11 me in my presentation.

12 I was born in San Pedro and raised all my life in
13 Wilmington. I grew up with, you know, six members of my
14 family in a one-bedroom house, so I know what poverty is
15 and growing up poor is all about. I am the first of my
16 generation, of my family on both sides, to be involved in
17 the community and to be active in things and events, as
18 well as agencies and industries that have impacts on our
19 community.

20 I also come from another perspective. In
21 Wilmington, I grew up on Lomita Boulevard. And when I was
22 16 years old, the Fletcher Oil Refinery that was located
23 in the City of Carson blew up. Several of the jet fuel
24 tanks blew up at that time. All seven members of my
25 family were burned from first to 3 -- third degree burns.

1 Over 200 people were burned or injured as a result of
2 that. So I know the reality and how frightening something
3 like that can be.

4 My first slide.

5 --o0o--

6 MR. MARQUEZ: I'm going to be talking from a
7 resident and environmental justice organization
8 perspective about what we see as some of the public safety
9 risk. That may not necessarily always be -- come up
10 during the course of formal, you know, assessments and
11 things of that nature.

12 Next slide.

13 --o0o--

14 MR. MARQUEZ: And naturally as a non-profit
15 organization we grant rights to everybody to use any of
16 our photos and information.

17 Next slide.

18 --o0o--

19 MR. MARQUEZ: This was photo taken, you can see
20 in 2016, of the walls buckling on a storage tank. I'm not
21 a tank engineer, or a structural engineer, but when I see
22 something like that, it causes concern, because why is it
23 buckling? Is it because it's now 40, 50 years old? I
24 don't know.

25 But again, from an observation standpoint, as a

1 member of the public, this is something that needs to be
2 investigated. Now, is it going to be investigated? I saw
3 in the staff report page six it refers that the last time
4 the city fire department CUPA is going to -- just
5 conducted a investigation or a survey of this facility.

6 Well, let me give you another public perspective.
7 I have a no vote of confidence for Los Angeles City Fire
8 Department CUPA. Two years ago, they failed the CUPA
9 examination of their little agency. They were written up
10 for 17 violations. Last time I looked at that of the
11 status of that, which was a couple of months ago, six,
12 seven of them had not -- still have not been resolved.

13 Next slide.

14 --o0o--

15 MR. MARQUEZ: Here, we see around the Rancho LPG
16 facility is the ground and the berm that has an asphalt
17 coating around it. But as you can see, it's deteriorating
18 everywhere.

19 Next slide.

20 --o0o--

21 MR. MARQUEZ: There's another evidence of the
22 deteriorating ground around it.

23 Next slide.

24 --o0o--

25 MR. MARQUEZ: What you see to the top right is a

1 flare stack ConocoPhillips oil refinery. Flare stacks
2 always have a pilot on 24 hours at the bottom. But as you
3 can see, there's a flame up on top. And it seems like
4 this one flare four or five days a week always has a small
5 flame. Well, what happens if there's an earthquake? That
6 flare stack will fall down and it will fall towards this
7 tank.

8 So again, there's a danger to igniting the
9 ground, as well as any fumes. And if the tank was to
10 crack open, again, it would burst into flames.

11 Next slide.

12 --o0o--

13 MR. MARQUEZ: Here, we see some of the tank cars
14 and the top lid is open. Again, from a member of the
15 public, are they releasing fugitive emissions? Are they
16 airing out the tank?

17 I don't know. But it is potential exposure to
18 the environment of fugitive emissions that could ignite.

19 Next slide.

20 --o0o--

21 MR. MARQUEZ: Here, you see the curb. You see
22 cars from the public park right adjacent to this facility?
23 Why are they there? Because across the street is Home
24 Depot, and then we have a athletic field on the other
25 side.

1 Next slide.

2 --o0o--

3 MR. MARQUEZ: Here, we show the athletic field,
4 where we have children, yeah, youth, our young girls
5 practicing soccer, and there's a tank, less than a
6 thousand feet away from them. What chance do they have of
7 surviving any major explosion? They have none.

8 Next slide.

9 --o0o--

10 MR. MARQUEZ: Back a few years ago,
11 ConocoPhillips was flaring. At the same it the flaring,
12 there was also fires happening. Again, we're only talking
13 a half a mile away, all the way up to a few hundred feet
14 from the Rancho facility.

15 Next slide.

16 --o0o--

17 MR. MARQUEZ: Here, you see some other storage
18 tanks. So the fire could go to these tanks and cause them
19 to explode.

20 Next slide.

21 --o0o--

22 MR. MARQUEZ: Here, we see the small tanks.
23 Again, you can see the fire and the smoke in the
24 background.

25 Next slide.

1 --o0o--

2 MR. MARQUEZ: We do have a request. Right here,
3 we're talking about environmental justice concerns. I'll
4 just skip that to get down to our specific requests.

5 Next slide.

6 --o0o--

7 MR. MARQUEZ: Next slide.

8 --o0o--

9 MR. MARQUEZ: We do want to have a new public
10 safety risk assessment to be performed, where it takes
11 into consideration all potential negative impacts, and
12 worst case scenarios of explosions, both natural as well
13 as industrial, as well as public.

14 We need to have an emergency preparedness plan
15 and evac -- immediate evacuation maps prepared for the
16 residents and the schools that are near this facility.
17 And remember, the railroad track goes all the way through
18 Wilmington, which is in a residential area as well.

19 We need the community and public schools to have
20 emergency evaluation drills in the event there is an
21 accident. Under the simple thing that can be done is have
22 a reinforcement protective wall made on the sidewalk to
23 separate the railroad track from the public cars.

24 Next slide.

25 --o0o--

1 MR. MARQUEZ: That the tanks need to be inspected
2 so to make sure that the structural integrity is there.
3 We see the buckling. We see them rusting. We do believe
4 that there should be a mitigation fund, and we're
5 recommending \$0.05 per gallon to be charged to help
6 offset. We ask that all permits be denied and the
7 facility be shut down within five years.

8 And that we do have a local newspaper called the
9 Random Lengths News who features stories about the
10 community. In this case, they have a major story on this
11 facility.

12 Thank you for your time.

13 (Applause.)

14 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO: Up
15 next Chuck Hart followed by Connie Rutter.

16 MR. HART: I'm going to skip the niceties,
17 because it takes up too much time.

18 The San Pedro Peninsula Homeowners United, I'm
19 the current president of that organization. We appreciate
20 this opportunity to again express our sincere concerns
21 regarding the partnership between the Port of L.A. and
22 Rancho LPG.

23 The risk it represents cannot be eliminated.
24 Rancho LPG should be removed from its current location.
25 San Pedro Peninsula Homeowners United has been on a

1 43-year quest to eliminate the LPG storage site by
2 exposing the true hazard it represents to our community,
3 the Port, our economy, the environment, and to the
4 thousands of lives that could be impacted by a
5 catastrophic event.

6 We reject the inconsistent and scientifically
7 flawed worst case scenario models and Rancho's risk
8 management plan. When Rancho challenged the realistic
9 three-mile LPG blast radius, we were disappointed that the
10 EPA accepted those estimates of a one half mile blast
11 radius, based on the claim that an impound basin would
12 restrict impacts.

13 We are frustrated by the fact that the previous
14 agencies and political figures have refused to accept the
15 challenge of doing what is right, citing the same excuse
16 Rancho is in compliance with all regulations, and there is
17 nothing we can do.

18 Decisions, based on deception, faulty law, and --
19 or regulations that are intentionally designed to benefit
20 industry's interest, rather than the California public and
21 its trust are essentially without any merit.

22 Regarding the Port, Rancho's business -- and
23 Rancho's business relationship, we request that you
24 reconsider the decision to relinquish your power to an
25 authority to protect and to serve our Public Trust Lands

1 to the Port of L.A., an agency that has totally different
2 missions and management interests.

3 Remember, the Port's deceptive tactics and true
4 interests were revealed that they deceived the public by
5 violating an environmental agreement set forth by the
6 China Shipping settlement. You are, in fact, leaving --
7 letting the fox into the chicken house. It is
8 inappropriate for the Port to jeopardize legitimate port
9 business by partnering with a company such as Rancho LPG,
10 which has no legitimate connection to the ocean commerce.
11 Good risk management not only considers the design of an
12 impound basin, but it attempts to minimize hazards
13 potentially -- potential and probability of occurrences of
14 an incident.

15 It stands to reason that the probability of an
16 accident increases as frequency of a volatile materials
17 transport increases. Therefore, failure to remove this
18 rail and pipeline access to port -- on port lands, the
19 people's lands enables a dangerous and privately owned
20 Canadian entity, and not really exist, but to profit at
21 the expense of the public.

22 We petition the State Lands Commission to
23 consider the potential loss of the people of California
24 that a Rancho incident would represent, whether natural,
25 accidental, or intentional reason it causes.

1 We, the people of California, are particularly --
2 and particularly those who live near the Port look to the
3 State Lands Commission to exercise your sworn duty to
4 protect and preserve our Public Trust property. If there
5 is a basic flaw in our current political process that
6 has -- it has been that the common man's voice is but a
7 whisper in comparison to the powerful legal voices of
8 industry.

9 It is agent -- it is agencies such as the State
10 Lands Commission that we rely on to protect the public and
11 its interests. You are the representatives and the voice
12 of reason.

13 For 43 years, the oil industry has been in
14 control of our destiny, and the very lives of our
15 families. We would like to re-state our plea. Please
16 exercise the fullest extent of your authority to protect
17 the public's interest from the hazardous operation of this
18 wrongfully placed LPG facility.

19 Thank you for your time and thoughtful
20 consideration.

21 (Applause.)

22 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:
23 Connie Rutter followed by John Papadakis.

24 MS. RUTTER: My name is - excuse me - Connie
25 Rutter. And I worked in the oil industry and

1 environmental compliance. And my part is going to be
2 short, so relax.

3 (Laughter.)

4 MS. RUTTER: But I, one, fine fault with your
5 staff report on page six. You've done kind of a sloppy
6 job. Whatever they told you, you've put down here.

7 But one of the things that I want to explain is
8 the -- what somebody else pointed out about the half mile
9 for these huge tanks versus the half mile for a 30,000
10 gallon rail car. And this is the fault of the American
11 Petroleum Institute and the EPA essentially colluding, the
12 EPA caving in to the API American Petroleum Institute, who
13 essentially said you, EPA, gave the -- instead of the
14 original calculation that came out from the EPA was that
15 the -- each LPG facility was to say that -- can assume
16 that 10 percent of the volume took part in the flammable
17 explosion. There are two explosions, first a vapor
18 explosion, and then a flammable explosion.

19 So the API asked the EPA to instead of assuming
20 10 percent, assume the first 10 minutes. And
21 unfortunately -- and that's what gives you the half mile.
22 Assuming 10 percent, gives you three miles, so that the
23 original calculation should have been three miles. Then
24 the EPA made it worse by saying the LPG facilities could
25 use the 10 percent figure. They could use the 10 minute

1 figure. They could use a computer analysis.

2 And so therefore, whatever they -- the LPG
3 facility submitted was not approved by the EPA, but just
4 accepted. So they got a letter saying that they submitted
5 something.

6 So essentially, the EPA shot down their own rule,
7 as far as effectiveness is concerned. I hope that that's
8 clear.

9 (Applause.)

10 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:

11 Thank you. It's John Papadakis.

12 MR. PAPADAKIS: Hi. Thank you. Mr. Chairman, I
13 hope you can hear and see me. I'm impressed with the way
14 you're handling the meeting and all the questions.

15 Please consider this a cry for help. These tanks
16 represent a pattern of civic abuse in San Pedro by the
17 city and the port. My name is John Papadakis. My family
18 has lived and worked in San Pedro for over 110 years. As
19 chairman of the L.A. Harbor Watts Economic Development
20 Corporation, I founded the Bridge to the Breakwater Grant
21 Promenade Plan for the Port of Los Angeles. It was
22 adopted.

23 An environmental plan to eradicate all the
24 industrial uses and tanks on the west channel to
25 effectively divide, as every port has, the commercial with

1 the industrial -- or commercial and residential with the
2 industrial, a plan to recapture the waterfront for the
3 true owners from the bridge to the breakwater, and
4 establish public access grant promenade that is continuous
5 on the waterline and built on a statewide scale.

6 You know, Mr. Chairman, they say in some circles
7 that Los Angeles is an enormous lake that is only one foot
8 deep, and that's the truth, for we have no civic soul.

9 San Pedro is the city's birthplace. Yet, today,
10 it is the only seaside slum in this State truly in
11 America, with -- and incidentally, this slum is housed
12 within the wealthiest port of the western hemisphere. I
13 consider that a civic crime and punishment to the
14 long-suffering citizens of southern Los Angeles.

15 The L.A. harbor area is the only statewide
16 seaside, Mr. Chairman, where as one nears the waterline,
17 the less the value of property, the less the quality of
18 life, and the less the value of human life itself. That's
19 what these tanks express.

20 In all other California seashores, the sea brings
21 abundant life. Here, the sea brings death. We have the
22 worst air in the State, and the highest cancer rate in the
23 nation. In all other California seashores, the waterfront
24 works for all. Here, it only works for the few. We lack
25 the mandated diversity that has become the theme

1 nationally.

2 The anomaly of this California seaside poverty,
3 crime, drug addiction, homelessness, and violence is due
4 to the illegal and the monolithic use of our greatest
5 resource our waterfront. We are ruthlessly ruled by a
6 port and city who maintain a very cruel political control
7 to hide their environmental crime, while they deny us
8 public ownership and benefit of our waterfront, they deny
9 us the primary public access to our waterline, and they
10 deny us the highest and best use of our waterline.

11 They keep San Pedro on its economic knees at the
12 poverty level as a dirty and dangerous dead end to a
13 corrupt city, a place they can control.

14 The economic and environmental crippling of an
15 entire region should be a statewide land-use issue.
16 Please, Mr. Chairman, make it a gubernatorial race issue,
17 because -- please, State Commissioners, make this -- make
18 this an issue, for we lack the leadership to bring it
19 forward.

20 We are being crucified on the iron cross under
21 the cargo industry here, and there's not a leader in L.A.
22 who gives a dam about it.

23 Thank you.

24 (Applause.)

25 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:

1 Anthony Patchett followed by Carl Southwell.

2 MR. PATCHETT: Good afternoon. My name is
3 Anthony Patchett, retired assistant head deputy district
4 attorney, Los Angeles County, Environmental Crimes OSHA
5 Division. The San Pedro Peninsula Homeowners United and
6 the Tongva Ancestral Territorial Tribal Nations at today's
7 California State Lands Commission hearing are requesting
8 the Commission to follow the guidelines of the
9 Environmental Justice Policy that you have on your
10 website.

11 Number one, develop a plan for identifying when
12 environmental justice communities may be adversely
13 impacted by Commission decisions, assure meaningful
14 community representation in the Commission's
15 decision-making process, seek guidance from entities who
16 have environmental justice expertise, explore
17 opportunities to promote environmental justice, recognize
18 the economic factors that may amplify the environmental
19 effects of a proposed action, provide outreach to
20 environmental justice communities about the Commission,
21 its jurisdictions, including the Public Trust Doctrine and
22 its guiding principle that Trust Lands belong to the
23 public and are meant to be managed for the benefit of all
24 people.

25 Include environmental justice as a component to

1 the Commission's environmental review process under the
2 California Environmental Quality Act. Include terms in
3 leases and approvals that provide for, protect, and
4 enhance public access to sovereign lands and waterways.
5 The State Lands Commission cannot substitute a CEQA
6 analysis for a formal evaluation of whether Public Trust
7 assets, in this case the underground pipeline of Plains
8 All American Rancho are permissible uses under the Public
9 Trust Doctrine.

10 Professor Robert Bea, the Master of Disaster,
11 stated the only sensible way forward is to have an
12 advanced, high quality, thorough, validated risk analysis
13 performed similar to advanced analysis that are done for
14 critical facilities such as nuclear power plants.

15 In this case, the use constitutes use of Public
16 Trust assets for the sole benefit of a private business
17 interest that cannot exist without the use of the rail and
18 underground pipeline traversing tidelands Trust property,
19 since the facility is not a poor tenant and there is no
20 longer any connection to direct waterborne commerce.

21 Governor Brown, Governor -- Lieutenant Governor
22 Newsom, Attorney General Becerra, Mayor Garcetti, City
23 Attorney Feuer, the City Council, the Port of Los Angeles
24 and the Board of Supervisors are all missing in action.
25 Time is running out for the California State Lands

1 Commission to implement their Environmental Justice Policy
2 before a disaster occurs.

3 Thank you.

4 (Applause.)

5 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO: Carl
6 Southwell followed by Jayme Wilson.

7 Carl?

8 Is Carl here?

9 All right. Okay. We have next a representative
10 for Deputy Supervisor Janice Hahn, Jayme Wilson.

11 MR. WILSON: Good afternoon. Chairman Newsom,
12 Controller Yee, Commissioners, Commission staff, thank you
13 very much. My name is Jayme Wilson. I'm here
14 representing Los Angeles County Supervisor Janice Hahn.
15 Thank you for giving our community the opportunity to
16 share their comments here at Ports O' Call right here in
17 the main channel of the L.A. harbor.

18 The Rancho LPG facility is centered in the Fourth
19 Supervisorial District. It runs from Marina Del Rey out
20 to Diamond Bar. This facility is adjacent to homes,
21 schools, parks, churches, the Los Angeles Harbor Port
22 Complex, all of these are very valuable resources, and
23 very valuable assets.

24 Just last Friday, the County of Los Angeles filed
25 a petition for the California Supreme Court to stop new

1 injections of natural gas in the Aliso Canyon storage
2 facility near Porter Ranch until extensive new,
3 environmental, and seismic safety studies can be
4 completed.

5 I'd like to read for a moment from a letter that
6 then Congresswoman Hahn sent to the Chairman of the
7 Surface Transportation Board.

8 Rancho, LLP -- she sent this last October.
9 Rancho LPG is located in San Pedro. It stores liquefied
10 petroleum gas. This dangerous facility is located near
11 many pre-existing homes, shops, six youth soccer fields,
12 and within mere feet of an elementary school and the
13 junior high school.

14 Since I was in the city council, as a
15 councilwoman, I have supported closing this facility and
16 having the fuel now being stored there moved to the
17 respective refineries that generate the products.

18 That's from that letter from October 20th.

19 The State's Lands Commission occupies a critical
20 role in our system. It acts as the people's trustee over
21 the Public Trust Lands to ensure the broader public
22 interest is preserved and that environmental justice is
23 respected.

24 This facility stores up to 25 million gallons of
25 butane in two 12 and a half million gallon tanks. Propane

1 from this facility is regularly shipped by rail tanker car
2 operate by Pacific Harbor Line through the Port of Los
3 Angeles, and through the community.

4 This presents a series -- a serious issue of
5 public safety, because a rail accident involving a tanker
6 car, which carries up to 33,000 gallons of propane would
7 have a serious and potentially catastrophic impact on
8 people's lives and property, the Port, and the California
9 economy.

10 As I said earlier, the County of Los Angeles
11 filed a petition with the California Supreme Court to stop
12 new injections of natural gas in the Aliso Canyon field
13 until extensive new environmental and seismic safety
14 studies can be completed.

15 We believe the same standard should be applied to
16 Plains All American Rancho LPG. We respectfully request
17 that you place this item as an action item on your next
18 agenda, and require extensive new environmental, seismic,
19 and risk analysis studies.

20 Thank you very much for this opportunity to share
21 our concerns. Thank you.

22 (Applause.)

23 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:
24 Peter Burmeister followed by Caney Arnold.

25 MR. BURMEISTER: Thank you, Commissioners. I

1 happen to be a homeowner and about a mile away. And I
2 like to say I ditto everything what everybody said
3 already. And my main concern is there's not just a
4 railroad or the tanks, there's also trucks going through
5 our community, tanker trucks, loaded with butane and the
6 natural gas. And those also are dangerous. There's so
7 many people around that area. And on top of that, my main
8 concern is the Los Angeles School District tried to build
9 another charter school right next to it for 500 peop --
10 for 500 students. So that's a death sentence for our
11 kids. So please consider that and help us.

12 Thank you.

13 (Applause.)

14 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:

15 Caney Arnold followed Toni Martinovich.

16 MR. ARNOLD: Hello. My name is Caney Arnold and
17 I'm a retired federal civil servant. I worked for the
18 Department of Defense for 32 years. Twenty-eight of those
19 years were at an Air Force Base and Missile Systems Center
20 up in El Segundo. And I was a past candidate for city
21 council here for this district, and now I'm a candidate
22 for State Assembly in the adjacent district, 66.

23 And I just want to say with my experience with
24 the Air Force, I've seen a lot of these types of
25 situations obviously where a company has come in and has a

1 situation, and the oversight is either there or it isn't
2 there. And believe me, working for the Air Force, I saw a
3 lot of situations where our oversight wasn't there, and
4 even saw an Assistant Secretary of the Air Force thrown in
5 jail for not doing proper oversight and for corruption.

6 And I just want to mention you have a room full
7 of people here that are all worried about these tanks.
8 And again, similar to my Air Force experience, I see a lot
9 of people that can try to make something very simple sound
10 very complicated and undoable.

11 It's a very simple situation. It's a big huge
12 tank tank there that's refrigerated with a lot of
13 flammable liquid, liquefied gas, and it can easily
14 explode. I keep hearing this thing about, well, it's on
15 private land, so we can't do anything. Well, that's
16 obviously not true, because we can do something.

17 In fact, I'll quote our City Councilmember, Joe
18 Buscaino, who equated this to a situation of loud music.
19 He came to the wrong conclusion, but he had a good
20 analogy. And he said in that situation, what would a
21 person do? Someone else's private property, there's loud
22 music and it's a nuisance. You call the police, and what
23 do you expect? You expect the police will do something.

24 This is the same exact situation. This is
25 private property. Of course, it is. It makes no

1 difference. It's an ultra hazardous use sitting next to
2 people's home, kids playing on soccer fields, businesses
3 near the Port the economic engine of the southland and for
4 the State of California. And all we hear is from our city
5 councilman, well, you know, it is hazardous, but it costs
6 a lot of money. The Mayor admits, well, it is hazardous,
7 but it costs a lot of money, so it should be the State.
8 And the homeowners association went to the federal
9 government and they said, well, you know, the Port says
10 it's not their responsibility, but, you know, it's not
11 ours, it's not the federal government, it really is the
12 Port's.

13 A lot of -- this is really a hot potato that no
14 one really seems to want to take any responsibility for.
15 You, as the Lieutenant Governor, possibly future Governor,
16 have a responsibility over the entire State of California
17 and can direct anything that you'd like. We'd like you to
18 issue, or have the Attorney General issue, an injection to
19 halt the use of tanks, either immediately or within 30
20 days. I'm sure All Plains will respond.

21 And that's another thing that everybody in the
22 room would like to ask is why is All Plains allowed to
23 respond last after everybody else has commented, so that
24 no one else here can respond to any of their comments?
25 That seems extremely suspicious and you have a room full

1 of very angry people who are very suspicious of that also.

2 And I'm sorry I went over, but sorry, I'm a
3 little bit upset about this.

4 (Applause.)

5 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO: Toni
6 Martinovich followed by Peter Warren.

7 MS. MARTINOVICH: Hello, I'm Toni Martinovich,
8 native San Pedran. And thank you very much for allowing
9 us to speak today. I want to agree with the remarks of my
10 fellow neighbors here, and, in San Diego. The tanks are
11 too close to homes and schools. No one has mentioned that
12 they're close to our police department as well, the people
13 that we would be expecting to help us, if there was an
14 accident. And I think if you lived in our community,
15 you'd be as concerned as we are. Please help us, and
16 thank you again.

17 (Applause.)

18 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:
19 Peter Warren followed by been Bobbi Lisk.

20 Is Peter here?

21 Bobbi Lisk.

22 Bobbi? Is Bobbi here?

23 STAFF ATTORNEY GARRETT: She's coming.

24 MS. LISK: Good afternoon. My name is Bobbi Lisk
25 and I've been a resident business owner in San Pedro for

1 30 years. Now, my shop is just a few steps away from this
2 very restaurant. I am currently fighting an eviction by
3 the Port of Los Angeles who anticipates this port -- Ports
4 O' Call village site to be torn down, destroyed, and
5 developed into a new attraction costing an estimated 100
6 to \$200 million.

7 While I have my own sense of the injustice of
8 removing the village merchants so early in this
9 development process, I have concerns that go much further.
10 I cannot help but think of the irony of that massive
11 investment in an effort to draw thousands of people to a
12 location that continues to be threatened daily by the
13 President's -- by the presence of highly explosive deadly
14 Plains Rancho LPG facilities.

15 Why would anyone knowingly and purposely ignore
16 this extreme hazard and wilfully not only invest this
17 massive amount of money, but completely disregard the
18 safety of innocent families drawn to this new attraction.

19 This is not rocket science here, there are many
20 hazardous sites at the Port, and we all understand that.
21 But this Rancho LPG facility is the most glaring of them
22 all. This facility and its operation came into this
23 community without a public process and many exemptions it
24 should have never been granted. It was all at the hands
25 of the Port of L.A.

1 I read on-line about this Commission and its
2 responsibility to protect these public lands for the
3 people. Well, we, in San Pedro, are the people, and it's
4 extremely obvious that we are not being protected. We
5 need you to intervene here for our public safety, and for
6 the protection of these lands for our future generations.
7 Please step up to your obligation.

8 Thank you for listening.

9 (Applause.)

10 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:

11 Robert West followed by Stacey Dahlquist.

12 MR. WEST: Good afternoon. My name is Robert
13 West. I've been involved in this issue for 40 years. I
14 originally bought a home closer to the tanks than I live
15 now. However, years ago, the LA Times did a giant exposé
16 about the danger of this facility. And I was homeowners
17 president that time, and I got involved with Vincent
18 Thomas, who was our assemblyman at that particular time,
19 and also has an nice bridge over to terminal island named
20 by him.

21 I went up to the assembly and -- my wife and I
22 flew up there at the invitation of Vincent Thomas. And we
23 spoke to the Assembly about this issue. And by the time I
24 got done, I was a very young man now -- then, I learned,
25 in my opinion, who runs the government. And the lobbyists

1 came out of the woodwork like flies coming to, I won't say
2 what, but anyway it would be nice --

3 (Laughter.)

4 MR. WEST: But anyway, I learned a big lesson
5 about how government operates. And I'm sorry to say this,
6 but they let us down. By the time I got done, it was
7 Vincent Thomas was able to get OSHA to do something about
8 it a bit, and so forth. But I still live in the area.
9 I'm very concerned about it. I'm wouldn't consider myself
10 an expert, but I know an awful lot about it. I know what
11 Connie Rutter said is true.

12 I know about earthquakes. I have a degree in
13 geography. I know that there's a Palos Verdes fault that
14 runs just north of this facility that has the potential
15 to -- a fault, if you want to call it that. And why the
16 City of Los Angeles, the Port, or any official, including
17 the fire department -- which sometimes I have little
18 respect for some of the ones at the higher level that I
19 heard make comments saying that there was no big deal.
20 And -- but the point is do I -- if I do sound a little
21 angry, I am, because I think it's criminal that this
22 company is still in existence after all these years there.

23 And their tanks are old, the area is filled full
24 of children, and homes, schools. In fact, there's a giant
25 home tract being built just north of it. And why it

1 exists, in my opinion, is just criminal. But thank you
2 for your consideration. Maybe you're our last hope.

3 Thank you very much.

4 (Applause.)

5 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:

6 Stacey Dahlquist followed by Gwendolyn Henry.

7 MS. DAHLQUIST: Good afternoon. My name is
8 Stacey Dahlquist. I have been a resident here in San
9 Pedro for 25 years. And I am a high school teacher at
10 Long Beach Jordan High School, which is in a pretty rough
11 area. And I get asked all the time if I'm afraid to go to
12 school or to go to my job or whatever. And I'm thinking,
13 you know, what I face every day is nothing compared to
14 what the schools around the LPG facility face every day.

15 I've known about this very hazardous facility for
16 a few years now, and have been extremely concerned for the
17 welfare of my trends, family, and particularly for the
18 local schools that fall well into the three-mile blast
19 zone associated with these massive tanks.

20 I heard about the rail car accident from the
21 Rancho facility that occurred directly upon the rail at
22 Westmont Drive. And this was in the afternoon just as the
23 Taper Elementary School was releasing their young
24 students. There was no notice to any schools, residents,
25 or shops of this accident, which could have been

1 catastrophic.

2 I do know that there are two schools that fall
3 within the 100 -- 1,000 to 1,300 feet of Rancho LPG and a
4 preschool directly across the street. There are another
5 two private high schools that fall within one mile. And
6 one of those is Mary Star High School. I have family that
7 works there. I have very good friends that work there,
8 you know, let alone the Norbertine priests that work there
9 and live there. We have Dodson Junior High and Christ
10 Lutheran Grade School perhaps within about two miles.

11 My point here is that they are incredibly close
12 and easily fall within the three-mile blast radius of a
13 single one of the two large 12.5 million gallon butane
14 tanks.

15 I know that this facility was brought in over 40
16 years ago. Lots of public officials have stated that it
17 would -- that it should never have happened, but that is
18 no excuse for allowing it to continue to endanger people
19 today. The risks today are much greater, and someone
20 needs to show the leadership and backbone to address it
21 today.

22 Chairman Newsom, please show your leadership on
23 this issue to right a serious wrong, because our time is
24 running out fast.

25 Thank you.

1 (Applause.)

2 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:

3 Gwendolyn Henry followed by Brian Vassallo.

4 MS. HENRY: Hello, Lieutenant Governor Newsom and
5 Commissioners. My name is Gwendolyn Henry, and I live in
6 San Pedro. And thank you for being patient with us. Many
7 of us have a lot to say about it -- about the Rancho LPG.

8 I wanted to speak on more of a global aspect of
9 it -- or a national aspect of it. In 2006, Congress
10 passed the Safe Port Act to help ensure that maritime
11 transportation infrastructure was effectively secured from
12 the threat of terrorism.

13 In 2016, the RAND Corporation had looked back at
14 the studies and the analysis -- analyses that were done at
15 that time, and came to the determinations that they had
16 definitely secured the ports in regards to maritime risk.

17 Well, they didn't. I've seen all the reports,
18 and most of them are talking about threats from the ocean,
19 threats from the sea, you know, very elaborate plans. You
20 though, somebody with a dirty bomb or a nuclear thing and
21 smuggling it in, and that kind of thing, but they -- most
22 of them do not actually analyze tactical things that
23 are -- that surround the Port. And one of the things that
24 is the biggest bomb you could possibly have is this
25 facility.

1 Now, back in 2006, the Council on Foreign
2 Relations actually did have a conversation about this.
3 They say that -- they were very concerned, that experts
4 warned that U.S. sea ports could be tempting targets for
5 terrorists that's bent on killing large numbers of people,
6 grabbing media attention, and disrupting the U.S. economy,
7 the Port of Los Angeles.

8 Port ferry and cruise ship terminals are often
9 located in highly congested areas where large numbers of
10 people live and work. Liquefied natural gas terminals and
11 refineries that produce highly volatile petrochemicals and
12 convert crude oil into gasoline and heating oil are often
13 nearby. That is here.

14 Now, Jesse Marquez spoke of emergency
15 preparedness and the need for it. Well, we don't have it
16 here. And if you look at Janet Gunter's map, you'll see
17 that not only are neighborhoods here, and the Port of Los
18 Angeles is just within the blast radius, that's the
19 economic engine of the western United States. Your auntie
20 in Kansas got -- got tennis shoes from here. Anyway.

21 If you look at the map, there's also the 110
22 freeway. The 110 freeway is the major access out of here,
23 so is -- what's it called now, Harry Bridges. You know,
24 that's trucks, that's everything, that's all the
25 transportation out.

1 Western is also the access out, and that is
2 within probably the blast radius, or would be so inundated
3 by people trying to exit, nobody would leave.

4 Anyway. Thank you.

5 Please look at it on a national scale, and that
6 your responsibility, if there was an event like that,
7 even -- your name would be listed -- as minor intangent --
8 as tangical[sic][phonetic] as your responsibility in this,
9 it would be listed in those responsible.

10 Thank you.

11 (Applause.)

12 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:

13 Brian Vassallo followed by Pat Nave.

14 MR. VASSALLO: Good afternoon, Brian Vassallo
15 with the Los Angeles Waterfront Access and Redevelopment
16 Coalition. Common sense is not so common. It was
17 Voltaire who originally said that. Although, today, we
18 like to attribute the quote the Mark Twain.

19 For a southern boy like me, Mark Twain perhaps
20 said it a little more eloquently when he said I found that
21 common sense ain't all that common.

22 Isn't common sense what we are all here for
23 today? Like Voltaire in the 1700s, we're here today
24 fighting for our civil liberties, as well as our
25 Constitutional right to life, liberty, and the pursuit of

1 happiness. In this case, more so than anything else in
2 the harbor area of Los Angeles, residents are literally
3 fighting for their lives. We are here today to discuss a
4 bipartisan issue, one which has Republicans, Democrats,
5 and Independents united, and involves the temporary
6 permitted use of State land for the rail lines running to
7 and from the Rancho LPG facility in our town, a facility
8 built over 40 years ago during a time when then President
9 Richard Nixon, speaking about the national energy crisis
10 of 1974, asked his fellow Americans to accept some
11 sacrifices in comfort and conveniences so that no American
12 would have to suffer real hardship.

13 In that same address, President Nixon also told
14 Americans that private profiteering at the expense of
15 public sacrifice must never be tolerated in a free
16 country.

17 I'm not here today because I dislike private
18 profiteering. I'm a capitalist. I am, however, against
19 it at the expense of public sacrifice and that's what's
20 happening right here in the harbor area. None of us can
21 deny that there are legitimate safety concerns surrounding
22 this facility. Twenty-five million gallons of explosive
23 and flammable propane and butane gases sitting openly
24 exposed to the residents of this area and America's port,
25 a top an earthquake rupture zone capable of a 7.3

1 magnitude or greater earthquake in a high liquefaction
2 soil area, all with no assurances that these tanks were
3 built to last. Common sense should tell us that all of
4 this is a recipe for disaster.

5 Now, if you went so Sunday school like I did
6 growing up as a kid, you're probably familiar with the
7 Golden Rule, do unto others as you would have done unto
8 yourself. I think we can all agree that those are good
9 words to live by.

10 Like the Voltaire quote though, we sometimes take
11 the liberties and change things. Today, it seems like the
12 Golden Rule goes more like he who has the gold, makes the
13 rules. And that's unfortunate, especially in this case.

14 California State Lands Commission, I am humbly
15 requesting three things from you today concerning the
16 Rancho LPG facility. Please employ common sense. Please
17 consider the original Golden Rule, and ask Rancho LPG to
18 do the same. And finally, revoke the temporary permitted
19 use of our State land for the use of the Rancho LPG
20 facility.

21 If you truly deem this facility to be safe, and
22 you can disagree with the L.A. School Board, countless
23 experts, and the voters who are here today, and you can
24 conscientiously say there is no risk of public sacrifice,
25 then go through the proper process and give them a

1 permanent permit for usage of this land.

2 Thank you for your time.

3 (Applause.)

4 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:

5 Pat Nave, followed by Aaron M.

6 MR. NAVE: Good afternoon. My name is Pat Nave.

7 I am a resident of San Pedro. From 1974 to 2004, I was an
8 Assistant City Attorney with the City of Los Angeles
9 assigned to the Los Angeles Harbor Department.

10 I have a specific suggestion to make that I think
11 will address many of the safety concerns regarding rail
12 transportation of hazardous materials in the Port area,
13 that it's entirely compliant with the Surface
14 Transportation Board limitations, and with the case of
15 Arco versus Dixy Lee Ray, the Governor of the State of
16 Washington, where the State of Washington sought to
17 require double-bottomed ships, additional tubs, and other
18 safety barriers for transportation of north slope crude
19 into Puget Sound.

20 What can be done? Well, right now, the Port has
21 to do safety analyses, risk management analyses, and a
22 risk management plan in order to have the ability to issue
23 its own coastal permits for marine oil terminals. But the
24 Port takes a position that that does not apply to the
25 transportation of those hazardous materials in and out of

1 those terminals by rail or by pipeline or by truck.

2 Why is that important? Well, I've been around
3 long enough to remember when the GATX plant on 22nd and
4 Miner Street blew up during the transfer of product
5 that -- by the way, the Port still can't use that land.
6 It's fenced off because it's so contaminated. That was 40
7 years ago or more.

8 I can remember the Sansinena that blew up during
9 the transfer of product. I know of two chlorine transfer
10 accidents at Tohoku Chemical, transfer rack on Mormon
11 Island where they had to evacuate the Tad -- Todd
12 Shipyards plant. Now, when I drive by the rail tracks
13 along Gibson Boulevard, sometimes I see the rail cars --
14 rail tanks cars there maybe 200 meters from the police
15 station on Gibson Boulevard. I go on around and I can see
16 the rail -- the tank cars lined up on the tracks across
17 from residential homes in Wilmington.

18 I recall the conversation I had over at the --
19 where Fire Boat 1 is located, the big boat, years and
20 years ago with the Captain. And I said, you know, what
21 concerns you? Is it tankers in the harbor? And he said
22 no. What scares the hell out of me is those rail tank
23 cars that are parked across the street over there in
24 rail -- where the rail lines are in Ports of Call, because
25 we don't know what's in them.

1 So what I'm suggesting to you is, is that you
2 guys get together with State Lands Commission and change
3 the regulation that allows the Port to have its authority
4 for the marine oil terminals expanded to include the
5 transport of the goods in and out of those marine oil
6 terminals by pipeline, by rail tank car, and by truck tank
7 car.

8 And Jennifer Lucchesi, I can't tell you how
9 delighted I am every time I see you as the Executive
10 Director, because I remember when you were an intern in
11 law school. If you want some greater explanation on this,
12 than have by a staff member, my phone number is in the
13 phone book and I'll take your calls.

14 Thank you.

15 (Applause.)

16 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:

17 Aaron M. followed by Kathleen Woodfield.

18 MR. McCROSKEY: Good afternoon. My name is Aaron
19 McCroskey. My wife and our two young schools, who are
20 standing next to me here, live within two and a half miles
21 as the crow flies from the Plains operated Rancho LPG
22 facility. We only became aware of our jeopardy in the
23 past year or so, and it has alarmed us greatly. The
24 single largest investment most Americans make is in their
25 home, and that is the case with us as well.

1 We live in the City of Lomita. And until a year
2 or more ago, we felt very comfortable and secure in our
3 environment. But now we know that we should not be
4 comfortable. There are numerous hazardous sites in the
5 Port of Los Angeles. And we realize that the opportunity
6 of an earthquake, accident, or terrorism is possible.

7 But what we have learned about this particular
8 Rancho LPG site is shocking. It seems not only that it
9 was exempted from numerous regulations at the time it was
10 installed in 1973 under heavy political influence, but
11 there's been a long line of politicians who have
12 consistently covered for the high risk that it presents
13 until today. These public official and agencies are
14 completely disregarding public safety.

15 In fact, even though the LA Mayor and the city
16 councilman who represent this district have openly
17 acknowledged the unbelievable risk from the Rancho LPG
18 site, they just approved another 600 or more homes to be
19 built right next to it, and its rail line.

20 This is after stating and I quote, "We know that
21 this facility represents a major risk, but there is
22 nothing we can do about it".

23 So what did they do? They invite another 2,000
24 people to the incineration zone. What is going on here?
25 And this is wrong. This is -- this is -- State Lands

1 public agency has the duty to protect this area.

2 Chairman Newsom, you are running for Governor.
3 You can't sit by and say that there's nothing you can do
4 to prevent what you know could easily become the
5 dissemination of the Port of Los Angeles, which represents
6 the economic engine of the State of California. If you
7 care about the lives of us who live there, you should do
8 something. And if you don't, you should at least care
9 about the \$200 billion industry that these ports represent
10 to the State. Please don't sit there and tell us you
11 can't do anything. It insults our intelligence. Please
12 do something.

13 Thank you.

14 (Applause.)

15 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:

16 Kathleen Woodfield followed by John Lang.

17 MS. WOODFIELD: Good afternoon. Thank you for
18 this opportunity to speak to you. My name is Kathleen
19 Woodfield. I'm the vice president of San Pedro Peninsula
20 Homeowners Coalition. This is a real déjà vu for me. I
21 have been before you many times on this issue of the
22 Rancho storage tank facility. My son was in middle
23 school, I think, last time I spoke before you, and now
24 he's in college.

25 And so -- but nothing has changed, except that

1 the facility has gotten older and more antiquated. I
2 truly don't understand the rationale for your inaction.
3 We often feel that we have a sympathetic ear when we speak
4 before you, but then nothing happens. And I just want to
5 say, as an aside from what I've written here, that I, too,
6 am offended that the Port staff and the Rancho staff get
7 to speak last. They always, always, always get the upper
8 hand under all circumstances.

9 And I'd also like to point out to you if you
10 didn't notice that the Rancho facility is able to put us
11 all at so much risk for only \$1,400 a month to the State,
12 to the Port.

13 The Port has demonstrated its mismanagement.
14 There are many examples. One is China shipping, which
15 results in a lawsuit, which the comp -- which the
16 community brought against the Port. The Port then failed
17 to execute the mitigation that was required by the China
18 Shipping court ordered EIR resulting from that lawsuit.
19 And it hid this failure from the community, an egregious
20 act. That alone should be enough mismanagement to cause
21 you to assert your authority and intervene.

22 But then there is this Rancho facility. It needs
23 an appropriate EIR for its current operation model, yet it
24 doesn't have one. Still it uses Port of Los Angeles
25 assets, State assets of both rail and pipeline to support

1 its operation. We believe that the State needs to assert
2 its authority and advise the Port that its demonstrated
3 mismanagement of the risks associated with the Rancho
4 facility, and its demonstrated disinterest in the risks
5 associated with Rancho's rail use and pipeline use that
6 moves through the Port property and uses Port assets puts
7 you, State Lands, in the position of requiring an
8 environmental assessment of these risks. This would not
9 be micromanaging.

10 Rancho should be required to carry insurance
11 capable of covering these risks and all of its operational
12 risks, but really, ultimately, this facility needs to be
13 removed. At the very least, we ask that the Rancho
14 facility not be allowed to use the rail, or the pipelines,
15 or any other assets associated with the Port of Los
16 Angeles until these risks are analyzed.

17 Thank you very much.

18 (Applause.)

19 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:

20 John Lang followed by Peter Rosenwald.

21 Is John here?

22 Peter Rosenwald?

23 Is Peter here?

24 Peter was the last speaker here in San Pedro.

25 CHAIRPERSON NEWSOM: Perfect. Thank you very

1 much. Thank you all for your time. There's been a
2 request on this side of the State to take a brief break,
3 particularly for a few folks that are responsible for
4 keeping the lights on. So I'm going to be respectful of
5 that, and indulge us, if you could, for just a few moments
6 and we'll come back and continue our conversation

7 (Off record: 4:01 p.m.)

8 (Thereupon a recess was taken.)

9 (On record: 4:09 p.m.)

10 CHAIRPERSON NEWSOM: All right. Everybody.
11 We're back on. Thank you everybody very much for your
12 patient -- we -- patience. We still have a few speakers.
13 And in the spirit of reconciliation of sorts, or at least
14 recognition, I want to relieve the anxiety of those two
15 public speakers that rightfully, I thought, questioned any
16 sinister motives of this Commission to suggest that we had
17 somehow stacked the deck in terms of our order of public
18 comment. And as a consequence, I want to mix it around a
19 bit. So we can -- well, we can absolve any of those
20 sentiments and make sure the record reflects that there
21 was no such thing, and that we indeed had no particular
22 order in mind.

23 And so I would ask, in that spirit, that Jack
24 Hedge, the Port of Los Angeles, if you wish to say a few
25 words, the mic is yours. And then Ron Conrow of Rancho

1 LPG. And then I believe there are still, and this is the
2 point, a number of other public speakers in San Pedro that
3 wish to speak. And we'll give you in San Pedro the last
4 word. I am not Lawrence O'Donnell, but I am the current
5 Chair of the State Lands Gavin Newsom. Thank you.

6 Sir.

7 MR. HOUTERMAN: Good afternoon, Mr. Chairman,
8 honorable members of the Commission. I am Deputy City
9 Attorney Justin Houterman from at City Attorney's Office
10 of Los Angeles. We primarily were here and invited here
11 to answer questions. So that's why we -- we're waiting
12 till the end, but we're happy to answer questions now. I
13 have with me Jack Hedge. He is director industrial real
14 estate down at the Port and Mr. Michael Keenan who is the
15 Director of Planning at the Port of Los Angeles.

16 CHAIRPERSON NEWSOM: Good All right. Well, with
17 that in mind maybe we will ask that you -- yeah, why don't
18 you -- thank you. Fabulous comments.

19 (Laughter.)

20 CHAIRPERSON NEWSOM: You've giving us context of
21 your presence. And we'll take advantage of that once we
22 do close public comment.

23 MR. HOUTERMAN: Thank you, sir.

24 CHAIRPERSON NEWSOM: I appreciate that.

25 Is the same true for the representative from the

1 LPG or do you wish to speak now?

2 Ron, are you here?

3 MR. CONROW: Yes. You want me to speak?

4 CHAIRPERSON NEWSOM: Would you like to speak now
5 or would you -- if you wish to speak, the mic is yours.
6 Grateful.

7 MR. CONROW: My name is Ron Conrow. I'm the
8 Western District Manager for Plains LPG. I represent the
9 Rancho LPG facility in San Pedro. Again, thank the
10 Commissioners for your patience and everything. I know
11 this is a long drawn-out process, but it always is.

12 First of all, you know, I want to say that I kind
13 of figured about what was going to be said up here, and by
14 the folks in San Pedro. They continue to say things that
15 they can't validate. They don't have any documents to
16 back up them. They'll pull out some newspaper article or
17 something of that nature.

18 I don't speak from that perspective. I will deal
19 only with the regulations, the laws as they stand today.
20 I'm not going to answer every allegation, but I'll be open
21 to any questions that you may want to ask.

22 With regards to what the request from County
23 Supervisor Janice Hahn, I'll have those seismic reports in
24 her email tomorrow when I get back to the office.

25 CHAIRPERSON NEWSOM: Appreciate that.

1 MR. CONROW: We have them for the city, State,
2 and federal. And seismic is a mandated requirement under
3 Cal ERP, under the State of California, and it's mandated
4 every five years, and it's up to the newest standards of
5 the building -- current building codes, and the ASME, the
6 American Society of Civil Engineers. So the codes, nobody
7 is grandfathered into that.

8 Our seismic, and our Cal ERP has been audited by
9 the CUPA, our 2014. It is compliant. They just finished
10 an audit here recently last month. So with that in mind,
11 with regards to a lot of the claims here, it seems like I
12 just keep hearing over and over about some three-mile
13 blast radius. I want to refer back to the notes from the
14 State Lands Commission meeting, January -- excuse me, June
15 19th, 2014, page 32. And it was referring to a letter --
16 a legal to legal letter from EPA Region 9 attorney Andrew
17 Helmlinger to Plains third-party attorney Clif McFarland.

18 And I quote, this is EPA Attorney Helmlinger
19 speaking, "I can confirm that the EPA has calculated the
20 consequence radius from the main Rancho tanks at the LPG
21 facility to 0.5 miles based on EPA's regulatory formula.
22 It would be factually accurate for Rancho to make a
23 statement that EPA has, not just looked at ours, but has
24 calculated the consequence radius consistent with the
25 regulations to be 0.5 miles and not three miles as Ms.

1 Gunter asserts", unquote.

2 So I see in the notes here from -- to this
3 meeting today that the SPPHU and the activists requested
4 the EPA do the same in 2016. We got the same results.
5 And the EPA also made a statement in there about our
6 butane facility is one of the safest butane facilities,
7 simply because we refrigerate the butane.

8 So people in Lomita, or wherever else that got
9 up -- and Long Beach, and then the Mayor from -- the
10 former Mayor from Richmond get up and make these claims,
11 they're not validated by the applicable regulation and by
12 the regulatory agency that the United States Congress gave
13 oversight for in 1990.

14 So, you know, we can come up here and say
15 whatever we wish, I guess, because it's a free country and
16 I believe in free speech. I served my country for that
17 purpose. But, you know, you have to have something to
18 validate it and something behind a statement you make, and
19 we do.

20 With regards to compliance, basically in our
21 business, compliance is defined as certification or
22 confirmation that a doer of an action with a manufacturer
23 or supplier of a product meets the requirements of
24 accepted practice, legislation, prescribed rules,
25 regulations, and specific standards. That's what we do.

1 All right. If we don't meet these, we expect to get
2 called on the carpet.

3 Since 2010, the Rancho LPG facility has been
4 inspected and audited approximately 71 times by City,
5 State, and federal regulatory agencies with outstanding
6 results. Rancho was pleased to report as of today no
7 State, federal, city regulatory agency or legal authority
8 can say the Rancho facility is out of compliance or in
9 violation of any laws. If they can produce a document,
10 I'll relinquish the microphone?

11 Furthermore, in 2012, the following lawmakers
12 have conducted public forums to address the community
13 concerns about the Rancho facility. Counselman Joe
14 Buscaino in June 2012, Congressman Henry Waxman, September
15 2014, State Senator Isadore Hall in 2016, also the Port of
16 Los Angeles Board of Harbor Commissioners ruled in
17 Rancho's favor on this rail spur issue back in 2012. And
18 additionally, Rancho has been before an agendized State
19 Lands Commission three times 2014, once in 2016, and well,
20 here we are again today. Hopefully, this may be the last.

21 Despite the numerous inspections, audits, and
22 public forums, an FOIA requests resulting in no findings
23 that Rancho is either out of compliance, unlawful, or
24 unsafe, the SPPHU activists continue to say they're
25 frustrated - I heard that word again today - that nobody

1 is listening to their voices.

2 Well, from my perspective and what I've seen over
3 the course of this long debate, over nine years, it's
4 clearly the SSP -- SPPHU that's not listening because the
5 facts don't match the rhetoric and they don't want to hear
6 that.

7 Therefore, one must question is this just
8 frustration or something else? I want to draw to your
9 attention, in May 2012, the SPPHU produced an inaccurate
10 and highly inflammatory video showing the Rancho facility
11 and key equipment in the cross hairs of a sniper rifle
12 from various community vantage points in which direct the
13 most havoc could -- on facility. This video was shown
14 indiscriminately throughout the facility, fliers were sent
15 out, and these are some of the photos from that. Now, I
16 don't know, that may be frustration. I think it's
17 something else.

18 During the aforementioned public meeting held by
19 Congressman Waxman in September 2014, the day before, the
20 Department of Homeland Security, including DHS Director
21 Dave Wulf, inspected the Rancho facility and validated our
22 site security plan.

23 The next day, during Congressman Waxman's
24 meeting, they had seen the video the day before. We
25 showed it to them. They were appalled. They asked the

1 city -- excuse me, asked the residents not to do those
2 kinds of things. It wasn't prudent. Again, it's not that
3 they can. It's a free country. It wasn't prudent to do
4 those kinds of things, particularly given, in 2012, as we
5 all know, there was a number of copycat killings resulting
6 in 88 deaths across the United States, including Arroyo,
7 Colorado; Newtown, Connecticut.

8 At the meeting of Henry Waxman's -- Congressman
9 Waxman, there were also signs mentioned. There were a lot
10 of people that were wearing signs and stuff touting ISIS
11 plus Rancho equals death.

12 All right. Now again, frustration is one thing,
13 this is something else. However, in March 2016, SPPHU
14 members produced another inaccurate inflammatory video
15 against Rancho. You saw that this afternoon. We rebuffed
16 that on our third-party expert to Professor Bea. And he
17 could not explain how he come up with those things, and he
18 would not validate anything that any of these commenters
19 said, including Ms. Gunter.

20 MS. GUNTER: That's not true.

21 MR. CONROW: So, you know, and you look in there,
22 the video, you could see when Ms. Gunter was speaking at
23 15 seconds, you saw a sign ISIS plus Rancho equals death.
24 As a result, the union that supplies and represents our
25 workforce sent letters of protest to both Congressman

1 Waxman and Congress Member Hahn at the time protesting
2 those kind of actions.

3 I think that's something else. That's not
4 frustration. You can label it as you wish, I don't label
5 it as frustration.

6 In closing, if you could put number two up on the
7 screen. We'll skip number one.

8 (Thereupon an overhead presentation was
9 presented as follows.).

10 MR. CONROW: The greater Los Angeles harbor area
11 it is a hub has lots of refineries, lots of hazardous
12 facilities in the area. We all know that. We don't
13 marginalize the dangers whatsoever. But to overstate the
14 danger and to imply things like 50 atomic becomes, that's
15 impossible. That's physically impossible. I asked
16 Professor Bea to tell us how that can happen with that
17 butane -- those butane tanks? He couldn't do it. He
18 couldn't do it, because its physically impossible. I can
19 tell you the equation to make it impossible, but it's
20 physically impossible.

21 The problem is is that Rancho is doing no more
22 than a lot of the other facilities there. We're not the
23 only facility in the area that has LPG on site, and not
24 the only one that stores LPG in refrigerated tanks and
25 pressure tanks, and not the only facility that transports

1 LPG via rail from the Port -- to and from the Port to the
2 facilities. We're not the only one that does that. And
3 we do it in less quantities than the others.

4 During the said public meeting held by Senator
5 Hall in March 2016, at approximately 1 hour and 17 minutes
6 of State's Senate archive video, Mr. Chuck Hart, President
7 of SPPHU clearly testifies that a neighboring facility
8 adjacent to Rancho has four LPG tanks, and their worst
9 case blast radius is 2.3 miles.

10 Now, wait a minute. If -- even if ours was
11 three, there's is 2.3. It's like there's a double
12 standard here. By contrast, you know, we have one. We're
13 responsible to produce one risk -- worst case scenario in
14 our risk management plan, because we only have one
15 process. Refineries, I have seen as many as 26 worst case
16 scenario in their RMPs, because they have a multiple
17 process. I can say that because I've got a lot of years
18 experience in the refining industry as well.

19 Back in 2015, there was a pretty bad explosion at
20 the ExxonMobil Torrance refinery. Chaired by Senator Ben
21 Hueso, there was an oversight committee. I challenge you
22 to look at the archived video of the hearing that shows
23 Ms. Gunter at about two hours and 54 minutes say the
24 following and I quote, "When the explosion first happened,
25 I was actually joyful for a moment, only because -- well,

1 until I made sure nobody was hurt", unquote, and then
2 continued her diatribe against Rancho at a meeting that
3 was specifically for those people in Torrance.

4 In 2012, Councilman Joe Buscaino put forth a
5 measure before the L.A. Public City Committee and Safety
6 Council to have all the hazardous facilities, including
7 Rancho, that they would have oversight, and that that
8 oversight, and particularly the Cal ERP inspections, would
9 be -- and the results of those inspections would be put on
10 line in a database through the Los Angeles Fire Department
11 CUPA. That is being done. You can look at that. You can
12 see who's in compliance and who isn't, right?

13 I think that was a good idea, right? Most people
14 thought it was a good idea.

15 However, in response, in 2012, to Councilman
16 Buscaino, Janet Gunter writes a letter dated October 2nd,
17 2012, and item number 8 on that she's urging the
18 Councilman to do, and I quote, "Limit your focus to just
19 Rancho instead of purposely trying to confuse, complicate
20 the discussion by including other facilities. This letter
21 will only delay, deflect, and obfuscate the real issue,
22 which is Rancho".

23 And I can also, in that same vid -- at 2:53 of
24 that same video, Mr. Weiss, I won't leave him out, he
25 talks about and tells the committee that butane is not

1 covered by any law. It's exempt. That's not true. It's
2 covered by EPA 40 CFR 68.130, tables 1 through 4. And
3 also, he mentioned the tanks. Well, the State Fire
4 Marshal, he has jurisdiction over those tanks.

5 Bottom line is these inexplicable actions like
6 the videos and all of this kind of stuff and putting that
7 stuff out in the public domain that's inaccurate and
8 inflammatory is really not a crusade about the dangers
9 associated with LPG or public safety.

10 However, it's an attempt by a few misguided
11 people to single out a small compliant and lawful facility
12 such as Rancho LPG for their own self-serving interest.

13 When it comes to public safety, clearly the
14 SPPHU, they're not sincere, but they are selective about
15 public safety and the dangers of LPG.

16 That being said, I want to thank you for your
17 time. I don't want to take up anymore. I will be
18 available for any questions that you would like to ask.
19 Thank you very much.

20 CHAIRPERSON NEWSOM: Thank you.

21 And back to San Pedro, any other public comment?
22 Anybody else filled out -- I think we may have a few more.

23 CHAIRPERSON NEWSOM: Sorry, sir if we -- there
24 you go.

25 Hold on one second, sir. Sorry to interrupt.

1 Just want to make sure we can hear you on the other side.

2 (Videoconference had technical issues.)

3 MR. ROSENWALD: ...Janet Gunter, members of the
4 Holy Trinity Church in San Pedro, their peace and justice
5 committee. Our goal is to attempt to bring light and
6 attention to the dangerous situation posed to the
7 neighborhood and environs around Rancho LPG Holdings, LLC
8 located at 2110... Target store is located about four
9 blocks down from Rancho.

10 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO: Sir,
11 I think the San Diego location would like you to start
12 over again.

13 CHAIRPERSON NEWSOM: Just one sec. We'll get it
14 fixed.

15 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO: I
16 don't think that they can hear you.

17 Do we -- I think we're having an issue.

18 Hold on one moment while we try to fix it.

19 CHAIRPERSON NEWSOM: How is that? Say anything,
20 and see if we can hear you.

21 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:

22 Hello?

23 CHAIRPERSON NEWSOM: There you go. Sir, I think
24 we're ready for you.

25 I apologize for that.

1 Please begin.

2 Can you guys hear us?

3 Anybody on the other side hear us?

4 Wave your arms.

5 (Laughter.)

6 CHAIRPERSON NEWSOM: Can you hear us now? How
7 does that sound?

8 If you can hear us, we can hear you, which means
9 you can start.

10 I think we can hear you fine. If you guys can
11 hear us, we're ready to go.

12 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:

13 Testing. Try this one more time.

14 CHAIRPERSON NEWSOM: Perfect. We can hear you.

15 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO: Our
16 last speaker is Peter Rosenwald.

17 CHAIRPERSON NEWSOM: Thank you, Peter.

18 MR. ROSENWALD: Honorable Chair and members of
19 the Commission, assembled citizens, industry
20 representatives, please let me introduce myself. I'm
21 Peter Joseph Rosenwald, and I'm a member of the South
22 Coast Interfaith Council, Justice and Peace Committee
23 based in Long Beach.

24 Over two years ago, we teamed up with Connie
25 Rutter and Janet Schaaf-Gunter, members of the Holy

1 Trinity Church in San Pedro, Peace and Justice Committee.
2 Our goal was to attempt to bring light and attention to
3 the dangerous situation posed to the neighborhood and
4 environs around Rancho LPG Holdings, LLC. located at 2110
5 North Gaffey Street in San Pedro.

6 I'm an individual stockholder in the Target
7 corporation. This is of significance because Target has a
8 store at 1701 North Gaffey Street just about four blocks
9 away from Rancho. I personally attempted to notify Target
10 of the fact that its store could be endangered by a
11 devastating accident at the Rancho facility. I made my
12 statements at the January 8th, 2016 annual stockholder
13 meeting in Costa Mesa.

14 Also, there is a resolution from the Los Angeles
15 Unified School District dated January 12th, 2016, which
16 requested a relocation of the facility. It was
17 unanimously passed as a consent vote. I'm concerned about
18 the safety afforded the public, including the Target
19 store, and schools just, in general, to citizens, because
20 of the dangers inherent in the operation and storage and
21 movement of this liquefied petroleum gas by the company.

22 The facility, Rancho, the company, has a website
23 www.rancholpg.com which has different sections to it.
24 There is a question and answer section. And one of the
25 questions that is asked and answered is what do other

1 agencies think of Rancho?

2 And the answer is in 2011, 14 audits of the
3 facility were conducted, including a surprise multi-agency
4 audit in May of 2014 -- in May of 2011. Rancho has
5 consistently shown -- this is a quote, "Shown to be in
6 compliance with its safety record". How can this be?

7 And on July 24th, 2014, a story in the Los
8 Angeles Times by Dan Weikel, a reporter, titled, San Pedro
9 Butane Storage Company agrees to pay \$265,000 fine to the
10 Environmental Protect -- EPA.

11 How can this be that they claim that they've
12 always been in compliance? Their public statement is much
13 different from what -- just -- this is one example.

14 Also, at the top of their questions and answer
15 section, Rancho is committed to maintaining safe
16 operations. We meet regularly with elected officials,
17 regulatory agencies, and neighbored and community leaders
18 to share information about the facility and help provide
19 accurate information on our operations.

20 Well, I went to the Target store in 2016, spoke
21 with the team leader of the store, and Janet Gunter had
22 gone to both Target and Home Depot in 2014. They never
23 heard anything. They didn't really even know that the
24 management -- the local management of the stores didn't
25 really know that any -- there was any problem or any

1 situation like this existed.

2 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:

3 Please conclude, sir.

4 MR. ROSENWALD: I shall.

5 Here are Rancho's -- some of Rancho's problems,
6 including but not limited to: Located in an earthquake
7 risk zone; fault rupture area; in an area subject to
8 ground movement liquefaction; in a dangerous condition of
9 a mix of butane rail transport tankers crossing a major
10 drayage and materials handling business on Westmont and
11 North Gaffey Street.

12 A picture of a butane tanker colliding with a
13 semi-truck was shown earlier in a presentation by someone
14 else. Being subject in its origin and operations to the
15 influence of political favoritism, that was also
16 mentioned. And that's much higher -- harder to prove
17 though.

18 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO: Sir,
19 you're time is up. Please conclude.

20 MR. ROSENWALD: Thank you. Thank you for your
21 attention to this, and the opportunity for me to speak
22 about the problems, the veracity of Rancho LPG Holdings,
23 LLP.

24 PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:

25 Thank you.

1 (Applause.)

2 CHAIRPERSON NEWSOM: Great. Fabulous.

3 So anybody here? Just final, final call on
4 public comment?

5 Seeing none. We'll close public comment on this
6 information item. Thank you all very much for your
7 patience. Thank you all for your perspective and insight.
8 I know there are a lot of questions from the Commission,
9 and I'm grateful that we have our staff assembled and
10 prepared to answer as many as they possibly can. But I
11 know in particular, Commissioner Yee, you have very strong
12 opinions, and I'm very grateful for your leadership on
13 this, and your willingness to bring this back to the
14 Commission and engage in this public dialogue.

15 COMMISSIONER YEE: Thank you, Mr. Chairman. And
16 thank you to all the speakers who spent time coming before
17 the Commission today here and in San Pedro. A couple
18 thoughts. One is, you know, thank you for -- Mr.
19 Chairman, for agreeing to agendaize this item. We've had a
20 lot of conversations I think each on our own with
21 different members of the community that really, as a
22 Commission, I thought it was important for us to hear
23 these concerns collectively as Commissioners, but also to
24 better understand some of the jurisdictional issues,
25 because, you know, I find this whole matter pretty

1 appalling that it has gone on for so long where community
2 concerns have not been addressed.

3 I can't even begin to tell you how to go about
4 validating some of these concerns. There seems to be some
5 disagreements among some of the parties about whether --
6 how serious these concerns are. But, to me, this is not
7 going to add any comfort to the conversation, but I think
8 it might point us in some directions where we might be
9 able to get some answers.

10 First, squarely, this Commission does not have
11 jurisdiction over the facility, and certainly the property
12 on which the facility is located. That is fact, and it is
13 on property that was acquired by the Port itself, and --
14 but having said that, it is of concern to us obviously,
15 the potential safety risks that the community is
16 experiencing or could experience.

17 And so I guess my question first is back to the
18 Port officials who are here. Obviously, the Surface
19 Transportation Board has asserted exclusive authority over
20 the rail spur that's in question here. However, the
21 police powers that are still retained locally by the local
22 agency, I guess I'm trying to just get a handle on how the
23 city and how the Port continues to look at that authority
24 of exercising its police powers over public health and
25 safety.

1 Because that, to me, is kind of the crux of the
2 issue. And I'm a little startled that -- and would like
3 to know kind of the process that was pursued in terms of
4 the decision to cite additional housing development in the
5 area.

6 So, I mean, all those questions to me kind of
7 point to maybe some more diligence locally, but more
8 importantly, diligence that's done in a very public way
9 and a very transparent way, and also in a way that
10 involves the affected communities.

11 So I don't know if that answers any of the
12 concerns particularly straight on, but I do have to say
13 that first and foremost, this particular facility,
14 although it's not within the Commission's jurisdiction, I
15 mean, I certainly, as one Commissioner, do feel like we
16 can't just turn our back to what's happening with respect
17 to the communities that are affected by the facility here.

18 But I think the first thing I would really like
19 to see is some process for how we can get the community
20 and the Port and the -- and Rancho together on the same
21 page with respect to what's really going on. And I know
22 you've been waiting for decades for that to happen, but
23 frankly, I think there's been enough outcry. And I would
24 hope that our local officials with the city, as well as
25 with the Port, would really take this a little bit more

1 seriously with respect to coming together and really
2 having some serious dialogue with members of the
3 community.

4 You know, safety issues, perceived or real,
5 become really not the best thing to really predicate
6 decisions upon, until we really get a handle on what's
7 going on. And, you know, I'm in the business of
8 transparency as Controller, and I really would like to see
9 more of that happen locally.

10 CHAIRPERSON NEWSOM: Appreciate that. Just,
11 Jennifer -- Ms. Lucchesi, so there were a number of -- Ms.
12 Gunter and others, specifically laid out some of their
13 asks of this body, in terms of requests of the Attorney
14 General's office, and specifically opening up quote
15 unquote agreements and some other specific examples that
16 were presented, not only in slide form but in testimony.

17 The issue of jurisdiction, you know, is obviously
18 is a profoundly significant point though. Let's be
19 honest, we lean into a lot of things. And, you know,
20 that's why I'm, you know, we're an activist Commission of
21 sorts.

22 That said, what is your assessment of what the
23 legitimately we can do. You've expressed concerns as we
24 all have around this issue. And I know you've given it a
25 great deal of thought and you've had a chance to listen to

1 the testimony. And where do you think we should go next
2 with this?

3 EXECUTIVE OFFICER LUCCHESI: Right, well, first,
4 I just want to say that the risks are real, and the
5 concerns are real and sincere. And I want to express that
6 from a staff's perspective, we understand that, and we
7 feel that in our communications with the communities.

8 That doesn't always come across and as reflected
9 in our staff reports, because we do have to take, when we
10 draft those staff reports, to provide information to the
11 Commissioners and to the public, and a lot of times that
12 takes a bureaucratic and -- format. So the fact that
13 staff isn't able to reflect that we really hear the
14 community here, and understand that their concerns are
15 real and sincere I know doesn't across as well in our
16 written form. So I just wanted to emphasize that.

17 What I'm about to say about jurisdiction is not a
18 popular subject, and -- but we -- that's the space that
19 Commission staff lives in when we look at issues that are
20 brought to us is as an agency, as an institution that was
21 created by the State legislature what authorities did the
22 State legislature give to the Commission in managing the
23 State's lands and resources, and in this particular case,
24 overseeing legislative grants to local municipalities.

25 As many people know, there's over 80 grants of

1 tide and submerged lands to various local municipalities
2 throughout the State. Those grants differ greatly among
3 the local jurisdictions. The grants that involve the
4 legislature granting lands and the resources to our major
5 ports in California, including Long Beach and Los Angeles,
6 Oakland, those grants were made in the early 1900s, and
7 have been amended a number of times. But essentially, the
8 legislature granted these lands and the resources in full
9 fee to the ports to manage on behalf of the Commission --
10 or excuse me, on behalf of the State, and did not reserve
11 a whole lot of authority back to the State -- the State
12 Lands Commission in making those grants.

13 In this particular instance, there are some bits
14 and pieces of the overall facility transportation element
15 that weave in and out of the Port, and that revolves
16 around the rail lines, as well as some of pipelines.

17 We have looked very deeply into what the State
18 Lands Commission's direct jurisdiction as it relates to
19 those facilities, in the context of the legislative grant,
20 in the context of what the legislature has -- what powers
21 the legislature has given the Commission.

22 It's extremely limited. The Commission does not
23 have the authority to overturn or terminate a lease, or a
24 permit, or an agreement that the Port of Los Angeles has
25 entered into. The Commission does not have an appeal

1 power, similar to other regulatory agencies, where the
2 Commission can come in and review a decision by the Port
3 and somehow negate it or overrule it.

4 We have looked into the various permits that the
5 Port has issued to both Rancho and the Pacific Harbor
6 Line. We've also looked into the various pipelines that
7 service this facility that cross over the Port's property.
8 We are not seeing violations of the statutory trust grant
9 that the -- from these permits. There has been some
10 questions about whether there is lands that the Port owns
11 that the rail line utilizes that the Port actually doesn't
12 lease or permit in any way. We have looked at assessor
13 parcel's maps. We've looked into preliminarily some of
14 the ownership issues there. We don't find that the Port
15 actually owns those lands.

16 It's -- for one of the specific parcels that the
17 Port -- that was brought up, it's actually owned by a
18 private entity called Port L.A. distribution center, so I
19 can understand some of the confusion. But based on our
20 research, we're not seeing that -- some of the facial
21 violations of the Port's grant through these permits.

22 So with that said, when you asked what can we do
23 as a Commission, we can reach out to the city. I think
24 we've heard a lot about the city's involvement and some of
25 the decisions that are made or have not been made when it

1 relates to this facility and the impacts it may have to
2 the community. We can also reach out to the California
3 Attorney General's office to ask them their opinions on
4 some of the legality as it relates to our jurisdiction in
5 this area.

6 But in terms of taking specific steps to overturn
7 what the Port of Los Angeles has decided, we just don't
8 have the authority to do that.

9 CHAIRPERSON NEWSOM: Very good.

10 Well -- no, I appreciate your preamble that
11 people are not necessarily going to like your response.

12 EXECUTIVE OFFICER LUCCHESI: Right.

13 CHAIRPERSON NEWSOM: So, look, with that in mind,
14 you know, you did -- there's an opening in what you've
15 suggested that we can lean in, at least get some
16 clarification from the Attorney General's office. You
17 seemingly, by the nature of your comments, are suggesting
18 that's not only a possibility, but a willingness, if
19 indeed encouraged and/or directed, but we're more
20 collaborative than that -- encouraged, and a willingness,
21 to the extent that you care about your State, not just
22 your current role as a fiduciary of the State Lands, to
23 the extent we can engage with the city and continue the
24 dialogue, and see how we can be helpful and resourceful,
25 that you're open and willing to do that as well. Is that

1 what I've heard?

2 EXECUTIVE OFFICER LUCCHESI: Yes, I serve at the
3 will of the Commission, so of course, I'm willing to do
4 that.

5 (Laughter.)

6 CHAIRPERSON NEWSOM: The elected official on that
7 side of the aisle.

8 (Laughter.)

9 CHAIRPERSON NEWSOM: Yeah, I mean, look, this is
10 tough stuff. We've been -- you know, as you suggested,
11 we've been at this since 2014, at least as a Commission
12 more formally with a number of hearings. You know, I've
13 read. There's been a lot of correspondence with my office
14 and others. A lot of it -- you know, it generates a
15 little heat, not a lot of light, but a little heat,
16 because I get the frustration. And, you know, there's 16
17 plus jurisdictions out there that have, I would argue, a
18 little more oversight legitimate, many of them
19 substantively more oversight than the State Lands. So I
20 appreciate the willingness to engage us and I applaud
21 that.

22 But one should not overpromise. This is not an
23 agency that it's immune from making big, tough, bold
24 decisions. This is an agency that organized the closure
25 of the last remaining nuclear plant in California. We

1 just announced today the last sand mining plant of its
2 type in all of North America. We also, as you may have
3 heard, been involved in the closure of some large offshore
4 oil platforms. These are all without precedent at some
5 time in this State. And this Commission's current body
6 has been substantively involved in those things. So we're
7 not timid is my point. And so I take responsibility
8 absolutely and this issue very seriously.

9 And to the extent we can lean in and use our
10 moral authority, if not our formal authority, to
11 effectuate some closure here in the context of concern,
12 and/or alternate remediation, as it relates to the actual
13 facility, then I'm willing to lean into that.

14 And so to the extent that we could more formally
15 request some clarification on our specific jurisdictional
16 roles and responsibility, I think that could be helpful.
17 And why not, let's get that information.

18 It sounds like you have done justice, and I'm
19 going to trust that we have, to reviewing, as you have
20 suggested, these other issues as it relates to violations
21 or other jurisdictional opportunities we can to look under
22 the hood as it relates to the rail lines and the like.

23 You know, I don't know, Commissioner, where you
24 think we can go from there beyond this, but I'm -- you
25 know, I'm all ears, and I'm willing to work with you and

1 collaboratively to do so.

2 COMMISSIONER YEE: No. Thank you. And I think
3 getting the clarification from the Attorney General is
4 certainly something we can do and could be helpful at the
5 State level. I still am very focused on what can happen
6 locally, because frankly, I think part of how we got to
7 this point was really not having a process that brought
8 people together, brought parties together, that really
9 looked pretty comprehensively at a risk analysis that
10 included a high degree of transparency that involved all
11 stakeholders.

12 And, you know, this Commission -- I think this
13 current composition of the Commission is very stakeholder
14 driven. And I'd like to encourage the local officials at
15 the Port and at the city to elevate this to where perhaps
16 the next step could be thinking about what a risk analysis
17 could look like that could be, you know, just
18 comprehensive, public, and really involved all the
19 stakeholders.

20 Obviously, we can't direct that, but it's
21 something that I think could really help really quell a
22 lot of the -- well, actually would get us some good
23 information for one, and two, really begin to get
24 our -- get everyone's arms around, you know, just how
25 serious these risks are and how to prioritize them in

1 terms of how those risks get addressed.

2 So, I mean, I -- I mean, this has been in place
3 for decades. And because of the exemptions that were
4 grandfathered in, there was never an opportunity to have
5 that happen. And to say now that you have regulatory
6 agencies coming in, and there are no serious, you know,
7 violations, I mean, it's kind of what are we measuring
8 that against? And so I do think a risk analysis for us to
9 encourage that might be appropriate.

10 CHAIRPERSON NEWSOM: Hear, hear.

11 Well, I agree with that. And, you know, it
12 was -- it was pointed out, and I appreciated it, that, you
13 know, you and I, in particular, wearing different hats,
14 not just members of this Commission and body, and we have
15 a greater responsibility of sorts, on behalf of the rest
16 of the State to encourage and perhaps flex a little muscle
17 there. So I think that's -- you know, speaking
18 individually not as a member of the State Lands
19 Commission, I think that's certainly within our
20 jurisdiction and that's a broader mandate.

21 And so I think in the spirit of your comments I
22 take them accordingly and look forward to working
23 collaboratively with you in that stead.

24 And so, you know, that's -- look, I don't know
25 what more we can say at this stage. I appreciate again

1 everybody taking the time, particularly through all the
2 technical difficulties. And, you know, I appreciate all
3 the emotion. And this is -- these are tough issues.
4 These are life and death. I hear that. I mean, this --
5 you know -- and folks living in and around this area, you
6 know, we get it. I get it loud and clearly.

7 And so let's see what more we can do, and we'll
8 step that up. And I think this has been very
9 constructive. And hopefully, we'll get a response from
10 the Attorney General's office and make that public very
11 soon. And we'll continue to pursue whatever remedy we can
12 to address some of these legitimate concerns.

13 COMMISSIONER YEE: Can I add one more thing, Mr.
14 Chairman?

15 Just I appreciate the diverse array of folks who
16 actually provided public testimony today. I really
17 appreciate people taking their time. I do want to say,
18 and this has been a big focus of this Commission, that I
19 hope that whatever we do going forward, has a very vital
20 and critical environmental justice component to it.

21 Obviously, many of you have been involved in this
22 issue for a long time, but we also know that there are
23 emerging communities that probably are feeling even
24 greater impacts or feel like they're more at risk that
25 should be at the table as well.

1 So just to reiterate that I'd like to see, you
2 know, that aspect of it addressed in terms of any analysis
3 or process going forward.

4 CHAIRPERSON NEWSOM: Appreciate that,
5 particularly in light of the fact it's one of our agenda
6 items, the broader issue of environmental justice.

7 So, amen.

8 All right. Well, with that, this was an
9 informational item, so there is no action at this moment
10 by the Commission, but there has been a direction and
11 grateful for the conversation, dialogue, and public input.

12 We'll move now back, or around, or sideways,
13 where -- I don't even remember where we are. Item
14 number -- is it 83 --

15 EXECUTIVE OFFICER LUCCHESI: Yes.

16 CHAIRPERSON NEWSOM: -- that we're on?

17 Very good. And that's another informational
18 presentation or report, the Public Trust Doctrine.

19 EXECUTIVE OFFICER LUCCHESI: Yes. I'm very
20 pleased to introduce you to Mr. Don Gourlie. He's with
21 the Center for Ocean Solutions out of Stanford. And he
22 led a working group of experts to put together a
23 comprehensive guide on the laws that inform the State's
24 Public Trust responsibilities, especially in light of sea
25 level rise. And I think at that point, I'll just -- at

1 this point, I'll just turn it right over to Don.

2 Thank you.

3 CHAIRPERSON NEWSOM: Thanks, Don.

4 (Thereupon an overhead presentation was
5 presented as follows.)

6 MR. GOURLIE: Wonderful. Thank you for that
7 introduction. Good afternoon. Chair Newsom,
8 Commissioners, agency staff and members of the public.
9 Thank you for the opportunity to be here today to present
10 to you on, as Mr. Lucchesi mentioned, the Public Trust
11 Doctrine, and its role in the State's sea level rise
12 adaptation planning efforts.

13 Not only am I here on behalf of the Center for
14 Ocean Solutions, I'm here on behalf of a working group
15 that we hosted at the Center for Ocean Solutions that
16 included some of the most experienced and knowledgeable
17 minds in the State on Public Trust issues and coastal land
18 use. And I will introduce them more fully in a moment.

19 --o0o--

20 MR. GOURLIE: So I'll start out today by
21 providing you with some project background before diving
22 into our key findings. And I will -- given the time of
23 day, I will try to be brief and as focused on the most
24 important findings as possible.

25 --o0o--

1 MR. GOURLIE: Several years ago, leadership at
2 the Ocean Protection Council requested that Meg Caldwell
3 and I undertake some preliminary research on the evolution
4 of California's Public Trust Doctrine as it applies to
5 tidelands and submerged lands on California's coast.

6 This was undertaken on behalf of the Coastal
7 Leadership Group, a group that's convened by the Ocean
8 Protection Council and includes leaders from several of
9 the relevant State agencies, including the State Lands
10 Commission, Coastal Commission, Coastal Conservancy, Parks
11 Department, and the Bay Conservation and Development
12 Commission.

13 We presented our findings in early 2015, and had
14 a great discussion with those agency leaders. And several
15 questions arose around how the Public Trust Doctrine
16 should be applied in the future to the emerging challenges
17 of sea level rise adaptation in the State. In brief,
18 these questions related to when, where, and how property
19 boundaries are likely to change, the specific roles of
20 different government agencies and entities at the local
21 and State level in sea level rise adaptation planning, and
22 how prospective or proactive the Public Trust Doctrine
23 allows or requires us to be when considering an emerging
24 threat like sea level rise.

25 --o0o--

1 MR. GOURLIE: Rather than undertake to answer
2 these questions on our own, we at the Center for Ocean
3 Solutions chose to assemble a group of some of the most
4 experiences and knowledgeable folks in this State on
5 Public Trust issues and coastal land use.

6 The group included former agency leaders of the
7 State Lands Commission, Coastal Commission, Department Of
8 justice, and Bay Conservation and Development Commission,
9 as well as representatives of local governments and a few
10 academic minds as well.

11 --o0o--

12 MR. GOURLIE: Over the last year, we've had
13 several conversations in person, via phone, over email.
14 And the group has been really wonderful to work with. We
15 set out initially to create a consensus interpretation or
16 a shared interpretation of how the Public Trust Doctrine
17 should be applied in the future to the State's adaptation
18 efforts for sea level rise. As a result, this -- the
19 document was reviewed and revised many, many times, 936
20 times, and it's extremely vetted at this point.

21 --o0o--

22 (Laughter.)

23 MR. GOURLIE: We're all extremely pleased with
24 the result. This document is a brief, concise
25 interpretation of the Public Trust as it applies to sea

1 level rise adaptation. And I believe all of you have
2 received copies of this.

3 --o0o--

4 MR. GOURLIE: So diving into some of the group's
5 finding, we started out by defining the challenge
6 statewide. And it really gets to the dynamic nature of
7 coastlines around the world, but California's in
8 particular, our unique climate, and weather patterns,
9 normal geological processes like erosion and accretion of
10 the shoreline, coastal erosion, bluff failure, other
11 geological processes like regional subsidence and uplift
12 were all things that we discussed.

13 --o0o--

14 MR. GOURLIE: And then on top that, this concern
15 of rising sea levels, and, in particular, the
16 uncertainty -- the certainty that we are experiencing
17 rising sea levels, but the uncertainty in terms of how
18 much exactly sea levels will rise and where and when is
19 something that we focused on quite a bit.

20 --o0o--

21 MR. GOURLIE: So just to be brief, I know that
22 you guys deal with the Public Trust Doctrine extensively
23 and are familiar with the high level requirements. The
24 group outlined the high level requirement of the Public
25 Trust Doctrine as requiring California to protect the

1 public's interest in tidelands and submerged lands,
2 including their use for navigation, commerce, fishing,
3 public access, recreation, and conservation.

4 And diving a little bit deeper, in order to
5 protect the public's interest, the State is required to
6 consider the effects of decisions, and activities, and
7 uses on public trust resources, and to protect them from
8 adverse effects.

9 And the group also noted that certain uses like
10 residential -- private residential uses and non-water
11 dependent or non-maritime commerce are not generally
12 considered Public Trust uses.

13 --o0o--

14 MR. GOURLIE: The group also discussed how this
15 applies to different State agencies and different groups
16 in the State. It clearly applies to the Governor's
17 office, our State legislature, and our State courts, but
18 it also applies to several executive agencies and local
19 governments to the extent that our system of government
20 has delegated authority over Public Trust resources and
21 uses to these variety of entities.

22 And I'll focus today on the role of the State
23 Lands Commission in protecting Public Trust interests.

24 --o0o--

25 MR. GOURLIE: So the group discussed two larger

1 scale foreseeable challenges that the State Lands
2 Commission will likely face related to sea level rise.
3 The first is how sea level rise will affect existing uses
4 and leases on tidelands that are either overseen by the
5 State Lands Commission or that have been granted to local
6 trustees, such as ports or cities.

7 --o0o--

8 MR. GOURLIE: The second foreseeable challenge,
9 which is perhaps more complex and more politically
10 challenging and is what I'll focus on a little bit more
11 today is non-public trust uses that are currently on
12 uplands along California's open coast, but due to sea
13 level rise are likely to become on Public Trust Lands in
14 the future.

15 --o0o--

16 MR. GOURLIE: So getting at these issues really
17 requires us first to understand how jurisdictional
18 boundaries are delineated in the State. In California,
19 the separation between -- the boundary between tidelands,
20 Public Trust tidelands and uplands is the ordinary high
21 water mark, a phrase that has a significant amount of
22 legal meaning, but not much scientific and technical
23 meaning.

24 The courts in California have equated the
25 ordinary high water mark to the mean high tide line, which

1 is a term that has significant scientific and technical
2 meaning. The mean high tide line is located by averaging
3 the average elevation of high tides over the course of
4 18.6 years, and surveying where that average elevation
5 rests on the shore line as it exists at any given time.
6 There's a few important things to note about this boundary
7 line.

8 --o0o--

9 MR. GOURLIE: The first is it's always been a
10 challenge to locate this with any precision. There's a
11 lack of local data in many parts of the State. And
12 because the coastline is changing over the course of
13 seconds, minutes, days, it's really hard to identify a
14 defined line in the sand that we can identify as the mean
15 high tide line.

16 --o0o--

17 MR. GOURLIE: Another important thing to note is
18 that this is an ambulatory boundary. To the extent that
19 there is erosion or accretion of the shore line over
20 different time scales, the surveyed location of the mean
21 high tide line will also change.

22 The mean high tide line, while it is an 18.6
23 career average, also periodically is recalculated. I
24 believe it's due to be recalculated, the average
25 elevation, in 2022. And at that point, the mean sea level

1 trends for tide gauges in California indicate that that
2 mean elevation will increase by a few inches when it is
3 recalculated. And as a result, the surveyed location of
4 that elevation on the shore line is also expected to
5 change. This diagram before you is a theoretical
6 representation of that.

7 --o0o--

8 MR. GOURLIE: And this chart is a empirical
9 representation of that. This is a number of mean high
10 tide line surveys conducted by the U.S. Geological Survey
11 and the State agencies over the course of decades at a
12 particular point in La Jolla. And this just demonstrates
13 how the extreme lateral movement of the mean high tide
14 line survey over the course of time.

15 The group -- the working group noted that as a
16 result, making decisions about -- long-term planning
17 decisions about where it's appropriate to put permanent
18 structures or other uses may be inappropriate based on a
19 single surveyed location because of this ambulatory nature
20 of the boundary.

21 --o0o--

22 MR. GOURLIE: The working group also noted that
23 while there hasn't been a specific case on point in
24 California designating whether a permanent structure can
25 halt movement of the ambulatory boundary that there are

1 several underlying principles of property law in
2 California, as well as decisions in other jurisdictions
3 that indicate that the placement of a physical structure
4 does not itself fix the ambulatory boundary, and that the
5 boundary should be determined as it would exist in the
6 absence of the physical structure.

7 --o0o--

8 MR. GOURLIE: So just to sort of bring us back to
9 some high level recommendations of the working group
10 around the mean high tide line and its use for boundary
11 determinations, the group noted that this standard has
12 never been perfect for -- especially for boundary
13 determinations on the open coast. It remains a challenge
14 to this day, and we are experiencing changing
15 circumstances, not only sea level rise, but increasing
16 technology and scientific understanding of how boundaries
17 change over time.

18 And as a result, the working group suggests that
19 there be some discussion in the State between the State
20 Lands Commission, the legislature, and the federal
21 government who is actually tasked with calculating the
22 mean high tide elevations to come up with some ideas about
23 ways to innovate this -- the way we conduct boundary
24 determinations to more adequately or accurately reflect
25 the concerns around sea level rise.

1 --o0o--

2 MR. GOURLIE: So getting into what this means for
3 sea level rise adaptation planning in the State. The
4 group really wanted to think about how we can advance
5 consistent policies in the coastal zone to address sea
6 level rise.

7 --o0o--

8 MR. GOURLIE: Unfortunately, as I mentioned,
9 there are many activities that are ongoing that are
10 currently on private uplands, that may become State
11 tidelands in the future, but that State Lands Commission
12 doesn't have any regulatory or decision-making control
13 over right now. And so the State Lands Commission really
14 needs to work with the other government entities that do
15 have this planning and decision-making authority over
16 these activities on these lands, including counties and
17 cities with local coastal plans, and ports with port
18 master plans, and the need to assert public interests, and
19 this concern around sea level rise in these policy-making
20 and long-term planning documents.

21 --o0o--

22 MR. GOURLIE: And given that there's this need
23 for the agencies to work together, the working group was
24 very explicit that coordination among decision makers is
25 essential, and that the State Lands Commission has a

1 really significant role to play in helping local
2 governments and the Coastal Commission and other agencies
3 understand how property boundaries are likely to change
4 and the Public Trust responsibilities around that.

5 --o0o--

6 MR. GOURLIE: In addition to this long-term
7 planning, there's a concern around what to do about
8 existing structures that might be presently affecting
9 Public Trust Lands. The working group noted that where
10 the mean high tide line moves such that structures are now
11 located on tidelands, that the Commission will have
12 jurisdiction over those structures, and that the
13 Commission may charge rent or require the removal of those
14 structures, and has an ongoing duty to consider their
15 consistency with the Public Trust.

16 --o0o--

17 MR. GOURLIE: This ongoing duty to consider with
18 the Public Trust decision make -- the working group noted
19 that the decision makers must consider the immediate and
20 foreseeable potential effects of their actions and
21 decisions on Public Trust resources and uses, and
22 communicate their findings to the public.

23 I think this is similar in a lot of ways to
24 what's already required by, for example, environmental
25 assessments under the California Environmental Quality

1 Act. Yet, the requirement to consider Public Trust
2 resources explicitly to know where -- where the -- what
3 the Public Trust resources are in an area and how they're
4 likely to be affected is really essential.

5 --o0o--

6 MR. GOURLIE: And then based on that
7 consideration, the Coastal Commission will have -- or
8 sorry, the State Lands Commission will have the obligation
9 to make decisions around these existing structures that
10 might come to light on tidelands in the future. And while
11 the Commission has broad discretion to lease those lands
12 out and require a number of other conditions, the working
13 group noted that the State Lands Commission may not
14 undertake or authorize uses of Public Trust Lands, if the
15 State Lands Commission finds that those uses would
16 substantially impair or be otherwise inconsistent with
17 Public Trust needs in those lands.

18 --o0o--

19 MR. GOURLIE: So just to provide a quick recap
20 with some punchy words that I hope are easy for everyone
21 to remember. The five things that the working group noted
22 were really essential for the State Lands Commission is
23 first to locate these jurisdictional boundaries where they
24 have been, where they are today, where they're likely to
25 be in the future.

1 strategic planning process about how we're all going to
2 coordinate in terms of addressing, you know, sea level
3 rise issues.

4 And so I'm just wondering, Jennifer, if we could
5 use this to maybe think about a recommendation for how we
6 can coordinate with all of the ports. They all have
7 unique needs, but at the same time, I think the
8 coordination could be very important.

9 EXECUTIVE OFFICER LUCCHESI: Right.

10 CHAIRPERSON NEWSOM: Appreciate it.

11 And just, can we go back to that slide where you
12 showed all those squiggly lines.

13 (Laughter.)

14 CHAIRPERSON NEWSOM: It's a very technical term.

15 (Laughter.)

16 EXECUTIVE OFFICER LUCCHESI: We use it often.

17 (Laughter.)

18 CHAIRPERSON NEWSOM: Yeah. With all that mean
19 high tide, with all those dates going back. I think you
20 had something like in 2000 -- there was like a half a
21 dozen dates there, or a dozen dates. Like five slides
22 back or six.

23 Right there. So just -- just so I understand, so
24 these were the mean high tide marked on those specific
25 dates?

1 MR. GOURLIE: Yes, the mean -- the surveyed
2 location of the mean high tide line.

3 CHAIRPERSON NEWSOM: And just because I -- yeah,
4 I have a hard time reading, there's one that's 1899, is
5 that correct, January --

6 MR. GOURLIE: Yes.

7 CHAIRPERSON NEWSOM: -- of 1899.

8 Where is that relative to the others?

9 MR. GOURLIE: I believe that it's somewhere -- I
10 can't see it very clearly either. I believe that it's
11 somewhere in the middle. Somewhere in the middle.

12 CHAIRPERSON NEWSOM: So right in there. It
13 just -- what's interesting, I mean, from a sea level rise
14 perspective, you would expect that would be far on the
15 left side, right, of this photo?

16 MR. GOURLIE: Yeah, and I think that underscores
17 that the -- a seasonal erosion and accretion of the shore
18 line can have a more significant effect on the location of
19 the boundary than on the mean sea level.

20 CHAIRPERSON NEWSOM: So therein lies the question
21 -- the answer to the question I didn't even offer. So
22 that's good. You've anticipated it. Interesting.

23 So what I mean from -- so, I mean, this --
24 this -- of all this chart shows the complexity of this
25 work, doesn't it?

1 MR. GOURLIE: Yeah, and I -- I'd also like to
2 note that I think erosion can be significantly affected by
3 sea level rise as well. It's another -- expected to be
4 another effect of sea level rise and climate change.

5 CHAIRPERSON NEWSOM: Wasn't there -- the Ocean
6 Protection came out with something, for every inch of sea
7 level rise, it's seven feet or so of erosion, or was that
8 -- am I making that up?

9 MR. GOURLIE: I think on a very low relief sandy
10 beach, that's possible.

11 CHAIRPERSON NEWSOM: On a low relief sandy beach.

12 MR. GOURLIE: Where we have, you know, steep
13 cliffs and bluffs on the -- California's coast, you
14 wouldn't have that kind of lateral movement. But on low
15 relief beaches, yes.

16 CHAIRPERSON NEWSOM: Yeah. No, that's
17 interesting. Well done. No, I appreciate -- I appreciate
18 the work, and thank you for the presentation. And I think
19 there's some -- one public --

20 MR. GOURLIE: And if I can just add, sorry.

21 CHAIRPERSON NEWSOM: Oh, please, yeah. No.

22 MR. GOURLIE: I just wanted to address your note,
23 Commissioner Yee, that -- that I meant to mention in my
24 presentation that the State Lands Commission and the
25 Coastal Commission have secured a grant to work together

1 and figure out how to -- what the Commission and -- what
2 the two commissions can do about this issue. And I think
3 that the working group is really excited about that, and
4 hope that our work can help with that engagement.

5 COMMISSIONER YEE: Thank you.

6 CHAIRPERSON NEWSOM: Appreciate it. Well done.

7 MR. GOURLIE: Thank you.

8 CHAIRPERSON NEWSOM: Is there -- I, mean there --
9 is it -- oh, yeah. Job from the Port. It's your place.
10 You can just grab -- you know how to -- you know how
11 everything works here.

12 MR. GIBBONS: Well, it looks a little different
13 actually.

14 (Laughter.)

15 MR. GIBBONS: I think we have -- and these guys
16 usually aren't sitting here. I think we have a
17 presentation.

18 CHAIRPERSON NEWSOM: Oh, you do. All right.

19 MR. GIBBONS: A short presentation.

20 Yeah, my name is Phil Gibbons. I'm -- I work
21 here at the Port of San Diego. I'm a Program Manager on
22 energy team. And what that means is that I'm one of the
23 staff people here that's involved in climate planning,
24 including adaptation planning. So we knew this was going
25 to be a topic today. We thought it would be a good idea

1 to talk about adaptation from a port's perspective.

2 (Thereupon an overhead presentation was
3 presented as follows.)

4 MR. GIBBONS: So I'm glad to hear that some staff
5 people from the State Lands Commission had a chance to
6 take the infamous harbor police tour of our bay, so you
7 get to see the actual uses and mission that we have here
8 at the port. Of course, our mission is to protect the
9 Tideland's Trust resources by providing economic vitality
10 and community benefit through a balanced approach to
11 maritime industry, tourism, water and land recreation,
12 environmental stewardship, and public safety.

13 --o0o--

14 MR. GIBBONS: This is a timely discussion for us,
15 because we are going to be celebrating the 10-year
16 anniversary of our Green Port Program next month.

17 --o0o--

18 MR. GIBBONS: The goal of the Green Port Program
19 is to achieve environmental, social, and economic benefit
20 across six key resource areas. This is an internally
21 focused program that started 10 years ago with the goal of
22 emissions, preventing pollution, and decreasing our waste.
23 This program really laid the foundation to adopt our
24 Climate Action Plan, which our Board adopted in 2013, our
25 Climate Action Plan focuses on greenhouse gas reduction

1 across all of the districts. So this is not only on port
2 operations, but on all the emissions from our tenants as
3 well. We do have a near-term goal to reduce greenhouse
4 gas emissions 10 percent by on 2020 from a 2006 baseline.

5 --o0o--

6 MR. GIBBONS: Adapting to climate change is also
7 important to the Port. Of course, when we talk about
8 climate change, the most important impact that we may see
9 is obviously through sea level rise. As a result, we've
10 been following the science on sea level rise since the
11 release of Nation Research Council report in 2012.

12 As Don just spoke about, the rising seas in
13 California report was just released. It's in draft form
14 now, but this is to update that science. And we're lucky
15 to have a lot of the researchers here in our backyard at
16 Scripps Institute of Oceanography, so we've reached out to
17 them to help -- help us understand this a little bit
18 better.

19 And over the past few years, State agencies have
20 been releasing plans and guidance regarding sea level
21 rise. This, of course, includes the Coastal Commission,
22 2015. They adopted their sea level rise guidance. And
23 more recently, this summer, the Natural Resources Agency
24 provided an update to the Safeguarding California plan.

25 We've been actively engaged with these State

1 agencies as they've been crafting these documents. And I
2 think we've been able to really inform these plans with a
3 unique perspective that ports have.

4 For example, our specific comments on the Coastal
5 Commission's guidance helped to include goals regarding
6 ports, and port master plans. And our recent comments on
7 the Safeguarding Plan also focused on providing clarity
8 regarding the Public Trust, particularly those uses such
9 as commerce, navigation, and fisheries, which are not
10 always addressed very adequately in these -- in these
11 types of plans.

12 --o0o--

13 MR. GIBBONS: So as we plan for sea level rise in
14 San Diego Bay, we must recognize the diverse mix of Public
15 Trust uses. Each part of our bay is different, as you
16 though. In the north, we manage parks, beaches, public
17 spaces and a variety of commercial uses. Our central bay
18 is home to our working waterfront, which includes two
19 marine cargo terminals, as well as a thriving ship
20 building industry. These are water-dependent uses, which
21 rely on their location on the water to do their job well.

22 Our maritime sector provides nearly four billion
23 in economic impact to our region, over 13,000 jobs. And
24 these are really good paying jobs here in San Diego. The
25 south bay includes a mix of commercial uses, as well as

1 natural resources, which include habitat for endangered
2 species.

3 So the solutions that we need to safeguard our
4 shoreline from sea level rise are going to be diverse. We
5 need to think of different types of strategies. In some
6 places, we can rely on nature-based solutions - and the
7 Port's been experimenting with living shore lines -
8 restoration in some locations. But in other locations,
9 along the central bay to protect our maritime industry,
10 we'll probably need to rely on traditional means through
11 armoring.

12 --o0o--

13 MR. GIBBONS: In closing, we advocate for a
14 balanced approach when planning for sea level rise. Our
15 strategies need to be flexible and diverse. Moreover, we
16 want to continue working with the State Lands Commission
17 and other ports in California to inform decision making,
18 and focusing on the Public Trust and really making sure
19 that's really clear in the plans that are being released,
20 especially those uses, commerce, navigation, and fisheries
21 which we just haven't seen enough about. These are
22 important to our port, and they're important to the rest
23 of the State.

24 So thank you for your time today, and I'm glad
25 you were able to be here in San Diego.

1 Thanks.

2 ACTING CHAIRPERSON WILLIAMS: Great. Thank you
3 very much. Just a quick change of personnel up here.

4 (Laughter.)

5 ACTING CHAIRPERSON WILLIAMS: Pinch hitting for
6 the Lieutenant Governor who regrets he has to be in Los
7 Angeles this evening.

8 Commissioners, any comments on the presentation?

9 I was one of the recipients of the Port tour and
10 grateful for that, and quite illuminating the -- some of
11 the challenges facing, and addressing, and diversity from
12 one end of the port to the other.

13 One question I did want to ask actually, which
14 was on the broader presentation, and the Commission
15 reviewing the mean high tide. You know, obviously I
16 was -- I heard the presentation at the Coastal Commission
17 last week or the week before, the -- it's -- you know,
18 it's evident as the mean -- as with sea level rise and the
19 mean high tide ambles its way up the beach that there are
20 going to be more properties currently don't require leases
21 from the State Lands Commission, that all of a sudden lo
22 and behold they do require leases. And that can be a
23 nasty sticker shock.

24 What planning is being done or is there any
25 planning being done to begin to consider, you know, what

1 properties currently don't require State Lands Commission
2 leases that may do within the next 10, 20 years, factoring
3 that into home sales, and so that, you know, prospective
4 home buyers, or current homeowners aren't completely
5 caught unawares of, you know, the impacts of sea level
6 rise and how that may impact our work.

7 EXECUTIVE OFFICER LUCCHESI: So from a broader
8 perspective, when property owners purchase property that
9 are along a State waterway, or along the coast, their
10 title report and title insurance company -- or coverage
11 should have exceptions for State-owned tide and submerged
12 lands.

13 It's a little bit more detailed than that, but
14 that would be the first notice to a prospective home
15 buyer. But that doesn't always resonate, and there's a
16 lot to be said about some of the words that are used in
17 there, and they can be very technical, and not
18 very -- it's not common usage.

19 So to directly answer your question, there isn't
20 anything specific that we as a State Lands Commission or I
21 believe even some of the other coastal regulatory agencies
22 are doing to proactively put prospective property buyers
23 on notice about that. Although, I will say between the
24 State's efforts and the Safeguarding California Plan, and
25 updates associated with that, along with the work that the

1 Coastal Commission is doing, the Bay Conservation and
2 Development Commission is doing, and along with our
3 outreach efforts with some of our current lessees and
4 grantees in terms of the impacts of sea level rise and how
5 that might impact boundaries, we're starting that process.

6 But you identified an area or a sector of
7 the -- of the broader State community that we have not
8 proactively planned for informing and educating. So we
9 should -- I am taking note of that and seeing what we
10 might do with that, especially in light of our
11 coordination with the Coastal Commission under the federal
12 grant that we've received to coordinate on these issues.

13 ACTING CHAIRPERSON WILLIAMS: Thank you. Before
14 I -- it's an informational item, so there's no action.
15 Before I close and move on to 85, is there anything else?

16 With that, move on to Item 85 to consider a
17 memorandum of understanding relating to advancing the
18 management of California's Marine Protected Area network.
19 And we have a staff presentation.

20 (Thereupon an overhead presentation was
21 presented as follows.).

22 CHAIRPERSON NEWSOM: Jennifer Mattox our Science
23 Policy Advisor will be giving staff's presentation on
24 this.

25 SCIENCE POLICY ADVISOR MATTOX: Well my notes say

1 good afternoon, but I'll say good evening, Commissioners.
2 Thank you for the opportunity to present Item 85. This
3 concerns the Marine Protected Area Collaborative Network
4 MOU. And really all I'm here for is to queue up our local
5 collaborative partners, Cal and Zach.

6 So I just will say from my part, that we view
7 this participation in the collaborative management of our
8 State's Marine Protected Areas, that this is part of our
9 strategic plan and action -- an action of strategy 3.2
10 committing us to meaningful coordination with agencies and
11 other groups to safeguard Trust lands and uses.

12 --o0o--

13 SCIENCE POLICY ADVISOR MATTOX: So we are here as
14 a member of the MPA Statewide Leadership Team, or MSLT.
15 It was formed a few years ago to oversee implementation of
16 MPAs and facilitate coordinated management. Among other
17 State agencies, our coastal management partners, federal
18 agencies, and in addition the director of MPA
19 Collaborative Network participates on the MSLT as a
20 liaison to the collaboratives, also along with the
21 Resources Legacy Fund who is there primarily to facilitate
22 funding opportunities.

23 We've recently completed a three-year work plan,
24 which has the four focus areas that are shown here of
25 outreach and education, enforcement compliance, research

1 and monitoring, policy and permitting. And we're in the
2 process of identifying projects now.

3 --o0o--

4 SCIENCE POLICY ADVISOR MATTOX: So why is this
5 MOU happening?

6 Well, the collaboratives are important to
7 successful management of MPAs. They started organizing
8 about five years ago or so. They now have a huge
9 membership there's. 14 collaboratives. That's -- this is
10 a little screen grab from their website.

11 --o0o--

12 SCIENCE POLICY ADVISOR MATTOX: So the statewide
13 leadership team and the MPAs themselves really benefit
14 from the collaborative network. They really are the
15 platform and the forum for engaging the local experts,
16 NGOs, fishers, tribes, teachers, and the general
17 community. I've just put their mission up here, and a few
18 photographs from their website.

19 They've done educational videos. They engaged
20 surfers and many others. It really is a participatory
21 approach. And they were also a huge part of our
22 successful and now published California South Coast
23 Monitoring Report.

24 --o0o--

25 SCIENCE POLICY ADVISOR MATTOX: So in closing,

1 with that background, we really believe that this MOU is
2 an important piece to bring the collaborative network and
3 the 14-member collaboratives into our State MSLT fold in a
4 more formal level. We really think that they bring in the
5 great benefits. They represent a critical voice about
6 priority setting. And we need to have a conversation
7 about how we formalizes -- how we formalize their
8 participation. They can bring some diversity inclusivity,
9 and locally driven passion, and the priority projects.

10 And we really believe that this is the way to
11 advance MPA management, so we're strengthening our
12 network -- the relationship with the collaborative
13 network, first and foremost, by hopefully approving this
14 MOU. And we've also just recently, as our first kick-off
15 project, set out a call for a small grants program that
16 will be funded by the Ocean Protection Council for up to
17 \$15,000 for collaboratives to compete for to implement
18 projects that are identified on the workplan.

19 So with that, I think I'll turn it over to our
20 local collaborative representatives who are -- filled out
21 their speaker cards.

22 Thank you.

23 ACTING CHAIRPERSON WILLIAMS: Thank you.

24 Let's go to public comment. I have Jennifer
25 Savage, Surfrider Foundation, and then MPA Collaborative

1 Network Zach and Calla.

2 MS. SAVAGE: Hi. Jennifer Savage, Surfrider
3 Foundation. I was a member of the North Coast Regional
4 Stakeholder Group back in the day when there Marine Life
5 Protection Act was being implemented. We were the last
6 region in California to undergo the process, and we were
7 also the only region in California that came up with a
8 unified proposal at the time, which is a fact that I
9 remain proud of to this day.

10 And speaking of somebody who lives in that part
11 of the world and sees the challenges in maintaining the
12 kind of structure in a rural part of the State, I just
13 want to say that the collaborative network has been
14 absolutely instrumental in not only maintaining the
15 relationships that were created during the original
16 process, but in growing those and providing greater
17 opportunities for people to do outreach and education
18 about this very important network.

19 Thank you.

20 ACTING CHAIRPERSON WILLIAMS: Thank you.

21 Either one of you. Take your --

22 MS. ALLISON: Good evening, Commissioners. My
23 name is Calla Allison. I'm the Director of the MPA
24 Collaborative network. And I've been traveling the coast
25 of California since 2013 working to facilitate the

1 development and provide support to these MPA
2 collaboratives.

3 And any time I get the opportunity to cheerlead
4 for them, I will take it. I think there's an incredible
5 value that they bring. And actually the Orange County
6 Collaborative did a study and it found that they bring
7 \$2.1 million annually and in-kind contributions in
8 multiple ways. So just enforcement personnel on the
9 ground doing their own research and monitoring, doing
10 education and outreach. It's incredibly invaluable. And
11 I think Zach here is going to talk a little bit more about
12 specifically San Diego and what they have to bring.

13 Excuse me.

14 But I think another aspect that I think is really
15 valuable that I want to talk about is the fact that it's
16 stakeholder driven, but uniquely stakeholder driven,
17 because it's not engaging stakeholders in their silos.
18 It's actually bringing a very diverse group of people
19 together locally. So you have scientists, you have
20 agencies, you have nonprofits, you have fisherman, you
21 have all these people coming together within their local
22 community and really developing a team approach.

23 And a lot of what we've seen today has been a
24 little bit of an adversarial relationship that comes
25 before the Commission. And what these collaboratives do

1 is they try to take care of all that locally within the
2 context of their community.

3 So they come together, they talk it out, they
4 build trust, they build the relationship, they build this
5 coastal community that feels empowered to take ownership,
6 and really participate in decision making, and feels
7 empowered to contribute their local area expertise too, as
8 far as managing their coastal resources, and being a part
9 of a lot planning processes.

10 So we're really excited actually about working
11 with State Lands on the San Diego Ocean Planning
12 Partnership as well, and seeing all the different ways
13 that we can use this network for future planning
14 processes, and for actually management and ongoing
15 stewardship.

16 And I'll turn it over to Zach.

17 MR. PLOPPER: Good evening, Commissioners. I'm
18 Zach Plopper. I'm the conservation director of Wildcoast
19 and co-chair of the San Diego County MPA Community
20 Collaborative. And on behalf of our collaborative here in
21 San Diego, I would like to encourage you to enter this MOU
22 agreement.

23 MPAs protect 16 percent of California's offshore
24 and wetland ecosystems, and over a half million acres of
25 our State's most iconic and ecologically significant

1 coastal sites. And this includes about 17,800 acres here
2 in San Diego county.

3 The State has invested over \$20 million in MPA
4 monitoring, \$16 million in mapping, and two rounds of MPA
5 signage, and has created new entities to support MPA
6 managers, such as the MPA statewide leadership team.

7 So in addition to this tremendous investment, the
8 14 county-based collaboratives have been central to MPA
9 outreach, education, monitoring, and policy. Our San
10 Diego County Collaborative is comprised of 120 different
11 State, local, federal agencies, user groups, tribal
12 groups, researchers, nonprofits, and businesses. And the
13 partnerships and resources of this collaborative create a
14 very important opportunity to coordinate and vet coastal
15 management decisions, even beyond the scope of the MPAs
16 with a multitude of coastal managers and stakeholders.

17 Our collaborative has been successful at MPA
18 management projects with the California Department of Fish
19 and Wildlife, the Coastal Commission and other agencies.
20 These include developing and installing MPA signage, the
21 creation and distribution of outreach material, projects
22 with students and the public to build MPA stewardship
23 capacity, and helping to shape enforcement policy to
24 improve MPA compliance across California.

25 So formal recognition of the collaborative

1 network by State agencies through these -- through this
2 MOU is an important next step. The MOU will further
3 strengthen the collective work being done across the State
4 to restore fisheries, ecosystem health, and enhance the
5 recreational value of our California coastline through our
6 incredible MPA network. So thanks for your time.

7 ACTING CHAIRPERSON WILLIAMS: Thank you.

8 Commissioners, comments?

9 ACTING COMMISSIONER ORTEGA: I'll move approval
10 of the staff recommendation.

11 COMMISSIONER YEE: Second.

12 ACTING CHAIRPERSON WILLIAMS: With that, the
13 motion passes unanimously.

14 I believe we're going to pass on 86 today?

15 EXECUTIVE OFFICER LUCCHESI: Yes.

16 ACTING CHAIRPERSON WILLIAMS: Yeah, we are.

17 Are there -- anything else in the order of
18 business apart from public comment. I have a number of --

19 EXECUTIVE OFFICER LUCCHESI: No, we're ready to
20 move on to public comment.

21 ACTING CHAIRPERSON WILLIAMS: Okay. The first
22 public comment -- I'll read through them, but if anybody
23 else wants to add on, feel free to come up at the end.

24 First is Jennifer Savage Surfrider Foundation.

25 MS. SAVAGE: So Mandy and I are doing a

1 presentation together, if we could have six minutes then.

2 And we have a presentation. Do you have it
3 ready?

4 (Thereupon an overhead presentation was
5 presented as follows.)

6 MS. SAVAGE: Okay. Thank you.

7 Good evening, at this point. We are here on
8 behalf of our 20 California chapters and thousands of
9 supporters statewide regarding Poseidon Water's long
10 history of dodging State regulations and noncompliance at
11 the company's Carlsbad desalination plant.

12 --o0o--

13 MS. SAVAGE: The plant began delivering 50
14 million gallons of water per day to San Diego County in
15 December 2015 and is the nation's largest seawater
16 desalination plant. It's also home to chronic toxicity
17 violations. As the agency charged with protecting the
18 Public Trust, we expect you'll want to investigate these
19 violations further before issuing another lease to the
20 company for its Huntington Beach project.

21 --o0o--

22 MS. SAVAGE: This is especially imperative as
23 Poseidon has repeatedly disregarded California's State
24 regulations designed to protect the Public Trust. First,
25 during the 2007 permitting process for the Carlsbad plant,

1 Poseidon deliberately deceived the California Coastal
2 Commission with an inadequate greenhouse gas reduction
3 plan by, according to Coastal Commission staff, providing
4 inaccurate information in the course of seeking a coastal
5 development permit.

6 At it's CDP hearing Poseidon testified that its
7 project would be net carbon neutral by causing a
8 one-to-one reduction in State Water Project imports.
9 Based on Poseidon's statements, the Commission approved
10 Poseidon's greenhouse gas reduction plan and gave it
11 automatic credit.

12 But Coastal Commission staff later learned that a
13 2005 agreement between the California Department of Water
14 Resources, and the Metropolitan Water District prohibited
15 desalination projects from reducing State Water Project
16 imports. Poseidon had been aware of this information, but
17 they did not share it with the Commission. Instead,
18 Poseidon mislead the Commission in order to gain approval.

19 Under pressure and after years of push-back,
20 Poseidon has finally purchased and retired certified
21 carbon offsets to mitigate its first year of emissions.
22 This is a strong and sadly characteristic indicator of
23 their unwillingness to act as a responsible party. This
24 was echoed again in 2013 when the company submitted its
25 permit application to the Coastal Commission for its

1 proposed Huntington Beach desalination plant with an
2 almost identical greenhouse gas emission plan.

3 Once again, Poseidon attempted to obtain an
4 automatic credit based on a one-to-one reduction in
5 imports from the State Water Project. Poseidon has
6 temporarily withdrawn its application, but not because of
7 a sudden shift in ethics, but only due to procedural
8 changes in the permitting process.

9 MS. SACKETT: Hi. I'm going to take over. Mandy
10 Sackett, California Policy Coordinator with Surfrider
11 Foundation.

12 --o0o--

13 MS. SACKETT: Another example of Poseidon
14 deliberately attempting to skirt obligations in the
15 company's marine -- is the company's marine life
16 mitigation plan. Poseidon is required by the Coastal
17 Commission in their 2011 permit to offset their impacts to
18 marine Carlsbad plant through a 66-acre wetland
19 restoration project with the U.S. Fish and Wildlife
20 Service.

21 And I do have a slide from the same presentation.

22 --o0o--

23 MS. SACKETT: Poseidon has been operating for
24 nearly two years now, and does not yet have a design or
25 proposal, let alone environmental review for a plan. The

1 delays are caused by Poseidon's paid consultants who
2 continuously offer insufficient proposals, unproven
3 science, that is of course then rejected by federal
4 review.

5 This further exemplifies Poseidon's
6 characteristic resistance to accepting agency
7 recommendations and regulations.

8 --o0o--

9 MS. SACKETT: Sorry. Skipped a slide there. So
10 there's the marine lift mitigation. And now, I'm going to
11 go into chronic toxicity.

12 If that weren't egregious enough, Poseidon is
13 continuously violating the regional water board's
14 discharge permit and have done so since operations began
15 in 2015. To give you a little more detail, in April 2016,
16 San Diego Regional Water Quality Control Board issued a
17 notice of violation finding that Poseidon's Carlsbad
18 facility had failed to comply with several provisions of
19 its permit, including failures to comply with discharge
20 prohibitions, failures to comply with receiving water
21 limitations, failure to comply with effluent limitations,
22 and failure to monitor in accordance with permit
23 provisions.

24 In December 2016, the Board issued a staff
25 enforcement letter describing 19 occasions on which

1 Poseidon had exceeded daily maximum toxicity limitations.

2 --o0o--

3 MS. SACKETT: In its annual permit discharge and
4 monitoring report for 2016, Poseidon stated that it had
5 exceeded chronic toxicity limits in 35 out of 116, or 30
6 percent, of chronic toxicity tests. Since then, Poseidon
7 has been cited for five more chronic toxicity violations
8 since June of 2017, and nine deficient monitoring
9 violations.

10 Eighteen months ago Poseidon initiated a toxicity
11 identification evaluation, and has yet to reach any
12 conclusions to this day. Poseidon has been unable or
13 unwilling to identify the cause of chronic toxicity, and
14 even with two notices of violation in 18 months of
15 evaluation.

16 Now that the Poseidon's Carlsbad facility is in
17 operation, it is unlikely that the plant would be shut
18 down due to a water quality violation. At the very least,
19 the Commission must take a serious look at this, and also
20 take into account Poseidon's track record before issuing
21 another -- the same company another lease.

22 --o0o--

23 MS. SACKETT: Now, Poseidon is proposing outdated
24 intake technology and providing insufficient alternatives
25 analysis for the proposed Huntington Beach desalination

1 plant. They continue to fight the Water Board's seawater
2 intake regulations, and refuse to comply with the State's
3 Ocean Plan Desalination Regulations.

4 The State Lands Commission issues the lease to
5 the applicant and it is your duty to ensure that the
6 lessee is trustworthy and able to meet State regulations
7 with regard to their impact on the Public Trust.

8 The Commission has a duty to protect the Public
9 Trust, and that includes permits, pollution abatement,
10 water quality, marine life. We ask you to please look
11 into the chronic toxicity violations more closely, and
12 careful evaluate Poseidon's trustworthiness.

13 Do not allow our shared public resources to be
14 compromised by a company clearly more invested in
15 influence than complying with State laws that you are
16 obligated to uphold.

17 Thank you.

18 ACTING CHAIRPERSON WILLIAMS: Thank you very
19 much. Grateful. I know the Commission here is reading
20 the comments to the supplemental EIR. So your own
21 comments are timely and welcome.

22 I have two public comments from Wildcoast, Paloma
23 and Katie.

24 Sorry if I ruined anyone's names.

25 (Thereupon an overhead presentation was

1 presented as follows.)

2 MS. GHERARD: It is right. I have some handouts
3 for you guys.

4 I have a PowerPoint.

5 Okay. Well, as you said, I work for Wildcoast,
6 which is bi-national nonprofit, who's mission is to
7 coastal and marine ecosystems and wildlife.

8 And as you know, the California MPA network
9 protects over half a million acres of beautiful marine
10 habitat, and we thank you for this. We thank you for your
11 work protecting these critical ecosystems. But through
12 our work, we found that very few people in the community
13 actually know what an MPA is, very few of them are aware
14 that they can use them. They go into them like State
15 Parks. A lot of people think that there's restricted
16 access, or that there's no fishing in any of them. And so
17 we're working to change this misperception through our
18 youth engagement programs.

19 And so through our youth engagement programs, we
20 recruit students from underserved, and especially Native
21 American communities, for these trips. And like your
22 passage of the tribal policy in 2016, we see great value
23 in working with the Native American communities, because
24 of their strong cultural ties to these regions, and also
25 their inherent respect for the natural world.

1 And we have two main youth engagement programs.

2 --o0o--

3 MS. GHERARD: We have our Explore the Coast,
4 where we take kids on a full day trip. They do a tour of
5 the Scripps Research Pier and the house research aquarium.
6 They participate in an MPA watch survey, a human use
7 survey of these MPAs. And then we take them kayaking in
8 Matlahuayl State Marine Reserve. And then we also have --
9 this year we've take 169 students, and we have a few more
10 trips planned.

11 --o0o--

12 MS. GHERARD: And we also have our floating labs
13 project. So this is a three-hour boat ride where the kids
14 get to -- we go to an MPA, and they collect data that is
15 actually used by researchers. So we collect data that's
16 used by California Department of Public Health for their
17 Red Tide Monitoring Program. And we collect data for San
18 Diego Coastkeeper that monitors our water -- our bacteria
19 levels in our water.

20 We also collect MPA watch data on this trip --
21 these trips as well. And this -- so far this year, we've
22 taken 264 students, and we have four more trips planned so
23 far, and hopefully a few more.

24 --o0o--

25 MS. GHERARD: And with that, I would just like to

1 thank you for all your work.

2 That's all I have.

3 (Thereupon an overhead presentation was
4 Presented as follows.)

5 MS. AGUIRE: Good evening, Commissioners. My
6 name is Paloma Aguire, and I'm the Coastal and Marine
7 Director for Wildcoast. In South San Diego County
8 Wildcoast works to conserve 18,000 acres of some of the
9 most beautiful and ecologically sensitive habitat, such as
10 the South San Diego Wildlife Refuge, the Tijuana River
11 Estuary, and the Tijuana River Mouth State Conservation
12 Marine Area.

13 As Mayor Dedina mentioned earlier this morning --
14 I believe this afternoon -- I don't even know what time it
15 is.

16 (Laughter.)

17 MS. AGUIRE: -- we are severely impacted by the
18 bi-national Tijuana River pollution. The coastlines of
19 South San Diego -- next slide, please.

20 --o0o--

21 MS. AGUIRE: Thank you. Now, you can't see it.

22 Our coastlines are severely impacted by this
23 pollution. Imperial Beach has been closed for a total of
24 three years of the last 10 years. And there have been
25 over 315 spills in the last two years alone. Studies have

1 found that there's a 1 in 10 chance of contracting
2 Hepatitis A and other viruses and pathogens when coming in
3 contact with this water. As the Mayor mentioned, his son
4 had -- was recently in urgent care because of coming in
5 contact with that polluted water.

6 --o0o--

7 MS. AGUIRE: Now, this is a picture of Border
8 Field State Park. The State of California exports about
9 two to three million waste tires every year into Mexico.
10 These tires wash back down with the rains, and litter
11 trails and recreational open spaces, and in this case,
12 Border Field State Park.

13 They collect sewage contaminated water, which can
14 become vectors for mosquitoes that carry diseases like the
15 Zika Virus, denga and West Nile viruses.

16 --o0o--

17 MS. AGUIRE: So I am here today to request the
18 Commission to evaluate if these issues fall under your
19 jurisdiction, especially as you evaluate and develop your
20 Environmental Justice Policy. I think that we fit the
21 mold for a community in need and we ask for your support
22 to look into that.

23 Thank you.

24 ACTING CHAIRPERSON WILLIAMS: Thank you.

25 Just on that question, and, you know, pivoting

1 off the comments earlier this afternoon, if that's
2 something we could have a closer look at.

3 EXECUTIVE OFFICER LUCCHESI: Yes. I -- I'm
4 committed to working with the Attorney General's office,
5 and then working with the City of Imperial Beach, and
6 Wildcoast, and others to investigate our jurisdiction in
7 this area and what we can do to help.

8 ACTING CHAIRPERSON WILLIAMS: Thank you.

9 Next, we have Marcela with Azul.

10 MS. GRAUDINS: Good evening, Commissioners. My
11 name is Marcela Graudins. I'm here with Azul. And we're
12 an organization working with Latino communities throughout
13 the State on marine conservation. Today, I would like to
14 read into the record a letter that was sent in July
15 regarding the Poseidon Huntington Beach desalination
16 project, because we believe this has not been discussed
17 adequately.

18 This letter, for the record, is actually coming
19 from Azul Comunidad, which is a local social justice group
20 in Huntington Beach, the Alliance of River Communities,
21 the Environmental Justice Coalition for Water and Orange
22 County Earth Stewards.

23 It says, "We are writing in strong opposition to
24 the billion dollar desalination plant proposed for
25 Huntington Beach. Poseidon, the company behind this

1 proposal, wants to profit by privatizing a public
2 resource. They have tried to prey on drought fears to
3 build support among the communities least well served by
4 current infrastructure, but we know that Orange County has
5 better options for meeting its long-term water needs.

6 "Desalination is a bad deal for ratepayers, and
7 its high cost and outsized energy use will hit low
8 community -- low-income communities of communities of
9 color the hardest.

10 "Access to clean, safe, reliable and affordable
11 water is a basic human right, and one affirmed by
12 California State law. We appreciate the State law and
13 local officials..." -- "...that State and local officials
14 take this mandate seriously. We applaud the progress that
15 has been made to date in water conservation, efficiency,
16 and recycling. All the facts indicate that we simply
17 don't need desalination.

18 "Orange County's most recent water plan,
19 published in April 2016, projects the healthy surplus
20 through 2030. From May 2015 to May 2016, Orange County
21 saved three times more water than the Poseidon
22 desalination plant would produce. And according to the
23 experts of Pacific Institute, additional water
24 conservation and efficiency improvements could reduce
25 water use by more than a third.

1 "Knowing all this, Poseidon wants to lock Orange
2 County residents into a 50-year take or pay contract with
3 no escape hatch. Orange County's state-of-the-art
4 recycling facility produces 100 million gallons of fresh
5 clean water per day, twice the capacity of Poseidon's
6 proposed plant. It costs just 142 million to expand its
7 capacity by 30 million gallons per day in 2015, compared
8 with the billion dollar price tag of Poseidon's plant.

9 "Orange County still discharges about 100 million
10 gallons of water into the ocean every day, so we are far
11 from maxing out our potential for water reuse. Many of
12 our constituents are already suffering from poor air
13 quality and climate impacts like heat islands. So we're
14 particularly concerned about the high energy cost of
15 desalination. It is by far the most energy intensive
16 option using about three times as much energy as
17 recycling.

18 "All of that energy has to come from somewhere.
19 Empowering this huge plant will undermine much of the
20 climate progress California has made, fueling more drought
21 and..." -- "fueling more drought in the long term.

22 "Furthermore, the proposed location is vulnerable
23 to floods from rising seas, as well as earthquakes and
24 tsunamis. We are calling on you to deny the permit for
25 this costly boondoggle. Orange County Water District

1 should focus on water efficiency, recycling, and storm
2 water projects that can meet future water needs without
3 compromising the health or economic well-being of our
4 people".

5 Thank you.

6 ACTING CHAIRPERSON WILLIAMS: Thank you very
7 much.

8 Nina. San Onofre.

9 MS. BABIARZ: Well, good afternoon. My name is
10 Nina Babiarz. I'm a board member with Public Watchdogs.
11 And I appreciate the opportunity to come down to speak
12 with you today.

13 Southern California Edison has been making public
14 promises at Edison community engagement panel meetings now
15 for months indicating that the public would have an
16 opportunity for input as related to the final permits that
17 Edison needs for decommissioning San Onofre. Southern
18 California Edison has said that the California Lands
19 Commission would have a CEQA review in July. And it's
20 important to note that this issue is of paramount concern
21 for the Southern California community, San Diego, and
22 Orange counties specifically. And Public Watchdogs would
23 like to encourage the California Lands Commission to
24 provide broad and proper notification -- open notification
25 when this topic of this permit is finally agendized, so

1 that the public can have the input it's been promised.

2 I'd like to also make a note for your
3 consideration that by the California Lands Commission
4 refusing not to look at radiation damage and its effect,
5 the risk to our community, because the NRC has
6 jurisdiction on radiological concerns doesn't mean that
7 you couldn't at least look at this risk to our California
8 lands. For the California Lands Commission to look the
9 other way, it really is an atrocity and violates the
10 public's trust.

11 I'd like you to please keep in mind that whenever
12 this Commission is making any decisions whatsoever,
13 because after all most of them have been made behind
14 because closed doors and in secret, please keep in mind
15 that history is watching.

16 Thank you.

17 ACTING CHAIRPERSON WILLIAMS: Thank you,
18 Jennifer.

19 Comments

20 EXECUTIVE OFFICER LUCCHESI: Yeah, I can provide
21 an update. For just context, the State Lands Commission
22 is the lead agency under CEQA for the SONGS
23 Decommissioning Project. The preparation by staff of the
24 decommissioning EIR is currently on hold as Southern
25 California Edison is evaluating a potential change in the

1 decommissioning project description.

2 At this time, we don't have an updated schedule
3 to provide. But once we do, I will certainly continue to
4 update the Commission and the public in my Executive
5 Officer's reports in our next couple of meetings.

6 But --

7 ACTING COMMISSIONER BAKER: Are you going to post
8 something on the website?

9 EXECUTIVE OFFICER LUCCHESI: Yes, we usually post
10 things on the website according to -- under our CEQA
11 notifications.

12 ACTING COMMISSIONER BAKER: Thank you.

13 ACTING CHAIRPERSON WILLIAMS: Thank you.

14 Commissioners, comments before we go into closed
15 session?

16 One comment that the Lieutenant Governor did wish
17 to ask with regard, before we go into closed session,
18 would be to agendize an open-session discussion on things
19 we can do to expand on transparency around the closed
20 session meetings.

21 EXECUTIVE OFFICER LUCCHESI: Yes, we can
22 certainly do that. And we'll agendize an action item to
23 address assessing our practices for closed session
24 disclosure at our next meeting on October 19th.

25 ACTING CHAIRPERSON WILLIAMS: Great. Thank you.

1 EXECUTIVE OFFICER LUCCHESI: And we'll work on
2 that in consultation with the Attorney General's office.

3 ACTING CHAIRPERSON WILLIAMS: Thank you. Any
4 additional public comment before we close for closed
5 session?

6 No.

7 With that, we will adjourn into closed session.
8 Thank you.

9 (Off record: 5:54 p.m.)

10 (Thereupon the meeting recessed
11 into closed session.)

12 (Thereupon the meeting reconvened
13 open session.)

14 (On record: 6:40 p.m.)

15 ACTING CHAIRPERSON WILLIAMS: All right. I'll
16 call this meeting back to order.

17 Chief Counsel, is there anything to report from
18 closed session

19 CHIEF COUNSEL MEIER: Yes. Two items. The
20 Commission provided staff with direction as to how to
21 proceed in negotiations regarding the proposed lease
22 amendment terms concerning the proposed Huntington --
23 Poseidon Huntington Beach desalination facility and the
24 oil and gas leases at Huntington Beach held by SoCal
25 Holdings, LLC, a subsidiary of California Resources

1 Corporation.

2 In addition that, the Commission also waived its
3 privilege with respect to its April 23rd, 2014 vote in
4 closed session to pursue litigation concerning San
5 Francisco's Proposition B of 2014. During that vote, the
6 Lieutenant Governor and the Controller were both
7 represented by their alternates. By law then, only one of
8 the two alternates could vote. Consequently, the
9 alternate for the Lieutenant Governor abstained, and the
10 alternates for the Controller and the Director of Finance
11 voted in favor of litigation.

12 This waiver is limited solely to the privilege
13 for the information just disclosed. The Commission has
14 not waived the privilege as to any other attorney-client
15 communications whether in closed session or otherwise
16 concerning this litigation.

17 ACTING CHAIRPERSON WILLIAMS: Thank you.

18 That concludes this open meeting.

19 We're adjourned.

20 (Thereupon the California State Lands

21 Commission meeting adjourned at 6:42 p.m.)

22

23

24

25

1 C E R T I F I C A T E O F R E P O R T E R

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, do hereby certify:

4 That I am a disinterested person herein; that the
5 foregoing California State Lands Commission meeting was
6 reported in shorthand by me, James F. Peters, a Certified
7 Shorthand Reporter of the State of California;

8 That the said proceedings was taken before me, in
9 shorthand writing, and was thereafter transcribed, under
10 my direction, by computer-assisted transcription.

11 I further certify that I am not of counsel or
12 attorney for any of the parties to said meeting nor in any
13 way interested in the outcome of said meeting.

14 IN WITNESS WHEREOF, I have hereunto set my hand
15 this 1st day of September, 2017.

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21
22
23 JAMES F. PETERS, CSR
24 Certified Shorthand Reporter
25 License No. 10063