

MEETING
STATE OF CALIFORNIA
LANDS COMMISSION

CITY OF HUNTINGTON BEACH
COUNCIL CHAMBERS
2000 MAIN STREET
HUNTINGTON BEACH, CALIFORNIA

THURSDAY, OCTOBER 19, 2017
9:04 A.M.

Please note that a correction has been made to the transcript since it was originally published on November 15, 2017. On page 316, line 9, where the transcript previously read, "...that we accept the diffuser element of the project...", it now correctly reads, "...that we except the diffuser element of the project..."

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

Ms. Alexandra Borak, Environmental Scientist

Mr. Joe Fabel, Staff Attorney, Legal Division

Ms. Jamie Garrett, Staff Attorney, Legal Division

Ms. Cheryl Hudson, Public Land Management Specialist, Land Management Division

Ms. Jaimie Huyhn, Sea Grant Fellow

Ms. Kim Lunetta, Administrative Assistant

Dr. Peter Raimondi, Marine Biology, University of California, Santa Cruz, Consultant

Mr. Cy Oggins, Chief, Division of Environmental Planning Management Division

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:

Grace Adams, Bolsa Chica Land Trust

Ms. Paloma Aguire, Wildcoast

Don Albrecht

Richard Armendariz

Jim Atkinson, Board President, Mesa Water District

MaryJo Baretich, President, Cabrillo Wetlands Conservancy

Talaat Baselaws

Joann Spotted Bear,

Dennis Bilodeau, Orange County Water District

Tony Bisson, Homeowner, Self

Christine Brady

Jordan Brandman, former Councilman, City of Anaheim

Amaida Brashears, Interested Citizen

Keith Bohr, former Huntington Beach Mayor

Sean Bothwell, Coastkeeper

Barbara Boxer, former United States Senator

Glenn Brooks, Resident

Nancy Buchoz, Homeowner/Resident

Michael Bushey, Southern California Edison

Tom Buttera, Resident Huntington Beach

Doug Cable

Craig Cadwallader, Policy Coordinator, Surfrider
Foundation, South Bay Chapter

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

ALSO PRESENT:

Siegfried Calaquian, Millennials for New Water

Joe Carchio, Chairman, Waste Management and former Mayor
of Huntington Beach

Carolyn Cavecche, Executive Director, Orange County
Taxpayers Association

Mary Ann Celinar, Huntington Beach Huddle

Gina Clayton-Tarvin, President, Board of Trustees, Ocean
View School District

Sharon Coke

Debbie Cook, Residents for Responsible Desal (R4RD)

Ernie Courter, Homeowner

Clark Danielson, H.B. Home Owner/Renewable Energy
Professional, Renewal Energy Development, Cucell Energy

Milt Dardis

Doug Davert, President, East Orange County Water District

Gilbert Davila

Peter DeMarco, Vice President, Orange County Business
Council

Shirley Detloff, Bolsa Chica Land Trust

Mr. Mike DiBernardo, Port of Los Angeles

Tyler Diep, Councilman, City of Westminster

Leslie Dobalian, San Diego Water Authority

John Earl, Editor/Reporter, Surf City Voice

Edin Enamarado, Environmental Justice

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

ALSO PRESENT:

Conner Everts, President, Southern California Watershed Alliance

Darrel Ferguson, Vice Chair, Surfrider Foundation

James Fisler, Director, Mesa Water District

Ruben Franco, CEO, Orange County Hispanic Chamber of Commerce

Chris Garrett, Poseidon Water

Mark Gaughan, Past Chairman, Bolsa Chica Conservancy

Joe Geever, Resident for Responsible Desal (R4RD)

Chuck Gibson, Director, Santa Margarita Water District

Michael Grant, Huntington Beach Planning Commission

Marcela Graudins, EJ Coalition, Azul, Oakview Comunidad

Cathy Green, Board Member, Orange County Water District and Former Mayor of Huntington Beach

Janet Gunter

Graham Hamilton, Surfrider Foundation Los Angeles Chapter

Lubna Hammad, Indivisible OC-48

John Hanna, Government Affairs Director, South West Carpenter

Raymond Heimstra, Associate Director, Orange County Coastkeeper

Zeke Hernandez, Board Trustee, Rancho Santiago Community College DL5

Donovan Higbee, representing Congresswoman Mimi Walters

Dr. Mikel Hogan, resident of Huntington Beach - verify

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

ALSO PRESENT:

Flossie Horgan, Board Member, Bolsa Chica Land Trust

Susan Jordan, Enviro Coalition, California Coastal
Protection Network

Alex Kanavechyk

Clayton King, Lawyer, representing citizens of Huntington
Beach

Herb Kleeman, United Association, Local 250

Terrell E. Koken

Jenny Krusoe, AltaSea

Mary Kyle

Ed Laird, Huntington Beach resident and business owner

Ira Leibowitz, representing self

Victor Lèipzig, Bolsa Chica Land Trust

Kevin Lizama, Millennials for New Water

Scott Maloni, Poseidon Water

Steve Maren

Araceli Martinez, La Opinion

Aaron McCall, Indivisible OC-48

Roy McCord

John McKirachan, Huntington Beach Resident

Ernesto Medrano

Andreas Mihaly, Millennials for New Water

William Moreno, Millennials for New Water

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

ALSO PRESENT:

Charlene Muhammad, In the Works Media

Kris Murray, Council Member, City of Anaheim

Damon Nagomi, Enviro Coalition, Natural Resources Defense Council

Victor Nguyen, Millennials for New Water

John O'Neil, Council Member, City of Garden Grove

John Palacio, Boardmember, Santa Ana Unified School District

Stephanie Pacheco, resident of Huntington Beach

Staley Prom, Surfrider Foundation

Sofia G. Quillones, Community Treaty of Guadalupe Hidalgo

Steve Ray, Executive Director, Banning Ranch Conservancy

Olga Zapata-Reynolds

Adam Rodel, OCAR, Resident/Business Owner

Oscar Rodriguez, Oak View Community

Morgan Roth, representing Congresswoman Nanette Barragán

Mandy Sacket, Surfrider

Rolando Salmeron, 350.org - Engineer

Jestin Samson

Laura Santos, Environmental Justice, Trustee, Mt. San Antonio College, William C. Velasquez Institutee

Althea Santucci, Self

Jennifer Savage, Surfrider

Peter Schurmann, New America Media

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

ALSO PRESENT:

John Sears, Board Member, East Orange County Water District

Mark Sheldon, Member, Huntington Beach Environmental Board

Jan Shomaker, former Huntington Beach Planning Commissioner

Debbie Sivas, Enviro Coalition

Paul Simonds, Chair, South Orange County Economic Coalition

Adam Smith, California Resources Corporation

Joann Spotted Bear

Cari Swan, Huntington Beach resident

Patricia Taylor, representing Assemblyman Matthew Harper

Dianne Thompson, Co-Chair Gov't Affairs, Huntington Beach Chamber of Commerce

Victor Vallardares, Oak View Community

Norma Vandermolen, resident of Huntington Beach

Donna Varner, South Orange County Economic Coalition

Leslie Vasquez

Dallas Weaver

Bethany Webb, HB Huddle

Erik Weigand, representing Senator Pat Bates

Noel Weiss

Michael Wellborn, President, Friends of Harbors, Beaches & Parks

Kevin Wen, Millennials for New Water

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

ALSO PRESENT:

Fred Whitaker, Councilmember, Orange City

Sandra Whitehouse, AltaSea

Adam Wood, Building Industry Association, Orange County

Frank Zambrano, Southwest Regional Council

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I 9:00 A.M. - OPEN SESSION	1
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Continuation of Rent Actions to be taken by the Executive Officer pursuant to the Commission's Delegation of Authority:

- Richard A. Bucko and Juanita L. Bucko (Lessee): Continuation of annual rent at \$129 per year for a General Lease - Recreational Use located on sovereign land in the Sacramento River, adjacent to 11864 Washington Avenue, near Courtland, Sacramento County. (PRC 8064.1)
- Anthony C. Evans and Carol Ross Evans, Trustees of the Tony and Carol Evans 2000 Revocable Trust, established April 20, 2000 (Lessee): Continuation of annual rent at \$1,768 per year for a General Lease - Recreational Use located on sovereign land in Lake Tahoe, adjacent to 8547 Meeks Bay Avenue, near Rubicon Bay, El Dorado County. (PRC 8368.1)
- David J. Ferrari (Lessee): Continuation of annual rent at \$754 per year for a General Lease - Recreational Use located on sovereign land in Lake Tahoe, adjacent to 6259 North Lake Boulevard, near Tahoe Vista, Placer County. (PRC 8431.1)
- Imperial Irrigation District (Lessee): Continuation of annual rent at \$450 per year for a General Lease - Right-of-Way Use located on sovereign land in the Colorado River, near Yuma, Arizona, Imperial County. (PRC 2344.1)
- Joshua Weiss Harmatz and Leslie Harmatz, Co-Trustees of The Harmatz Family Trust dated December 8, 2009 (Lessee): Continuation of annual

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rent at \$290 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the Sacramento River, adjacent to 4171 Garden Highway, near Sacramento, Sacramento County. (PRC 5697.1)

- Paul S. Heath and Barbara R. Heath, as Trustees of The Paul Heath Family 1981 Trust dated June 18, 1981 as amended January 27, 1992 (Lessee): Continuation of annual rent at \$754 per year for a General Lease - Recreational Use located on sovereign land in Lake Tahoe, adjacent to 2940 Lake Terrace Avenue, near Tahoe City, Placer County. (PRC 9014.1)
- Jason Lawrence Hill and Jonathan Martin Hill (Lessee): Continuation of annual rent at \$531 per year for a General Lease - Recreational Use located on sovereign land in Lake Tahoe, adjacent to 5672 North Lake Boulevard, near Carnelian Bay, Placer County. (PRC 4871.1)
- Procter R. Hug, Jr. and Barbara E. Hug, as Co-Trustees of the Procter R. Hug, Jr. and Barbara E. Hug Family Trust Agreement dated November 21, 1988; Cheryl Hug English; Procter J. Hug; and Elyse Hug Pasha (Lessee): Continuation of annual rent at \$1,206 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in Lake Tahoe, adjacent to 8670 Brockway Vista Avenue, near Kings Beach, Placer County. (PRC 8935.1)
- George Stanley Langston and Betty Lea Langston as Trustees of the Langston Family Trust of 1990 U.D.T. dated September 28, 1990 (Lessee): Continuation of annual rent at \$1,587 per year for a General Lease - Recreational Use located on sovereign land in Lake Tahoe, adjacent to 8501 and 8503 Meeks Bay Avenue, near Meeks Bay, El Dorado County. (PRC 5558.1)
- Mark D. Leng and Sherri E. Leng (Lessee): Continuation of annual rent at \$251 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the

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Sacramento River, adjacent to 2541 Garden Highway, near Sacramento, Sacramento County. (PRC 7833.1)

- Charles S. McDowell and Corinne L. McDowell, Trustees of the McDowell Family Trust, dated June 28, 1994 (Lessee): Continuation of annual rent at \$788 per year for a General Lease - Recreational Use located on sovereign land in Georgiana Slough, adjacent to Sacramento County Assessor's Parcel Number 156-0080-069, near Isleton, Sacramento County. (PRC 8489.1)
- Oakley Station, LLC (Lessee): Continuation of annual rent at \$754 per year for a General Lease - Recreational Use located on sovereign land in Lake Tahoe, adjacent to 4120 Ferguson Avenue, near Carnelian Bay, Placer County. (PRC 9021.1)
- Donald G. Phillips and Debra L. Phillips (Lessee): Continuation of annual rent at \$2,066 per year for a General Lease - Recreational Use, located on sovereign land in Georgiana Slough, adjacent to 17211 Terminous Road, near Isleton, Sacramento County. (PRC 8221.1)
- James C. Ross and Jean L. Scott (Lessee): Continuation of annual rent at \$361 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the Sacramento River, adjacent to 2331 Garden Highway, near Sacramento, Sacramento County. (PRC 5901.1)
- Sherwood Harbor Marina, LLC (Lessee): Continuation of annual rent at \$11,209 per year for a General Lease - Commercial Use located on sovereign land in the Sacramento River, adjacent to 3505 South River Road, near West Sacramento, Yolo County. (PRC 6372.1)
- Roland A. von Metzsch and Christine Wente von Metzsch, Trustees of the Christine and Roland von Metzsch Family Trust dated October 11, 2010, and Eric P. Wente, Trustee of the Christine and Roland von Metzsch 2012 Irrevocable Trust

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(Lessee): Continuation of annual rent at \$1,926 per year for a General Lease - Recreational Use located on sovereign land in Lake Tahoe, adjacent to 2220 Sunnyside Lane, near Tahoe City, Placer County. (PRC 5598.1)

- Richard E. Ward and Jaqueline P. Ward (Lessee): Continuation of annual rent at \$477 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the Sacramento River, adjacent to 3131 Garden Highway, near Sacramento, Sacramento County. (PRC 9011.1)
- Ursula Wertz, Sole Trustee of the Wertz Family Trust, dated October 25, 1989 (Lessee): Continuation of annual rent at \$146 per year for a General Lease - Recreational Use located on sovereign land in Corte Madera Creek, adjacent to 37 Boardwalk One, near Larkspur, Marin County. (PRC 6354.1)

V CONSENT CALENDAR C01-C91 25

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

LAND MANAGEMENT DIVISION

NORTHERN REGION

C01 COUNTY OF DEL NORTE (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the Klamath River, adjacent to Assessor's Parcel Numbers 140-060-14, 140-060-15, 140-130-28, 140-130-07, 140-130-09, 140-130-11, 140-130-12, and 140-130-13, near Klamath, Del Norte County; for an existing paved access road known as Klamath Beach Road. CEQA Consideration: categorical exemption. (PRC 3477.9; RA# 28615) (A 2; S 2)

(Staff: M.J. Columbus)

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- C02 R. DANIEL PUTMAN AND KATHLEEN L. WILLIAMS, CO-TRUSTEES OF THE PUTMAN-WILLIAMS LIVING TRUST DATED APRIL 30, 2015 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8307 Meeks Bay Avenue, near Meeks Bay, El Dorado County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 4145.1; RA# 01916) (A 5; S 1)(Staff: M.J. Columbus)
- C03 SIENNA PARTNERS, LLC; LEE J. SCHWEICHLER, TRUSTEE OF THE ANN W. SCHWEICHLER QUALIFIED PERSONAL RESIDENCE TRUST, DATED SEPTEMBER 10, 2009; AND ANN W. SCHWEICHLER, TRUSTEE OF THE LEE J. SCHWEICHLER QUALIFIED PERSONAL RESIDENCE TRUST, DATED SEPTEMBER 10, 2009 (APPLICANT): Consider acceptance of quitclaim deeds for Lease No. PRC 6819.1, a General Lease - Recreational Use, and PRC 8981.1, a General Lease - Recreational Use, and application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8375 and 8381 Meeks Bay, near Meeks Bay, El Dorado County; for four mooring buoys previously authorized by the Commission and an existing sundeck with safety railings not previously authorized by the Commission and the proposed removal, relocation, and reconstruction of an existing joint-use pier, and appurtenant facilities. CEQA Consideration: categorical exemptions. (PRC 6819.1; PRC 8981.1; RA# 28716) (A 5; S 1) (Staff: M.J. Columbus)
- C04 CHARLOTTE M. HAHN, TRUSTEE UNDER AGREEMENT DATED DECEMBER 30, 1980, AS AMENDED; AND MICHAEL P. GARTON AND BEVERLEY J. GARTON (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5220 West Lake Boulevard, near Homewood, Placer County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 3680.1; RA# 15016) (A 1; S 1) (Staff: K. Connor)
- C05 JOSEPH P. BARATTA, II AND ABIGAIL W. BARATTA (APPLICANT): Consider an application for a

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General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5500 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 3698.1; RA# 22716) (A 1; S 1) (Staff: K. Connor)

- C06 GERALD BAILEY AND LAUREN BAILEY, CO-TRUSTEES OF THE BAILEY FAMILY TRUST DATED NOVEMBER 7, 2016; MICHAEL J. PEASE AND JILL M. PEASE, TRUSTEES OF THE MICHAEL J. AND JILL M. PEASE FAMILY TRUST DATED NOVEMBER 18, 1998 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Donner Lake, adjacent to 14072 South Shore Drive, near Truckee, Nevada County; for an existing pier. CEQA Consideration: categorical exemption. (PRC 7972.1; RA# 27816) (A 1; S 1)(Staff: K. Connor)
- C07 GREER M. ARTHUR, JR. AND VERONICA ARTHUR, TRUSTEES AND SUCCESSOR TRUSTEES, OF THE ARTHUR LIVING TRUST DATED DECEMBER 24, 1991 (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 2250 North Lake Boulevard, near Tahoe City, Placer County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 8001.1;RA# 31216) (A 1; S 1) (Staff: K. Connor)
- C08 ARNOLD NAKAZATO; AND BRIAN D. WALSH AND LAURA N. WALSH, TRUSTEES, THE WALSH FAMILY TRUST DATED: MARCH 20, 2001 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4798 North Lake Boulevard, near Carnelian Bay, Placer County; for two mooring buoys. CEQA Consideration: categorical exemption. (PRC 8498.1; RA# 16316) (A 1; S 1) (Staff: K. Connor)
- C09 ROBERT J. ERNST III AND KATHERINE R. R. ERNST (ASSIGNOR); ROBERT J. ERNST III AND KATHERINE R. ERNST, AS TRUSTEES OF THE ROBERT AND KATHERINE ERNST TRUST, DATED MARCH 27, 2017 (ASSIGNEE): Consider an application for an assignment of

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Lease No. PRC 8977.9, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3310 Edgewater Drive, near Tahoe City, Placer County; for two existing mooring buoys. CEQA Consideration: not a project. (PRC 8977.9; RA# 31316) (A 1; S 1)(Staff: K. Connor)

C10 NEAL ADAMS AND KRISTINE MCCALLISTER, AS TRUSTEES OF THE 2017 NEAL ADAMS AND KRISTINE MCCALLISTER REVOCABLE TRUST DATED MAY 11, 2017 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Napa River, adjacent to 1364 Milton Road, city of Napa, Napa County; for an existing walkway and two pilings not previously authorized by the Commission. CEQA Consideration: categorical exemption. (W 27124; RA# 31016) (A 4; S 3) (Staff: K. Connor)

C11 PAUL PHILLIPS (ASSIGNOR); ALAN P. PHILLIPS AND GENIA S. PHILLIPS (ASSIGNEE): Consider application for the assignment, amendment of lease, and revision of rent to Lease No. PRC 3223.1, General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 6400 North Lake Boulevard, near Tahoe Vista, Placer County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: not projects. (PRC 3223.1; RA# 01217) (A 1; S 1) (Staff: N. Lee)

C12 THARSING FAMILY LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 2366.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8341 Meeks Bay Avenue, near Meeks Bay, El Dorado County; for an existing pier and one mooring buoy. CEQA Consideration: not projects. (PRC 2366.1) (A 5; S 1) (Staff: M. Schroeder)

C13 RESERVATION RANCH DBA SHIP ASHORE, A GENERAL PARTNERSHIP (ASSIGNOR); TOLOWA DEE-NI' NATION (ASSIGNEE): Consider application for the

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assignment of Lease No. PRC 5284.1, a General Lease - Other, of sovereign land located in Smith River, adjacent to 12370 Highway 101 North, near Smith River, Del Norte County; for existing pilings and remnant pilings, deck, boat ramp, breakwater, fill area, concrete abutment, and riprap. CEQA Consideration: not a project. (PRC 5284.1; RA# 17916) (A 2; S 2) (Staff: M. Schroeder)

C14 TIMOTHY MINTON ANDERSON AND MITZI JOAN MARVEL, TRUSTEES OF THE ANDERSON/MARVEL TRUST AGREEMENT DATED SEPTEMBER 25TH, 2006 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 323 Sierra Drive, near Rubicon Bay, El Dorado County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (PRC 5322.1; RA# 31916) (A 5; S 1) (Staff: M. Schroeder)

C15 NANCY L. D'ANDREA, AS TRUSTEE OF THE ROBERT J. D'ANDREA AND NANCY L. D'ANDREA INTER VIVOS TRUST AGREEMENT, DATED DECEMBER 2, 1988 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 7149 Highway 89, near Tahoma, El Dorado County; for an existing pier previously authorized by the Commission and an existing marine rail system not previously authorized by the Commission. CEQA Consideration: categorical exemption. (PRC 3655.1; RA# 10216) (A 5; S 1) (Staff: M. Schroeder)

C16 WILLIAM ALBERT SHAW (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 730 West Lake Boulevard, Tahoe City, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (PRC 5786.1; RA# 05416) (A 1; S 1)(Staff: M. Schroeder)

C17 EDWARD P. MESSERLY AND SUDHA M. PENNATHUR, AS TRUSTEES OF THE PENNATHUR MESSERLY TRUST, UNDER DECLARATION OF TRUST DATED AUGUST 6, 2010

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- (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Napa River, adjacent to 1358 Milton Road, city of Napa, Napa County; for three existing floating boat docks and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 7051.1; RA# 13516) (A 4; S 3) (Staff: M. Schroeder)
- C18 SMALLS CREEK, LLC, A NEVADA LIMITED LIABILITY COMPANY (LESSEE); TWIN PINES, LLC, A DELAWARE LIMITED LIABILITY COMPANY (APPLICANT): Consider waiver of rent, penalty, and interest; acceptance of a quitclaim deed for Lease No. PRC 7857.1, a General Lease - Recreational Use; and an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 853 Stateline Avenue, city of South Lake Tahoe, El Dorado County; for an existing pier, boat lift and one mooring buoy. CEQA Consideration: categorical exemption. (PRC 7857.1; RA# 12816) (A 5; S 1) (Staff: M. Schroeder)
- C19 RONALD F. MACK AND JUDY A. MACK, CO-TRUSTEES OF THE RON AND JUDY MACK FAMILY TRUST (U/T/A JUNE 8, 1983) (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 1170 West Lake Boulevard, Tahoe City, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (PRC 8016.1; RA# 14916) (A 1; S 1) (Staff: M. Schroeder)
- C20 CARSWELL PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 1985.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4840 West Lake Boulevard, near Homewood, Placer County; for an existing pier and two mooring buoys. CEQA Consideration: not projects. (PRC 1985.1) (A 1; S 1) (Staff: D. Simpkin)
- C21 RCD TAHOE LP, A CALIFORNIA LIMITED PARTNERSHIP; DAVID J. TEECE; AND LEIGH G. TEECE (LESSEE):

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Consider an amendment of lease and revision of rent to Lease No. PRC 2223.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 9125 Emerald Bay Road and 256 Four Ring Road, near Rubicon Bay, El Dorado County; for an existing joint-use pier, boathouse, and four mooring buoys. CEQA Consideration: not projects. (PRC 2223.1)(A 10; S 2) (Staff: D. Simpkin)

C22 JAMES PATRICK BAKER AND ELIZABETH R. BAKER, AS TRUSTEES OF THE JAMES PATRICK BAKER AND ELIZABETH R. BAKER FAMILY TRUST U/A/D SEPTEMBER 16, 2010 (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 3094.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8797 Rubicon Drive, near Rubicon Bay, El Dorado County; for an existing pier and two mooring buoys. CEQA Consideration: not projects. (PRC 3094.1) (A 5; S 1) (Staff: D. Simpkin)

C23 BRIAN JOHNSON TRUST; AND GARY STEVEN PLEAU AND VIVIAN M. M. PLEAU, TRUSTEES UNDER THE PLEAU LIVING TRUST DATED AUGUST 29, 1996, FBO GARY STEVEN PLEAU AND VIVIAN M.M. PLEAU (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 3546.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5460 and 5480 West Lake Boulevard, near Homewood, Placer County; for an existing joint-use pier, two boat lifts and four mooring buoys. CEQA Consideration: not projects. (PRC 3546.1) (A 1; S 1) (Staff: D. Simpkin)

C24 BREUNER TAHOE PARTNERSHIP; AND GREBITUS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 3557.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4920 and 4930 West Lake Boulevard, near Homewood, Placer County; for an existing joint-use pier and four mooring buoys. CEQA Consideration: not projects. (PRC 3557.1) (A 1; S 1)(Staff: D. Simpkin)

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- C25 JOHN A. MCINTOSH AND LYNNE B. MCINTOSH, TRUSTEES UNDER REVOCABLE TRUST AGREEMENT DATED MAY 27, 1988 (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 4357.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 6740 Powderhorn Lane, near Tahoma, Placer County; for an existing pier and one mooring buoy. CEQA Consideration: not projects. (PRC 4357.1) (A 1; S 1)(Staff: D. Simpkin)
- C26 RICK L. ANTLE AND TONYA ANTLE; AND MICHAEL D. CLING AND MARY JEAN CLING (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 8471.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8833 Winston Way, near Rubicon Bay, El Dorado County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: not projects. (PRC 8471.1) (A 5; S 1) (Staff: D. Simpkin)
- C27 RUBICON PARK ESTATES IMPROVEMENT ASSOCIATION (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 1711.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8820 Victoria Circle, near Rubicon Bay, El Dorado County; for an existing pier, swim platform, and 50 mooring buoys. CEQA Consideration: not projects. (PRC 1711.1)(A 5; S 1) (Staff: J. Toy)
- C28 WILLIAM E. BITTNER AND NANCY G. BITTNER, CO-TRUSTEES UNDER REVOCABLE TRUST DATED SEPTEMBER 5, 1990 (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 3850.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3675 Idlewild Way, near Homewood, Placer County; for an existing pier and one mooring buoy. CEQA Consideration: not projects. (PRC 3850.1) (A 1; S 1) (Staff: J. Toy)
- C29 JOHN E. WARNOCK AND MARVA M. WARNOCK, AS TRUSTEES OF THE WARNOCK FAMILY TRUST DATED AUGUST 27, 2012 (LESSEE): Consider an amendment of lease and

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revision of rent to Lease No. PRC 4186.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5470 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing pier and one mooring buoy. CEQA Consideration: not projects. (PRC 4186.1) (A 1; S 1)(Staff: J. Toy)

C30 LAKE POINT PLANNED UNIT DEVELOPMENT HOMEOWNERS ASSOCIATION (LESSEE): Consider an amendment of lease, revision of rent, and correction to prior authorization for Lease No. PRC 4198.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 7650 North Lake Boulevard near Tahoe Vista, Placer County; for an existing pier, boat lift, rock jetty, and two mooring buoys. CEQA Consideration: not projects. (PRC 4198.1) (A 1; S 1) (Staff: J. Toy)

C31 SEAN J. KEENE AND AMMANDA E. KEENE, TRUSTEES OF THE SEAN AND AMMANDA KEENE 2004 TRUST, DATED AUGUST 19, 2008 AS AMENDED (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 4855.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5820 North Lake Boulevard, near Agate Bay, Placer County; for an existing pier and two mooring buoys. CEQA Consideration: not projects. (PRC 4855.1) (A 1; S 1) (Staff: J. Toy)

C32 RICHARD BOWLING, JR. AND KATHLEEN S. BOWLING, AS CO-TRUSTEES OF THE BOWLING REVOCABLE TRUST DATED DECEMBER 27, 1991 (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 5318.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4692 North Lake Tahoe Boulevard, near Carnelian Bay, Placer County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: not projects. (PRC 5318.1) (A 1; S 1) (Staff: J. Toy)

C33 ROGER B. PRIMM, TRUSTEE OF THE REVISED AND RESTATED ROGER B. PRIMM FAMILY TRUST U/D/T JANUARY 30, 1990 (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC

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- 6863.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3115 Jameson Beach Road, near South Lake Tahoe, El Dorado County; for an existing pier and two mooring buoys. CEQA Consideration: not projects. (PRC 6863.1)(A 5; S 1) (Staff: J. Toy)
- C34 STEPHEN J. GORDON, TRUSTEE OF THE STEPHEN J. GORDON REVOCABLE TRUST; AND JAMES A. ROBERTSON AND CATHY ROBERTSON, AS TRUSTEES OF THE JAMES AND CATHY ROBERTSON TRUST DATED SEPTEMBER 5, 1996 (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 8356.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8770 and 8774 Brockway Vista Avenue, near Kings Beach, Placer County; for an existing joint-use pier and four mooring buoys. CEQA Consideration: not projects. (PRC 8356.1) (A 1; S 1) (Staff: J. Toy)

BAY/DELTA REGION

- C35 FRED E. WEIBEL, JR. AND JUDITH L. WEIBEL, AS TRUSTEES OF THE WEIBEL 1996 LIVING TRUST DATED 10/15/96 (LESSEE): Consider revision of rent to Lease No. PRC 4361.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Calaveras River, adjacent to 4151 Yacht Harbor Drive, near Stockton, San Joaquin County; for an existing boathouse with a boat lift, ramp, walkway, bulkhead, and 28 pilings. CEQA Consideration: not a project. (PRC 4361.1) (A 13; S 5) (Staff: G. Asimakopoulos)
- C36 DEVIL'S ISLE, INC. (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 6548.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in White Slough and Little Potato Slough, adjacent to 14501 West Eight Mile Road, near Stockton, San Joaquin County; for an existing floating boat dock with four single berth slips, three ramps, covered swimming float, and bank protection. CEQA Consideration: not projects. (PRC 6548.1) (A 13; S 5) (Staff: G. Asimakopoulos)

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- C37 JAMES G. ROSS AND LAUREL J. ROSS, TRUSTEES OF THE ROSS FAMILY TRUST (LESSEE); SUSAN E. CASTON, TRUSTEE OF THE SUSAN E. CASTON SURVIVOR'S TRUST, DATED DECEMBER 22, 2008 (APPLICANT): Consider acceptance of a lease quitclaim deed for Lease No. 6831.1, a General Lease - Recreational Use, and an application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to 13219 River Road, near Walnut Grove, Sacramento County; for an existing floating boat dock and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 6831.1; RA# 02917) (A 9; S 3) (Staff: G. Asimakopoulos)
- C38 COUNTY OF SAN JOAQUIN (LESSEE): Consider correction to prior authorization of Lease No. 9421.9, 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: not a project. (PRC 9421.9) (A 13; S 5)(Staff: G. Asimakopoulos)
- C39 KENNETH TOCH, SUCCESSOR CO-TRUSTEE TO MARILYN TOCH AND KAREN L. WAGGERMAN, CO-TRUSTEES UNDER THE TOCH REVOCABLE INTER VIVOS TRUST DATED APRIL 8, 1983 (ASSIGNOR); ADD T. KENNON, JR. AND BETTY A. KENNON, TRUSTEE OF THE ADD T. KENNON, JR. AND BETTY KENNON FAMILY TRUST U/D DATED OCTOBER 24, 2011 (ASSIGNEE): Consider application for the assignment of Lease No. PRC 6049.1, General Lease - Recreational and Residential Use, of sovereign land located in Mare Island Strait, adjacent to 7 Sandy Beach Road, near Vallejo, Solano County; for a portion of an existing residence, deck, and appurtenant facilities. CEQA Consideration: not a project. (PRC 6049.1; RA# 01317) (A 14; S 3) (Staff: V. Caldwell)
- C40 MARIN ROWING ASSOCIATION (APPLICANT): Consider application for a General Lease - Recreational

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and Protective Structure Use, of sovereign land located in Corte Madera Creek adjacent to 50 Drakes Landing Road, Greenbrae, Marin County; for an existing pier, ramp, and boat dock previously authorized by the Commission and two 3-pile dolphins, a second boat dock, and bank protection not previously authorized by the Commission. CEQA Consideration: categorical exemptions. (PRC 7129.1; RA# 19715) (A 10; S 3) (Staff: A. Franzoia)

C41 BURLINGAME BAY PARK HOTEL, LLC (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use of sovereign land located in San Francisco Bay, city of Burlingame, San Mateo County; to maintain access to and functionality of the existing San Francisco Bay Trail; maintain signage and cyclone fencing; remove all trash, rubbish, and debris; reduce potential fire hazards; and monitor shoreline protective structures. CEQA Consideration: categorical exemption. (W 26981; RA# 35315) (A 22; S 13) (Staff: A. Franzoia)

C42 SANTA CLARA VALLEY WATER DISTRICT (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the Lower Guadalupe River and the historic bed of Alviso Slough and Steamboat Slough, near San Jose, Santa Clara County; for flood protection and maintenance management purposes. CEQA Consideration: Subsequent Environmental Impact Report, certified by the Santa Clara Valley Water District, State Clearinghouse No. 2000102055, and adoption of a Mitigation Monitoring Program, Statement of Findings, and Statement of Overriding Considerations. (PRC 3968.9/PRC 3949.9; RA# 28116) (A 25; S 10) (Staff: M. Hays)

C43 PHILLIP R. PETERSON AND TONJA SUE PETERSON (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Petaluma River, adjacent to 35 Hillside Terrace, near Novato, Marin County; for an existing boathouse, pier, and walkway. CEQA Consideration: categorical exemption. (PRC

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3716.1; RA# 27716) (A 10; S 2) (Staff: J. Holt)

- C44 OX BOW MARINA, A CALIFORNIA GENERAL PARTNERSHIP (APPLICANT): Consider application for a General Lease - Other, of sovereign land located in Georgiana Slough, Andrus Island, adjacent to 100 Oxbow Marina Drive, near Isleton, Sacramento County; for existing bank protection and a culvert. CEQA Consideration: categorical exemption. (PRC 5457.9; RA# 37514) (A 11; S 3) (Staff: J. Holt)
- C45 DALE E. HARTZELL (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 2271 Garden Highway, near Sacramento, Sacramento County; for an existing floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: categorical exemption. (PRC 7091.1; RA# 32316) (A 7; S 6) (Staff: J. Holt)
- C46 TA & JC PROPERTIES, LLC (LESSEE): Consider revision of rent to Lease No. PRC 2851.1, a General Lease - Commercial Use, of sovereign land located in Seven Mile Slough, adjacent to 1100 West Brannan Island Road, near Isleton, Sacramento County; for an existing commercial marina. CEQA Consideration: not a project. (PRC 2851.1) (A 11; S 3) (Staff: N. Lavoie)
- C47 JOHN R. AND PATRICIA W. GARAMENDI, TRUSTEES OF THE GARAMENDI LIVING TRUST, DATED JULY 23, 1989 (LESSEE): Consider a revision of rent to Lease No. PRC 6351.1, a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to Assessor Parcel Numbers 142-0230-007 and 008, near Walnut Grove, Sacramento County; for a floating boat dock and appurtenant facilities. CEQA Consideration: not a project. (PRC 6351.1) (A 11; S 3) (Staff: D. Simpkin)
- C48 BERNARD E. SCOVILLE (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 5042.1, a General Lease - Recreational

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- and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 2395 Garden Highway, near Sacramento, Sacramento County; for a floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: not projects. (PRC 5042.1) (A 7; S 6) (Staff: J. Toy)
- C49 NARA GARDENS HOMEOWNERS ASSOCIATION (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 5459.1, a General Lease - Recreational Use, of sovereign land located in Corte Madera Creek, adjacent to Nara Gardens Homeowners Association on S. Eliseo Drive, near Greenbrae, Marin County; for an existing dock and appurtenant facilities. CEQA Consideration: not projects. (PRC 5459.1) (A 10; S 2) (Staff: J. Toy)
- C50 GARY MOORE (LESSEE): Consider revision of rent to Lease No. PRC 5778.1, a General Lease - Agricultural and Protective Structure Use, of filled and unfilled sovereign land located on Assessor's Parcel Number 157-0110-030 and in the Sacramento River, near Rio Vista, Sacramento County; for the storage of agricultural equipment and bank protection. CEQA Consideration: not a project. (PRC 5778.1)(A 11; S 3) (Staff: J. Toy)
- C51 MICHAEL S. TINKER (LESSEE): Consider revision of rent to Lease No. PRC 5840.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 2375 Garden Highway, near Sacramento, Sacramento County; for an existing floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: not a project. (PRC 5840.1) (A 7; S 6) (Staff: J. Toy)
- C52 CALIFORNIA RESOURCES PETROLEUM CORPORATION (LESSEE): Consider revision of rent to Lease No. PRC 8354.1, a General Lease - Right-of-Way Use, of sovereign land located in Seven Mile Slough, adjacent to Twitchell and Brannan Islands, near Rio Vista, Sacramento County; for an existing natural gas pipeline. CEQA Consideration: not a project. (PRC 8354.1) (A 11; S 3) (Staff: J. Toy)

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- C53 CALIFORNIA RESOURCES PETROLEUM CORPORATION
 (LESSEE): Consider revision of rent to Lease No.
 PRC 8485.1, a General Lease - Right-of-Way Use,
 of sovereign land located in Tomato Slough at
 Brannan Island, near Rio Vista, Sacramento
 County; for an existing natural gas pipeline and
 access road. CEQA Consideration: not a project.
 (PRC 8485.1) (A 11; S 3) (Staff: J. Toy)
- C54 CHARLES R. DIETZ, TRUSTEE OF THE CHARLES R. DIETZ
 REVOCABLE LIVING TRUST, DATED JULY 18, 2007
 (APPLICANT): Consider application for a General
 Lease - Recreational and Protective Structure
 Use, of sovereign land located in the Sacramento
 River, adjacent to 3031 Garden Highway, near
 Sacramento, Sacramento County; for an existing
 boat dock and appurtenant facilities previously
 authorized by the Commission, and a boat lift,
 two personal watercraft landings, and bank
 protection not previously authorized by the
 Commission. CEQA Consideration: categorical
 exemption. (PRC 5144.1; RA# 25116) (A 7; S 6)
 (Staff: D. Tutov)
- C55 HENRY J. SOSSO III AND PATRICIA A. SOSSO,
 TRUSTEES, AND SUCCESSOR TRUSTEES, OF THE HENRY J.
 SOSSO III AND PATRICIA A. SOSSO TRUST UNDER
 AGREEMENT DATED OCTOBER 28, 1993 (APPLICANT):
 Consider application for a General Lease -
 Recreational Use, of sovereign land located in
 Georgiana Slough, adjacent to 14323 River Road,
 near Walnut Grove, Sacramento County; for one
 existing boat dock and walkway previously
 authorized by the Commission and one existing
 boat dock and walkway not previously authorized
 by the Commission. CEQA Consideration:
 categorical exemption. (PRC 5280.1; RA# 23316) (A
 11; S 3) (Staff: D. Tutov)
- C56 ANTHONY JOHNSON AND TERRY SHRODE (APPLICANT):
 Consider application for a General Lease -
 Recreational Use, of sovereign land located in
 Tomales Bay, adjacent to 19225 Highway 1, near
 Marshall, Marin County; for an existing mooring
 buoy not previously authorized by the Commission.
 CEQA Consideration: Negative Declaration, adopted
 by the California State Lands Commission, State

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Clearinghouse No. 2012082074. (W 27058; RA# 24215) (A 10; S 2) (Staff: D. Tutov)

- C57 CALIFORNIA STATE COASTAL CONSERVANCY (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in San Pablo Bay, at Giant Marsh, near Point Pinole Regional Shoreline in Richmond, Contra Costa County; for habitat restoration. CEQA Consideration: categorical exemption. (W 27114; RA# 28916) (A 15; S 9) (Staff: D. Tutov)
- C58 CRAIG R. FRUIN, AS TRUSTEE OF THE CRAIG R. FRUIN LIVING TRUST (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 470 Pierce Point Road, near Inverness, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074.(W 27125; RA# 38015) (A 10; S 2) (Staff: D. Tutov)

CENTRAL/SOUTHERN REGION

- C59 LEONIS C. MALBURG (ASSIGNOR); LEONIS CLOS MALBURG, TRUSTEE OF TRUST A OF THE MALBURG FAMILY TRUST DATED MAY 25, 2001, AS AMENDED (ASSIGNEE): Consider an application for an assignment of Lease No. PRC 3086.1, a General Lease - Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 16442 Malden Circle, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: not a project. (PRC 3086.1; RA# 32216) (A 72; S 34)(Staff: S. Avila)
- C60 VILLA MAVI, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Main Channel of Huntington Harbour, adjacent to 16502 Somerset Lane, Huntington Beach, Orange County; for the removal of an existing boat dock and access ramp; the construction, use, and maintenance of a new boat

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- dock and access ramp; and the use and maintenance of an existing cantilevered deck. CEQA Consideration: categorical exemption. (PRC 3851.1; RA# 32716) (A 72; S 34)(Staff: S. Avila)
- C61 VINCENT B. RUH, TRUSTEE OF THE VINCENT B. RUH TRUST EXECUTED JUNE 19, 1989 (APPLICANT): Consider termination of Lease No. PRC 5698.1, and an application for a General Lease - Recreational Use, of sovereign land located in the Main Channel of Huntington Harbour, adjacent to 16762 Coral Cay Lane, Huntington Beach, Orange County; for the removal of an existing boat dock and access ramp; the construction, use, and maintenance of a new boat dock and access ramp; and the use and maintenance of an existing cantilevered deck. CEQA Consideration: categorical exemption. (PRC 5698.1; RA# 01017) (A 72; S 34)(Staff: S. Avila)
- C62 BERNIE BARRAD AND SHEILA BARRAD, TRUSTEES OF THE BERNIE AND SHEILA BARRAD TRUST DATED FEBRUARY 12, 1987 (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Huntington Harbour adjacent to 16932 Coral Cay Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: categorical exemption. (PRC 6063.1; RA# 17706) (A 72; S 34)(Staff: S. Avila)
- C63 SANTA CATALINA ISLAND COMPANY (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 7030.1, a General Lease - Industrial Use, of sovereign land in the Pacific Ocean near Jewfish Point and Empire Landing, Santa Catalina Island, Los Angeles County; for loading facilities necessary for the support of rock quarry activities, including mooring of barges during loading activities, and for an existing riprap shoreline protective structure not previously authorized by the Commission. CEQA Consideration: amendment: categorical exemption; revision of rent: not a project. (PRC 7030.1; RA# 22416) (A 70; S 26) (Staff: S. Avila)

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- C64 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 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)
- C65 RUBEN BAGHDASSARIAN AND CHERYL B. BAGHDASSARIAN, AS TRUSTEES OF THE RUBEN BAGHDASSARIAN AND CHERYL B. BAGHDASSARIAN LIVING TRUST DATED FEBRUARY 17, 2000 (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Main Channel of Huntington Harbour, adjacent to 3492 Venture Drive, Huntington Beach, Orange County; for an existing boat dock, access ramp, cantilevered deck, and bulkhead protection. CEQA Consideration: categorical exemption. (PRC 8286.1; RA# 28316) (A 72; S 34) (Staff: S. Avila)
- C66 SAN ELIJO LAGOON CONSERVANCY; CALIFORNIA DEPARTMENT OF TRANSPORTATION (CO-APPLICANTS): Consider application for a General Lease - Other, of sovereign land located in the San Elijo Lagoon and the Pacific Ocean, city of Encinitas, San Diego County; for restoration activities including the placement of 850,000 cubic yards of dredge material at two onshore receiver sites and two offshore disposal sites; the construction, use, and maintenance of an overdredge pit and riprap protective structures; and ongoing long-term dredging maintenance activities of the lagoon inlet and main channel including the annual removal of approximately 40,000 cubic yards of dredged material. CEQA Consideration: Environmental Impact Report/Environmental Impact Statement, certified by the County of San Diego

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Parks and Recreation Department, State Clearinghouse No. 2011111013, and adoption of a Mitigation and Monitoring Program, Statement of Findings, and Statement for Overriding Considerations. (W 26967; RA# 31115)(A 76; S 36) (Staff: S. Avila)

- C67 ALEXANDER H. MCKAY AND ELAINE M. MCKAY, AS CO-TRUSTEES OF THE MCKAY LIVING TRUST, ESTABLISHED NOVEMBER 22, 2011 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Main Channel of Huntington Harbour, adjacent to 16772 Coral Cay Lane, Huntington Beach, Orange County; for the removal of an existing boat dock and access ramp not previously authorized by the Commission; the construction, use, and maintenance of an existing cantilevered deck not previously authorized by the Commission. CEQA Consideration: categorical exemption. (W 27020; RA# 27616) (A 72; S 34) (Staff: S. Avila)
- C68 CITY OF SANGER (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the Kings River, 0.5 mile north of the Goodfellow Bridge, City of Sanger, Fresno County; for the construction, use, and maintenance of a non-motorized boat launching ramp; and appurtenant facilities. CEQA Consideration: Mitigated Negative Declaration, adopted by the City of Sanger, State Clearinghouse No. 2016061045, and adoption of a Mitigation Monitoring Program. (W 27112; RA# 27416) (A 31; S 14) (Staff: S. Avila)
- C69 DAVID JAY WINKLER AND SHERRY LYNN WINKLER, TRUSTEES OF THE WINKLER TRUST DATED JUNE 5, 1991 (LESSEE/APPLICANT): Consider termination of Lease No. PRC 7789.1, a General Lease - Protective Structure Use; and an application for a General Lease - Protective Structure Use, of sovereign land located in the Pacific Ocean, adjacent to 521 Pacific Avenue, City of Solana Beach, San Diego County; for an existing seawall and sea cave/notch fills; and for the construction, use, and maintenance of a seawall. CEQA Consideration:

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- California Coastal Commission Coastal Development Permit No. 6-16-0281. (PRC 7789.1; RA# 08016) (A 78; S 39) (Staff: R. Collins)
- C70 RONALD W. LUCKER AND MARIE L. LUCKER, TRUSTEES OF THE RONALD AND MARIE LUCKER FAMILY TRUST DATED JULY 19, 2000 (APPLICANT): Consider application for a General Lease - Protective Structure Use, of sovereign land located in the Pacific Ocean, adjacent to 517 Pacific Avenue, City of Solana Beach, San Diego County; for the construction, use, and maintenance of a seawall. CEQA Consideration: California Coastal Commission Coastal Development Permit No. 6-16-0281. (PRC 8247.1; RA# 08116) (A 78; S 39) (Staff: R. Collins)
- C71 SANTA BARBARA COUNTY FLOOD CONTROL DISTRICT (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in Davis Creek in the Burton Mesa Ecological Reserve, near Vandenberg Village, Santa Barbara County; for the removal of obstructive vegetation and sediment. CEQA Consideration: Addendum to a Programmatic Environmental Impact Report, certified by the Santa Barbara County Flood Control District, State Clearinghouse No. 2001031043, and adoption of a Mitigation Monitoring Program and Statement of Findings. (W 27134; RA# 04317) (A 35; S 19) (Staff: R. Collins)
- C72 CALIFORNIA STATE LANDS COMMISSION (PARTY): Consider approval of the 2017 Category 2 Solana Beach benchmark rental rate for sovereign land in the City of Solana Beach, San Diego County. CEQA Consideration: not a project. (W 27135) (A 78; S 39) (Staff: K. Foster)
- C73 6525 POINT LECHUZA DRIVE, LLC (APPLICANT): Consider application for a General Lease - Protective Structure Use, of sovereign land located in the Pacific Ocean, adjacent to 6525 Point Lechuza Drive, Malibu, Los Angeles County; for an existing rock revetment. CEQA Consideration: categorical exemption. (PRC

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- 6470.1; RA# 11711) (A 50; S 27) (Staff: L. Pino)
- C74 SYRUS RAYHAN AND ELAHEH RAYHAN, AS TRUSTEES OF THE "SYRUS RAYHAN AND ELAHEH RAYHAN 1994 TRUST" DATED APRIL 20, 1994. (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Main Channel of Huntington Harbour, adjacent to 3612 Venture Drive, Huntington Beach, Orange County; for an existing boat dock, access ramp, cantilevered deck, and bulkhead protection. CEQA Consideration: categorical exemption. (PRC 8281.1; RA# 29116) (A 72; S 34) (Staff: L. Pino)
- C75 CALIFORNIA STATE LANDS COMMISSION AND CALIFORNIA COASTAL COMMISSION (PARTIES): Consider acceptance of an offer to dedicate a lateral public access easement over land adjacent to State tidelands in the city of Malibu, 30732 Pacific Coast Highway, Los Angeles County. CEQA Consideration: not a project. (W 24665) (A 50; S 27) (Staff: L. Pino)
- C76 CALIFORNIA STATE LANDS COMMISSION AND CALIFORNIA COASTAL COMMISSION (PARTIES): Consider acceptance of an offer to dedicate a lateral public access easement over land adjacent to State tidelands in the city of Malibu, 21950 Pacific Coast Highway, Los Angeles County. CEQA Consideration: not a project. (W 24665) (A 50; S 27) (Staff: L. Pino)
- C77 ROBERT F. BARON AND LLOYD A. BARON, TRUSTEES OF THE BARON FAMILY TRUST (LESSEE): Consider revision of rent to Lease No. PRC 4099.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in Huntington Harbour, adjacent to 16611 Carousel Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, cantilevered deck, and bulkhead protection. CEQA Consideration: not a project. (PRC 4099.1) (A 72; S 34) (Staff: D. Simpkin)
- C78 DRT, INVESTMENTS, LLC A LIMITED LIABILITY COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 5811.1, a General Lease - Recreational Use,

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of sovereign land located in Huntington Harbour, adjacent to 16862 Coral Cay Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: not a project. (PRC 5811.1) (A 72; S 34) (Staff: D. Simpkin)

C79 SANTA CATALINA ISLAND COMPANY (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 6410.1, a General Lease - Recreational Use, of sovereign land located in the Pacific Ocean at Ballast Point in Catalina Harbor, Santa Catalina Island, Los Angeles County; for an existing dinghy pier, access ramp, and floats. CEQA Consideration: not projects. (PRC 6410.1)(A 70; S 26) (Staff: D. Simpkin)

C80 DCOR, LLC (LESSEE): Consider revision of rent to Lease No. PRC 6417.1, a General Lease - Right-of-Way Use, of sovereign land located in the Pacific Ocean, offshore of Huntington Beach, Orange County; for an existing pipeline containing two power cables and a natural gas pipeline extending offshore to serve Platforms Eva and Edith. CEQA Consideration: not a project. (PRC 6417.1) (A 72; S 34)(Staff: J. Toy)

SCHOOL LANDS

C81 FRONTIER CALIFORNIA, INC. (APPLICANT): Consider application for a General Lease - Right-of-Way Use, of State-owned indemnity school land located in a portion of Section 21, Township 1 South, Range 4 East, SBM, northeast of Morongo Valley, San Bernardino County, for an existing unpaved access road and overhead and underground telephone lines. CEQA Consideration: categorical exemption.(PRC 4242.2; RA# 00517) (A 42; S 16) (Staff: J. Porter)

C82 JOHN MATLEY & SON (APPLICANT): Consider application for a General Lease - Grazing Use, of State-owned school land located in Section 16, Township 25 North, Range 15 East and a portion of Section 36, Township 26 North, Range 15 East, MDM, near Doyle, Plumas County; for livestock

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grazing. CEQA Consideration: categorical exemption. (PRC 5531.2; RA# 29716) (A 1; S 1) (Staff: J. Porter)

- C83 COACHELLA VALLEY WATER DISTRICT (LESSEE): Consider revision of rent to Lease No. PRC 9025.2, a General Lease - Right-of-Way Use, of State-owned indemnity school land located within a portion of Section 24, Township 3 South, Range 3 East, SBM, near Palm Springs, Riverside County; for a diversion channel and appurtenant facilities. CEQA Consideration: not a project. (PRC 9025.2)(A 42; S 28) (Staff: J. Toy)

MINERAL RESOURCES MANAGEMENT

- C84 CALIFORNIA RESOURCES PRODUCTION CORPORATION (LESSEE): Consider acknowledgment of receipt of the Quitclaim Deed for Negotiated Subsurface (no surface use) Natural Gas Lease No. PRC 8989.1 underlying the Sacramento River adjacent to Sections 5 and 6, Township 14 North, Range 1 East, M.D.M., located near Grimes in Colusa and Sutter counties. CEQA Consideration: not a project.(PRC 8989.1) (A 2, S 4) (Staff: N. Heda)
- C85 CITY OF LONG BEACH (APPLICANT): Consider acceptance of the Final Report and Closing Statement for the Long Beach Unit Annual Plan (July 1, 2016 through June 30, 2017), Long Beach Unit, Wilmington Oil Field, Los Angeles County. CEQA Consideration: not a project. (W 17168) (A 70; S 33, 34) (Staff: E. Tajer)
- C86 DEEP ROSE DEVELOPMENT, LLC (PERMITTEE): Consider application for an extension of State geothermal resources prospecting permit PRC 9245.2, Assessor's Parcel Number 037-500-03, containing all of Section 16, Township 21 South, Range 38 East, MDBM, approximately 20 miles south of Owens Lake, near the Coso geothermal field, Inyo County. CEQA Consideration: Mitigated Negative Declaration, adopted by the Division of Oil, Gas, & Geothermal Resources, State Clearinghouse No. 2005121125, and re-adoption of a Mitigation Monitoring Program. (PRC 9245.2; RA# 04017) (A

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26; S 8) (Staff: V. Perez)

- C87 ISLAND ENERGY PARTNERS, LLC (LESSEE): Consider acknowledgment of receipt of the full Quitclaim Deeds for Negotiated Subsurface (no surface use) Oil and Gas Lease Nos. PRC 7318.1 on tide and submerged lands in the vicinity of Piper Slough, and PRC 7657.1 on tide and submerged lands in the vicinity of False River, Contra Costa County. CEQA Consideration: not a project. (PRC 7318.1, PRC 7657.1) (A 11; S 7) (Staff: N. Heda)

MARINE ENVIRONMENTAL PROTECTION - NO ITEMS

ADMINISTRATION - NO ITEMS

LEGAL

- C88 CALIFORNIA STATE LANDS COMMISSION; NOWELL INVESTMENT CO.; LEVEE BLOCK LIMITED PARTNERSHIP; ROBERT M. MORTON II, TRUSTEE OF THE MORTON 2006 TRUST, DATED JUNE 13, 2006; AND LAURIE MORTON (PARTIES): Consider a legal settlement consisting of a Boundary Line and Easement Agreement between the State of California acting by and through the California State Lands Commission and Nowell Investment Co., an Arizona limited partnership; Levee Block Limited Partnership, an Arizona limited partnership; Robert M. Morton, II, trustee of the Morton 2006 trust, dated June 13, 2006; and, Laurie Morton, an individual, on the Colorado River, City of Blythe, County of Riverside, California. CEQA Consideration: statutory exemption. (W 503.2084; AD 663) (A 56; S 28) (Staff: J. Fabel)

- C89 UNITED STATES DEPARTMENT OF THE ARMY (PARTY): Consider Cession of Concurrent Criminal Jurisdiction pursuant to California Government Code section 126 over a portion of Fort Ord known as the Stilwell Parcel, City of Seaside, Monterey County. CEQA Consideration: not a project. (F 0127.4) (A 29; S 17)(Staff: P. Huber)

KAPILOFF LAND BANK TRUST ACQUISITIONS - NO ITEMS

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EXTERNAL AFFAIRS

GRANTED LANDS

- C90 CITY OF LONG BEACH (GRANTEE/TRUSTEE): Review a proposed tideland oil revenue expenditure increase in an amount not to exceed \$3,797,717 by the city of Long Beach for capital improvement projects within legislatively granted sovereign land located in the city of Long Beach, Los Angeles County. CEQA consideration: not a project. (G 05-03.10) (A 70; S 33) (Staff: M. Moser)
- C91 CALIFORNIA STATE LANDS COMMISSION: Consider approval of findings pursuant to Public Resources Code section 6702, subdivision (b) regarding the Hyatt Long Beach hotel lease agreements and the Hyatt Equities, LLC, assignment of the leases, each as amended and restated, to Investel Shoreline LLC, involving legislatively granted lands in the city of Long Beach, Los Angeles County. CEQA consideration: not a project. (G 05-03) (A 70; S 33) (Staff: R. Boggiano)

VI. INFORMATIONAL

- 92 CALIFORNIA STATE LANDS COMMISSION: Legislative Report providing information and a status update concerning state and federal legislation relevant to the Commission. CEQA consideration: not applicable. (A & S: Statewide)(Staff: S. Pemberton)

VII. REGULAR CALENDAR 93-98

- 93 SOCAL HOLDING, LLC (LESSEE): Consider amending State Oil and Gas Lease Nos. PRC 91, PRC 163, PRC 425, PRC 426, and PRC E-392, to reduce idle well counts, establish a sinking fund, and modify the price based sliding scale royalty, offshore Huntington Beach, Orange County. CEQA Consideration: not a project. (PRC 91, PRC 163, PRC 425, PRC 426, PRC E-392) (A 72, 74; S 34, 37) (Staff: J. Planck, J. Fabel)

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- 94 NEW AMERICA MEDIA (INFORMATIONAL):
Presentation by New America Media, a national collaboration and advocate of 3,000 ethnic news organizations. CEQA Consideration: not applicable. (A & S: Statewide) (Staff: J. Lucchesi) 36
- 95 ALTASEA AT THE PORT OF LOS ANGELES (INFORMATIONAL): Presentation by Altasea, a nonprofit corporation located on a historic pier in the Port of Los Angeles that brings people together to expand science-based understanding of the ocean, incubate and sustain ocean-related business, and pursue new ocean-related education programs. CEQA Consideration: not applicable. (G 05-04) (A 70; S 28, 35) (Staff: J. Lucchesi) 48
- 96 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) 61
- 97 THE FOLLOWING ITEM WILL NOT BE CONSIDERED BY THE COMMISSION BEFORE 12 NOON: AES HUNTINGTON BEACH LLC AND POSEIDON RESOURCES (SURFSIDE) LLC (CO-LESSEES): Consider a revision of rent and an application for an amendment to Lease No. PRC 1980.1, a General Lease - Industrial Use, of tide and submerged lands in the Pacific Ocean, offshore of Huntington Beach State Park, Huntington Beach, Orange County to amend the lease to include the installation of four wedgewire screen manifolds and foundations to support the screens; modify the existing seawater discharge pipeline to enhance brine mixing with seawater; extend the construction completion date, and other related amendments. CEQA Consideration: certification of a final Supplemental Environmental Impact Report, State Clearinghouse No. 2001051092, and adoption

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of a Mitigation and Monitoring Program,
Statement of Findings, and Statement of
Overriding Considerations. (PRC 1980.1; RA#
02416) (A 74; S 37) (Staff: C. Hudson;
C. Oggins; A. Borack, J. Garrett) 70

98 CALIFORNIA STATE LANDS COMMISSION
(INFORMATIONAL): Informational report on
efforts to increase transparency in the
Commission's closed session agenda,
discussions and decisions. CEQA
Consideration: not applicable. (A & S:
Statewide) (Staff: W. Crunk, M. Meier, J.
Lucchesi) 331

VIII COMMISSIONERS' COMMENTS 335

IX CLOSED SESSION: AT ANY TIME DURING THE MEETING,
THE COMMISSION MAY MEET IN A SESSION CLOSED TO
THE PUBLIC TO CONSIDER THE MATTERS LISTED BELOW
PURSUANT TO GOVERNMENT CODE SECTION 11126, PART
OF THE BAGLEY-KEENE OPEN MEETING ACT. 69

A. LITIGATION.

The Commission may consider pending and
possible litigation pursuant to the
confidentiality of attorney-client
communications and privileges provided
under Government Code section 11126,
subdivision (e).

1. The Commission may consider matters that fall
under Government Code section 11126,
subdivision (e)(2)(A), concerning
adjudicatory proceedings before a court, an
administrative body exercising its
adjudicatory authority, a hearing officer, or
an arbitrator, to which the Commission is a
party. Such matters currently include the
following:

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

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Center for Biological Diversity v. California
State Lands Commission

City of Goleta v. California State Lands
Commission

In re: Rincon Island Limited Partnership
Chapter 11

In re: Venoco, LLC, Bankruptcy Chapter 11

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

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

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

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

San Francisco Baykeeper v. California State
Lands Commission

San Francisco Baykeeper v. California State
Lands Commission II

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

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

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

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

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

United States v. 1.647 Acres

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

World Business Academy v. California State
Lands Commission

2. The Commission may consider matters that fall under Government Code section 11126, subdivision (e)(2)(B), under which;
 - a. A point has been reached where, in the opinion of the Commission, on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the Commission, or
 - b. Based on existing facts and circumstances, the Commission is meeting only to decide whether a closed session is authorized because of a significant exposure to litigation against the Commission.
3. The Commission may consider matters that fall under Government Code section 11126, subdivision (e)(2)(C), where, based on existing facts and circumstances, the state body has decided to initiate or is deciding whether to initiate litigation.

Adjournment 335

Reporter's Certificate 336

1 P R O C E E D I N G S

2 ACTING CHAIRPERSON WILLIAMS: Good morning. Good
3 morning. I'd call this meeting of the State Lands
4 Commission to order.

5 Thank you.

6 All the representatives of the Commission are
7 present. I am Rhys Williams representing Lieutenant
8 Governor Newsom this morning --

9 (Can't hear you.)

10 ACTING CHAIRPERSON WILLIAMS: -- the Lieutenant
11 Governor.

12 EXECUTIVE OFFICER LUCCHESI: Can we turn on the
13 mics?

14 ACTING CHAIRPERSON WILLIAMS: I think it's on. I
15 just don't think it's loud enough.

16 We have it on.

17 Testing one, two, three.

18 Is that better? Can you hear in the back?

19 No, they can't hear in the back. More volume.

20 Test, one, two, three. Is that better?

21 Testing one, two, three. One, two, three.

22 Nothing like a false start.

23 Maybe it's the accent. I don't know.

24 Can you hear in the back?

25 (Yeses.)

1 ACTING CHAIRPERSON WILLIAMS: That's much better.
2 All right. We'll try that again.

3 Super.

4 Good morning. I call this meeting of the State
5 Lands Commission to order. All representatives of the
6 Commission are present. I am Rhys Williams representing
7 Lieutenant Governor Newsom this morning. Lieutenant
8 Governor Newsom is expected to join us around about noon.

9 I'm joined today by State Controller Ms. Betty
10 Yee, whom I also have the honor and privilege of wishing a
11 very happy birthday, and many happy returns.

12 (Applause.)

13 ACTING CHAIRPERSON WILLIAMS: And also Ms.
14 Ortega, representing the Department of Finance.

15 For the benefit of those in the audience, the
16 State Lands Commission manages State property interests in
17 over five million acres of land including mineral
18 interests. The Commission also has responsibility for the
19 provision of oil spills at marine oil terminals --

20 (Can't hear you.)

21 (Speak up, please.)

22 ACTING CHAIRPERSON WILLIAMS: -- and onshore oil
23 platforms for preventing the introduction of marine
24 invasive species into the California's marine waters.
25 Today, we will hear requests and presentations involving

1 the lands and resources within the Commission's
2 jurisdictions. But first, some quick parish notices.

3 Firstly, hearing-impaired devices, we have some
4 available over at the audio desk, over there.

5 Number two, just a clarification on today's
6 agenda, this morning we will be dealing with the consent
7 calendar items and Items 93 to 96 before adjourning into
8 closed session. No sooner than noon we'll be dealing with
9 Agenda Item 97, Poseidon. And so that will take place
10 this afternoon -- afternoon.

11 Finally, I'm just going to turn it over to Ms.
12 Lucchesi for some safety notices.

13 EXECUTIVE OFFICER LUCCHESI: Right.

14 So thank you very much.

15 Thank you very much. I just wanted -- before we
16 get going with the public comment period, I wanted to just
17 give a quick safety reminder. The exits to this building
18 are up there, and then out through there. Keep -- please
19 keep the aisles open. Nobody should be sitting on the
20 stairs. The landing at the top of the audience section
21 should be open. No one should be standing up there.

22 The entryway should also be open. No one should
23 be sitting/standing in the entryway. And I know that that
24 can be hard and challenging, especially with the amount of
25 public interest that we have in our meeting today, but we

1 will be having staff available to assist members of the
2 public find a safe place to stand or to sit during the
3 course of the meeting.

4 And also, we're not going to be unfortunately
5 bringing any additional chairs into the chamber for safety
6 reasons. As we move throughout the meeting, and
7 particularly as we get to item 97 this afternoon, if there
8 are folks that have signed up to speak, but are located
9 outside, we will make it a point of staff to make sure we
10 find those -- that member of the public or person wanting
11 to speak in order to come into the chambers to do so.

12 So please have patience with us. Our goal is to
13 ensure that everybody has an opportunity -- excuse me, an
14 opportunity to speak within the time frame that we're
15 working on.

16 And with that, I'll turn it back over to the
17 Chair.

18 Thank you.

19 ACTING CHAIRPERSON WILLIAMS: Thank you very
20 much.

21 The first item of business will be public
22 comment. And that will be public comment on items that
23 are not on the agenda. There will be an opportunity for
24 public comment on the agendized items as those items come
25 up. But first public comment for items that are not on

1 this agenda. Are there any members of the public that
2 wish to address the Commission?

3 EXECUTIVE OFFICER LUCCHESI: Chair, I have four
4 speaker slips to speak during public comment. And I'll be
5 calling those members to come up to -- of the public to
6 come up to the podium.

7 First, Janet Gunter.

8 ASSISTANT EXECUTIVE OFFICER CONNOR: She's still
9 on her way.

10 EXECUTIVE OFFICER LUCCHESI: She still -- okay.
11 We will go on to -- is she in the building?

12 MR. WEISS: She's en route.

13 EXECUTIVE OFFICER LUCCHESI: She's en route. Oh,
14 okay. Then Noel Weiss.

15 MR. WEISS: Commissioners, good morning. I'm
16 here as a follow up to our discussion which we had in
17 October -- I'm sorry, in August, concerning the tidelands
18 Trust issues pertaining to the port of Los Angeles and
19 specifically the rail use, the rail spur, and the
20 underground rail lines.

21 Back in October, I think Lieutenant Governor
22 Newsom with the consent of Controller Yee had accepted the
23 premise that the Attorney General could and should
24 basically issue a written opinion on the following
25 question: Whether or not the State Lands Commission has

1 jurisdiction over the operating permit between the port
2 and PHL, which is the short line railroad that basically
3 runs through the port. And that railroad carries about
4 33,000 gallons of propane through the port, no Port nexus,
5 over to a switching line for the benefit of Plains All
6 American Pipeline.

7 In addition, there's a rail spur which is also a
8 tidelands Trust asset, which there's at least between
9 Plains All American Rancho and the City of Los Angeles.
10 Again, the -- our view is that the Commission has
11 jurisdiction on this. However, you have the ability, as a
12 Commission or into your individual capacity as elected
13 office holders to request the Attorney General issue a
14 written opinion.

15 Our understanding was that that written opinion
16 was going to be sought. Apparently, it hasn't been
17 sought. And to the extent that the Commission either can
18 agendize an action item for the next meeting on this, or
19 Controller Yee, the Lieutenant Governor, or even the
20 Governor for that matter can ask the Attorney General that
21 question.

22 And again, the question for the sake of clarity
23 is whether or not the operating permit between the port
24 and PHL, Pacific Harbor Line, is subject to the
25 jurisdiction of this Commission?

1 And again, your agenda is full of items about
2 operating lease terms and conditions and payments, ditto
3 the rail spur lease between the City of L.A. and Rancho,
4 and also the underground pipeline.

5 So we would appreciate the Commission's following
6 through and having the Attorney General issue that formal
7 written opinion pursuant to your request.

8 Thank you.

9 ACTING CHAIRPERSON WILLIAMS: Commissioner Yee.

10 It's the other one. The red one.

11 COMMISSIONER YEE: Thank you.

12 Thank you, Mr. Chairman.

13 I think, Ms. Lucchesi, you might have an update
14 on this since our last action.

15 EXECUTIVE OFFICER LUCCHESI: Yes, we do. And
16 I'll actually turn it over to Deputy Attorney General
17 Andrew Vogel to respond to the comment.

18 DEPUTY ATTORNEY GENERAL VOGEL: Yes,
19 Commissioners -- can you hear me?

20 EXECUTIVE OFFICER LUCCHESI: Yes.

21 DEPUTY ATTORNEY GENERAL VOGEL: The request for
22 our office's opinion was made by the Commissioners at the
23 August meeting, and we are working on that request right
24 now.

25 ACTING CHAIRPERSON WILLIAMS: Thank you. Do you

1 have any --

2 COMMISSIONER YEE: Can I just follow up?

3 So do you have a time frame within which we
4 should expect a response?

5 DEPUTY ATTORNEY GENERAL VOGEL: In fairly short
6 order. Certainly, I would think before the next meeting.

7 COMMISSIONER YEE: Okay. Very good. Thank you.

8 EXECUTIVE OFFICER LUCCHESI: Okay. Next up is
9 Clark Danielson.

10 MR. DANIELSON: Good morning. I'm a solar
11 industry professional, and I'm also a resident here in
12 Huntington Beach. My kids went to school here and, you
13 know, we work in the area.

14 I'm here to just provide with you some
15 information about what's going on in the solar industry
16 right now. I'm sure you're aware that solar is out there
17 as a renewable source. You guys manage a lot of public
18 lands that utilize different energy sources. And I'm
19 involved in a couple projects up in Northern California
20 where we're using new technologies in that area that
21 produce a lot more energy than is currently available in
22 the market. So I just want to bring those up to you
23 briefly right now, so that you're kind of aware of them.

24 One is the dual access tracker technology, which
25 we're using in Butte County. It's going to be used in

1 their CCA that they're developing. Dual access
2 trackers -- probably most of the solar systems you see are
3 in fixed access systems, right, where the solar panels are
4 fixed to the ground on ground mounts. The dual access
5 trackers.

6 If this is the sun here, it will track, you know,
7 all day the whole systems -- I guess, I've got a minute
8 left. Okay.

9 So that's the -- that's one of the key
10 technologies that's out there. It's just coming into the
11 market. And it's available -- you know, we're using it in
12 some government, you know, run projects.

13 Inverters are another part of that technology
14 system that we're using. And then the panel technology is
15 also increasing in wattage. So there's a lot of things
16 that are driving the levelized cost of electricity down
17 that are available right now. And my purpose here
18 basically is just to inform you about that. I know you
19 guys make some decisions on those kinds of things on some
20 of the public projects that you're involved in.

21 So I thank you for your time.

22 EXECUTIVE OFFICER LUCCHESI: Next up is Jay
23 Sanar.

24 ASSISTANT EXECUTIVE OFFICER CONNOR: Jay Sanar?

25 EXECUTIVE OFFICER LUCCHESI: Yes.

1 Paloma Aguirre.

2 MS. AGUIRRE: Good morning, members of the
3 Commission. My name is Paloma Aguirre. I am the Coastal
4 and Marine Director for WILDCOAST. WILDCOAST is an
5 international conservation team that works for to conserve
6 Coastal and marine ecosystems and wildlife.

7 Myself and the City of Imperial Beach Mayor were
8 here last meeting to convey to you the bi-national
9 pollution issues that we suffer in South San Diego County.
10 These issues continue to become worse. He shared with you
11 the incident about his son becoming sick.

12 I myself have been surfing Imperial Beach for 10
13 years, been working in the Tijuana River Valley for about
14 the same time leading bi-national clean-ups and
15 stewardship events. And up till now, I had been lucky,
16 but until last week. I was out there at the point where
17 the river enters the U.S., and I was with some
18 journalists, and they wanted some shots of the trash. I
19 was there for no more than 40 minutes, and by the end of
20 the interview, I had a very severe throat irritation, and
21 within 24 hours I myself was in urgent care. I was
22 diagnosed with bio-pharyngitis, and put on a spectrum of
23 medications.

24 And thankfully, I'm healthy enough to have driven
25 from Imperial Beach here today, because I wanted to hand

1 deliver personal written letters from 114 concerned
2 citizens and beachgoers addressed to the Lieutenant
3 Governor and the Commission asking what we had asked
4 before, that if you could please look into your
5 jurisdictional capacity, to address some of these
6 bi-national pollution issues that continue to basically
7 pummel our communities.

8 So thank you. If you have any questions, I'm
9 happy to answer them.

10 ACTING CHAIRPERSON WILLIAMS: Thank you. Thank
11 you for traveling up today as well. Ms. Lucchesi, I
12 believe this is in the Executive Officer's Report.

13 EXECUTIVE OFFICER LUCCHESI: It is, yes.

14 ACTING CHAIRPERSON WILLIAMS: But are there any
15 observations/comments you want to offer in response?

16 EXECUTIVE OFFICER LUCCHESI: Yeah, I'm happy to
17 update the Commission right now and respond to your
18 request. First, we were very thankful for Mayor of
19 Imperial Beach and other members of the public coming
20 forward at our Commission meeting last -- two months ago.

21 We have been investigating the issue, and our
22 jurisdiction and trying to explore ways that we can help
23 in this situation. Specifically, we have been working on
24 compiling scientific and social data from various sources
25 on the issues involving the pollution at the Tijuana River

1 and then offshore.

2 We have also been in communication with the
3 Border Water -- with Border Water in the Water Division
4 for EPA Region 9, and the Border 2020 Program to discuss
5 federal efforts and opportunities to address
6 cross-border -- this cross-border pollution. And we've
7 also been following and working with the port of San
8 Diego, the City of Imperial Beach, and the City of Chula
9 Vista as they recently released a notice of intent to sue
10 the International Boundary and Water Commission, the
11 federal agency charged with controlling cross-border
12 pollution.

13 Their notice of intent to sue is based on
14 violations of the Clean Water Act and Resource
15 Conservation and Recovery Act. And that's related to the
16 effluent spills in the Tijuana River.

17 We also, at that time, when the port released
18 their notice of intent to sue, also sent a letter
19 declaring an interest in these local efforts, and
20 applauding them for their leadership on this. It was --
21 that was just a public expression to show that we were --
22 we're closely following this, and we're conducting our own
23 investigation as well.

24 And finally, we're also monitoring a federal
25 bipartisan bill that was recently introduced to address

1 funding issues associated with the Tijuana pollution --
2 River pollution issues.

3 So we're trying to ensure that our investigation
4 and review is covering the whole spectrum of options
5 available to us. And we hope to report back to the
6 Commission with more detail with an agenda item at our
7 November 29th meeting, which will -- is tentatively
8 scheduled for -- the location is in Fresno, but it can be
9 viewed via webcast as well. So that's kind of our plan
10 moving forward through the next couple months.

11 ACTING CHAIRPERSON WILLIAMS: Okay. Thank you.

12 EXECUTIVE OFFICER LUCCHESI: All right. Next up,
13 I'll try Janet Gunter again?

14 Is Janet -- has she arrived?

15 ASSISTANT EXECUTIVE OFFICER CONNOR: I was
16 informed that she's trying to park.

17 EXECUTIVE OFFICER LUCCHESI: All right.

18 Morgan Roth.

19 ASSISTANT EXECUTIVE OFFICER CONNOR: Morgan Roth?

20 EXECUTIVE OFFICER LUCCHESI: So at least at this
21 point -- and I'll try one more time, Jay Sanar?

22 ASSISTANT EXECUTIVE OFFICER CONNOR: Jay Sanar?

23 EXECUTIVE OFFICER LUCCHESI: Okay.

24 ACTING CHAIRPERSON WILLIAMS: And perhaps we can
25 invite Ms. Gunter up before we adjourn for closed session.

1 EXECUTIVE OFFICER LUCCHESI: Yeah, of course.
2 I'll hold on to these three public comment forms.

3 ACTING CHAIRPERSON WILLIAMS: Super.

4 Next item of business will be the adoption of the
5 minutes from the Commission's meeting of August 17, 2017.
6 May I have a motion to approve the minutes.

7 COMMISSIONER YEE: So moved.

8 ACTING COMMISSIONER ORTEGA: I'll Second.

9 ACTING CHAIRPERSON WILLIAMS: Any objection to a
10 unanimous vote?

11 If not, the motion passes unanimously.

12 The next order of business is the Executive
13 Officer's Report. Ms. Lucchesi, may we have that report.

14 EXECUTIVE OFFICER LUCCHESI: Yes, I do. I'm
15 thankful that we already ticked a couple of items already
16 off during public comment. First, I do want to notice a
17 rent review correction on the agenda. For one of the
18 continuation of rent actions for Anthony C. Evan and Carol
19 Ross Evans, trustees, there's a typo with an incorrect
20 amount shown for the annual rent. The correct amount is
21 1,410. The lessee was correctly notified of the error and
22 is aware that that error is on the agenda and that it is
23 being corrected through this modification right now.

24 Next, I wanted to update the Commission on public
25 access at Martins Beach in San Mateo County. As the

1 Commission knows, there is a handful of cases proceeding
2 through the judicial system. Of particular note is
3 Martins Beach versus Surfrider. The appellate court
4 recently issued an opinion in favor of Surfrider on August
5 9th finding that a change in access occurred that requires
6 a coastal development permit.

7 Martins Beach petitioned for review to the State
8 Supreme Court. A decision on this review is expected by
9 mid-November, or possibly sooner. The decision in the
10 case also prompted the Coastal Commission to issue a
11 Notice of Intent to pursue enforcement action against the
12 landowner. The hearing date in front of the Coastal
13 Commission for this enforcement action has not yet been
14 sent -- set.

15 The other piece of -- the other case that is
16 pending is the Friends of Martins Beach case. This is on
17 remand. The Friends' case survived a motion for summary
18 judgment in the county -- in the county superior court,
19 and is going to trial on dedication and public rights
20 issues. Trial is set in that case for October 31st, 2017.

21 The Governor -- also on the subject of Martins
22 Beach, the Governor recently vetoed SB 42 by Senator Hill,
23 which would have created the Martins Beach subaccount in
24 the State Lands Commission's Kapiloff Land Bank Fund, and
25 would have authorized the Commission to use that money to

1 create a public access route to and along the shoreline of
2 Martins Beach in San Mateo County, either using eminent
3 domain or through a negotiated agreement.

4 The Governor stated that, as drafted, the bill
5 did not meet the author's intent, and limits the State's
6 options. The Governor also stated that public access to
7 the State's beaches and parks is a core value and must be
8 protected, but in this instance, the public's rights to
9 access Martins Beach will be determined in future judicial
10 and administrative proceedings.

11 Speaking of legislation, the Governor recently
12 signed in a couple of laws that directly impact the
13 Commission. First, the Governor signed SB 50 by Senator
14 Ben Allen. This bill makes certain federal land
15 conveyances void, unless the Commission is provided the
16 first right of refusal, or the right to arrange for the
17 property to be transferred to another entity.

18 The bill imposes a civil penalty of up to \$5,000
19 per persons who present for recording or filing with the
20 county recorder a deed or other document related to these
21 conveyances, unless it is accompanied by a certificate of
22 compliance from the State Lands Commission. The
23 Commission will have to consider its right of -- first
24 right of refusal at a public meeting such as this.

25 This bill also requires the State Lands

1 Commission, the Wildlife Conservation Board, and the
2 Department of Fish and Wildlife to enter into a memorandum
3 of understanding to establish a policy that these agencies
4 will undertake all feasible efforts to protect against a
5 future unauthorized conveyance or change in federal public
6 land designation.

7 We have established an internal team at the
8 Commission, who are discussing ways to implement this
9 bill, and are working on developing that plan. We are
10 also developing a letter to counties informing them about
11 the law, and letting them know that if a person attempts
12 to convey a deed with a certificate, that they can direct
13 that party to the Commission to try to resolve the issue.

14 We are also looking at different options to
15 receive notice from federal agencies early in the process,
16 so that we can determine whether to intervene and seek
17 Commission direction on whether to exercise the first
18 right of refusal.

19 And finally, we are also working with Wildlife
20 Conservation Board and the Department of Fish and Wildlife
21 to start developing that memorandum of understanding.

22 I am very pleased to announce that the Governor
23 also recently signed into law SB 44 by Senator Jackson.
24 SB 44, as the Commission is well aware, requires the
25 Commission, if the legislature appropriates funding, to

1 administer a coastal hazard and legacy oil and gas well
2 removal and remediation plan. This bill would transfer up
3 to \$2 million annually from the general fund to the
4 Commission's Land Bank Fund for the program, and require
5 the Commission to report annually to the legislature about
6 its work and progress fulfilling the requirements of the
7 bill. The bill sunsets on July 1st, 2028.

8 This has been a very long, long effort by staff
9 to get consistent funding for this program. And I want to
10 just personally express my gratitude to the Commission for
11 the work that you did over the last couple of years to
12 really bring this to the top of the priority list. Like I
13 said, we have been working on getting consistent funding
14 for over a decade for this work, and it wasn't until the
15 Commission really stepped in and identified this as a
16 priority that it started to get the attention that it
17 deserved in the Legislature and before the Governor. And
18 I also want to take the opportunity to thank Senator
19 Jackson for her persistence on this, as well as the
20 various stakeholders in the Santa Barbara and Ventura
21 Counties that really mobilized to express the strong
22 public opinion that this is a priority and should be
23 funded.

24 So we're -- as a staff, we're very excited to get
25 working on this, and we will continually update the

1 Commission on our efforts in terms of inventorying the
2 legacy wells, conducting additional studies on natural
3 seeps and as well as starting the environmental doc --
4 programmatic environmental document, so we can get out
5 offshore as quickly as possible to remediate these wells.

6 I want to update the Commission on Venoco and
7 Platform Holly and our efforts in plugging and abandoning
8 those wells associated with those leases offshore Goleta.

9 Since August 16th, Commission staff has completed
10 the following:

11 Things are moving very fast, which I've going to
12 move through this very quickly. On August 21st,
13 ExxonMobil submitted its formal letter of intent to engage
14 with the Commission on the plugging and abandonment of the
15 wells on Platform Holly and near shore adjacent to the
16 Sandpiper Golf Course in Goleta. Staff continues to work
17 with ExxonMobil to negotiate a full and final engagement
18 agreement.

19 On September 1st, staff awarded the contract for
20 the operations and maintenance of Platform Holly to Beacon
21 West Energy Group. On September 14th, staff and Venoco --
22 the Venoco estate negotiated a short-term use agreement to
23 operate the Ellwood Onshore Facility through our
24 contractor to ensure safe operations continued through the
25 Venoco's transition out of operations.

1 On September 15, our contractor assumed
2 operational control of Platform Holly and the EOF from
3 Venoco. This transition went very smoothly and safe
4 operations continue. That was a really important date for
5 us to make sure that those tran -- that transition
6 occurred seamlessly. And I'm pleased to let you know that
7 it really did.

8 We are working very closely with the City of
9 Goleta and the Santa Barbara Air Pollution Control
10 District to ensure that full permit compliance is achieved
11 and maintained throughout the plugging and abandonment
12 process. We continue to regularly update the various
13 other local, State, and federal agencies that have an
14 interest in this process.

15 The one thing I did want to highlight for the
16 Commission and the public is that around September 22nd,
17 Venoco's chapter 11 bankruptcy took a significant turn
18 when Venoco announced that the winning bidder withdrew its
19 bids on the estate's remaining assets, including two
20 federal platforms Gail and Grace. And that also included
21 the Carpinteria Processing Plant.

22 Venoco moved to terminate the asset purchase
23 agreement and any ongoing marketing attempts because no
24 other viable bidders are -- exist. Venoco is now seeking
25 to reject these interests and walk away from those two

1 platforms and that plant. The loss of these assets will
2 impact the potential recovery that creditors could receive
3 from the estate, because the estate will largely be
4 insolvent, and the federal government will now be
5 responsible for the safe operations and management of
6 those two federal platforms.

7 On October 3rd, Venoco also moved to reject a
8 variety of remaining interests in two of our other leases
9 with Venoco, including the Ellwood Pier and the Paredon
10 lease. That is not unexpected. We expected that to
11 happen at some point.

12 And finally, we are also continuing to work with
13 the estate to -- on a long-term agreement to use the
14 Ellwood Onshore Facility for the plugging and abandonment
15 work, and that's still ongoing.

16 On Rincon Island, I wanted to provide the
17 Commission with an update on that. As reported on August
18 17th, the bankruptcy court for the Rincon Island Limited
19 Partnership appointed a chapter 11 trustee and set a date
20 of October 30th for the trustee to sell the leases or else
21 the bankruptcy protections over the leases would lift. In
22 late August, the trustee contacted -- contracted with an
23 oil engineering firm, Driltek, to operate and monitor
24 Rincon Island and respond to any incidences if they were
25 to occur. Driltek remains on site today.

1 In addition, the trustee hired a marketing firm
2 to market the leases. On October 2nd, the trustee
3 reported that five companies placed bids to purchase RLP's
4 rights to the leases. And although the bankruptcy court
5 has the authority to sell the leases staff has indicated
6 that we would object in the -- in court if the leases were
7 sold to an under-capitalized, inexperienced, or imprudent
8 operator.

9 In addition, addressing the lease violations and
10 concerns of the Commission is likely to be vital to any
11 sale being successful. Commission staff have been in
12 contact with most bidding parties and is currently in the
13 process of evaluating the bidder's fitness as a potential
14 operator. And we will continue to cooperate with the
15 court and the trustee in this matter and update the
16 Commission at our next meeting.

17 I have two final updates to provide you, and
18 hopefully on a -- on a much more positive note than
19 bankruptcy, with our offshore oil and gas lessees. On
20 September 13th, Commission staff released for public
21 review and comment a draft public access guideline to
22 California's navigable waterways. We -- this legally
23 dense public access guide explains in details the public's
24 rights to access and use navigable waters in the State.
25 And we have received a number of public comments already,

1 but the public comment period does not end until October
2 25th.

3 We have spread the word about this document
4 through social media as well as our website, through our
5 meetings like this. I will say that I'm very excited
6 about this opportunity to bring this document with all the
7 public comments that we've received to the Commission at
8 our November 29th meeting, along with a more publicly
9 accessible brochure about the public's rights to access
10 our inland navigable waterways, because while along our
11 coast and our bays, there -- between our local
12 jurisdictions and our State regulatory agencies, like the
13 Coastal Commission, or the Bay Conservation and
14 Development Commission, there's a lot of emphasis and
15 priority about public access to our coastline.

16 What we have identified and what the Commission
17 identified in the strategic plan was that there isn't that
18 same kind of emphasis and priority given to education of
19 the public's rights to access our rivers, and our Delta,
20 and our lakes. And so this is what this guideline
21 document and the brochure is attempting to do as a first
22 instance. And we hope to bring some other ideas to the
23 Commission when we present this to you in November, as
24 ways to educate and empower the public to utilize our
25 rivers and our lakes inland from the coast.

1 And finally, San Diego Ocean Planning Partnership
2 continues to engage stakeholders in one-on-one meetings to
3 elicit the input and data that will shape the planning
4 pilot. As you know, we are kind of in full thrust of the
5 phase one of this partnership, and we've been updating the
6 Commission on a regular basis about our efforts. We have
7 identified over a hundred stakeholders, and we still
8 haven't reached everyone yet, but we anticipate completing
9 these initial meetings by the end of the fall.

10 One of the major benefits that we're already
11 seeing from this pilot is the relationships that we're
12 building with our partner, the port of San Diego, and
13 other stakeholders. Establishing these relationships lays
14 the foundation not only for the pilot, but also for other
15 meaningful collaborations, such as working on pollution
16 issues surrounding the Tijuana River.

17 We are very grateful to those who have already
18 taken the time to participate, and look forward to our
19 remaining meetings with the stakeholders. And then really
20 finally, I just want to thank the City of Huntington
21 Beach, City Manager Fred Wilson, and Mayor Barbara
22 Delgleize, the city's fire department and the city's
23 police department for assisting us in today's meeting and
24 allowing us to use this wonderful facility for our meeting
25 today.

1 And with that, I'll turn it back over to the
2 Chair. Thank you.

3 ACTING CHAIRPERSON WILLIAMS: Thank you.

4 Commissioners, any comments/questions?

5 All right. Thank you.

6 With that, the next order of business will be the
7 adoption the consent calendar. Commissioner Yee,
8 Commissioner Ortega, are there any items that you'd like
9 removed from the consent calendar?

10 Next, I'll call on Ms. Lucchesi to indicate which
11 items, if any, have been removed from the consent
12 calendar.

13 EXECUTIVE OFFICER LUCCHESI: Yes. I would like
14 to remove consent items 41, 57, 65, 80, and 82 from the
15 agenda. And those will be heard at a later date.

16 ACTING CHAIRPERSON WILLIAMS: Thank you. And is
17 there anyone in the audience who wishes to speak on any
18 item remaining on the consent calendar?

19 If not, we will proceed with a vote.

20 Do I have a motion?

21 COMMISSIONER YEE: Yes. Move to adopt -- excuse
22 me, move to adopt the consent calendar.

23 ACTING COMMISSIONER ORTEGA: Second.

24 ACTING CHAIRPERSON WILLIAMS: Second.

25 Any objection to a unanimous vote?

1 STAFF ATTORNEY FABEL: For reference, the five
2 leases affected by the proposal are indicated in red, and
3 are located offshore. A majority of the wells accessing
4 the leases have been drilled onshore from the Highlands
5 Strip Drill Site. There are currently 44 wells from
6 Platform Emmy and 229 wells drilled from the onshore onto
7 the offshore leases.

8 --o0o--

9 STAFF ATTORNEY FABEL: Since 1995, the royalty
10 rates on the leases have been on a sliding scale, which
11 increase and decrease with the price of oil. The sliding
12 scale has a minimum royalty rate of four percent, and a
13 maximum rate of 25 percent.

14 In April 2016, after a historic crash in the
15 price of oil, CRC approached the Commission for royalty
16 relief due to a negative cash flow situation. Although
17 oil was at its lowest point in over a decade, the royalty
18 rate was at its maximum of 25 percent. To provide
19 immediate relief, and after making the necessary findings
20 under the Public Resources Code, the Commission approved a
21 two year temporary royalty modification, slightly
22 adjusting the royalty rates. Commission staff were also
23 directed to negotiate a permittee -- permanent royalty
24 arrangement with CRC.

25 Namely, staff was to develop a royalty that was

1 fair to both parties, and that accounted for the historic
2 range of oil prices.

3 --o0o--

4 STAFF ATTORNEY FABEL: In addition, the royalty
5 modification was either to recoup some of the revenue
6 difference by having a higher maximum rate when oil was
7 high, or recoup some of the revenue in the form of an
8 equivalent public benefit, with particular attention paid
9 to the Bolsa Chica Lowlands Restoration Project.

10 Finally, Staff were to track the monetary
11 difference between the original and temporary royalty
12 rates with CRC to pay the difference at a later date.

13 --o0o--

14 STAFF ATTORNEY FABEL: Now, negotiations
15 commenced in February this year. And by April, initial
16 terms had been negotiated to revise the royalty and for
17 CRC to contribute annual payments to support Bolsa Chica.
18 However, before a final agreement could be reached, events
19 transpired influencing staff's approach to the
20 negotiations.

21 --o0o--

22 STAFF ATTORNEY FABEL: On April 17 of this year,
23 Venoco quitclaimed its leases in the Santa Barbara
24 Channel, forcing the State to effectively take over plug
25 and abandonment of 32 wells, and eventual decommission of

1 prior to a lease actually expiring. However, if a lessee
2 can clean up and abandon unused wells and facilities
3 early, the liability to the State can be significantly
4 reduced if the State were forced to conduct those
5 activities itself.

6 Staff became concerned that CRC's \$30 million
7 bond we currently hold was insufficient to cover the cost
8 to abandon its wells, and decommission Platform Emmy. And
9 we sought to address those issues as an equivalent public
10 benefit in the permanent royalty proposal.

11 For four months CRC worked with staff in good
12 faith to address these concerns and develop this proposed
13 amendment.

14 --o0o--

15 STAFF ATTORNEY FABEL: Under the terms, the
16 minimum royalty will increase from four percent, which it
17 currently is the minimum to 16 and two-thirds as a
18 minimum, the minimum royalty will apply until oil is \$50 a
19 barrel, and then increase with the oil price till it
20 reaches 25 percent at \$80 a barrel. Staff believe that
21 the conditions supporting the Commission's findings in
22 April 2016 authorizing the temporary royalty modification
23 are still valid. Oil prices have only improved
24 marginally, and yet CRC must continue to invest capital
25 just to maintain production levels, while generating a

1 return on investment.

2 Under the proposal, CRC will still repay its
3 deferred royalty save since April 2016 with interest. And
4 right now, that number is approximately \$1.8 million.

5 In exchange for the royalty modifications, CRC
6 will engage in an aggressive and verifiable abandonment
7 and liability reduction program.

8 --o0o--

9 STAFF ATTORNEY FABEL: CRC will abandon all 15
10 currently idle wells on Platform Emmy within five years.
11 Eight of those will be abandoned in the first two years.
12 Starting January 1st, 2021, CRC will plug and abandon 10
13 onshore idle wells per year, until the idle well count is
14 no more than 15 percent of the total onshore well count.
15 And right now, there's 146 of the 229 onshore wells are
16 currently idle.

17 A third-party engineering consultant will perform
18 an abandonment estimate for both Platform Emmy and the
19 onshore wells. These estimates will be updated every 36
20 months. Starting in year three, CRC will commit to
21 spending \$3 million annually towards abandoning idle
22 wells. And in years where there is less than \$3 million
23 spent on these activities, the difference will be paid
24 into a sinking fund to fund end of field abandonment
25 obligations.

1 The \$3 million value will increase at an
2 annualized compound rate of three percent. The CRC will
3 grant the State a first or second priority lean on CRC's
4 fee-owned uplands as added security against abandonment
5 liability. And finally, staff and CRC will form a
6 permanent abandonment committee to evaluate CRC's
7 abandonment plans for Emmy and on shore.

8 As demonstrated in Exhibits A and B of the staff
9 report, it is expected that under each oil price scenario,
10 the value of the liability reduction will exceed the
11 expected loss in royalty.

12 --o0o--

13 STAFF ATTORNEY FABEL: Staff believe the approach
14 in the proposed abandonment to be innovative, and from a
15 land and resource management perspective in the best
16 interest of the State. CRC will abandon a large number of
17 wells before they would be obligated to do so under the
18 leases, and a faster rate than they would be required to
19 do so under new DOGGR statutes.

20 Abandonment costs evaluations using a variety of
21 methodologies will be developed and regularly updated to
22 give all parties a clear picture of the existing
23 liabilities. And a range of securities will be utilized
24 including the existing bond, a sinking fund, a lien on
25 CRC's Highland Strip Drill Site which will make the

1 Commission a secure creditor, and active abandonments to
2 reduce overall liability.

3 For those reasons, staff recommends approval of
4 the proposed amendment included in the staff report as
5 Exhibit C. And that concludes my presentation. I'm
6 available for question. Representatives from CRC are also
7 here to answer questions as well.

8 ACTING CHAIRPERSON WILLIAMS: Thank you. Shall
9 we take up public comment?

10 We'll take public comments first. Thank you.

11 EXECUTIVE OFFICER LUCCHESI: Adam Smith, Vice of
12 the California Resources Corporation.

13 MR. SMITH: My name is Adam Smith. I'm here from
14 California Resources Corporation. I'd just like to say
15 that CRC supports this amendment and we really appreciate
16 staff's efforts and hard work to get to this point.

17 ACTING CHAIRPERSON WILLIAMS: Thank you.

18 Are there any comments, questions from
19 Commissioners?

20 COMMISSIONER YEE: Thank you, Mr. Chairman.

21 First, I want to just thank the staff for really
22 spending the time with CRC, and thank CRC for the
23 tremendous partnership that it's had with the Commission
24 over the years. These are always difficult kinds of
25 undertakings, and certainly the world around us is

1 changing with respect to demand for oil.

2 And what I would like to say about this is that
3 this is incredibly creative, and I think informed
4 certainly by our recent experience with Venoco, that you
5 know, we are going to do everything we can to protect the
6 State's interest, and appreciate the negotiations that
7 have been going with CRC along that lines.

8 I think this is a great development, and it
9 really does protect the State's interest and liability
10 down the road. I appreciate the ongoing, frankly,
11 commitments by CRC as we look towards Platform Emmy and
12 other wells going -- becoming idle, but also the
13 establishment of the sinking fund and the funding
14 commitment really, I think, is something that I'm very,
15 very grateful for, that that's been part of the
16 conversations.

17 So always though with sights on the near-term
18 revenue pact, I think given where we are in terms of
19 protecting some of the more costly long-term liabilities,
20 I fully support the staff recommendation on this. And I
21 think, Mr. Chairman, I'll turn that into a motion.

22 ACTING COMMISSIONER ORTEGA: Thank you, Mr.
23 Chair. I did want to make a couple comments. I will
24 support the motion. Although I would ask for a friendly
25 amendment to include a request to the staff that a report

1 come back in at least, I think, two years to give an
2 update on all of the terms of the agreement, the progress
3 being made on the well abandonment, and the effects on the
4 royalties under the proposal.

5 The other issue that I had raised with the CRC
6 folks, but I think is perhaps not timely to resolve now,
7 is that the DOGGR requirements on well abandonment that
8 are not under the jurisdiction of the State Lands
9 Commission, I had hoped that this proposal would be
10 separate and apart from those existing requirements, but
11 they are not.

12 Those rules have not been fully promulgated, and
13 CRC isn't really able to identify what their liability is
14 under those rules. And so I would like for the report in
15 two years to report back to the Commission on what the
16 company is required to do under the DOGGR regulations and
17 the extent to which the proposal here is supplanting that
18 requirement, so that we -- the State knows what the full
19 liability and abandonment program is from the company. So
20 with those, I would second the motion.

21 COMMISSIONER YEE: Okay. Mr. Chairman, I'll so
22 amend the motion. And I think I would have expected staff
23 to come back with a report, in any event, that if you
24 could moralize Commissioner Ortega's commitment.

25 ACTING CHAIRPERSON WILLIAMS: Any objection to a

1 unanimous vote?

2 And with that, the motion passes unanimously.

3 Moving on, Item number 94 is an informational
4 presentation by New America Media.

5 May we have the presentation?

6 EXECUTIVE OFFICER LUCCHESI: Hi. Yes. I'd like
7 to introduce Peter Schurmann with New American Media and
8 his colleagues Charlene and Araceli or -- yeah.

9 MR. SCHURMANN: We're all here.

10 EXECUTIVE OFFICER LUCCHESI: Yes, please.

11 MR. SCHURMANN: Thank you.

12 Good morning, Commissioners. Thank you so much
13 for giving us this time today. This is an informational
14 briefing. We're here basically to address a simple but
15 important question, which is namely how does the
16 Commission communicate with a State as diverse as
17 California, particularly as the Commission works to update
18 its environmental justice policies? How does the
19 Commission engage with the communities that it is not now
20 engaged with?

21 We think we have some ideas and we'd like to
22 share those with you this morning.

23 For over 20 years New America Media, my
24 organization, has devoted itself to amplifying the reach
25 and scope of ethnic media, a sector that is too often seen

1 as a footnote to the mainstream press. We've learned a
2 few things and I'd like to share some of those with you
3 briefly here.

4 The first is that, as a sector, ethnic media
5 remain deeply committed to the communities they serve.
6 They're like environmental justice organizations or
7 community-based organizations. The only difference is
8 that they have a mandate to publish. Ethnic media are
9 also hungry to broaden their reporting lens. We've seen
10 this again and again and again in briefing after briefing
11 and in the hundreds of projects that New America Media has
12 undertaken on a whole range of issues from health care and
13 immigration to the census and the environment. Ethnic
14 media want a seat at the table on the issues that matter
15 to their communities.

16 Finally, and maybe most importantly, working with
17 the ethnic press has taught us at New America Media how to
18 communicate with and not just report on a State where 40
19 percent of residents speak a language other than English,
20 and 20 percent of residents here speak no English
21 whatsoever.

22 As the Commission works to update its
23 environmental justice policies, we'd like to urge the
24 Commission members and staff to do their part to engage
25 with this sector, and then would willingly help in that

1 process, guide you in that process. Particularly now as
2 the challenge we face mount with each passing day, our
3 partners in the ethnic press are ready and waiting to tell
4 the stories their communities need to hear, and they bring
5 their own stories as well.

6 I'm going to talk very briefly about a project
7 that we did to highlight the way that NAM engaged with a
8 variety of ethnic media around an issue that was wholly
9 new to them, and that was coastal access.

10 So for the past year, we -- well, to bring our
11 media sector up to speed again, they were completely new
12 to this topic. This question of coastal access is not one
13 that they had covered previously. So to bring them up to
14 speed, we organized two media briefings, one in Los
15 Angeles and another in San Francisco. And the briefings
16 were meant to introduce a topic to our partner media
17 outlets, but it was also as a way to connect them to the
18 key voices, the key advocat4es in the field, the members
19 of the Commission were there. Some of the key advocacy
20 organizations were there and it laid the seed for
21 relationships between the media and these voices that can
22 pave the way for future story telling to keep these
23 communities informed.

24 The briefings drew over 40 media outlets spanning
25 asian, latino, african-american, and indigenous

1 communities, communities that are not normally present at
2 Coastal Commission hearings frankly. The stories
3 generated by the briefings alone reached over one million,
4 and over half a dozen languages.

5 When we took -- we took it a step further,
6 recruiting 12 reporters from the briefings, including one
7 of whom is with me today, to go deeper, to tell the
8 stories about their community's ties to the coast and why
9 it matters. Black Voice News in San Bernardino published
10 a story about historic segregation along the California
11 coast and about Bruce's Beach and the Inkwel, and about
12 the legacy of black activism on behalf of the coast, a
13 legacy that is all but forgotten today.

14 Reporter Vic Bareng, with a local Filipino paper
15 in the Bay Area, did a story about Filipino fisherman and
16 their ties to the coast. And another reporter, a long
17 time veteran Korean media did a story, a really moving
18 story, about the cultural ties that bind first-generation
19 Korean immigrants to the California coast.

20 In all these stories, the ethnic media understood
21 instinctively how to target the message, how to make the
22 issue relevant, and meaningful for their communities.

23 So, as you can see, as you work on your --
24 updating your environmental justice policies, as you try
25 and engage with these communities, translations are not

1 enough, social media is not enough. To reach more of
2 these communities, those now not at the table, it takes
3 engagement. And we believe this is where ethnic media can
4 play an important role. They're not the silver bullet to
5 the communication needs of the Commission, but by actively
6 engaging with this sector, and with the individuals who
7 keep it going, the Commission will quickly find an eager
8 and willing partner in connecting with and informing
9 Californians of all backgrounds.

10 So I'm going to hand it over now to Charlene
11 Muhammad

12 MS. MUHAMMAD: Thank you. Thank you, Peter.

13 Greetings. Charlene Muhammad. I'm national
14 correspondent for the Final Call Newspaper for the purpose
15 of this briefing moment with you. I'm honored to speak to
16 you about the project. And I participated by writing for
17 In the Works Media which is my own media company. And it
18 disseminates information to other black media, the Los
19 Angeles Sentinel, the Los Angeles Watch Times, California
20 Black Media, and other outlets.

21 And I talked about black surfers who introduce
22 new generations to the California coastline. And I knew
23 about this organization, but when New America Media called
24 on me and asked that I partner with them to participate in
25 this access to the coastal project, I was elaborated[sic],

1 because I already knew some of the issues. But what I
2 learned first and foremost that was new to me was just how
3 much was at risk, the access being denied - someone spoke
4 about it earlier - the purchases to private land.

5 And those things are really detrimental. In our
6 neighborhoods, the coast is pretty much -- it's the park
7 access. It's not costly. It's pretty easy to get to.
8 But yet, we found that many of our people in the community
9 that this newspaper targeted didn't get there.

10 And what the organization I reported on, the
11 Black Surfers Collective, what was pleasant about that as
12 well is I learned how they were also engaged in access to
13 the coast. So what they do is they teach communities
14 about coast, the coastal access, surfing, and
15 environmental justice issues through surfing. And it's
16 really something that people, believe it or not, don't
17 think that the black community is involved in, but by and
18 large they are.

19 And so this article with the partnership helped
20 to bring a lot of information about the environmental
21 justice issue, and again access to the coast. And so what
22 we're saying is, like, for instance New America Media
23 partnering with In the Works Media and getting this to
24 many different outlets. This is something that people
25 would not have really known. I learned a lot as a

1 journalist in this story. And so we are a venue for you,
2 we are a vehicle for you.

3 And I think that if we look around, we can see
4 that a lot of us really need more information about this.
5 And hopefully your policy will help us to bring that to
6 light.

7 And thanks for this opportunity to share.

8 MS. MARTINEZ: Thank you for the opportunity.
9 I'm Araceli Martinez. I'm a reporter for the last 11
10 years for La Opinión.

11 As you know, La Opinión is the most influential
12 newspaper in the Spanish base in Los Angeles. I want to
13 share -- you may know. But since 2015, it was official
14 latinos outnumber whites in California, according to the
15 Census Bureau. Based on this data, it's important the
16 State Lands Commission makes an effort to connect with the
17 media that serves our hispanic community.

18 Yes, in Los Angeles, we have La Opinión. We have
19 Hoy, and we have several other publications. And we have
20 at least five media stations focusing on Spanish speakers.
21 And I recently learned, CBS Los Angeles is including
22 in Spanish.

23 So based on this, it is very important that you
24 reach out to the media, not only Latinos but Korean,
25 black, Filipino, Chinese, and other groups. Where you

1 truly see your main focus is to reach out to the
2 mainstream media. They're a very important segment media
3 as part of the American identity.

4 Every day Latinos are more involved in
5 environmental issues. We truly care about these issues
6 and want -- and we want to be more connected. These are
7 groups of Latinos -- they're a group of Latinos organized
8 not only in Los Angeles, but statewide, working to create
9 awareness in organizing our community to participate.

10 They have been successful after many years of
11 fighting closing plants that were sickening our community
12 less excite.

13 As we are more than half of the population of
14 California, we are certainly impact by pollution in our
15 neighborhood, highways, and coasts. We are protesting
16 oil, gas, and pollution in our backyards. So I invite you
17 to make an effort to connect more and more meaningfully
18 with ethnic media in California. We want the stories at
19 raising the problems we are facing, and to have an open
20 door when we need to find you.

21 California is our home, and we must have a key
22 role in taking care of -- taking care of it. How can the
23 Commission learn best to engage Latinos? First of all,
24 involving more and more of our community organizations,
25 especially those working on environmental issues. Second,

1 reaching out to our newsroom, news director, editors, and
2 reporter when you have important matters for Latinos. Why
3 not writing op-eds about pressing issues.

4 And finally, and very important, I'd recommend
5 you become more available when reporters try to reach you,
6 taking into consideration we work with deadlines. It is
7 very common. We try to reach a State agencies and we get
8 delayed responses. They -- later after our deadlines have
9 expired.

10 I have always considered the best communication
11 directly to people are those who answer almost immediately
12 in the next couple of hours to reporters, respect
13 deadlines and our time. And if they don't have the
14 answers, they are honest about it. Don't make us waste
15 your time and ours.

16 And I love those that respond right away. And if
17 they cannot help you, they offer you who can help or offer
18 guidance.

19 Often, we don't receive, unfortunately, the same
20 treatment and important as the mainstream media. There is
21 no small media. Sometimes we are the only source of
22 information for the ethnic population, especially for the
23 elders and those that are more than 60 years old.

24 So please be helpful and approachable with our
25 community and media. We are part of the largest working

1 contributing community of California, and we deserve to be
2 treated accordingly.

3 Thank you very much.

4 ACTING CHAIRPERSON WILLIAMS: Thank you.

5 Any comments?

6 COMMISSIONER YEE: Thank you, Mr. Chairman.

7 First, Mr. Chairman, thank you for coming forward
8 with this presentation. Really appreciate Ms. Muhammad,
9 Ms. Martinez. Also, very timely with respect to our --
10 really developing our environmental justice policy. And
11 what I would ask the staff going forward is really just
12 looking at how we can best engage our media partners in
13 this.

14 Obviously, we want to be sure we're reaching
15 members of the community as close to the ground, feeling
16 the impacts of the work that we do as much as possible.
17 We certainly see a role. I certainly see a role. You're
18 helping us raise awareness around the issues, but I would
19 say that just as we're developing a sense of who our
20 stakeholders are, that we certainly incorporate this
21 community that could help communicate a lot of these
22 issues directly to the communities affected.

23 MR. SCHURMANN: Thank you.

24 ACTING CHAIRPERSON WILLIAMS: Just a couple of
25 observations. As a former press officer myself, and

1 having worked with Araceli when she was working in
2 Sacramento in the Capitol, and it was recommendation
3 number two, which was connecting with media and reaching
4 out directly. And that comes even before, you know, we
5 get to translation, before we get to social media, before
6 we're able to do that one-on-one outreach, which press
7 officers so effectively do.

8 One of the biggest struggles I've found as a
9 press officer is to be able to identify the media outlets
10 in the first place, whether it's a press list, a phone
11 number that you can go through and pick up that call. You
12 know, press officers pretty heavily guard their press
13 lists, and don't share them around.

14 And I'm just wondering if there is -- there's
15 something that New America Media is working on that would
16 enable agencies, like the State Lands Commission or the
17 Lieutenant Governor's Office, State Controller's Office to
18 be able to, you know, access, you know, just the very
19 basic of --

20 MR. SCHURMANN: There absolutely is. And we'd
21 love to work with you sharing that with you. There's a
22 universe of media out there from large to small serving
23 very niche communities that together, as a former
24 colleague, a late journalist Chauncey Bailey once said,
25 ethnic media are like a hand -- fingers on a hand,

1 together they're like a fist.

2 It's a very powerful statement. And it shows you
3 that the collective reach, while each individual media
4 maybe small, they serve a very hard-to-reach sector. And
5 together, it's a large swath of the state.

6 And NAM, New America Media, would be very happy
7 to work with the Commission in educating the Commission
8 about that universe of media out there, and how to engage
9 with them. I would say I think it's important to develop
10 relationships with them, to engage with them periodically
11 to find out what the stories they're covering are, how to
12 tailor the message to them.

13 This isn't the same as tailoring a message to
14 general market media. This is figuring out what -- how to
15 tell the story, so that it's relevant to the communities
16 they serve. And that can only happen by spending a little
17 time developing relationships with these editors and
18 publishers who, like I said, are committed to their
19 communities.

20 Thank you.

21 ACTING CHAIRPERSON WILLIAMS: Thank you.

22 Thanks. Thank you.

23 Do we have any public comment on this item?

24 No. Okay. Thank you. Thank you very much.

25 Move to Item number 95, which is an informational

1 presentation by AltaSea

2 EXECUTIVE OFFICER LUCCHESI: Yes. I'd like to
3 Jenny Krusoe, executive director of AltaSea and her
4 colleagues.

5 (Thereupon an overhead presentation was
6 Presented as follows.)

7 MS. KRUSOE: Good morning, Commissioners. I'm
8 Jenny Krusoe. I'm very proud to be the executive director
9 of AltaSea at the port of Los Angeles. It is a great
10 honor to be here today and present the project to you.

11 The AltaSea project sits on tidelands Trust lands
12 35 acres. Our presentation today is in two parts. We
13 have an overview of the project itself, and then an update
14 from our partner, the port, on their public access
15 project, which AltaSea is very grateful to be a
16 beneficiary of.

17 So to start the presentation, I'd like to
18 introduce Dr. Sandra Whitehouse our Chief Scientific
19 Officer at AltaSea.

20 DR. WHITEHOUSE: Great. Thank you, Commissioners
21 for your time on what's going to be obviously a very busy
22 day. This first slide shows the AltaSea project looking
23 seaward as AltaSea is part of the port of L.A. And what
24 you see in the lower left is the peninsula, the -- and
25 much of which is over tidelands property that Jenny

1 DR. WHITEHOUSE: So what is AltaSea?

2 Well, AltaSea we are really -- we are conveners,
3 we are curators, we are bringing together people,
4 institutions, universities, companies that are doing a
5 number of things. We are working with scientists to
6 accelerate their collaborative processes. We're very
7 importantly working with businesses to create jobs in the
8 new and growing blue economy. We're working with public
9 educators, those K to 12, to make sure that the next
10 generation is inspired, not only to learn about the ocean,
11 but also to learn about potential career paths in the blue
12 economy.

13 And, of course, we are nested within the L.A. and
14 San Pedro communities, and we're very excited that this is
15 an opportunity to be energized and contributing towards
16 energizing that community.

17 --o0o--

18 DR. WHITEHOUSE: We have a number of existing
19 partners within the science, business, and education
20 community. These are some of them. We've worked very
21 closely with these partners over the course of the past
22 two years to try to figure out where should we focus our
23 initial energy, where should we start? There's so many
24 ocean challenges. There's dozens of them that -- where we
25 could have started, but we really wanted to define where

1 was the low-hanging fruit based on all of these existing
2 partners.

3 --o0o--

4 DR. WHITEHOUSE: And that's why we came up with
5 our two initial clusters our areas of focus being
6 sustainable aquaculture and blue technology. Sustainable
7 aquaculture is the way we're going to feed seafood based
8 protein to the world as the world population grows, and as
9 the seafood demand grows in a way that we're not depleting
10 our wild caught fisheries.

11 Blue technology is being used really by every
12 organization. I'm sure many which come before you as a
13 Commission, oil and gas developers, wind developers
14 aquaculture, but also conservationists, explorers,
15 underwater archeologists. It's these underwater robots
16 are just being used for monitoring of the Marine Protected
17 Areas, for numerous applications.

18 --o0o--

19 DR. WHITEHOUSE: So just to take a look at the
20 first cluster of sustainable aquaculture, we wanted to
21 make sure that we had sort of an anchor tenant in each of
22 our science, business, and education components of our
23 work. Catalina Sea Ranch which is the first aquacultural
24 organization in the country to have a major permit in
25 federal waters. They're growing blue mussels, so it's

1 inherently sustainable. There our anchor business tenant.

2 The SCMI institutions, especially those like USC,
3 who are already doing work on animal husbandry of
4 bivalves, so mussels, clams, oysters. They're very --
5 they're our anchor tenant for the science community. And
6 then we have the wonderful Cabrillo Aquarium just down the
7 street from us.

8 They are growing right now in their aquatic
9 nursery three different species of abalone, which are
10 basically technically extinct already in the wild. They
11 want to use the aquaculture facilities at AltaSea to be
12 able to grow more of the abalone ultimately for
13 conservation and restoration.

14 In our blue technology cluster, our anchor
15 tenants are the Echo Voyager Project, where we hope
16 gets -- anticipate that AltaSea will become sort of the
17 command and control center for the launching of this
18 large -- large by blue tech standards, sort of unmanned
19 submarine that's designed to go down in the deep sea
20 trenches, as well as under the Arctic ice.

21 We have again our SCMI partners, all of these
22 institutions are building blue technologies. They are
23 also very keen on having this as a job skills training
24 site for their mechanical and electrical engineers. And
25 then we have Dr. Bob Ballard and his Nautil -- his ship

1 institutions. But by 2011, we'll already be financially
2 sort of self-sustaining, once we get over this
3 construction phase. This is just a quick overview.

4 --o0o--

5 DR. WHITEHOUSE: This is just a quick overview of
6 the first of those buildings. The green is phase one,
7 which is our Warehouses 58 to 60, where we're going to
8 house these two initial clusters. We'll then move on to
9 the yellow building, which is the SCMI building. And
10 ultimately, in the blue, that beautiful engagement center
11 that you saw the rendition of.

12 --o0o--

13 DR. WHITEHOUSE: And just finally for my part to
14 give you a quick overview of the finances, we're well
15 underway. We've already raised \$5 million that has gone
16 towards strategic planning, towards permitting,
17 environmental permitting - everyone knows how expensive
18 that can be - towards engineering, and towards design.

19 So that is money that has been well spent. We're
20 halfway already there towards the fundraising for those
21 first buildings, where the clusters are going to be
22 housing 58 to 60, and about a third of the way there for
23 the initial education pavilion, which is a smaller
24 education facility, not the big engagement center. But we
25 have a clear path to raising the money.

1 --o0o--

2 DR. WHITEHOUSE: So with that, I'd like to turn
3 it over to one of our colleagues from the port of L.A. Mr.
4 DiBernardo to talk about the public access.

5 MR. DiBERNARDO: Thank you, Dr. Whitehouse. Mike
6 DiBernardo with the Port of Los Angeles, Deputy Executive
7 of Marketing and Customer Relations. Good morning,
8 Commissioners and staff.

9 I'm here today to talk about the port of Los
10 Angeles and its Investment plan. In addition to being the
11 nation's number one container port at the port of Los
12 Angeles, it's actively pursuing redevelopment
13 opportunities along the eight plus miles of waterfront
14 land that has been designated for public access and
15 visitor serving commercial use now known as the L.A.
16 Waterfront.

17 The Port has invested over \$600 million in these
18 efforts since 2004 comprising of both public access
19 infrastructure and programming activity to draw more
20 people to the L.A. waterfront. The Port expects to invest
21 another \$400 million by the year 2025 through our Public
22 Access Investment Plan, the plan which commenced in 2015.

23 The public access plan is actually a
24 precedent-setting plan constructed to strengthen
25 relationships with the communities adjacent to the port of

1 investment in public process projects. Community
2 organizations also participate in prioritizing projects
3 with the port staff.

4 So transparency, predictability, and it's a
5 sustainable plan in collaboration efforts between
6 community organizations and the port projects are selected
7 and scheduled in a manner that fits within the financial
8 structure of the plan, and aligns with future private
9 development opportunities.

10 This process creates transparency and project
11 prioritization, predictability for private investors and
12 public with a development plan that is feasibly
13 sustainable -- financially sustainable.

14 Strategic investment with community input and
15 identified private development areas prioritize based on
16 ability to create incentivized future develops the link in
17 existing developments to create visitor attractions
18 districts at the L.A. waterfront.

19 --o0o--

20 MR. DiBERNARDO: The public investment plan
21 provides a synergy between port cargo business success and
22 public investment by dedicating 10 percent of our annual
23 operating income to public investment projects.

24 In addition to the commitments to the project
25 developments, the port expects to spend \$20 million

1 annually in operating and maintaining and programming the
2 L.A. waterfront. So the slide here represents estimated
3 revenues of 400 million, expenses of 200 million, 200
4 million in income, and then 10 percent of that going to
5 this public investment plan.

6 --o0o--

7 MR. DiBERNARDO: So this is a little outline here
8 of since this plan was developed. The ports have
9 increasingly -- has been successful with the operating
10 income, and it has increased during that time. Initially,
11 we estimated \$20 million per year. This annual allotment
12 has grown as the port has increased cargo flow and
13 economic success in recent years.

14 So, for example, in year -- fiscal year 14-15,
15 the operating income amounted to 213 million resulting in
16 21 million going for community projects.

17 Similarly, in 15-16 operating Income grew to 215
18 million, resulted in 21.5 million. And then we're
19 projecting for this year to be at about 217 million. If
20 not spent annually, the money actually is put into a
21 roll-over for subsequent years. And so project over the
22 10 year life of the plan to be about 222 million for
23 community projects.

24 --o0o--

25 MR. DiBERNARDO: So the core element of the plan

1 was the port's success with the community access success.
2 If the port operating income increases, the port will
3 invest more in public access project. That makes the port
4 a more appealing place to live, work, and visit.

5 The plan has been instrumental in increasing
6 private investment along the L.A. waterfront in projects
7 such as the AltaSea. It also serves as a new model for
8 leveraging commercial innovation through the ocean by
9 clustering commission research and educational uses in one
10 campus, where visitors are attracted to engage with and
11 enjoy the tidelands from a new perspective.

12 So the port's success, as well as the community's
13 success is AltaSea's success. And as Dr. Whitehouse
14 actually said the other day -- as she said the other day,
15 the port provides the road, that -- the partners provide
16 the destination.

17 So we're here to answer any questions that you
18 may have on this project or the public investment plan.

19 So thank you for your time.

20 ACTING CHAIRPERSON WILLIAMS: Thank you.

21 Commissioners, any comments, questions?

22 It's the little red one on the top left.

23 COMMISSIONER YEE: Thank you, Mr. Chairman.

24 I just wanted to comment that I had the
25 opportunity to tour the site of AltaSea. It is really

1 remarkable, and particularly, in my mind, the focus on
2 education. And you can just envision stepping onto the
3 site. The awareness -- raising the awareness of, you
4 know, young minds, and certainly cultivating the
5 generation of future ocean scientists.

6 So it's a remarkable project. And I want to
7 thank the Port also for being such a great partner in
8 this, and love the fact that the financing of the project
9 will be self-sustaining.

10 Thank you.

11 MS. KRUSOE: Thank you. It's a proud day for
12 AltaSea to be here. Thank you.

13 ACTING CHAIRPERSON WILLIAMS: Thank you.

14 And just a quick, I guess, contextual question on
15 this Commission's interest in a particular site where this
16 is located. I assume these are Public Trust granted lands
17 to the Port of Los Angeles.

18 EXECUTIVE OFFICER LUCCHESI: That's correct.
19 These were lands that were originally granted to the City
20 of Los Angeles in 1911. However, as the Commission knows,
21 but for the public's benefit, we work very closely with
22 the Port of Los Angeles in all of their land use and
23 development projects and efforts to -- in their
24 responsibilities to manage these lands and assets on
25 behalf of the public of California and on behalf of State.

1 So we are working with the port on a number of
2 different levels regarding their management
3 responsibilities. And this is definitely a success story.
4 So we're very thankful for AltaSea and the port to be here
5 today to present their project to the Commission.

6 ACTING CHAIRPERSON WILLIAMS: Thank you. Thank
7 you very much.

8 Any public comments on that item before we move
9 on to Item 96, which is an informational update on the
10 Commission's environmental justice public policy outreach
11 and development. And we have a staff presentation.

12 EXECUTIVE OFFICER LUCCHESI: And our staff member
13 Jamie is making her way down. Great.

14 And I will note real quick -- go ahead -- Jamie
15 is our Sea Grant Fellow for this year. So it's an honor
16 to introduce her to the Commission and have her present on
17 our Environmental Justice Policy and implementation plan
18 efforts, because she really has taken a leadership role,
19 which we're very grateful for, on this effort on behalf of
20 the Commission.

21 So with that, Jamie.

22 MS. HUYHN: Hi. Good morning, Chair and
23 Commissioners.

24 I'm Jaimie Huyhn. Jennifer, thank you for
25 introducing me.

1 I've been working very closely with the
2 environmental justice team at the Commission, and I'm here
3 to provide you an update on our efforts.

4 On September 5th, Coastal Commission and State
5 Lands Commission convened to receive environmental justice
6 training from CalRecycle and CalEPA staff. The training
7 provided staff with a history of the environmental justice
8 movement and what has become today effective tools for
9 successful community outreach and engagement, and how to
10 identify and remove barriers to participation.

11 The main takeaway of the training was to truly
12 emphasize empathy and active listening when communicating
13 with environmental justice communities.

14 In October, staff attended the first annual
15 Environmental Leadership Summit where key leaders in San
16 Diego convened for a day to talk about current issues and
17 projects. Staff attended the event, learned more about
18 local issues, and made connections with these
19 environmental leaders.

20 Potential topics for next year's summit include
21 discussion of the international sewage spills in the
22 Tijuana River, SONGS decommissioning, and the San Diego
23 Ocean Planning Partnership.

24 Staff will keep updated with the organizations to
25 provide any input or assistance needed.

1 Next Tuesday, staff will be a part of the Coastal
2 Commission environmental justice webinar. Staff will be
3 providing information on the environmental justice policy
4 update in that webinar.

5 Throughout the past few months, staff has been
6 reaching out to organizations and developing relationships
7 in San Diego, Fresno, and San Joaquin region. In
8 mid-November, staff will conduct an outreach session in
9 Fresno and Huron with organizations and the public to
10 discuss community concerns and how the Commission ties
11 into the picture.

12 As part of our outreach efforts, staff is also
13 preparing case studies as part of our current work -- of
14 past and current work the Commission has been involved in
15 where environmental justice has been part of the project.
16 The case studies include the general project,
17 environmental justice concerns, key players, how staff
18 approached the issues, and what the final outcome was.

19 These case studies are meant to be educational
20 and informative for the public to understand the
21 Commission's duties, and how we are committed to
22 integrating environmental justice into staff's everyday
23 work.

24 Thank you, and I'm here for questions, if you
25 have any.

1 ACTING CHAIRPERSON WILLIAMS: Thank you.

2 Comments, questions from the Commission?

3 Thank you very much.

4 MS. HUYHN: Thank you.

5 ACTING CHAIRPERSON WILLIAMS: So before we
6 adjourn for closed session, I just want to give another
7 opportunity for public comment for those who weren't here
8 earlier.

9 EXECUTIVE OFFICER LUCCHESI: Yes. So through the
10 Chair, if you don't mind, I'd like to call the three
11 remaining speakers that had filled out public comment
12 forms.

13 Jay Sanar?

14 Janet Gunter?

15 MS. GUNTER: Good morning, Commissioners and
16 staff. Thanks for the opportunity to speak. I apologize
17 for not being here. It was a mess.

18 Anyway.

19 (Laughter.)

20 MS. GUNTER: I'm back here again to remind you
21 and prompt you to take some -- as much action as you
22 possibly can on the issue of the Rancho LPG Plains All
23 American Pipeline project in San Pedro, which is the 25
24 million gallons of butane and propane gas sitting in a
25 very seismically vulnerable place and existing only

1 because of its ability to use Public Trust Lands to keep
2 its business in operation, both the pipeline and the rail.

3 I know that's gone to the AG for his opinion, and
4 we are respectfully waiting for that opinion. But I think
5 that the issue takes on even greater significance because
6 of the avalanche of horrible disasters that have been
7 happening over the past couple of months since I was last
8 year here in front of you.

9 And I -- you know, two of those were the
10 earthquake in Mexico. One of those earthquakes was 7.1
11 magnitude. And the reason for its immense devastation and
12 the loss of life was due to the fact that it is on a
13 lakebed, which is liquefaction area, which is precisely
14 the conditions that we're talking about with this massive
15 facility here.

16 So you try and imagine 25 plus million gallons of
17 butane in Mexico City on that earthquake fault. That's
18 what we're talking about.

19 60 Minutes also had a very compelling show about
20 the power of the lobbying interest as it relates to
21 opiates and their death. I believe, and I completely
22 subscribe to the idea, that this facility has not been
23 touched and has been insulated due to pressures very
24 similar to this. And we're talking about a half a million
25 people's lives at jeopardy.

1 Also, the interesting thing today was listening
2 to the massive amounts of investment going on with the
3 port property. And these are public recreational things.
4 All of that falls within the blast radius of this
5 facility. We urge you to do whatever you can, whether
6 it's lease involvement, and the use of those Public Trust
7 Lands to protect the public and these -- that are visiting
8 these public trust areas. I appreciate your time. Thank
9 you.

10 ACTING CHAIRPERSON WILLIAMS: Thank you.

11 Any additional public comment?

12 EXECUTIVE OFFICER LUCCHESI: Yes. I think Deputy
13 Attorney General Andrew Vogel wants to just make a
14 clarifying statement based on his comment earlier.

15 ACTING CHAIRPERSON WILLIAMS: Great.

16 DEPUTY ATTORNEY GENERAL VOGEL: Thanks. Yes.

17 Can you hear me?

18 Just to clarify a point I made earlier. At the
19 August meeting, the Commissioners requested our office's
20 legal advice on the jurisdictional question concerning the
21 lands where the facilities here are located. The
22 Commission did not request a formal opinion of the
23 Attorney General, which is different than legal advice.

24 Formal AG opinions go through a particular
25 process under the Government Code, but the request from

1 the Commission was not for that type of opinion.

2 EXECUTIVE OFFICER LUCCHESI: So if I may, to
3 translate that a little bit.

4 There's the formal opinion that Andrew just spoke
5 about, and then there's, what we call, informal opinion,
6 or informal advice, and that's what the Commission asked
7 for. When the Attorney General's office issues that
8 informal opinion to the Commission, then, at that time,
9 the Commission can consider whether to waive privilege on
10 that advice and make it a public document. So that's the
11 steps that we would take in order to meet what I believe
12 was the intent of the original ask from the Commission in
13 the first place.

14 ACTING CHAIRPERSON WILLIAMS: Understood.

15 Any comments from the Commission?

16 COMMISSIONER YEE: Maybe one.

17 Thank you, Mr. Chairman. I think certainly from
18 my perspective the request has been made. Certainly, we
19 would like to see what the response is to the request for
20 informal advice before we proceed to perhaps a more
21 memorialized response from the AG's office.

22 ACTING CHAIRPERSON WILLIAMS: Thank you.

23 EXECUTIVE OFFICER LUCCHESI: And I have one more
24 form. Morgan Roth.

25 MR. ROTH: Thank you, Jennifer. Morgan Roth,

1 Deputy District Director for Congresswoman Nanette
2 Barragán. I'm going to read a prepared statement
3 regarding Rancho LPG facility.

4 Members of the California State Lands Commission,
5 as Representative of the 44th Congressional District of
6 California, I'm very concerned about the potential public
7 safety issues related to the Rancho LPG tanks, a facility
8 this Board is very familiar with. The tanks are in close
9 proximity to homes, schools, and even a soccer field where
10 children play.

11 Stored in the tanks is butane, a chemical that
12 can lead to dangerous consequences. That is why I'm
13 working hard to help clarify which agency has jurisdiction
14 over the tanks and the rail lines, so we can request a
15 full risk assessment.

16 During the August State Lands Commission meeting,
17 Betty Yee indicated she would ask CA Attorney General
18 Xavier Becerra for an opinion to provide guidance on which
19 agency has regulatory jurisdiction of the facility. I
20 want to thank Betty Yee and the Commission for doing that.

21 I had a call with the AG on Monday, and he has
22 assured me that he is working on it. Because of the
23 potential dangers to our community and the port, our
24 community deserves answers and a risk assessment.

25 In 1984, one of the largest disasters in

1 industrial history happened at an LPG storage tank center
2 near Mexico City. An explosion at the facility caused
3 excess -- by excess pressure created a vapor cloud that
4 ignited and resulted in a massive fire at the plant. MOre
5 than 500 people were killed in the mostly rural community
6 surrounding the facility.

7 While I'm not suggesting that will happen here,
8 it is my job to do what I can to prevent such a disaster.
9 The start of that is to ask for a risk assessment. We
10 need to know first all agencies that have jurisdiction.
11 My staff and I -- my staff and I stand ready to work with
12 the Commission on this issue to ensure that we continue to
13 make public safety a top priority.

14 Thank you.

15 ACTING CHAIRPERSON WILLIAMS: Thank you. And if
16 there's no further public comment, we will adjourn into
17 closed session until noon-ish.

18 And we will take up Item 97 the application by
19 Poseidon then.

20 Thank you.

21 (Off record: 10:34 a.m.)

22 (Thereupon the meeting recessed
23 into closed session.)

24 (Thereupon a lunch break was taken.)

25

1 A F T E R N O O N S E S S I O N

2 (On record: 12:12 p.m.)

3 CHAIRPERSON NEWSOM: All set?

4 Everybody in the back, can you hear us?

5 All right. Thank you all very much. Grateful
6 for your patience and thank you for taking the time so
7 many of you to be here today. We will first begin, as one
8 must, with the perfunctory safety announcement from our
9 Executive Director.

10 EXECUTIVE OFFICER LUCCHESI: Yes. Thank you.
11 Thank you, Chair. I'm going to repeat what I said this
12 morning. I just wanted to point out the exits in the
13 room, which are up there and out that way. I want to
14 remind everyone in the room that we need to keep the
15 aisles open, and nobody should be sitting on the stairs.
16 The landing at the top of the audience section should be
17 open, and nobody should be standing up there.

18 In addition, the entryway should also remain
19 open. We cannot have anybody standing or sitting in the
20 entryway. I know that we have a lot of members of the
21 public here that feel very strongly about the item that
22 we're going to be taking up next, and they want to hear
23 every single way -- word and participate in this
24 proceeding, but we have to be mindful of ensuring
25 everyone's safety here, as well as being respectful to the

1 speakers and the presenters.

2 In addition, I am -- if there aren't any
3 objections from the Commission, and through the Chair, I'd
4 like to talk a little bit about the speaker procedures as
5 we move into the next phase of this item -- the next phase
6 of this meeting.

7 We will be having a staff presentation. We will
8 be moving into the applicant's presentation, then allowing
9 elected officials to speak, and then also moving on to
10 organized groups, and then individual testimony from
11 individual members of the public.

12 At a certain point in time around 3:00, 3:30, I
13 may ask the Commission to take a break, and also
14 reevaluate where we are in terms of timing, and the
15 remaining public comment forms that we have in order to
16 save enough time for Commission deliberation.

17 And with that, I'll move it back to the Chair.

18 CHAIRPERSON NEWSOM: Appreciate that. Thank you,
19 Ms. Lucchesi. And so once again, thank you all very much
20 for being here. We're going to try to do our best to
21 accommodate everybody. Obviously, most of you are
22 familiar, and were asked earlier if you'd like to speak to
23 fill out a speaker's form. If you haven't done that,
24 we'll get one to you. And at the end, if you haven't done
25 it, you've forgotten still, I'll provide another

1 opportunity, because I want to make sure we accommodate
2 everybody today.

3 But because of the number of people that we do
4 have already signed up, we are going to try to at least
5 distill the essence of your thoughts as best we can
6 without repetition -- repetition -- is that the word?

7 (Laughter.)

8 CHAIRPERSON NEWSOM: -- is the mother of skill.
9 However, at a certain point, it becomes modestly
10 redundant.

11 (Laughter.)

12 CHAIRPERSON NEWSOM: So please keep that in mind.
13 Maybe change an adjective or a verb to keep everybody --

14 (Laughter.)

15 CHAIRPERSON NEWSOM: -- on their edge.

16 We have, I think, some opening comments from
17 Commissioner Yee, and then we will have, as Jennifer said,
18 our staff presentation to frame what our jurisdiction is,
19 and to frame the conversation today, and what the
20 conversation perhaps may not be as well.

21 So it's in the spirit of appreciation and
22 collaboration that we are here, and we will begin with
23 Commissioner Yee's comments.

24 Thank you.

25 COMMISSIONER YEE: Thank you. Thank you, Mr.

1 Chairman.

2 And I know this has been an issue long standing,
3 and we are here today -- I certainly am very excited to
4 hear all of the testimony here today. I'll first just
5 begin by saying that I was not serving on the Commission
6 when this lease was previously approved, but I do support
7 desalination as one part of the answer to the California
8 water solution when it is appropriately sized.

9 Certainly support the private development of
10 these kind of infrastructure projects. When they're done
11 in collaboration with government agencies, we have the
12 responsibility to provide the service.

13 I have raised concerns since beginning to --
14 since the beginning of considering this project beyond the
15 narrow issues within the jurisdiction of the State Lands
16 Commission. And really it was to help myself and my staff
17 really have the context within which to consider the
18 issues that are before us, and that is the approval of the
19 EIR and the lease amendment.

20 In particular, I had raised concerns about the
21 water supply need protections and whether the need can be
22 met from other sources, and whether the applicant can
23 reduce energy consumption through a comprehensive plan
24 beyond what's already been submitted.

25 So while I join my Commission -- Commissioners --

1 fellow Commissioners in hearing the presentations today,
2 and hopefully answers to some of these questions. And I
3 thought what I'd do, Mr. Chairman, is to frame some of
4 these questions, because I know there are a lot of
5 speakers who are interested in addressing them, that --
6 and I know, Ms. Lucchesi, you'll start out with a staff
7 presentation.

8 But perhaps just by beginning with why and
9 explaining the staff's view with respect to the
10 appropriateness of the supplemental EIR, and that is the
11 appropriate scope for the review of the project at this
12 time, and why it does not need to go back to a subsequent
13 EIR for the project that addresses other issues, such as
14 the distribution system, and if you could also address the
15 treatment of the Public Trust considerations as well in
16 your opening comments.

17 To the applicant, I do hope there is some robust
18 presentation about reduction of energy consumption. I
19 know there have been engagements with Southern California
20 Edison to reduce energy consumption. And hopefully have a
21 flavor for the Commission with respect to what types of
22 commitments could be made relative to that goal. And to
23 the extent that you know what the cost per acre foot of
24 the delivered water could be -- would be, that might be
25 helpful as well.

1 And then one thing I've learned and really
2 addressing this issue comprehensively is that I think
3 State and the regions can do a much better job of looking
4 at how we resolve water disputes. This is something that
5 we are going to hear from various water agencies today.
6 And I hope within that body of testimony, we do get some
7 clear responses with respect to whether this project is
8 necessary to meet your particular agency's water needs,
9 and -- but also to incorporate some of the more cost alter
10 -- cost-effective alternatives.

11 And those have been identified by some parties.
12 I want to applaud the Governor for recently having signed
13 legislation that continues to facilitate more
14 cost-effective alternatives, such as financing stormwater
15 capture projects as well as authorizing water utilities to
16 provide recycled water directly to consumers. So those
17 are just a couple of examples.

18 So Mr. Chairman, I think with that hopefully that
19 can kind of focus some of the testimony -- the letters
20 coming back and forth have addressed some of these issues,
21 but I'm looking forward to the clarity with respect to all
22 these issues

23 CHAIRPERSON NEWSOM: Hear, hear.

24 COMMISSIONER YEE: Thank you very much.

25 CHAIRPERSON NEWSOM: Thank you. No, I think you

1 framed it well.

2 So Jennifer, you've got 10 minutes. If you're
3 going to be the enforcer, you've got to show, not just
4 tell.

5 EXECUTIVE OFFICER LUCCHESI: Yes, and we will
6 lead by example.

7 CHAIRPERSON NEWSOM: Thank you.

8 EXECUTIVE OFFICER LUCCHESI: So I'd like to
9 introduce --

10 (Microphone.)

11 EXECUTIVE OFFICER LUCCHESI: Thank you.

12 I will lead by example. I want to introduce Cy
13 Oggins our Chief of our Environmental and Planning
14 Division, and Cheryl Hudson our Land Manager that are
15 leads on this project for staff's presentation.

16 (Thereupon an overhead presentation was
17 presented as follows.)

18 PUBLIC LAND MANAGEMENT SPECIALIST HUDSON: Good
19 afternoon, Mr. Chairman and members of the Commission. My
20 name is Cheryl Hudson, and I'm a Public Land Management
21 Specialist for the Commission's Land Management Division.
22 And I'm here to present information on Item 97.

23 --o0o--

24 PUBLIC LAND MANAGEMENT SPECIALIST HUDSON: The
25 item before you relates to the lease amendment for the

1 previously authorized proposed co-located and stand-alone
2 Huntington Beach desalination plant located on State-owned
3 sovereign tide and submerged land in the Pacific Ocean
4 offshore Huntington State Beach in the City of Huntington
5 Beach Orange County.

6 --o0o--

7 PUBLIC LAND MANAGEMENT SPECIALIST HUDSON: In
8 October 2010 -- excuse me, October 2010, the Commission
9 authorized an amendment to lease PRC 1980 to include
10 Poseidon Resources as a co-lessee with AES Huntington
11 Beach, LLC to use one existing submerged 14-foot diameter
12 seawater intake pipeline extending approximately 1,840
13 feet offshore, and one existing submerged 14-foot diameter
14 discharge pipeline extending approximately 1,500 feet
15 offshore for desalination operations associated with the
16 proposed onshore Huntington Beach Desalination Plant.

17 The pipelines are currently utilized as
18 components of once-through cooling system associated with
19 the AES Upland Huntington Beach Generating Station. The
20 existing pipelines have been in operation since 1957 when
21 the Commission authorized a 49-year lease to Southern
22 California Edison Company for the construction of the
23 pipelines serving the upland SCE electric generating
24 station.

25 --o0o--

1 PUBLIC LAND MANAGEMENT SPECIALIST HUDSON:
2 Poseidon Resources has submitted an application to further
3 amend the current lease to modify the existing offshore
4 seawater intake pipeline and existing discharge pipeline
5 for the operation of the proposed Huntington Beach
6 Desalination Plant.

7 The proposed offshore construction consists of:
8 Installing wedgewire screens to the end of the existing
9 offshore seawater intake pipeline; installing a multi-port
10 diffuser at the end of the offshore seawater discharge
11 pipeline. The center port of the diffuser will remain
12 closed unless used for co-located operations;
13 reconfiguration of riprap, installation of support
14 foundations to support intake structure, and placement of
15 two gravity anchor blocks where boats could moor while
16 conducting maintenance on the screens.

17 The proposed diffuser and wedgewire screen design
18 allows for both stand-alone desalination operation and
19 short-term co-located desalination operation scenarios.

20 --o0o--

21 PUBLIC LAND MANAGEMENT SPECIALIST HUDSON: Staff
22 is also recommending the Commission to amend the lease to
23 approve the proposed modifications to the intake and
24 discharge pipelines, reduce seawater intake volume from
25 152 million gallons per day to 106.7 million gallons a

1 day, extend construction completion date to August 7th,
2 2026, increase bond amount to six million, authorize an
3 annual deposit of 300,000 into the Kapiloff Land Bank Fund
4 for impacts to the project to public resources as
5 described in the staff report, revise the current annual
6 base rent to the lease as part of a regular five-year rent
7 review as provided under this lease.

8 This concludes my presentation.

9 --o0o--

10 PUBLIC LAND MANAGEMENT SPECIALIST HUDSON: And
11 please -- and thank you very much. And please let me
12 introduce Cy Oggins, the Chief of the Commission's
13 Division Environmental Land Management.

14 Thank you.

15 CHAIRPERSON NEWSOM: Thank you.

16 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION
17 CHIEF OGGINS: Good afternoon, Chair, Commissioners.
18 Again, I'm Cy Oggins, Chief of Environmental Planning.

19 --o0o--

20 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION
21 CHIEF OGGINS: As Cheryl mentioned in 2010, the Commission
22 approved the use of the existing pipelines offshore
23 Huntington Beach for desalination purposes. But in 2015,
24 the State Water Board amended the California Ocean Plan
25 with the desalination amendments.

1 The application that was submitted by Poseidon
2 was -- is to add wedgewire screens and a diffuser
3 consistent with the desalination amendment. And that
4 would occur if the Santa Ana Regional Board determines,
5 pursuant to the Water Code, that subsurface intakes are
6 not feasible, that the brine discharge from the
7 desalination plant cannot be diluted by wastewater, and
8 that there are no live organisms in the discharge, and
9 that the physical modifications proposed by Poseidon are
10 consistent with the desalination amendment.

11 --o0o--

12 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

13 CHIEF OGGINS: For the minor modifications proposed by
14 Poseidon, the Commission prepared a supplemental EIR. The
15 public review period for that supplemental EIR started in
16 November 2016, with a release of a notice of preparation.
17 There was a public scoping meeting in December 2016, a
18 draft supplemental EIR was released in May 2017 for a
19 60-day public comment period. A public meeting was held
20 in June 2017 to accept comments on the Draft Supplemental
21 EIR. And then we've reached today. We've prepared the
22 final, we responded to all the comments received on the
23 draft.

24 --o0o--

25 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

1 CHIEF OGGINS: The supplemental -- the Final Supplemental
2 EIR analyzed four alternatives. The no-project
3 alternative, which is that the Commission does not approve
4 the modifications, we also analyzed a rotating brush
5 screen, stainless screens, which are self-cleaning
6 screens. And that was determined to be the
7 environmentally superior alternative, because it reduced
8 the number of trips out to the site for maintenance. And
9 that is what we call the recommended lease modification
10 project in the staff report.

11 We also analyzed copper-nickel screens, and a
12 different type of diffuser than proposed by the applicant.

13 --o0o--

14 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

15 CHIEF OGGINS: The environmental issue areas analyzed in
16 the EIR -- in the supplemental EIR included ocean water
17 quality and marine biological resources and air quality.
18 Both those impacts were determined to have -- include
19 significant and unavoidable impacts, in other words
20 impacts that could not be mitigated to less than
21 significant with feasible mitigation measures.

22 The first one relates to impact pile driving. At
23 this time, it looks like piles will need to be driven to
24 support the wedgewire screens. There are two types of
25 ways to do that. One is vibratory pile driving, the other

1 is impact pile driving. We've included a mitigation
2 measure to require vibratory pile driving. But because we
3 do not have data yet to see if that would be feasible,
4 impact pile driving was also analyzed but found to be
5 significant and unavoidable. And that will require a
6 statement of override from the Commission.

7 Also, air emissions from construction and
8 cumulative air emissions from construction were also
9 analyzed and found to be significant and unavoidable.
10 Other issues included esthetics, cultural resources,
11 tribal cultural resources, hazards and hazardous
12 materials, and marine transportation. And we found that
13 there were mitigation measures that could reduce or
14 significantly avoid -- avoid or significantly reduce those
15 impacts.

16 --o0o--

17 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

18 CHIEF OGGINS: So in conclusion, we're recommending that
19 the Commission certify the supplemental EIR; to adopt the
20 mitigation monitoring program that is included in the
21 staff report as Exhibit C; to adopt the CEQA findings and
22 Statement of Overriding Considerations, that is included
23 as Exhibit D; and then to authorize the lease amendment
24 for the recommended lease modification project as
25 presented in staff report 97.

1 --o0o--

2 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

3 CHIEF OGGINS: And we are here to answer any questions you
4 may have.

5 CHAIRPERSON NEWSOM: Appreciate that.

6 Jennifer, can you sort of -- let's lay out the
7 parameters of this conversation. I mean, obviously,
8 there's context in the presentation that was just
9 provided, but perhaps you can amplify that.

10 EXECUTIVE OFFICER LUCCHESI: Right. Yeah, I
11 will. Thank you for the opportunity.

12 I think it's important to start with what the
13 Commission's jurisdiction here is. The Commission is the
14 landowner for this particular project, not a regulatory
15 agency. And our jurisdiction and land ownership begins at
16 the mean high tide line and goes waterward out into the
17 ocean. So there's a very small part of the overall
18 desalination project that is under the Commission's
19 jurisdiction.

20 Now, a little bit of history about the
21 Commission's leasing activity in this area. In 2007, the
22 Commission authorized a 20-year lease to AES for the
23 offshore infrastructure associated with the power plant
24 and once-through cooling.

25 In 2010, the Commission, at a public meeting like

1 this one, authorized a lease amendment to include Poseidon
2 Resources on that lease and authorize the use of that --
3 those -- that offshore infrastructure for the purpose of
4 the desalination project.

5 And so the Commission authorized this project
6 back in 2010, and included Poseidon as a lessee on AES's
7 lease for the purpose of the desalination project, and
8 authorized the use of the intake and the discharge
9 infrastructure for the desalination project.

10 In 2016, Poseidon amended -- applied to the
11 Commission again for an amendment to their existing lease.
12 And that amendment is to modify the intake and discharge
13 infrastructure to include screens and diffusers as
14 described in our staff report, the CEQA document, and our
15 presentation.

16 The Commission staff determined that this was a
17 minor modification to the project, given what the
18 Commission had already approved in 2010. Poseidon has
19 vested property rights in the State's tidelands, pursuant
20 to this lease. They have property rights pursuant to
21 their leasehold interests, and those were granted in 2010.

22 So in the event -- I mean, just to kind of
23 amplify that a little bit more, in the event the
24 Commission declines to approve the proposed lease
25 amendment, Poseidon still has rights to use the offshore

1 tidelands under the 2010 amendment for the desalination
2 project purposes.

3 So we -- when we received the application from
4 Poseidon, we approached the CEQA review, and our analysis
5 and processing of the application within that narrow lens
6 of the minor modification to the existing property rights,
7 and the existing authorization that the Commission had
8 already granted in 2010.

9 And so the scope of our review necessarily
10 required us to pursue a supplemental EIR, and also look at
11 the analysis, including the Public Trust analysis and the
12 best interests of the State within that scope of the minor
13 modification because of the fact that Poseidon already has
14 rights under the 2010 lease amendment to use the offshore
15 infrastructure for the desalination project pursuant to
16 our authority.

17 Now, with that said, there is -- the Santa Ana
18 Regional Water Quality Control Board, and the Coastal
19 Commission, and other agencies still have discretionary
20 approvals and permits to give to consider for this project
21 to move forward, including compliance with the desal
22 amendment under the Ocean Plan, which is a responsibility,
23 and under the sole authority of the Water Board, not the
24 State Lands Commission.

25 So I -- in sum, that's how staff approached this

1 analysis, both CEQA and in processing the application.
2 And it really stems from the Commission's prior approval
3 in 2010, and the scope of our limited jurisdiction given
4 the lease amendment application, and the proposal to make
5 some modifications to those intake and discharge
6 infrastructure facilities. And with that I'll turn it
7 back to the Commission for any questions.

8 CHAIRPERSON NEWSOM: Appreciate it.

9 So minor modification, a term of art, a legal
10 designation, subjective? How does one begin to analyze
11 what constitutes minor?

12 EXECUTIVE OFFICER LUCCHESI: All of the above. I
13 think I will turn it to Jamie -- Jamie Garrett and Mark
14 Meier, our attorneys, to talk about the legal aspects of
15 that under CEQA.

16 CHAIRPERSON NEWSOM: And as you -- and just so we
17 can -- in the interests of time, the question of lead
18 agency versus this notion of a responsible agency,
19 something that's come up over and over and over again --

20 EXECUTIVE OFFICER LUCCHESI: Right.

21 CHAIRPERSON NEWSOM: -- in hundreds of letters
22 we've received, if you can take that legal question on as
23 well.

24 STAFF ATTORNEY GARRETT: Well, in terms of minor
25 modification, it comes to the CEQA regulations which are

1 used to determined whether or not a supplemental EIR is
2 appropriate. And it states that if -- there can be minor
3 changes or additions to that document to make it
4 sufficient for the project, then it is okay to do a
5 supplemental EIR.

6 EXECUTIVE OFFICER LUCCHESI: So essentially, the
7 Commission relied in 2010 on the City of Huntington
8 Beach's certified EIR. They were and are the lead agency
9 for this project. We were the responsible -- we, meaning
10 the State Lands Commission, was a responsible agency when
11 it acted in 2010.

12 That responsible agency designation has not
13 changed, even with this new application to amend the lease
14 to make these modifications. The minor modification
15 designation is a legal term of art, as it relates to CEQA,
16 in terms of how you determine whether to conduct a
17 supplemental EIR, which is a supplement to the original
18 EIR in 2010, or it's determined to move to a subsequent
19 EIR, which is, in essence, reevaluating the entire
20 project, given the history.

21 CHAIRPERSON NEWSOM: All right. Andy, do you
22 want to amplify that?

23 DEPUTY ATTORNEY GENERAL VOGEL: Only to add that
24 the application of the facts to the CEQA guidelines is a
25 question that the law gives some discretion to an agency,

1 such as the Commission, to do essentially.

2 CHAIRPERSON NEWSOM: Right.

3 CHIEF COUNSEL MEIER: Yeah. Mark Meier, Chief
4 Counsel for the Commission. I wanted to add that I think
5 one of the reasons why -- the basic reason why the staff
6 determined that this -- a supplement was appropriate in
7 this case, why this was considered a minor modification --

8 (Can't hear.)

9 CHIEF COUNSEL MEIER: -- was considered a minor
10 modification was that the screens and the diffusers -- I
11 mean, the intake and the outfall could be used for the
12 desal facility as they were. The screens and the
13 diffusers added an element of improvement, but they didn't
14 change the fundamental nature of what was approved in
15 2010, the intake and the outfall.

16 To that extent -- I mean, if something were to be
17 requested that fed into an -- modified in a substantial
18 way the entire way desal was going to be undertaken at
19 this facility, that might have -- the question might have
20 been answered differently.

21 But in this particular case, it was simply
22 limited to the way that the water was taken in at the end
23 of the pipeline and how it diffused out the end.

24 CHAIRPERSON NEWSOM: So, in essence, I mean, the
25 juris -- the question at hand is we are -- we are asked to

1 assess the environmental impacts of these modifications,
2 and is that --

3 CHIEF COUNSEL MEIER: That's correct.

4 CHAIRPERSON NEWSOM: -- the essence of the
5 question at hand? And are they environmentally preferable
6 to the status quo?

7 CHIEF COUNSEL MEIER: That's fundament --
8 fundamentally the question here, yes.

9 CHAIRPERSON NEWSOM: Got it. All right. So I
10 think we've got a sense. And anything else that you were
11 trying to get to in the beginning, Commissioner, that we
12 haven't framed yet?

13 COMMISSIONER YEE: Maybe just one thing.

14 CHAIRPERSON NEWSOM: I just want to make sure
15 we've contextualized your thoughts.

16 COMMISSIONER YEE: So the interest that many have
17 had with respect to looking at the impacts of whatever
18 distribution system is outside of the scope because it
19 doesn't relate back to --

20 EXECUTIVE OFFICER LUCCHESI: Yeah. It is. I
21 will -- yes, it is outside the scope of the Commission's
22 jurisdiction. It is outside the scope of the limited
23 scope of our authority and jurisdiction as it relates to
24 the application under CEQA and the Public Trust, but it is
25 certainly not out of the scope of why I think the majority

1 of the con -- where the majority of the concerns are that
2 we will hear today, which is as it relates to the entire
3 context of the desal project. I just wanted to kind of
4 compare those two.

5 COMMISSIONER YEE: Thank you.

6 CHAIRPERSON NEWSOM: Yeah. And I think that's
7 where we're going to end up with that being the big -- the
8 chasm here of distinction that we need to make throughout
9 this process. And so, you know, I hope people are
10 sensitive to the scope that is presented to this
11 Commission. And I -- and that does not negate the broader
12 conversation, which I'm certainly looking forward to
13 engaging in, and hardly naive as to the controversy
14 therein.

15 But I hope we understand, at least in the
16 importance of this opening commentary, is to frame what we
17 are asked to do as a body, this individual body, and what
18 we are not being asked to do more broadly.

19 And so I'm grateful for the opportunity to
20 clarify that. Jennifer, you now have clarified that. We
21 have now made our presentation. You have now the floor,
22 including a hundred plus speakers' cards.

23 EXECUTIVE OFFICER LUCCHESI: Let's get to it.

24 CHAIRPERSON NEWSOM: That's it.

25 EXECUTIVE OFFICER LUCCHESI: So, first, I would

1 like to invite up the applicant Poseidon Resources.

2 CHAIRPERSON NEWSOM: And again, so everybody --
3 everybody is familiar there is a green light, a yellow
4 light, and a red light. And if you're not familiar with
5 the construct, just, you know, think about yourself as a
6 pedestrian or a driver. And I will remind you to take a
7 good luck at that as the yellow turns to red and be
8 considerate of the thousands of folks behind you. That
9 said, you have the floor.

10 MR. MALONI: I understand that we have 15 minutes
11 as the applicant? Is that correct?

12 EXECUTIVE OFFICER LUCCHESI: Yes.

13 Good afternoon Chairman Newsom and members of the
14 Commission. My name is Scott Maloni. I'm the vice
15 president of project development for Poseidon Water.

16 Joining me today are members of the Orange County
17 Water District and staff, as well as Poseidon's legal
18 counsel, Chris Garrett, who you'll hear from next.

19 (Thereupon an overhead presentation was
20 presented as follows.)

21 MR. MALONI: I'd like to provide a brief overview
22 of the project and it's purpose. In 2010, the Commission
23 adopted findings, including that the project would provide
24 an important, drought-proof, renewable local water supply,
25 be independent of climate conditions, create ecosystem,

1 and biological resource benefits due to the decreased
2 pressures on existing water sources, provide operational
3 flexibility for the management of the Orange County
4 groundwater basin, and reduce demands on the existing
5 imported water system.

6 Seven years later, the proposed project, which
7 has today been environmentally enhanced, continues to
8 offer these immense public benefits.

9 --o0o--

10 MR. MALONI: The need for desalination is clearly
11 outlined at the State, regional, and local levels, as
12 you'll hear later today. The Department of Water
13 Resources, and the Governor's Water Action Plan identify
14 desalination as necessary to increase regional water
15 supply self reliance. The Metropolitan Water District of
16 Southern California is relying on desalination and other
17 local supplies to augment imported supplies, in addition
18 to the California WaterFix.

19 And both the Orange County Regional Planning
20 Agencies identify the Huntington Beach project as a
21 planned future water supply. Without seawater
22 desalination, Orange County will be forced to rely heavily
23 on climate-driven, imported sources of water to meet
24 demand.

25 --o0o--

1 MR. MALONI: In 2016, the adoption of the State
2 Water Board's Ocean Plan creates new regulations for
3 seawater desalination plants. Last year, at the request
4 of the California Coastal Commission staff, Poseidon
5 withdrew our application for a coastal development permit
6 just one month before the planned hearing. We did this to
7 honor the Coastal Commission staff's request that the
8 regional board first decide that Poseidon's
9 environmentally enhanced project complied with the new
10 State Water Board regulations.

11 In addition, because of the intake and discharge
12 enhancements we are proposing to the project require
13 physical changes to the components in the lease area, an
14 amendment to our existing lease was required. We
15 appreciate the State Lands being the first of the three
16 agencies to act as the interagency permit sequencing
17 agreement requires.

18 This is not the last stop for the project, but
19 instead it is the first step in the final phase of the
20 permitting process. It's a step that must occur for the
21 project to move forward.

22 --o0o--

23 MR. MALONI: Here's an aerial view of the
24 existing power plant site where the desalination plant is
25 proposed to be located. As your supplemental EIR

1 confirms, there are no areas of special biological
2 significance or of marine life protected areas in --

3 (Noise from the audience.)

4 MR. MALONI: -- in the vicinity of the intake or
5 outfall.

6 CHAIRPERSON NEWSOM: And as you -- and I
7 appreciate the emotions. Just if you I could one moment.
8 And you'll appreciate on the other side. You know what
9 I'm going to say, and I, just out of respect, want to keep
10 to the extent we can, things as civil as we can. And
11 that's coming as a guy with four young kids.

12 (Laughter.)

13 CHAIRPERSON NEWSOM: So thank you.

14 AUDIENCE MEMBER: Let's think about Huntington
15 Beach people.

16 MR. MALONI: There are no kelp beds or rocky
17 reefs or other habitat that support threatened or
18 endangered species. In fact, this maybe the most ideal
19 spot along the coast of Southern California for a
20 desalination facility.

21 This slide shows the footprint of the
22 desalination facility away from Pacific Coast Highway and
23 behind the new AES power plant, which is under
24 construction today, which will be operational for the next
25 30 years.

1 As part of its project, AES will decommission its
2 cooling water system, which currently is permitted to
3 withdraw almost 400 million gallons per day of seawater or
4 almost four times more than our proposed project with the
5 environmental enhancements. That's the baseline condition
6 today.

7 --o0o--

8 MR. MALONI: Our proposed project includes
9 rebuilding the existing ocean intake, that includes a
10 velocity cap and mammal exclusion bars.

11 --o0o--

12 MR. MALONI: The environmental enhanced project
13 will comply with the State Water Board's new regulations.
14 All the water must be withdrawn through wedgewire screens
15 with a one millimeter slot width. On your dais there is a
16 model of the screen that we will be building out in the
17 ocean. As you can tell, the openings are thinner than the
18 edge of a credit card, the velocity of the water through
19 the screens will be less than half a foot per second,
20 eliminating all impingement of marine life.

21 This plant will be the first large-scale seawater
22 desalination facility in the world to use this cutting
23 edge technology in an open-ocean setting.

24 --o0o--

25 MR. MALONI: Additionally, the plant will utilize

1 state-of-the-art spray diffusers that dilute the
2 facility's concentrated seawater that is discharged back
3 to the ocean.

4 --o0o--

5 MR. MALONI: Diffusers are identified by the
6 State Water Board as the best technology available for
7 brine dilution absent the availability of wastewater. The
8 diffuser will meet the State Water Board's stringent
9 receiving water quality requirements at four to five
10 meters from the point of discharge, well within the 100
11 meter regulatory boundary.

12 --o0o--

13 MR. MALONI: We also want to point out that brine
14 diffusers are a project-technology enhancement that
15 Poseidon and the environmental NGOs both support. With
16 these new enhancements, the project will only require
17 about 106 million gallons a day of seawater, or 30 percent
18 less seawater than approved by the Commission in 2010,
19 while still enabling us to produce the same amount of
20 drinking water.

21 --o0o--

22 MR. MALONI: I want to close by addressing two
23 important lease conditions. The first is Poseidon's
24 energy minimization and greenhouse gas reduction plan.
25 Even though the reverse osmosis process does not produce

1 any direct emissions, and the plant is not regulated under
2 AB 32, Poseidon has agreed to the construction and
3 operation of the facility will be 100 percent carbon
4 neutral.

5 To our knowledge, the Huntington Beach facility
6 is the only large-scale water treatment facility of any
7 kind in the state that has made this commitment. We're
8 not -- we're also not aware of any other State Lands
9 leases that have this commitment.

10 As a result, the total emissions associated with
11 Orange County's water supply portfolio will be reduced
12 because of the Huntington Beach project.

13 That said, we are committed to doing more. Our
14 lease includes commitments to pursue renewable energy
15 power purchase agreements, demand management programs,
16 facility optimization, and shared energy efficiency
17 savings. We are very proud of our leadership and the role
18 on energy efficiency and climate resiliency. And we
19 appreciate the Commissioners progressive input on these
20 issues.

21 --o0o--

22 MR. MALONI: The project also includes
23 environmental protections, of note, the Bolsa Chica Marine
24 Life Mitigation plan that will advance critical Commission
25 goals. Poseidon's detailed plan commits us to maintain

1 the Bolsa Chica ocean inlet for the operational life of
2 the facility to mitigate for unavoidable larval
3 entrainment.

4 In addition to our pledge to dredge the ocean
5 inlet, we have agreed to provide \$300,000 per year to the
6 Commission's Land Bank Fund for the use of Bolsa Chica to
7 ensure that its ecological benefits are realized for years
8 to come.

9 Given the environmental enhancements built into
10 the plant and our commitments to Bolsa Chica, the
11 Huntington Beach project will be a net environmental
12 benefit.

13 Orange County Water District President Dennis
14 Bilodeau will now discuss the demonstrated need for the
15 project.

16 --o0o--

17 MR. MALONI: As he makes his way up here, I want
18 to point out -- I want to point out that the State Water
19 Board's new desalination regulations require that the
20 location and the capacity of a desalination plant be
21 consistent with the identified needs for desalinated water
22 in an urban water management plan or equivalent planning
23 document.

24 The Huntington Beach project is identified in
25 both the MWDOC and the Orange County Water District's

1 long-term planning documents as a future planned water
2 supply.

3 Thank you.

4 MR. BILODEAU: Good afternoon, Chairman Newsom
5 and Chairman -- and members of the Commission. My name is
6 Dennis Bilodeau, and I serve as the President of the Board
7 of Directors of the Orange County Water District. Joining
8 me here today are members of management staff and board
9 members, including Shawn Dewane, Cathy Green, Steve
10 Sheldon, and Dina Nguyen.

11 The Orange County Water District was formed in
12 1933 by a special act of the California State Legislature
13 to protect Orange County's rights to water in the Santa
14 Ana River which provides the main source of water for the
15 region's groundwater basin.

16 The district manages the groundwater basin that
17 provides a reliable, high quality, potable water source to
18 19 cities and retail water districts that serve 2.5
19 million customers in north and central Orange County. We
20 are here today to urge you to approve the Huntington Beach
21 Desalination Project supplemental EIR and lease amendment.

22 --o0o--

23 MR. BILODEAU: The district's interest in
24 seawater desalination, and specifically the Huntington
25 Beach project is not a new development and predates most

1 of the recent drought. In fact, in the 1970s, the
2 district constructed a pipeline from the ocean to its
3 Fountain Valley campus along with a small ocean
4 desalinization plant to consider the cost and feasibility
5 of constructing a large-scale plant.

6 In 2010, the district signed an MOU with Poseidon
7 for the consideration of the purchase of water from the
8 proposed desalinization plant. And in 2013, the district
9 hired a financial advisor to evaluate the financial
10 feasibility of the district purchasing the full 50 million
11 gallons a day of drinking water to be produced by the
12 facility.

13 And in 2015, the district's board of directors
14 voted to approve a water purchase agreement term sheet for
15 the purchase of 50 million gallons a day of drinking water
16 from the proposed project. The term sheet was approved by
17 the Board after numerous public meetings and review and
18 amendments to the term sheet that were proposed by a
19 30-member citizens advisory committee.

20 It is the district's mission to provide the
21 cities and retail water district it serves with a
22 reliable, adequate, high quality water supply at the
23 lowest reasonable rate possible in an environmentally
24 responsible manner.

25 The attached pie charts illustrate the current

1 and future projected water supplies that could be used to
2 meet the demand within the district's service territory.

3 --o0o--

4 MR. BILODEAU: The Huntington Beach project is
5 identified as a potential future water supply in the
6 district's ground water management plan, and the
7 facility's 56,000 acre foot per year capacity is the
8 single largest source of new local drinking water supply
9 available to the county.

10 I want to point out that the district's
11 groundwater replenishment system is the largest potable
12 reuse project in the world, and has been instrumental in
13 moving Orange County away from climate driven water
14 supplies. Today, the district recharges over 100,000 acre
15 feet a year of this highly treated wastewater into our
16 groundwater basin. The Board has approved plans for a
17 final expansion of the groundwater replenishment system to
18 a final 134,000 acre feet a year.

19 Desalinization provides the district with a high
20 quality, locally controlled, and drought-proof source that
21 reduces the demand on imported water sources that are
22 climate driven.

23 --o0o--

24 MR. BILODEAU: And my final slide illustrates
25 that the progress that we have made over the last decade

1 in moving away from climate-driving -- driven water
2 supplies, in addition to offsetting imported water demand
3 and moving away from climate-driven water supplies, water
4 from the desal facility could provide flexibility in how
5 the district manages the groundwater basin.

6 Specifically, the desalinated water could be used
7 to augment supplies we inject into our Talbert Seawater
8 Barrier to help prevent seawater intrusion into the
9 groundwater basin and to buffer against any reductions in
10 base flows from the Santa Ana River.

11 As the slide points out, we have historically
12 taken more than our adjudicated rights to the Santa Ana
13 River, and cannot be certain that water will
14 always -- that water will always be there for us.

15 Let me make sure I'm on the right slide.

16 --o0o--

17 MR. BILODEAU: Yes, I am on the right slide.

18 At this point in time, the district does not
19 required changes to the distribution system as studied in
20 the City of Huntington Beach's 2010 supplemental EIR. A
21 final decision on integrating the desalinated water will
22 come after the project has received all of its permits,
23 and based on those results, the district concludes the
24 project is technically and economically feasible.

25 The Huntington Beach desal plant provides the

1 district and Orange County with a unique opportunity to
2 add a large quantity of locally controlled, job-proof water
3 to our supply portfolio.

4 The district respectfully requests your support
5 of the staff recommendation.

6 Thank you.

7 CHAIRPERSON NEWSOM: Appreciate it. Thank you.

8 (Applause.)

9 CHAIRPERSON NEWSOM: Everybody, hold on. Thank
10 you very much. Hold on one second, please.

11 That concludes the presentation?

12 MR. BILODEAU. Yes.

13 MR. GARRETT: No, I have one more speaker for the
14 Poseidon presentation and that's me.

15 CHAIRPERSON NEWSOM: Perfect. Wonderful And
16 then we have one quick question from the Commissioner.

17 ACTING COMMISSIONER ORTEGA: Could I ask a
18 question of the water district before you head off? Can
19 you talk a little bit about conservation in the district?
20 And then also, I'd like to hear if you have any thoughts
21 on -- one of the issues that has been raised with me with
22 certain groups in particular is the price of desalinated
23 water versus other efforts.

24 (Applause.)

25 ACTING COMMISSIONER ORTEGA: And I would like --

1 I would to hear --

2 (Applause.)

3 ACTING COMMISSIONER ORTEGA: I would like to hear
4 what your thoughts are?

5 CHAIRPERSON NEWSOM: And forgive me,
6 Commissioner.

7 ACTING COMMISSIONER ORTEGA: Sure.

8 CHAIRPERSON NEWSOM: You guys, I appreciate the
9 emotions, and I appreciate the significance all of us -- I
10 mean all of you particularly place on this moment.
11 Please, please be respectful on both sides of the aisle,
12 so we can move this forward.

13 Thank you.

14 Commissioner.

15 ACTING COMMISSIONER ORTEGA: And the direction of
16 my question may not elicit the applause, but I was
17 wondering if you could talk a little bit about some of the
18 other kinds of innovative water solutions and the relative
19 costs of those, because my understanding is some of the
20 other options, aside from desal, are also -- can lead to
21 more costly water provisions. So if you could just talk
22 about both of those things.

23 MR. BILODEAU: Yes, Commissioner.

24 First, I want to recognize my colleague Phillip
25 Anthony here. I neglected to say that.

1 In terms of conservation, we work closely with
2 our sister agency the Metropolitan Water District of
3 Orange County, who's a Met member agency. They're really
4 the lead in terms of implementing conservation measures on
5 the consumer level, you know, with, you know, low-flow
6 toilets, shower heads, irrigation timers, and those types
7 of things. And they have really sort of saturated the
8 market with those -- with those items.

9 In fact, here in Orange County, in spite of the
10 fact our population over the last 20 years has gone from
11 two million to 2.5 million, we use the same amount of
12 water that we did 20 years ago. So we've done a lot of
13 conservation hardening in that regard. Tremendous.

14 In terms of the price of the water, it's
15 something that my board is very focused on. Our term
16 sheet contemplated a price that would be a premium to Met
17 imported water of between 0 and 20 percent. We will
18 determine the final price once Poseidon has obtained all
19 their permits. And we understand the mitigation measures
20 that have been implemented on them, because that is a big
21 component of the price. So we do have a price that we're
22 comfortable with, and that is outlined in our term sheet.

23 And in terms of you mentioned other water
24 sources, you know, we have the groundwater replenishment
25 system that currently produces 100 million gallons a day.

1 We're looking to ramp that up with a final expansion. And
2 that will ramp it up to a little over 130 million gallons
3 a day. That will cost us about somewhere about \$260
4 million to complete that final expansion. And currently,
5 we're seeking grants and low interest loans to make that
6 happen.

7 And we got really good news recently that we are
8 on the list to get a WIFIA loan from the federal
9 government. And that will cover about half of the cost.
10 We're hoping to obtain the other half from the State
11 Revolving Fund, but unfortunately it's oversubscribed
12 right now. So we may have to go to the bond market to
13 finance that.

14 COMMISSIONER YEE: I have follow up.

15 CHAIRPERSON NEWSOM: Commissioner Yee.

16 MR. BILODEAU: Oh, oh, and lastly, I'm sorry, I
17 should mention we have a very aggressive stormwater
18 capture program. We work with the Army Corps of Engineers
19 to store stormwater behind Prado Dam, and release it
20 slowly, so we can capture all of that water. A decade
21 ago, the Army Corps would operate the dam such that they
22 would open the gates and it would rush to the Pacific
23 Ocean, but now we have a very close working relationship
24 with them and conserve every drop of that water that we
25 can.

1 COMMISSIONER YEE: Thank you, Mr. Chairman.

2 Just following on Commissioner Ortega's question,
3 the analysis with respect to these various water sources,
4 did that include the expansion of the recycling effort.
5 And I guess what I'm looking for is have you fully
6 considered all these alternatives before really looking at
7 the water that would be produced by Poseidon, which
8 obviously is going to be the most expensive water.

9 MR. BILODEAU: Yes, we certainly have. Really,
10 the only opportunity we have beside Poseidon is the
11 expansion of the groundwater replenishment system. And we
12 are all in on that. Our board has already voted to go
13 forward with that expansion. It's in design right now.
14 And now, we're going through the process of the financing
15 component.

16 Poseidon would be yet another source beyond that.
17 And it would offset imported water sources and also
18 contend with -- the Santa Ana River, the base flow of it,
19 continues to decline because of drought, and also our
20 friends in the Inland Empire they are now recycling. And
21 so the Santa Ana river during the summer it's not
22 snowmelt, that's discharge from sewage treatment plants
23 that's highly cleaned up. And then we take that water put
24 it through wetlands actually, and then we put it into our
25 groundwater basin.

1 But that base flow continues to decline. And
2 that's something that's somewhat alarming to us. So we
3 need to continue to look for and develop new water sources
4 to offset that.

5 COMMISSIONER YEE: Okay. And I know there's been
6 a lot of back and forth with various parties on this very
7 issues. And I think what really has been missing is
8 really the analysis of these alternative water sources as
9 compared to what would be produced by the Poseidon
10 facility.

11 And it's -- it's a little hard to figure out
12 whether the Poseidon water that we -- would be produced is
13 really more - I'll use the word - arbitrary in nature with
14 respect to a desire to replace imported water, as compared
15 to really being integral to meeting the overall water
16 needs.

17 MR. BILODEAU: Well, again, we have looked at all
18 of the --

19 COMMISSIONER YEE: Or discretionary, I guess, is
20 a better word.

21 MR. BILODEAU: Yeah, I mean, we are -- we're
22 obviously looking at all of our alternatives. The
23 Poseidon water is -- it's a local source, and it offsets
24 imported sources. And it's reliable, because it's made
25 locally, and it takes us off being dependent from imported

1 sources. And that leaves Met water available for other
2 communities across Southern California.

3 COMMISSIONER YEE: I guess is there any
4 possibility of the water that would be produced by the
5 Poseidon facility be more than what you need?

6 MR. BILODEAU: No, I don't believe that would be
7 the case. All of the water would be used most certainly,
8 because -- what would it mean -- there is more Met water
9 that's imported than would ever be produced out of that
10 facility. So it would just be less purchases from
11 Metropolitan Water District.

12 And in looking at the financials that we -- the
13 most recent that we've looked at, it does cross over at a
14 point in where the Poseidon project that source is
15 actually cheaper than imported sources. And that's
16 obviously very appealing to us, so -- and it's something
17 that I could tell you that all of my board is looking at
18 very carefully.

19 COMMISSIONER YEE: So do you remember at what
20 point that cross-over takes place?

21 (Laughter.)

22 MR. BILODEAU: We're looking about a year 11 or
23 12 right now is what we're looking at. But trust me, I'm
24 trying to crank that down.

25 COMMISSIONER YEE: Okay. All right. Thank you.

1 MR. BILODEAU: Thank you.

2 CHAIRPERSON NEWSOM: Thank you.

3 MR. BILODEAU: Thank you, sir.

4 CHAIRPERSON NEWSOM: Appreciate it.

5 And then we have one more speaker.

6 MR. SHELDON: If I could -- if I could just say
7 one more thing --

8 CHAIRPERSON NEWSOM: Please.

9 MR. SHELDON: -- at the pleasure of the Chair?

10 We've heard so many different arguments against
11 this project. Now, the latest argument is the cost of the
12 water. We've heard environmental arguments and I think
13 that Poseidon has solve those issues. We've heard that
14 the intake valve, there's -- will bring in large fish.
15 That's not the case. There's been videos shown gathering
16 opposition that, you know, Flipper is going to be sucked
17 in by the intake valve. That is not the case.

18 And so now it's about the money, and that's --
19 that is not an issue. We have less and less water off the
20 Santa Ana River. There's plans now for 30,000 acre feet
21 to be recycled in the upper watershed. We need this
22 water, not just because we want the luxury of having it.
23 We need this water to protect our ratepayers. It's our
24 job to find more water for our constituents.

25 So I hope that you will look at it from that

1 global point of view that we believe that we need the
2 water.

3 Thank you.

4 CHAIRPERSON NEWSOM: Appreciate it.

5 MR. GARRETT: Chairman, I'm the last Poseidon
6 speaker. You staff stopped the clock at 2:51 when you
7 started asking questions. I'm going to finish in two
8 minutes and 51 seconds. I'll leave it at that.

9 I'm the lawyer for Poseidon. I've been working
10 on this project and Carlsbad project. I started working
11 for Poseidon in 2002. We successfully got permitted,
12 approved, financed, and in operation the Carlsbad
13 facility.

14 This project started over 15 years ago in 2002 --
15 in September of 2002 when the first EIR for this project
16 was issued by the City of Huntington Beach. You have in
17 front of you today --

18 --o0o--

19 MR. GARRETT: And I'm going to show my slides
20 here. This final supplemental impact report, as Mr. Cy
21 Oggins said, your excellent environmental chief who
22 shepherded the supplemental EIR through this. We've been
23 through this process here for a over year.

24 Frankly, we didn't think it was necessary. We
25 believe that you could do a short form addendum. The

1 supplement wasn't needed. Your staff, stubbornly
2 independent I might say, but excellent, insisted upon a
3 full supplemental EIR. Again -- and we think it confirms
4 the conclusions that there are no new significant impacts
5 associated with the modifications.

6 --o0o--

7 MR. GARRETT: You've got three environmental
8 documents in front of. Your excellent Executive Director
9 did say you've got a limited scope for the lease, but I
10 want to stress to you the full scope of the environmental
11 documents that you have in front of you, the CEQA findings
12 that your staff prepared says that you're to look at three
13 environmental documents, not just this supplement.

14 You're to look at the original SEIR that the city
15 did in 2010 when they updated the environmental review.
16 And there was a full Environmental Impact Report done on
17 these intakes and on the diffuser technology itself by the
18 State Water Board in 2015. When they adopted the
19 requirement of the diffuser, at the request of the
20 environmental groups, and that diffuser technology has now
21 been interpreted.

22 So you have three environmental documents. They
23 don't just cover the minor changes to this project. Those
24 environmental documents that are the basis for your
25 findings under CEQA and the Public Trust Doctrine cover

1 the full impact of the project, as compared to the current
2 no project existing physical baseline.

3 That's very important to us. We not claiming
4 that you have -- we have any legal right to you to approve
5 this project. If you don't like the environmental
6 information in the documents, don't approve it, but we
7 believe the documents, which have been done by independent
8 third parties show that our project does not have
9 significant adverse environmental impacts. They can't be
10 mitigated, except for the few that are mentioned in the
11 document, and they're well outweighed by the benefits that
12 are being offered.

13 --o0o--

14 MR. GARRETT: There's been a lot of debate back
15 and forth about supplemental versus subsequent EIRs. I
16 just want to pull out two things. There's one leading
17 case on this, as your counsel will tell you. And it
18 basically says that you have the discretion if there's any
19 reasonable basis that you believe the supplement was
20 better than the subsequent EIR, and all it needed was the
21 additional information to add to those other environmental
22 documents I showed you to make the full environmental
23 analysis adequate.

24 --o0o--

25 MR. GARRETT: Poseidon requests that you adopt

1 the staff recommendation, certify the SEIR, adopt the
2 staff CEQA findings and statement of overriding
3 considerations and the Public Trust findings, which are
4 based on the full scope of the environmental documents and
5 the entire project, and approve the lease amendment.

6 I'm available and we have other staff here to
7 answer questions on environmental issues, if you have
8 those.

9 CHAIRPERSON NEWSOM: Thank you very much.

10 MR. GARRETT: Thank you.

11 CHAIRPERSON NEWSOM: Thank you.

12 Commissioners, at this stage, any questions?

13 Seeing none, we'll move to the next segment.

14 Jennifer, anything you want to amplify at this
15 state or we'll just move right in.

16 EXECUTIVE OFFICER LUCCHESI: I think we can just
17 move right on.

18 CHAIRPERSON NEWSOM: Move right on. Perfect.

19 EXECUTIVE OFFICER LUCCHESI: Yeah. So we're now
20 onto the elected official section.

21 So I'd like to introduce former U.S. Senator
22 Barbara Boxer.

23 (Boos.)

24 (Applause.)

25 CHAIRPERSON NEWSOM: Please.

1 If I -- let me -- hey, everybody, please.
2 Please. Come on. I mean -- I mean this sincerely. I
3 wasn't joking about having four kids. And I mean this --
4 I don't mean to admonish you. I just mean let's be
5 respectful here of everybody. I appreciate again the
6 sentiment on both sides, but I honestly -- we'll just call
7 a recess and that's just going to disrupt the rest of your
8 day. I'm here till midnight, if I need to be. But I'll
9 disrupt it, just -- if you're going to keep disrupting
10 this meeting, respectfully, both sides. Please.

11 Senator, thank you for being here. And thank you
12 for you presentation.

13 SENATOR BOXER: I'm so happy to be here. I know
14 it's a tough hearing. I respect everybody views. I
15 always have, and I want to say that for my whole career,
16 I've been an environmentalist, and I took the lead on
17 climate change. And I understood many years ago, 10 years
18 ago, that we're going to be hit with droughts, fires, all
19 the awful things we're seeing in the country. We see in
20 Napa what is being brought by climate change.

21 And I, honest to God, do not understand how
22 people could stand against a project that's going to give
23 us mitigation when it comes to a safe drinking water
24 supply. And we've seen it in Carlsbad. We've seen it in
25 Israel. We've seen it around the world.

1 Everyone has a right to their opinion, but they
2 don't have a right to the facts. If you look at Puerto
3 Rico, look at what is happening. People are drinking
4 water out of Superfund sites, Mr. Chairman and
5 distinguished members of this panel. We have to step up.

6 Now, I know no project is perfect, of course not.
7 If we could wave a wand and we could get rain, rain, and
8 more rain, it would be great, but that's not what the
9 scientists are telling us. So we have an opportunity,
10 working with the private sector -- and I want to be clear
11 that before I left the Senate, I said I would continue
12 working on things I believe in. I've supported this
13 project in Carlsbad for years, because it's real. It's
14 real. It can get us ready, ready for the inevitable, for
15 what is already here.

16 So I take a view of this that's very different
17 from the, you know, measuring every single issue on the
18 plate, because to me this is an overwhelming issue. The
19 scientists have said it way better than I have. And you
20 have an opportunity to work with the private sector.
21 They're putting almost a billion dollars into this.

22 Then they're going to turn it over to the water
23 agency. I hope you'll approve this, your narrow scope
24 though it may be.

25 Thank you very much.

1 CHAIRPERSON NEWSOM: Thank you, Senator.

2 (Applause.)

3 CHAIRPERSON NEWSOM: Jennifer, next speaker.

4 CHAIRPERSON NEWSOM: Thank you.

5 And -- please. Go on.

6 EXECUTIVE OFFICER LUCCHESI: If I may just add
7 just on a more kind of technical logistic basis, with the
8 increase in applause or other outbursts, it just delays
9 time to get the number of speakers that we have in our
10 pile up to speak. So I would just emphasize the Chair's
11 request, just so we can ensure we have enough time for
12 everybody to express their perspective on this.

13 Next up is --

14 MR. BUTTERA: I'm Tom Buttera. I've been in
15 liquid filtration for over 40 years. I am a resident of
16 Huntington Beach. My wife and I have been residents for
17 over 50 years. We appreciate that -- all of the good work
18 that's being done to keep Huntington Beach as wonderful as
19 it is. I look at some of the things and I look at the
20 beautiful things that we have supplied water for the last
21 30 years for everyone, the residents in Huntington Beach.
22 And we also are able to do that for the next 30 years.

23 I recognize we have to make some changes. We
24 have to have storage facilities for the water. We have to
25 have rivers that we can get to. We do have some things

1 that have to be done. We have to conserve. We have to
2 treat water. I've been involved in liquid filtration.
3 And I handled the western half of the United States in
4 liquid filtration. Any pharmacy, any pharmaceutical
5 product you ever supplied or ever had was filtered through
6 my equipment throughout the world.

7 And I have a lot of knowledge on filtration and
8 improving water quality where we end up with good
9 producing water. I've handled city water supplies for
10 years and years and years. And I appreciate what we're
11 doing here. And I appreciate that with our ability to be
12 able to say we can serve for the next 30 years for the
13 people in Huntington Beach, I think that's wonderful. And
14 I think we can work hard to conserve our liquid, conserve
15 our water, and add to it, not worry about getting out to
16 the ocean and converting all the ocean water that we need.
17 It's not necessary. We don't need it.

18 That's all I can say.

19 Thank you.

20 CHAIRPERSON NEWSOM: Thanks, Tom. You're
21 officially and honorary elected official.

22 (Applause.)

23 CHAIRPERSON NEWSOM: So, everybody, clapping is
24 the same as booing from my perspective. I'm just going
25 to -- and I mean this sincerely. And I may -- and I'm

1 going to saying this very calmly, next time it happens,
2 we're just going to take a big recess. And that's
3 unfortunate, but I'm dead serious about it.

4 And so forgive me for being stern. I don't want
5 to be this guy. You don't want to listen me say this, and
6 admonish you, because you're adults, but that's the last
7 warning respectfully.

8 Thank you, Tom, very much.

9 MR. BUTTERA: Thank you. I have to give my
10 appreciation for all of you and your support for all of us
11 living in this area.

12 CHAIRPERSON NEWSOM: God bless.

13 MR. BUTTERA: Keep up the good work. Thank you.

14 CHAIRPERSON NEWSOM: Thank you. You should have
15 run for elected office.

16 EXECUTIVE OFFICER LUCCHESI: Next, I'd like to
17 introduce Mayor Albert Robles from the City of Carson, and
18 after him Council Member Fred Whitaker from Orange County
19 -- Orange City, excuse me.

20 CHAIRPERSON NEWSOM: Mayor Robles, are you
21 around?

22 Not seeing him. Who is --

23 EXECUTIVE OFFICER LUCCHESI: Albert Robles or
24 Robler.

25 (Robles.)

1 EXECUTIVE OFFICER LUCCHESI: Robles. Sorry.

2 Excuse me.

3 CHAIRPERSON NEWSOM: I don't see the Mayor here.
4 Who is up after?

5 EXECUTIVE OFFICER LUCCHESI: Counsel Member Fred
6 Whitaker from Orange City?

7 CHAIRPERSON NEWSOM: Fred, are you here?

8 EXECUTIVE OFFICER LUCCHESI: Counsel Member Steve
9 Vargas from the City of Brea.

10 Counsel Member Kris Murray from the City of
11 Anaheim?

12 Counsel Member Tyler Diep from the City of
13 Westminster?

14 Gina Clayton-Tarvin, President, Board of Trustees
15 for the Ocean View School District.

16 CHAIRPERSON NEWSOM: Thank you.

17 MR. CLAYTON-TARVIN: Good afternoon, Honorable
18 Lieutenant Governor Newsom, Controller Yee, and staff. My
19 name is Gina Clayton-Tarvin. And I'm the President of the
20 Ocean View School District Board of Trustees, which covers
21 the cities of Huntington Beach, Fountain Valley, Midway
22 City, Seal Beach, and Westminster. And I represent over a
23 hundred thousand constituents.

24 I'm here today to speak to you as a long-time
25 resident of Huntington Beach, a 20-year classroom biology

1 teacher, a union leader concerned about jobs, and a
2 teacher in the AFT Local 2317. But most importantly, I'm
3 a local advocate for the environment, and a voice for
4 local residents.

5 In the past, I have not only voted for both of
6 you, but also supported many of the issues that you have
7 championed. I mention this today because I want everyone
8 to know why I've chosen to support both of you. It's
9 because both of you are critical thinkers, independent
10 people, and not beholden to party line or corporate
11 interests.

12 Despite the State Lands final Supplemental
13 Environmental Impact Report focusing narrowly on the
14 modifications to the intake and discharge and refusing to
15 document all the changes since 2010, those of us who live
16 in Huntington Beach know what harms will be done.
17 Poseidon keeps saying the modifications to the intake and
18 discharge are to comply with new State regulations for
19 seawater desalination plants. And this is completely
20 misleading.

21 Why does this matter?

22 Because the screens they put in or want to put in
23 are now outlawed. Open ocean intake will only reduce
24 marine life mortality from entrainment by one percent.
25 And this is totally unacceptable.

1 In conclusion, the FSEIR is fatally flawed and
2 needs to be rewritten. But even with that, it's a narrow
3 scope of the FSEIR. There's no justification for the
4 adverse impacts to the environment and community.

5 And with that, I will say, if they can't show
6 that their benefits outweigh the harm, then the project
7 should be stopped. I hope the fix is not in today.

8 Thank you.

9 (Audience noise.)

10 CHAIRPERSON NEWSOM: Next speaker, please.

11 ORANGE CITY COUNCIL MEMBER WHITAKER: Ladies and
12 gentlemen, I'm Fred Whitaker, a member of the City Council
13 in the City of Orange. I'd like to thank you for the
14 opportunity of being able to speak today. I'm not going
15 to go into the environmental details of the EIR. I think
16 your staff report summed them up well. And in my opinion,
17 I believe that they are sound.

18 One of the things I want to address though, is
19 that you may hear that Orange County doesn't need the
20 water. Well, I can tell you that in -- from the
21 perspective of the City of Orange, we are benefited to
22 have our own water table. But we're only able to pump on
23 a good year somewhere in the 60, 65 percent range of
24 water. We have to import the rest of our water.

25 As we saw in the last drought, water importation

1 drives cost way up, and it hurts the environment in the
2 other areas from the Colorado River and Northern
3 California where we're having to import the water.

4 The other thing that happens is when we have
5 conservation, the water infrastructure is still there, the
6 water infrastructure still has to be paid for. And it's
7 paid for by units of water going through that
8 infrastructure. It's maintained by the charge for units
9 of water going through that infrastructure.

10 When we can't pump water through the
11 infrastructure to provide people the water they need for
12 their homes, we actually can't pay to maintain the water
13 infrastructure.

14 There's also an issue of supply. We talk about
15 housing in Southern California as being far too expensive,
16 not enough supply for the workforce that is there. That
17 workforce needs water. We need to have a consistent
18 supply. We need to have diversity of supply to be able to
19 provide for that workforce. We in the City Council in
20 City of Orange have supported the Poseidon project to have
21 another source of water beyond our own water table and
22 imported water. I encourage you to approve the project.

23 Thank you.

24 EXECUTIVE OFFICER LUCCHESI: I'm just going to go
25 back over the -- some of the other council members, and

1 Mayor -- Mayor Albert Robles?

2 Council Member Steve Vargas?

3 Council Member Kris Murray.

4 And Council Member Tyler Diep?

5 WESTMINSTER CITY VICE MAYOR DIEP: Good

6 afternoon, Commissioners. My name is Tyle Diep. I'm the
7 Vice Mayor of the City of Westminster. And similar to
8 what Fred, the previous speaker mentioned, at Westminster
9 we, too, are fortunate that we are able to buy some of our
10 water from outside the county, mainly through the Colorado
11 River. But we do have our own ground well water that is
12 being continually replenished by the GWSR.

13 However, like everything else in life, especially
14 when it comes to diversifying your water supply, we want
15 to have another option in case there is -- if there's
16 another drought. We want to be able to have desal water
17 as an option for our own residents. So I'm here today to
18 ask you to vote yes to certify the Supplemental EIR for
19 the Huntington Beach Seawater Desalination Project, and to
20 approve the amended land lease with Poseidon Water.

21 Thank you very much for your time. I know that
22 all the -- all of you guys are very busy, and thank you
23 for setting aside time to listen to all of us.

24 EXECUTIVE OFFICER LUCCHESI: Steve Sheldon, board
25 member, OCWD.

1 John Sears, Board Member, Orange Count Water
2 District -- East Orange County Water District. Excuse me.

3 MR. SEARS: Good afternoon, Commissioners. My
4 name is John Sears, and I serve as an elected board member
5 of the East Orange County Water District, which provides
6 water and sewer service for the Cities of Orange, Tustin,
7 Santa Ana, and nearby unincorporated communities in
8 northeastern Orange County.

9 I'm here as a homeowner, a retired business
10 executive to express my support for the Huntington Beach
11 Seawater Desalination Project, and to request
12 certification of the project's Supplemental EIR and
13 approval of the amended lease with Poseidon Water.

14 As I've studied and learned about this project
15 and its benefits, I've come to the conclusion that it's
16 both an appropriate and timely investment that will help
17 secure more reliable water for the County of Orange, and
18 more important the citizens.

19 This project will help to reduce the county's
20 dependence on imported water, as well as complementing our
21 existing water conservation, recycling, and groundwater
22 recharge programs.

23 My water district was highly impacted by the
24 mandatory water use cutbacks during the drought. We
25 successfully reduced water use by 36 percent, but it posed

1 significant challenges for the district and for its
2 customers.

3 This raised questions and frustrations among our
4 customers, many of whom wanted to know why Orange County
5 wasn't doing more to develop more of its own water.
6 Seawater desalinization was a solution that they kept
7 bringing up, and I agreed with them.

8 I urge you, Commissioners, to vote in favor of
9 this project, and to allow Orange County to be -- to move
10 forward with seawater desalinization as a component of its
11 future water supply portfolio.

12 And just one more comment. I'll make this
13 comment that every drop of water is precious. And thank
14 you so much for your time.

15 EXECUTIVE OFFICER LUCCHESI: John Palacio, board
16 member, Santa Ana Unified School District.

17 John Palacio, board member, Santa Ana Unified
18 School District?

19 Cathy Green, board member, OCWD.

20 MS. GREEN: Good afternoon. I'm -- my name is
21 Cathy Green. I'm the immediate past president of the
22 Orange County Water District, board of directors. And we
23 are meeting in part of the district I represent. I'm also
24 a former mayor of Huntington Beach and a founding member
25 of Amigos de Bolsa Chica.

1 This project is extremely important to me and my
2 constituents. Not only will this project provide new -- a
3 new water supply to Orange County, but it will ensure the
4 preservation and protection of the Bolsa Chica Wetlands
5 for the next generation.

6 Huntington Beach benefits specifically through
7 millions of dollars in tax revenue, as well as a discount
8 on the desal water produced. The desal water that
9 Huntington Beach will get will cost five percent less than
10 we would have otherwise paid for imported water.

11 At the Orange County Water District, we're
12 probably best known for our water recycling project, the
13 groundwater replenishment system. Yet, when we -- when we
14 were deciding whether to move forward or not in 2001 some
15 said that it would be too expensive. We could buy
16 imported water for less.

17 Yet, the visionaries at the time moved forward,
18 and today our recycled water produced is far less
19 expensive than the imported water. I believe desalination
20 will follow the same path. And therefore, I request that
21 you provide the regulatory approvals necessary today to
22 let this project move forward.

23 And by the way, one of the answers to your
24 question is right now our basin is 37 percent full.
25 That's why the water is so important.

1 After John will be James Fisler, Board member for
2 Mesa Water District.

3 MR. PALACIO: My name is John Palacio. I'm a 35
4 year plus resident of Santa Ana. I'm very supportive of
5 the Poseidon Desalination Project. California must make
6 decisions now as opposed to kicking the can down the
7 street.

8 California has one of the largest economies in
9 the world, with a very diverse workforce and growing
10 population. Like transportation, like energy, California
11 must modernize and expand its aging water infrastructure
12 with alternative water delivery systems, expanding storage
13 facilities, and implementation of water conservation
14 measures.

15 It takes decades from start to finish to approve
16 and build needed alternative water delivery systems, while
17 addressing needed environmental concerns. Having said
18 this, South -- Southern California cannot continue to
19 depend on receiving depleting underground water wells,
20 water from the Colorado, which is in the middle of a
21 drought, and water from Northern California which is
22 facing aging and insufficient water storage facilities.

23 When it rains in California, 70 percent of the
24 water goes into the Ocean, as opposed to being recaptured.
25 The Poseidon Desalination Project gives Southern

1 California another option to meet its growing water needs.

2 Decisions need to be made now, not tomorrow.

3 Your support of this project will ensure that Southern
4 California will be able to meet its water for the future.

5 Your consideration and support is most
6 appreciated. Thank you.

7 EXECUTIVE OFFICER LUCCHESI: James Fisler, Mesa
8 Water District. After Mr. Fisler, Larry Dick,
9 Metropolitan Water District, and then Chuck Gibson, Santa
10 Margarita Water District.

11 MR. FISLER: Good afternoon, Commissioners.
12 James Fisler. I'm an elected director at the Mesa Water
13 District in the adjoining city of Costa Mesa. I support
14 environmentally responsible desalination.

15 For nearly two decades, we suffered through fear
16 mongering from many in the environmental community, saying
17 that the intake pipes are going to suck up fish, dolphins,
18 even surfers. I lived right by that plant. I moved there
19 in 1967.

20 The power plant was there bringing in water in an
21 open intake pipe. I don't know how long before 1967 when
22 I moved here they were doing it. But for 50 years,
23 there's been no protest about those intake pipes. Now
24 that there's being screened in an environmentally
25 sensitive manner, it's suddenly an issue. I don't see

1 that -- why that would be. This is going to help the
2 situation.

3 Additionally, you're hearing -- I'm hearing fear
4 mongering saying that coast off -- our California coast is
5 going to become a vast salt plain, as they call it.
6 Again, that's just fear mongering. It's not based in
7 science, and they know it.

8 They know that this desal plant will be the most
9 environmentally sensitive, large-scale desal plant ever
10 built. So now, they're shifting their arguments to
11 ratepayer advocates. They're saying your water bills will
12 triple.

13 The math is not there. The -- this is a large
14 amount of water for us, 10 percent of our water supply,
15 but slightly more expensive 10 percent water mixed with
16 the other 90 percent does not triple a water bill. So
17 like the other arguments, it's just not true.

18 So what I'm asking you today is, one, to see
19 through the scare tactics; two, to base your decision on
20 the science; three, please approve this project. The
21 answer to the drought is more water.

22 And I thank you for your service to the State of
23 California.

24 EXECUTIVE OFFICER LUCCHESI: Larry Dick,
25 Metropolitan Water District. After Mr. Dick, Chuck Gibson

1 Santa Margarita Water District and then Shawn Dewane,
2 Orange County Water District.

3 Mr. Gibson, Chuck Gibson, Santa Margarita Water
4 District?

5 MR. GIBSON: I am Chuck Gibson of the Santa Marga
6 -- I'm the President of the Santa Margarita Water
7 District. And I thank you for your time today. We're the
8 second largest retail agency in the county with 165,000
9 customers, 63,000 acres we're serving.

10 And we are the only ones that I'm aware of in
11 south county that have signed a letter of intent to
12 purchase this water. That opportunity will not be
13 available unless you favorably act upon the Supplemental
14 EIR and lease amendment.

15 We believe very strongly that this innovative
16 project can be become an important part of a balanced
17 portfolio. We've worked very hard on conservation, and we
18 have -- are known for our conservation. We've done
19 multi-purpose projects for stormwater and urban recapture.
20 And we're now working on a watershed project, and we're
21 going to build a 5000-acre foot reservoir for recycled
22 water. We're going to max out on our use of recycled
23 water.

24 But this is drinking water. It's a new source of
25 drinking water, and it's an important element to our

1 strategic plan.

2 Thank you very much.

3 EXECUTIVE OFFICER LUCCHESI: Shawn Dewane, Orange
4 County Water District. After Mr. Dewane, Doug Daverty
5 with East Orange County Water District, and then Brett
6 Barbre, Metropolitan Water District.

7 Shawn Dewane?

8 (He left.)

9 EXECUTIVE OFFICER LUCCHESI: Okay. Doug Davert?

10 MR. DAVERT: Good afternoon, Commission members.
11 Thank you. My name is Doug Davert. I'm the president of
12 the East Orange County Water District. We're a retail
13 water agency, among other things, that need this water.

14 Prior to serving the water district, I had the
15 opportunity to serve both as the Mayor of the City of
16 Tustin, and more importantly as chairman of the Orange
17 County Sanitation District, where we worked with OCWD to
18 develop the groundwater replenishment system.

19 That system, as you know, recycles wastewater and
20 replenishes our groundwater basin, which you heard today
21 is at only 37 percent of capacity. The project -- the
22 GWR's project has been claimed a resounding success and
23 allowed Orange County to weather the drought better than
24 most.

25 At the start of that project though, as you heard

1 earlier, the project had many critics, most of whom said
2 we could buy water from Metropolitan at far less cost than
3 it would cost to build the project, but moved forward
4 anyway. We call that leadership.

5 Today, many of the opponents of that project have
6 now become that project's biggest supporters. As imported
7 water costs have continued to -- or more than doubled
8 since that project came on line, our recycled water costs
9 now are less than the cost of imported water. I
10 anticipate that will happen again with desal with the cost
11 of imported water from metropolitan continuing to rise
12 every year.

13 Orange County has the leaders to create another
14 drought-proof, sustainable, and local source of drinking
15 water. Desal is an important tool in the portfolio of
16 water resources that will allow us, among other things, to
17 preserve our urban forests and serve many future
18 generations of Californians.

19 But we need your regulatory approval to move
20 forward. Give us the chance to free up Northern
21 California water for other uses, and let us be more
22 independent. More trees -- more water rather, more trees,
23 cleaner air, that's what we want.

24 Thank you very much for your consideration today.

25 EXECUTIVE OFFICER LUCCHESI: Brett Barbre with

1 the Metropolitan Water District, and then Jim Atkinson
2 with the Mesa Water District. And after those two, we'll
3 move on to the environmental coalitions organized group
4 presentation.

5 MR. ATKINSON: Good afternoon, Chairman Newsom
6 and Commissioners. I am Jim Atkinson. I have the
7 privilege of serving as the president of the Mesa Water
8 District board of directors. Mesa Water serves about
9 110,000 people in the City of Costa Mesa, parts of Newport
10 Beach, unincorporated portions of Orange County, including
11 John Wayne Airport.

12 The district has been a long-time supporter,
13 probably close to 15, 18 years of the desalination project
14 here in Huntington Beach. It will help to solidify and
15 stabilize water resources in the county, which is a very
16 necessary -- a necessary thing. Our groundwater basin is
17 seldom back to full capacity. It's very difficult to get
18 it back there, but the desalination facility will help us
19 improve that situation each year.

20 However, we must also continue to invest in
21 projects that produce new water that will augment existing
22 water supplies. Huntington Beach Seawater Desalination
23 Project can help Orange County in this endeavor, and thank
24 you for your time this afternoon. Thank you for your
25 favorable consideration of the Supplemental EIR and the

1 amended land lease proposal with Poseidon.

2 Thank you very much.

3 EXECUTIVE OFFICER LUCCHESI: So I think that
4 concludes our elected officials.

5 CHAIRPERSON NEWSOM: I want to thank everyone for
6 being gloriously respectful. That was a fabulous 10
7 minutes. Let's keep it up --

8 (Laughter.)

9 CHAIRPERSON NEWSOM: -- as we move into
10 presumably the next phase, unless we're missing an elected
11 here.

12 Hold on one second.

13 Are we good, Jennifer?

14 EXECUTIVE OFFICER LUCCHESI: Yes.

15 CHAIRPERSON NEWSOM: All right.

16 EXECUTIVE OFFICER LUCCHESI: I'm sorry. So I'd
17 like to welcome up the environmental coalition for our
18 first organized group presentation.

19 All right. Thank you.

20 (Thereupon an overhead presentation was
21 presented as follows.)

22 CHAIRPERSON NEWSOM: We're ready whenever you
23 are.

24 THE WITNESS: There's a PowerPoint.

25 CHAIRPERSON NEWSOM: Oh, you've got a PowerPoint.

1 Fabulous.

2 For those that are wondering, we're just -- a
3 technical issue with the slide presentation.

4 One moment. You got it?

5 Fabulous. All right.

6 MR. NAGOMI: Great. Good afternoon.

7 My name is Damon Nagomi. And I'm director of the
8 Natural Resources Defense Council Souther California
9 program.

10 Our members care deeply about protecting
11 California's coast and the marine life that call it home,
12 safeguarding our fresh water ecosystems in the face of a
13 changing climate, and achieving environmental justice for
14 communities burdened by pollution.

15 I'm here today because we believe the Poseidon
16 project would set California back in everyone of these
17 areas. Now, let me be clear, we are not categorically
18 against desalination. As a last resort, where it's needed
19 and where it's done right, in accordance with State Water
20 Board policy, we are open to desalination as one element
21 of a well planned water supply portfolio.

22 The project before you today, however, meets none
23 of these criteria. NRDC is proud to be part of a broad
24 coalition of more than two dozen conservation and social
25 justice organizations representing hundreds of thousands

1 of Californians. A coalition that opposes this project
2 for a number of reasons.

3 First, as our written comments reflect in detail,
4 this project fails to meet the requirements of the State
5 Water Board's Ocean Plan Desalination Amendment,
6 requirements adopted through a formal State process to
7 govern projects like this one.

8 Second, this massive project isn't a climate
9 smart water investment for California. Large scale
10 desalination facilities like this one have significant
11 economic, energy, and opportunity costs that outweigh
12 their potential benefits.

13 Third, the project does almost nothing to reduce
14 the strain on critically important fresh water ecosystems
15 like the Bay-Delta.

16 And fourth, the project would impose significant
17 and unnecessary costs on Orange County's water districts
18 and ratepayers.

19 Simply stated, seawater desalination on the scale
20 of this project is the most expensive, most energy
21 intensive, most environmentally risky water supply option.
22 It isn't climate smart, it isn't necessary, and it isn't
23 the best use of scarce water funds in a region where water
24 sustainability remains a distant aspiration.

25 California can lead the way in innovative water

1 solutions, but that won't happen if you allow this
2 applicant to lock Californians in to long-term dependence
3 on flawed, outdated, and, we believe, illegal project like
4 this one. We urge you to deny the project as proposed.

5 --o0o--

6 MS. SIVAS: Good afternoon, Commissioners,
7 Deborah Sivas. I want to focus my remarks on the
8 Commission's obligations under the California Public Trust
9 Doctrine, which we believe should guide your actions here
10 today.

11 As you know, as a Commission, the Commission is
12 the primary State trustee for our public tidelands. In
13 that capacity, the Commission has an affirmative and
14 enforceable duty to take the Public Trust into account in
15 the planning and allocation of water resources, and to
16 protect Public Trust values whenever feasible.

17 And as you also know, those include more than
18 just the water, but the ecological, recreational, and
19 other values in that water. But here's the main point I
20 want to make about the Public Trust today. The
21 Commission's Public Trust responsibilities are not static,
22 even after the Commission has approved any particular use
23 of trust property.

24 As the Supreme Court has held in the seminal
25 National Audubon case, trustees have a duty of continuing

1 supervision over the taking and use of Trust resources.
2 That is they exercise sovereign power to allocate water --
3 in exercising sovereign power to allocate water resources
4 in the public interest. The State is not confined to past
5 allocation decisions, which may be incorrect in light of
6 current knowledge or inconsistent with current needs.

7 Therefore, as the court has held, applicants do
8 not -- cannot have a vested right in Public Trust
9 resources.

10 So how does that apply here?

11 Here, the Commission as -- in order to fulfill
12 its trustee obligations and properly balance the Trust
13 interest, the Commission has to really look at
14 three pieces of information and have full information
15 before it.

16 One, the present need for the proposed tidelands
17 use. And I think as we've heard, there's information on
18 both sides, but there really is not an analysis before the
19 Commission; second, the harmful impacts of such use; and
20 third and importantly, the feasible alternatives that
21 could avoid or minimize those impacts.

22 So unfortunately, all of that information which
23 is necessary to make a Public Trust decision is not
24 available to the Commission today, in large part because
25 Poseidon has not completed any permit process before the

1 regional board. And that's a process, at least in theory,
2 where all of those issues are supposed to be looked at
3 under the California Ocean Plan, need, impacts,
4 alternatives.

5 Until that analysis is done by some agency,
6 whether it's Commission staff, whether it's regional
7 board, whether it's a different agency, the Commission, in
8 our view, simply is not in a position to make the
9 necessary Public Trust findings.

10 Now, staff has recommended going forward with the
11 project on the idea that the proposed lease amendment
12 involves only very minor tinkering with the existing lease
13 that will, if anything, in staff's view actually reduce
14 Public Trust impacts. And respectfully, we submit that
15 that premise is fundamentally -- fundamentally flawed and
16 here's why.

17 In 2010, as you've heard, the Commission approved
18 an amendment to the existing tidelands lease which allowed
19 Poseidon to become a co-lessee for the sole purpose of
20 constructing the desal facility. But that amendment also
21 imposed two critical obligations directly on Poseidon's --
22 on Poseidon and affects the Commission's decision here
23 today.

24 First, that lease requires that Poseidon comply
25 with all existing and subsequently enacted rules,

1 regulations, statutes, and ordinances, and also that
2 Poseidon obtain, maintain, and comply with all necessary
3 permits under the lease. Failure to satisfy those
4 conditions results in at automatic and immediate default.

5 Second, and of vital importance here today, the
6 lease provides that Poseidon shall complete construction
7 of the desal project within eight years of the lease
8 amendment, or by October 29th, 2018. In other words, the
9 lease goes on until 2006 and AES continues to have its
10 rights. But Poseidon has a very limited right under
11 that -- the 2010 amendment to complete construction of the
12 desal facility before 2018, otherwise that right
13 effectively expires.

14 And I think we haven't heard about that today.
15 That's a very significant amendment that's before the
16 Commission.

17 Now, we are seven years out since the -- that
18 original lease amendment was granted. And Poseidon has
19 really not satisfied any of these obligations. It has not
20 obtained final coastal development permits. It has not
21 obtained regional board permits. And Poseidon no longer
22 intends to connect the proposed facility directly to the
23 water distribution system, which is what was proposed in
24 the 2010 EIR.

25 Indeed, as we stand here today, Poseidon has not

1 disclosed to the public how it intends to deal with --
2 what intends to do with the very expensive water.

3 So I -- just to wrap-up, Poseidon comes before
4 you today saying we only are looking for these minor
5 physical modifications. And those modifications can be
6 made after the regional board finishes its process and
7 decides what technology, if any, is to be used out here.

8 But why is Poseidon here today?

9 The real reason is that they need the lease
10 amendment, because otherwise the lease is going to expire
11 in a year. And I think, as everyone in this room knows,
12 as a practical matter, Poseidon is not going to be able to
13 complete the lease -- complete the construction before
14 that time. So the question for Public Trust purposes is
15 what's the existing situation under the existing lease?
16 That is the facility can't be built -- timely built under
17 the existing lease. Or if the Commission grants an
18 extension, then the facility might be built, and all of
19 the impacts related to that.

20 So I think that comparative analysis is the issue
21 before the Coastal Com -- before the State Lands
22 Commission today.

23 Thank you.

24 MR. BOTHWELL: Good afternoon, Commission. Sean
25 Bothwell, policy director for the California Coastkeeper

1 Alliance. I'm going to speak today on the legal CEQA
2 issues.

3 --o0o--

4 MR. BOTHWELL: But rather than reiterate the
5 arguments that we've already made that our position that
6 the Commission can't go forward to approve the
7 Supplemental EIR. I wanted -- I wanted to discuss what
8 staff's explanations were for the Supplemental EIR, break
9 down their arguments, and explain why it doesn't hold up
10 to legal scrutiny.

11 --o0o--

12 MR. BOTHWELL: So if we take just the section in
13 blue there, guideline section 15096, as a threshold
14 matter, we would just disagree that this section even
15 applies to this circumstance.

16 Staff has been continuously saying that the City
17 of Huntington Beach is the lead agency for this project.
18 But there's nothing in the record to demonstrate that it's
19 accurate. We would argue that section 15052(a) controls
20 in this circumstance, and just allow me to walk you
21 through what this section says.

22 Where a responsible agency, the State Lands
23 Commission, is called on to grant an approval, the lease
24 modification, for a project subject to CEQA for which
25 another public agency was the appropriately lead agency,

1 the City of Huntington Beach, the responsible agency shall
2 assume the role of the lead agency if three conditions
3 occur, A, B, and C here.

4 A subsequent EIR is required. And from staff's
5 response to comments, they chose the subsequent path. And
6 actually to get to a Supplemental EIR, you need to
7 demonstrate that a subsequent EIR is required.

8 The record shows that a lead agency has granted
9 its final approval in 2010. And in the staff report,
10 staff explains that no group challenged the 2000 EIR
11 during the time of the statute of limitations. State
12 Lands Commission is the lead agency in this circumstance.

13 Getting to the second claim that's made. The
14 green section there, section 15163, State Lands uses this
15 to explain why a supplemental EIR is appropriate in this
16 circumstance. And I point to provision two there. First
17 off, it's not discretionary. It's discretionary only if
18 minor changes are necessary to make the previous EIR
19 adequate, the previous EIR adequate.

20 And if you look at all of the changes --
21 significant changes that have occurred since 2010, I don't
22 think anyone can say that minor adjustments can make the
23 2010 EIR, the previous EIR, adequate.

24 So staff tries to explain -- explain this by
25 saying that the minor modifications are only for the lease

1 modification, the very narrow lease modification. But
2 case law is clear that you can't narrowly define a project
3 if it doesn't have independent utility.

4 And intake and a discharge without the
5 desalination facility or the distribution system has no
6 utility. And unless you combine all three as one project,
7 the project can't meet the project objectives that are
8 stated in the Supplemental EIR.

9 Getting to the very last point there in purple,
10 staff tries to explain why this narrow EIR without the
11 independent utility is sufficient. And the explanation
12 being that Commission's regulatory oversight is very
13 narrow, which we can agree the agency's just authority
14 under, you know, approving a lease is very narrow. But
15 this statement regarding CEQA is completely wrong, and
16 there's been a very recent decision at the California
17 Supreme Court that flies in direct contrast to staff's
18 assertion that that they can -- they can defer analysis to
19 other regulatory agencies because they don't have the
20 jurisdiction over that when it comes to CEQA.

21 And so I'll leave you with this last slide --
22 --o0o--

23 MR. BOTHWELL: -- that explains why piecemealing
24 under CEQA is not allowed. And in the end of the day, I
25 understand that this Commission, you know, is going to

1 defer to staff, and looks to them for explanations of why
2 we move forward in this way. But under the record and the
3 circumstances that are before you today, there's no way
4 that this Commission can justify how the city is still the
5 lead agency and not the State Lands Commission, how the
6 Supplemental EIR makes the previous EIR adequate, and you
7 cannot demonstrate that the project has independent
8 utility; and given the case law in Banning Ranch, it's
9 hard to explain how you can defer your CEQA analysis, to
10 other regulatory agencies.

11 MS. JORDAN: Thank you. Susan Jordan, director
12 of the California Coastal Protection Network.

13 You have two critical decisions in front of you
14 today. And the first relates to your CEQA
15 responsibilities. The decision to do a Supplemental EIR
16 was a discretionary one. As you can see here, even
17 Poseidon anticipated in its lease application that the
18 State Lands Commission would act as the lead agency if the
19 Coastal Commission did not go forward.

20 Further, the MOA did not require State Lands to
21 do a Supplemental EIR, as you can see here. We urge you
22 not to approve the EIR until a more comprehensive review
23 of significant change circumstances that have occurred
24 since 2010 are studied, even by you or by the regional
25 board.

1 Lease modification is your next decision. Your
2 agency's primary obligation is to protect California's
3 Public Trust resources. Yet, the lease in front of you
4 does not do that. It does exactly the opposite by
5 blind -- binding you and California to the use of second
6 tier technology until 2027, more likely to 2067 under the
7 50-year term of the take-or-pay contract. And for anyone
8 in this room that's counting, that's a half century from
9 now.

10 As a \$250 billion global business, Brookfield
11 Poseidon seeks to exploit California's Public Trust
12 resources in a manner that maximizes profit for their Wall
13 Street investors. That's called business. The easiest
14 way to do that is to use an old 1950's power plant pipe,
15 slap some screens on it, and call it a day.

16 Brookfield Poseidon is not obligated to protect
17 our Public Trust resources. You are.

18 Okay. The ocean is not a desert. Let's go back
19 to this.

20 --o0o--

21 MS. JORDAN: Back in April, I and two of my
22 colleagues, including NRDC, met with two of Poseidon's
23 paid consultants. After our consultants were summarily
24 dismissed, one of the consultants raised waved a hand and
25 said that Huntington Beach was the perfect, or as Mr.

1 Maloni described it, the ideal spot for Poseidon's Desal
2 Plant, because, in part, the ocean there was a desert, a
3 desert. We were astonished.

4 --o0o--

5 MS. JORDAN: Let's go back. The understanding
6 that the ocean is not a lifeless place is precisely why
7 the State banned the use of once-through cooling by power
8 plants in 2010. They also did the Marine Protected Areas
9 map in 2012 to help restore. Your agency has an MOU on
10 this, and both the Coastal Commission and Fish and Game
11 have warned you about the impacts.

12 To prematurely issue a long-term lease that
13 enshrines outdated, harmful intake and brine disposal is
14 not consistent with your responsibilities.

15 Don't take action on this FEIR. Why the rush?
16 You have time. Step back. Don't approve this lease. Let
17 the other agencies move forward. Let them determine if
18 this project comports with the desal -- desalination
19 policy. It does not. Everybody knows it.

20 Thank you.

21 CHAIRPERSON NEWSOM: Thanks, guys.

22 Quiet applause, Susan.

23 (Laughter.)

24 EXECUTIVE OFFICER LUCCHESI: All right. So we
25 have a number of other organized groups that I'm ready to

1 call, if it suits the Commission.

2 Jacob Gilich. After Jacob is Jennifer Savage,
3 Surfrider's Headquarters.

4 CHAIRPERSON NEWSOM: Right behind you, Jennifer.

5 MS. PROM: Good afternoon, Honorable
6 Commissioners. I'm Staley Prom, and with me are Jennifer
7 Savage and Mandy Sackett with the Surfrider Foundation.
8 We're here today on behalf of our 20 chapters and
9 thousands of supporters across the State to express our
10 disappointment with the lease, and with the Final SEIR's
11 failure to address our concerns.

12 Namely, the Supplemental EIR continues to
13 inappropriately analyze a narrow project scope. It's a
14 new narrowly defined lease amendment project, instead of
15 looking at all of the changes to the project, all of the
16 new circumstances, and all the new information that give
17 rise to new significant impacts from the entire project.

18 While the lease amendments are some of the
19 changes triggering the need for a subsequent analysis,
20 they are not in themselves a new narrower project. And
21 this narrow scope results in inadequate CEQA analysis,
22 including with respects to impacts from the change
23 distribution component, the undocumented need for the
24 project, lack of adequate alternatives analysis, including
25 alternative sites, sea level rise, and impacts to marine

1 resources and on Marine Protected Areas.

2 This is a really massive desalination project.
3 It will be withdrawing more than 100 million gallons per
4 day of seawater off of our coast, dumping back more than
5 50 million gallons per day of effluent, including
6 concentrated brine. And it will utilize a tremendous
7 amount of energy, nearly 266,000 megawatt hours per year.

8 This not only means impacts to our Public Trust
9 resources, but also a huge contribution to climate change.
10 And of course, these impacts are greater the larger the
11 project.

12 This project would tie for the most -- or the
13 largest desalination plant in the country along with the
14 troubled Carlsbad plant. And the next largest plant in
15 Florida is half that size, and it's rarely run at full
16 capacity.

17 Without a demonstrated need for this 50 million
18 gallon per day project, all of the significant impacts to
19 our Public Trust resources are unnecessary and
20 unwarranted. And because the plant would be so energy
21 intensive, it's really appropriate to look more at the
22 energy and greenhouse gas impacts.

23 Desalinated water is considerably more energy
24 intensive than California's other water supplies,
25 including virtually all imported water, recycled water,

1 and local groundwater and surface water supplies.

2 Here, the Final SEIR acknowledges that the
3 overall annual power used by the project with the lease
4 modification would be around 266,000 megawatt hours, which
5 means a total of nearly 69,000 metric tons of CO2 per
6 year. This doesn't even account for the additional
7 construction and screen-related greenhouse gas impact
8 emissions.

9 Clearly, this amount exceeds the 10,000 metric
10 tons significant standard, and emissions are significant,
11 period.

12 And so next under CEQA, there should be a full
13 analysis of mitigation measures. And the mitigation
14 measures are not voluntary, as the 2017 energy
15 minimization plan says that they are, but they are
16 required.

17 So there's a fundamental problem here that
18 neither this or the 2010 EIR separately analyzes the
19 energy and greenhouse gas impacts and mitigation. And
20 under CEQA, an agency must first determine whether a
21 project's greenhouse gas emissions, and not those confined
22 to the intake and the discharge, are significant, and then
23 consider all reasonable measures to mitigate those
24 impacts.

25 So because the project's emissions are

1 significant, an agency cannot merely rely on Poseidon's
2 nonbinding, unenforceable, and self-described self -- or
3 self-described voluntary greenhouse gas reduction
4 measures, in lieu of a complete range of potential
5 mitigation measures.

6 And there are problems with Poseidon's energy
7 mitigation plan -- minimization plan. While Poseidon says
8 that it will offset the project's emissions, many of the
9 proposed measures are nonbinding. For instance, it's
10 going to install rooftop solar panels only if it's
11 reasonably expected to provide a return on investment.

12 Building design will follow LEED design
13 principles only to the extent reasonably practicable. And
14 energy mitigation -- sorry energy efficiency measures will
15 be quote given the highest priority. But these are not
16 concrete enforceable commitments. There are also
17 contingencies with respect to offsets and renewable energy
18 credits. And the plan includes unreasonable provisions,
19 such as allowing Poseidon to seek a determination from the
20 City of Huntington Beach planning director about the
21 availability or price of offsets and credits.

22 Clearly, given the plan's contingencies, it's
23 clear that this project has no guarantee of being
24 greenhouse neutral.

25 And the 2017 energy minimization plan is a newly

1 revised plan that requires additional CEQA analysis. The
2 Commission can't merely rely on it and ignore the massive
3 energy and greenhouse gas impacts that the project is
4 going to create.

5 Additionally, there's no discussion about
6 greenhouse gas emissions related to the construction or
7 operation of the distribution component. There's not a
8 cumulative impacts analysis for this desalination project
9 with respect to other projects in the region, or other
10 desalination projects around the state.

11 So accordingly we urge you not to certify the
12 Final SEIR and not approve the lease until these
13 significant energy and greenhouse gas impacts and all
14 reasonable enforceable mitigation measures are considered.

15 MS. SACKETT: So now you've heard the legal,
16 scientific, and policy reasons why you should neither
17 certify the Final SEIR nor approve the lease. We'll now
18 add to that request by once again bringing to your
19 attention Poseidon's long history of dodging State
20 regulations and the numerous ways in which the Carlsbad
21 plant is failing.

22 We believe this is a very important factor in the
23 context of the decisions that you will make today. As you
24 know, Poseidon has repeatedly attempted to disregard State
25 regulations designed to protect the Public Trust. We ask

1 for your leadership we've seen so aptly displayed over the
2 course of this year. We've seen you take bold measures in
3 defense of the Public Trust regarding Cemex and Venoco,
4 just to name a couple examples.

5 You helped maintain California's role as an
6 environmental leader, and we thank you. We ask that you
7 remain steadfast in that commitment.

8 To recap some of the disregard, during the 2007
9 permitting process for the Carlsbad plant, Poseidon
10 intentionally deceived the California Coastal Commission
11 by, according to Coastal Commission staff, deliberately
12 providing inaccurate information or, what some may called,
13 lying, which seeking a coastal development permit by
14 misleading staff during testimony regarding its greenhouse
15 gas emissions.

16 And then their application to the Coastal
17 Commission for the proposed Huntington Beach Plant came
18 with a strikingly similar greenhouse gas plan, making it
19 clear deception is a habitual -- is habitual for this
20 company attempting to privatize our water. They can and
21 do say whatever. The facts shows that Poseidon is
22 terrible on energy.

23 Which brings us to the chronic toxicity
24 violations we detailed for you in the -- at your August
25 hearing. Has there been any progress on the egregious

1 violations at their Carlsbad plant?

2 Poseidon has been cited for at least two dozen
3 chronic toxicity violations and at least nine deficient
4 monitoring violations. To this day, Poseidon has been
5 unable or unwilling to explain or address these failures.
6 Along with everything else, this should give you pause.

7 MS. SAVAGE: Another example of Poseidon
8 attempting to skirt obligations is the company's marine
9 life mitigation plan. As you know, Poseidon has been
10 required to offset the impacts to marine life from its
11 Carlsbad plant through a Wetland Restoration Project.
12 Poseidon has been operating for nearly two years now.
13 They do not have a design or a proposal, only paid
14 consultants who offer junk science, wasting time, taxpayer
15 dollars, and further exemplifying Poseidon's complete lack
16 of interest in compliance.

17 They can and they do say whatever, but the facts
18 show that Poseidon is terrible when it comes to
19 environmental stewardship. Perhaps this is why State
20 Lands Commission is looking for hard cash for the Bolsa
21 Chica project.

22 In September, the Voice of San Diego reported
23 that the Carlsbad plant failed to deliver about 20 percent
24 of its promised water in 2016, and has only managed to
25 deliver about 70 percent so far in 2017. Despite all the

1 company-generated press releases touting the plant as a
2 success, and no matter how much money they throw around,
3 the facts remain the same, Poseidon's Carlsbad plant is
4 plagued with problems, which is unsurprising given their
5 similar unreliability when it comes to the truth.

6 It is your duty to protect the Public Trust, from
7 our national monuments to our marine sanctuaries, our
8 nation's environment is under attack right now, and
9 California is looking for leadership.

10 Do not allow our shared public resources to be
11 handed over to a company who considers political influence
12 more important than complying with State laws. We ask
13 that you do not certify the Final SEIR and do not approve
14 the lease. Water is too important a resource.
15 Californians deserve the full implementation of our
16 environmental laws, and we look to you, Commissioners, to
17 uphold them.

18 Thank you.

19 EXECUTIVE OFFICER LUCCHESI: Okay. Next up is
20 Residents for Responsible Desal.

21 Debbie Cook and her colleagues.

22 MR. GEEVER: Good Afternoon, Commissioners. My
23 name is Joe Geever, and I'm here with Debbie Cook on
24 behalf of Residents for Responsible Desalination.

25 R4RD is a group of local residents who work on

1 water management reforms in Orange County. We've learned
2 a great deal about water mismanagement since Poseidon
3 opened our eyes with this deal proposal in 2001.

4 We've written exhaustive comments on this SEIR,
5 but today we want to address two interrelated issues.
6 First, the basic objectives -- the underlying premise in
7 the SEIR is that there's a need for this water. But as
8 you'll see, you can't make that finding with the
9 information you have.

10 We're also concerned about the statement of
11 overriding considerations. Again, you should not sign a
12 document that attempts to justify significant impacts when
13 there is no credible evidence of a need for the project.
14 As Debbie will explain, the documents provided to you
15 about demand for the water cannot be trusted. Therefore,
16 you cannot certify the EIR nor sign the statement of
17 overriding conditions before you have clear and credible
18 evidence of a need for the project. Not vague or
19 fabricated, credible evidence for the -- is the required
20 standard.

21 MS. COOK: Thank you. For the record, my name is
22 Debbie Cook.

23 In 2003, when I was serving on the Huntington
24 Beach City Council, I was asked to represent the League of
25 California Cities on the California Desalination Task

1 Force. By the time I'd left the council in 2008, I was
2 well versed in desalination and Poseidon Resources in
3 particular.

4 Since 2008, I have tirelessly pursued Poseidon's
5 activities as they lobbied their way around the State
6 trying to find a buyer for their water. In our opinion,
7 the most critical issue that Poseidon must demonstrate to
8 you today is that the Orange County Water District has a
9 need for 50 million gallons per day of desalinated water.

10 It is disappointing to report that based on my
11 research OCWD and Poseidon have cherry-picked their data
12 in order to manufacture a need.

13 In a white paper presented to you in 2016,
14 Poseidon used the OCWD's 2015 groundwater management plan
15 to substantiate a demand forecast of 525,000 acre feet.
16 This number was in direct conflict with the projection in
17 the municipal water district's 2015 water reliability
18 study that projects demand in 2040 at 434,000 acre feet.

19 MWDOC 2015 plan was the most comprehensive look
20 at water needs in Orange County that the agency has every
21 undertaken, incorporating demand management strategies to
22 better predict future needs. And MWDOC used extremely
23 conservative assumptions to ensure that they weren't
24 underestimating future demand.

25 Their study resulted in a 90,000-acre foot

1 reduction in future demand from previous inaccurate
2 projections. The public response to the 2015 drought has
3 proven that future demand modeling must implement these
4 new methodologies in order to keep agencies from building
5 unnecessary infrastructure that can become stranded
6 assets.

7 Demand softening is not a new trend. It has been
8 occurring throughout the county since 1999. It is
9 happening in Santa Ana, where the usage in August,
10 according to a KPCC investigation, was 51 gallons per
11 capita, and it's happening in Newport Beach where it was
12 100 gallons. But OCWD has chosen to go rogue and
13 manufacture its own projections.

14 Leaving that issue aside, I want to point to a
15 pattern of behavior that has come to light as a result of
16 a Public Records Act request by Surf City Voice. We
17 received hundreds of emails between OCWD and Poseidon that
18 demonstrate a level of collusion far beyond what is
19 appropriate for a public agency.

20 The records received showed conclusively that
21 what OCWD sent this Commission was put together with the
22 sole intent to mislead. It is not evidence you can use to
23 base your decisions on.

24 These are two charts prepared by OCWD's John
25 Kennedy and emailed to Poseidon to use as they prepared

1 material to convince this Commission of need. The top two
2 pie charts are supposed to be current conditions, and the
3 bottom two charts are a future scenario with Poseidon.

4 The chart on the left was sent in May, and the
5 one on the right in June. They can't be both correct, and
6 they are both misleading. Proving there is a need for
7 this project can't be just a matter of choosing the data
8 that serves the desired result. You can't sign the
9 statement of overriding considerations without trustworthy
10 evidence.

11 But what is really perplexing is trying to
12 reconcile the data in the chart that OCWD submitted to you
13 on September 8th with the previous charts, and with their
14 own reports. These charts are now identified as sources
15 of supply, rather than actual demand. But the
16 accompanying letter implies that they are one and the
17 same.

18 In 2015, actual demand according to Orange
19 County's own 2015-16 Engineer's Report was 367,000 acre
20 feet, not 425,000.

21 Basin pumping that year was 75 percent, which
22 means that less than 100,000 acre feet was treated
23 imported water from MWD. This inconsistency in terms of
24 the constantly changing numbers and eliminating
25 information is intended to mislead you.

1 If their 2015 chart is so fallacious, what is
2 your confidence level in the 2023 chart, how do they
3 justify 455,000 acre feet in 2023. They clearly did not
4 use Modoc's Urban Water Management Plan.

5 And another -- another method that they used to
6 confuse the issue is the overdraft of the basin. The
7 amount of water in storage is a management issue and
8 remedied by increasing purchases and/or reducing basin
9 pumping. The board makes that decision once per year with
10 consultation with member agencies.

11 Frequently, the member agencies persuade OCWD's
12 board to reduce the amount of imported water they purchase
13 in order to keep lower rates, rates that have risen on
14 average eight and a half percent per year since 1999.
15 That's a choice for them, but it's not about unreliability
16 of imported water.

17 OCWD usually accommodates those requests, even
18 when it mean violating their own policy. At the height of
19 the drought in 2015, the board not only did not increase
20 their replenishment budget, they increasing basin pumping
21 percentage.

22 Poseidon recognizes how important the issue of
23 need is in order to convince you that only Poseidon's
24 project will meet the basic objectives in the SEIR. In an
25 exchange between board member Kathy Green and Poseidon's

1 Scott Maloni lamenting the comments of Irvine Ranch Water
2 District to your SEIR, Scott says to her, "We're really
3 going to need OCWD to put in a big push for the need for
4 the project", which is what you're seeing today.

5 But the facts are the facts. OCWD is a
6 groundwater management agency, and they cannot sell water
7 outside of their jurisdiction. They have tied themselves
8 into a pretzel trying to figure out what to do with this
9 water, coming up with no less than 10 options for
10 distribution.

11 At multiple workshops, OCWD's staff not wanting
12 to ruffle board feathers gently makes the case for less
13 water, such as smaller program is more feasible for a
14 Poseidon project, up to 10,000 acre feet per year.
15 Importantly, a 10,000-acre foot project makes subsurface
16 intakes even more feasible.

17 In another slide, potential to have too much
18 water for recharge in some years. And another,
19 possibility for coastal groundwater levels to become too
20 high potentially creating issues.

21 It has been nearly 20 years since Poseidon
22 arrived in Southern California from Connecticut. Since
23 then, residents and businesses have continued to reduce
24 cumulative demand in the county, and we have developed a
25 world known -- renowned wastewater recycling and

1 groundwater replenishment project delivering 103,000 acre
2 feet that did not exist when Poseidon arrived.

3 Even more exciting, that project has encouraged
4 L.A. County Sanitation to do the same thing with their
5 wastewater. And Orange County could get 65,000 acre feet
6 for their groundwater replenishment. We have much more
7 potential for conservation and stormwater retention,
8 including storing more water behind Prado Dam which is in
9 the works.

10 Now, OCWD is struggling to figure out what they
11 would do with Poseidon's water, and the idea of putting it
12 into the groundwater basin is running the risk of crowding
13 out preferred alternatives.

14 Poseidon came here because this was one of two
15 places they found a power plant owner willing to share the
16 intake and discharge pipes, not because they were
17 solicited. And those intake and discharge pipes are now
18 being phased out to protect marine life.

19 We haven't needed Poseidon for 20 years that
20 they've been here. And if and when we decide we need
21 desalinated ocean water, then we should decide how much we
22 need, where it should be built, what technology to use,
23 and who should build and operate it. Poseidon has turned
24 this process on its head.

25 Thank you very much.

1 EXECUTIVE OFFICER LUCCHESI: Next up, I'd like to
2 welcome Marcela Graudins with the Environmental Justice
3 Coalition organized presentation.

4 MS. ZAPATA-REYNOLDS: Good afternoon,
5 Commissioners. My name is Olga Zapata-Reynolds, and I
6 represent Orange County Earth Stewards. We are a
7 grassroots organization, which focuses on environmental
8 justice.

9 Our part of -- the rest of our coalition includes
10 Marcela Gutierrez Graudins representing Azul, and Victor
11 Valladares and Oscar Rodriguez representing Oak View
12 Community.

13 So I just want to say that on behalf of the
14 Orange County Earth Stewards, we just want to say that
15 we're asking you to not approve this EIR extension on the
16 basis of encouraging wise and efficient use of water,
17 okay, before we go to the desalination part of water,
18 okay?

19 Thank you.

20 MR. RODRIGUEZ: So buenas tardes, good afternoon,
21 everyone. We are a Oak View Comunidad. And first off, I
22 want to welcome the Commissioners and everybody who came
23 to our beautiful city of Huntington Beach.

24 I know it's a very long day for you guys, and so
25 we thank everything that you do.

1 So once again, my name is Oscar Rodriguez. I am
2 with Oak View Comunidad. We are an environmental justice
3 community here in the City of Huntington Beach. We are
4 about two miles out from here. And I am also here with my
5 buddy and one of my best friends Victor Valladares.

6 MR. VALLADARES: Buenas tardes, Commissioners.
7 My name is Victor Valladares. And along with Oscar
8 Rodriguez, we -- and many other of our members that are --
9 unfortunately could not make it today, make up a
10 grassroots community driven organization based out of
11 Huntington Beach bounded by Beach Boulevard, Warner,
12 Nichols, and Slater.

13 Oak View Comunidad is a grassroots organization
14 built on environmental justice how we started back in
15 2015.

16 (Thereupon an overhead presentation was
17 presented as follows.)

18 MR. VALLADARES: And we're going to be having a
19 PowerPoint presentation. So Oak View Comunidad is a local
20 environmental justice perspectives on proposed Huntington
21 Beach Desalination Project State Lands Commission hearing,
22 so that's our first slide.

23 --o0o--

24 MR. VALLADARES: So who are we?

25 A local grassroots driven group in Huntington

1 Beach that advocates on behalf of the Oak View Community
2 and Huntington Beach as a whole. See one of our mottos are
3 basically educate, advocate, and empower residents.

4 So this is really surreal for me, because over
5 here this is where my empowerment began back in 2015 with
6 a environmental cause with Rainbow Environmental Services
7 in 2015. Standing here, hearing the loud roar of applause
8 back in 2015 really empowered me, and empowered us to do
9 something for our communities with environmental justice.

10 You know, right now our community is a
11 environmental justice area. An environmental justice area
12 is a determined a census tract that includes 20 percent of
13 its residents being in poverty, and 30 percent being --
14 one second -- in poverty and a minority, 30 percent have
15 to be minority.

16 So this is the only environmental justice
17 community in Huntington Beach. So we are 100 percent just
18 volunteers. We all do this based on volunteer work. And
19 we have many members that obviously attend other issues
20 that affect our communities in Huntington Beach and
21 throughout the county.

22 So we have zero funding. That's the one thing
23 that really keeps us no strings attached, and there's
24 nobody doing -- you know, stop and telling us what to do,
25 because there's no funding, and there's no hierarchy. And

1 I love that. You know, so when we say we build a platform
2 from bottom up, we truly mean that from a grassroots
3 level.

4 MR. RODRIGUEZ: So one of our accomplishments in
5 2016 we received the environmental justice award from the
6 air quality management district because of our advocacy
7 for our community against Republic Services. It resulted
8 in a \$22 million upgrade to the facility, which is 50 to
9 100 feet away from our community. In 2017, we also
10 received the Champions of Environmental Justice from the
11 Orange County League of Conservation Voters. So those are
12 some of our two major awards that we have received.

13 So Oak View community stats. We are one half --
14 a half a square mile community located here in the
15 beautiful City of Huntington Beach. Ninety percent are
16 Latino. Most dense community in Orange County with
17 roughly 10,000 residents.

18 The estimate median household income is about
19 24,000. So as you can see here, making ends meet is a --
20 is already an issue for our community. And earlier we
21 heard Poseidon desalination talk about economic issues.
22 So we'll go further that in our presentation.

23 --o0o--

24 MR. RODRIGUEZ: So Poseidon desalination it's a
25 bad deal. Access to clean, safe, reliable, affordable

1 water is a basic human right affirmed by California State
2 law. When we are forced to pay for water more than we
3 should, that becomes an economic issue for us, and many of
4 our families live paycheck to paycheck.

5 We cannot afford to pay more cost in water. And
6 a perfect example is -- well, in our community when we ask
7 folks where do you buy gasoline, they go to a certain
8 gasoline, which is ARCO, which tends to be cheaper. So it
9 already affects our community as well.

10 So building it -- an unneeded \$1.3 billion plant
11 will increase water costs for our residents. It is not an
12 environmental justice issue. It is an economic issue.

13 Why should working class communities and
14 communities in general pay for a private company to -- why
15 should we pay for a private company when there are other
16 government projects, and -- such as the Orange County
17 Water District that are building a 30 -- 30 million
18 water -- currently in the process of building a water
19 facility that is not desalination from salt water to fresh
20 water.

21 MS. GRAUDINS: So as you've heard from other
22 people -- sorry, my name - somebody said - Marcela
23 Graudins with Azul.

24 As you heard from other people, this is a
25 fundamentally bad deal, because Orange County does not

1 need this water. You know, the projections that you've
2 heard from other people say that they have water provided
3 other avenues until 2030.

4 And regardless, Poseidon wants to lock this
5 community into a -- into a contract for 50 years without
6 any escape clause.

7 I wanted to also mention about this desert
8 outside of Huntington Beach that people keep talking
9 about. I was a stakeholder in the South Coast Stakeholder
10 Group for the Marine Life Protection Act, which
11 established first of its kind network of Marine Protected
12 Areas in the world. And we spent two years -- two years
13 studying the area from Santa Barbara to San Diego to
14 establish Marine Protected Areas.

15 And part of those two years were also including
16 Orange County. And now you have nine Marine Protected
17 Areas, including a no-take reserve. So I find it hard to
18 believe that we would spend so much time in a desert. And
19 that -- that speaks to that.

20 And if you want to talk about real environmental
21 enhancements, I urge you to look at the Marine Protected
22 Areas.

23 --o0o--

24 MS. GRAUDINS: An I'll let them say this, but,
25 you know, I got involved in this, because I talked to my

1 partners at Oak View. I know for a fact that they've been
2 working on this for a long time, and they have been
3 reaching out to other groups and other organizations about
4 other issues that they've have been working in. And they
5 were repeatedly ignored and/or, you know, just basically
6 rebutted.

7 And now some of these same people that ignored a
8 call for a very basic need, which was clean air two, three
9 years ago, are purporting to be speak for the same
10 community. So I would -- I would urge you to really look
11 at authentic voices for the community, authentic voices
12 here in Orange County that have been working on
13 environmental justice, on economic justice, and social
14 justice for years now.

15 MR. VALLADARES: So one of the things that I just
16 what to make really clear is the fact that, you know, us
17 working class folks, I live paycheck to paycheck. I
18 basically work at a pizzeria. I push pizzas for a living.
19 This will definitely have a major financial impact on us
20 on the working class.

21 We understand that there are other organizations
22 that are standing up for workers that everybody wants
23 jobs, but we ultimately have to realize that at the end of
24 the day, these jobs are going to be going away and there
25 are going to be several jobs that are just going to be

1 permanent and not for the working class folks.

2 Other than that, this is basically a subsidized
3 handout, you know, to these big corporations,
4 multi-million, billion dollar corporations that will be
5 passed on to us and everybody else. And that is -- that
6 is not right, because our communities have been hurt. And
7 ultimately, we will be paying this price and it will hurt
8 us definitely.

9 We all do know that the water is essential and
10 water is life. And we just hope that you all take this
11 under consideration that there are other alternative,
12 cheaper, more efficient environmental friendly --
13 environmentally friendly alternative ways to recycle
14 water.

15 Desalination, we're not completely a hundred
16 percent against desalination, but there are other
17 alternatives other than just going straightforward to the
18 desalination plant here in Huntington Beach. And I know
19 for a fact that the majority of Huntington Beach do not
20 want desalination.

21 Thank you.

22 MR. RODRIGUEZ: Thank you.

23 MS. GRAUDINS: Thank you.

24 CHAIRPERSON NEWSOM: Thank you, guys.

25 EXECUTIVE OFFICER LUCCHESI: Next is

1 representatives from the Bolsa Chica Land Trust.

2 Shirley Detloff and her colleagues.

3 MS. DETLOFF: Good afternoon, Chairman Newsom and
4 members of the Commission. My name is Shirley Detloff.
5 I'm a former Mayor of the City of Huntington Beach, a
6 former State Coastal Commissioner, and a founding member
7 of the Amigos de Bolsa Chica.

8 I have followed the Poseidon project since it was
9 introduced to the City of Huntington Beach, and I've
10 attended many of the meetings, the hearings, and read many
11 of the reports. Although I'm a layperson, I have spoken
12 with many authorities and experts on this subject.

13 As a founding member of the Amigos, I'm in
14 support of the mitigation Poseidon has offered to meeting
15 their mitigation requirements for this project. Although
16 the Amigos have not taken a position on the Poseidon
17 project itself, we support mitigation plans that include
18 the Bolsa Chica.

19 If you approve the Supplemental EIR, you will
20 allow Poseidon to work with State Lands Commission, the
21 Coastal Commission, and the Santa Ana Regional Board on a
22 mitigation plan that is acceptable to all.

23 One of the projects I feel is extremely important
24 to the Bolsa Chica is keeping the tidal inlet open.
25 Without restoration project, it will fail and millions of

1 dollars spent in restoration of this natural resource will
2 be lost. Funding for dredging the inlet is no longer
3 available, and the State legislature recently voted to
4 provide \$1 million to do the 2018 dredging. There is no
5 guarantee that this money will continue to be available.

6 Poseidon's mitigation would prevent the inlet
7 from closing and having the restoration fail. It's
8 extremely important.

9 Now, I'm speaking as an individual, because I
10 wanted to be on record that I am a supporter of this
11 project, and have been since the very beginning. I feel
12 this is a way to ensure that water will be available in
13 the region for years to come, and for generations to live
14 through potential droughts which we have just experienced.

15 I feel that this project probably has less
16 impacts on the environment than bringing water from
17 Northern California and from the Colorado River. This is
18 an important project and meets the environmental standard.

19 So I hope that you will again vote to approve the
20 EIR, because I think it's proven itself that it has
21 overcome all of the environmental objections that people
22 have expressed. And I do appreciate the fact, this is an
23 activist community. Everyone has a right to speak, to
24 come down here and tell you what their opinion is.

25 I've told you my opinion. I'm very supportive of

1 the project. I have lived in this community for 55 years.
2 And so I know a lot about it, and we are a community that
3 takes every issue very -- feel every issue is very
4 important. And if we don't have an issue to either
5 support or oppose, we'll make one up. So we are a
6 fighting community.

7 (Laughter.)

8 MS. DETLOFF: And I appreciate the fact that
9 people who oppose it have come down. But I also think for
10 both the environment and for the future of Southern
11 California, we must, as the world has done, accept
12 desalinization as part of our water guarantee for future
13 generations.

14 And everything that was expressed by Senator
15 Barbara Boxer, I applaud, because I, too, cannot
16 understand why anyone would turn down the opportunity to
17 assure sustainability for the most basic of human needs,
18 water.

19 Thank you so much.

20 MR. LÈIPZIG: Thank you, Shirley. Thank you,
21 Commissioner -- Chairman and Commissioners. My name is
22 Victor Lèipzig. I am a long-time activist as Shirley
23 Detloff has been in the protection of the Bolsa Chica
24 Wetlands. And like Shirley Detloff, I was a former Mayor
25 of the City of Huntington Beach.

1 And so I have made many comments into this
2 particular microphone, and many comments into the
3 microphone there on other side of the bench.

4 CHAIRPERSON NEWSOM: There are like 10 Huntington
5 Beach ex-Mayors.

6 (Laughter.)

7 CHAIRPERSON NEWSOM: I understand the affliction,
8 by the way.

9 MR. LÈIPZIG: There's a whole panel of our photos
10 in the entry.

11 CHAIRPERSON NEWSOM: Amen.

12 MR. LÈIPZIG: I have spent over 30 years as an
13 activist with Bolsa Chica working first for the protection
14 of the Bolsa Chica from development by residential and
15 marina development, then the restoration of the Bolsa
16 Chica, and now it's long-term operation and maintenance.

17 There is a tremendous ongoing need, as you at the
18 State Lands Commission are all aware, for the -- for
19 funding for that important environmental resource. And
20 for Poseidon Resources and its mitigation needs on the
21 long-term mitigation provide a perfect match for funding
22 to support that long-term need.

23 And at the Amigos de Bolsa Chica, we strongly
24 encourage you to support the mitigation program on
25 Poseidon's part, if this desalination project goes

1 forward.

2 I'd also like to say that I've also spent over 25
3 years leading field trips, birding, and natural history to
4 the Salton Sea. Now, I'm very well aware of the
5 tremendous impact that the State of California and other
6 states of the southwestern states are having on that
7 important resource, the Colorado River and the Sacramento
8 River.

9 And like Shirley Detloff, I strongly look forward
10 to desalination in the State of California. Whether this
11 particular project is the responsible form of desalination
12 that we need or not is a decision to be made later. But
13 if you go forward with that -- if the State goes forward
14 with this project, mitigation of Bolsa Chica is the ideal
15 solution.

16 Thank you very much.

17 MS. ADAMS: Good afternoon. I represent the
18 Bolsa Chica Conservancy. We were founded about 30 years
19 ago by community, environmental, government, and business
20 leaders with the common goal of restoring the Bolsa Chica
21 Wetlands, and connecting generations through community
22 involvement, leadership, and education in wetland science,
23 watersheds, coastal ecology, and environmental
24 sustainability.

25 Our organization has succeeded beyond our wildest

1 dreams with an interpretive center, school programs, and
2 tens and thousands of visitors from across the globe every
3 single year.

4 With that in mind, we are extremely concerned
5 about the future viability of the wetlands now that the
6 mitigation funding, that keeps the inlet that allows for
7 tidal flows clear, is ending within the next eight to ten
8 months, as you both -- as you well know.

9 We ask that the mitigation funding that will be
10 required for the Poseidon project go to the future funding
11 to sustain the Bolsa Chica Wetlands. It is just that the
12 mitigation for Huntington Beach infrastructure project
13 would go to support the environmental and ecological
14 sustainability in the city where the project is located.

15 Poseidon Water has proposed that their mitigation
16 go to support the Bolsa Chica Wetlands. And we encourage
17 the distinguished members of the State Lands Commission to
18 accept this proposal.

19 Thank you for your consideration of our
20 viewpoints.

21 MR. GAUGHAN: Good afternoon, Commission. My
22 name is Mark Gaughan. I am the past chair of the Bolsa
23 Chica Conservancy sitting as that chair for about six
24 years.

25 I'm here to express my support to the proposal

1 that Poseidon fund the dredging of the Bolsa Chica
2 Ecological Reserve inlet. I believe that it's
3 particularly important from a very basic level. And I
4 want to give you a couple examples of some good public
5 policies.

6 One of the good public policies was here at the
7 Bolsa Chica Reserve that allowed for the reserve -- or
8 allowed for the inlet to be reopened. It was originally
9 opened -- or closed on out in the early 1900s. And in
10 this particular case, it has provided for fresh -- well,
11 it's actually salt water, but clean water that has gone
12 into the reserves, flushed it, and as a result of that,
13 the wildlife has been flourishing, bird counts are up,
14 bird varieties are up, other types of wildlife are
15 thriving as a result of it.

16 Allowing it to close down would effectively
17 lose -- as Shirley mentioned, effectively use -- lose
18 years of investment that have been beneficial to the
19 environment.

20 The other one is more of a personal one, and it
21 involves the Great Lakes. In the 1970s, we passed what --
22 it was passed, the Clean Water Act. At that time, the
23 Great Lakes, where I was born and raised, was in terrible
24 condition. The rivers going into it were on fire from
25 time to time. We passed a law, set good public policy.

1 Those Great Lakes today are in wonderful shape. The
2 wildlife, the recreational values, the values -- other
3 values to us as humans are spectacular.

4 This inlet is another example of that type of
5 activity. We have to continue to be able to support these
6 things. I believe that the Poseidon proposal is sound,
7 and personally I want to say welcomed.

8 I thank you very much for your time and your good
9 decision making.

10 CHAIRPERSON NEWSOM: Thank you.

11 MS. HORGAN: You said Bolsa Chica Land Trust?

12 EXECUTIVE OFFICER LUCCHESI: Yeah.

13 MS. HORGAN: I'm Bolsa Chica Land Trust. I'm
14 sorry.

15 EXECUTIVE OFFICER LUCCHESI: Oh, I'm sorry. I
16 made a mistake. Are with you an organization? Did you
17 fill out an organization --

18 MR. HORGAN: Yes.

19 EXECUTIVE OFFICER LUCCHESI: Oh, you did.

20 MS. HORGAN: Oh, I don't know. I don't know. I
21 just filled out a form.

22 EXECUTIVE OFFICER LUCCHESI: Okay.

23 MS. HORGAN: But it's Bolsa Chica, and there's
24 three organizations, and you called Bolsa Chica Land
25 Trust.

1 EXECUTIVE OFFICER LUCCHESI: Go ahead.

2 MS. HORGAN: I can wait if you want. It's fine
3 with me.

4 EXECUTIVE OFFICER LUCCHESI: So two minutes.

5 CHAIRPERSON NEWSOM: Why don't you just jump in.

6 EXECUTIVE OFFICER LUCCHESI: Two minutes.

7 CHAIRPERSON NEWSOM: Yeah, go for it.

8 MS. HORGAN: Thank you very much.

9 CHAIRPERSON NEWSOM: Yeah.

10 MR. HORGAN: Good afternoon. My name is Flossie
11 Horgan. I am the co-founder of the Bolsa Chica Land
12 Trust, and in direct opposition to the other speakers for
13 the Bolsa Chica.

14 Huntington Beach does not need the Poseidon desal
15 plant. It would severely damage our local coastal zone.
16 And the Bolsa Chica Land Trust, all 5,000 members of the
17 Bolsa Chica Land Trust, does not support the desal plant.

18 Poseidon advertised this week a throw the money
19 at Bolsa Chica Mitigation Plan for the tidal inlet. The
20 tidal inlet at Bolsa Chica is running out of maintenance
21 money, that is true. However, if the Poseidon desal plant
22 is approved, Poseidon will have to mitigate the damage it
23 will cause the coastal zone. That mitigation is not up to
24 Poseidon to determine. It is in the hands of the Water
25 Board and the California Coastal Commission, and they have

1 not held hearings on this project.

2 Now, the State Lands Commission would be remiss
3 if it did not take a look at all the possible funding for
4 the tidal inlet, and the mitigation from damaged caused
5 from Poseidon, if it gets approvals, has not yet been
6 determined, nor is Poseidon the only source of funding for
7 the Bolsa Chica.

8 The law requires that Poseidon use the best
9 design and technology feasible to minimize ecological
10 impacts before turning to mitigation. Poseidon should
11 take a long hard look at the subsurface intakes and change
12 the project to accommodate them, that is the cost of
13 keeping our coastal community healthy.

14 Thank you.

15 CHAIRPERSON NEWSOM: Thank you.

16 And Jennifer, how is our court reporter doing?

17 Are you all right?

18 EXECUTIVE OFFICER LUCCHESI: Does he need a
19 break?

20 CHAIRPERSON NEWSOM: Well, can you imagine doing
21 that job?

22 (Laughter.)

23 CHAIRPERSON NEWSOM: I mean --

24 EXECUTIVE OFFICER LUCCHESI: I know. I only
25 meant I couldn't hear him. I'm sure he needs a break.

1 (Laughter.)

2 CHAIRPERSON NEWSOM: What's up next? What do we
3 have?

4 EXECUTIVE OFFICER LUCCHESI: We have three more
5 organized groups, and then we're on to individual
6 speakers.

7 CHAIRPERSON NEWSOM: And how much -- what's the
8 block for the next group?

9 EXECUTIVE OFFICER LUCCHESI: Ten minutes per
10 organization.

11 CHAIRPERSON NEWSOM: Can you do 10 minutes?

12 THE COURT REPORTER: Yes.

13 CHAIRPERSON NEWSOM: We got it. We'll do --

14 EXECUTIVE OFFICER LUCCHESI: Well, but there's
15 three of them.

16 CHAIRPERSON NEWSOM: We'll do one, and then he
17 needs his break.

18 EXECUTIVE OFFICER LUCCHESI: Kevin Nguyen with
19 Millennials for New water.

20 MR. KEVIN NGUYEN: Hello there. I'm just going
21 to wait for everyone else to come in.

22 One second.

23 CHAIRPERSON NEWSOM: Okay.

24 EXECUTIVE OFFICER LUCCHESI: Is it possible to
25 get started while you're waiting.

1 Thank you.

2 MR. WEN: We can count the time now. Yeah, we'll
3 be done.

4 All right. Well, we're just going to being. We
5 have a few more people hovering in. But good afternoon.
6 My name is Kevin. And I'm here representing Millennials
7 for New Water. We're a group that actually formed about
8 three to four years ago during the height of the drought
9 crisis. We're composed of people that recently graduates,
10 that lived in Orange County. I grew up in Irvine, for
11 instance, as well as people from UCI. So students and
12 recent graduate.

13 And we really came together, because we wanted to
14 think of a socially economical, yet environmentally
15 sustainable solution toward addressing the water crisis.
16 Since then, we've actually expanded throughout multiple
17 Southern California region, and we have now students from
18 Cal State Fullerton, local community colleges such as OCC,
19 and we even have a little bit of folks from Cal State Long
20 Beach coming in as well.

21 When it comes to water, it's not enough to simply
22 say just use less. We've already cut our own water supply
23 usage, conserved about a third of it, and we've also
24 really undertaken multiple recycling endeavors. It has
25 really come a long way.

1 However, what we believe we really need is a
2 significant supply of water that's going to be permanent,
3 something that is also environmentally sustainable. As a
4 group, we've overwhelmingly looked at this issue and
5 believe that water desalination is the correct choice for
6 us to really support and show our support for.

7 We believe that this project is not only going to
8 be done without any major environmental impact, but
9 frankly it's something that's been proven throughout
10 multiple nations throughout the world, a hundred plus
11 countries that have all really undertaken water
12 desalination.

13 And it's really fixed, you know, the arid
14 climate, and they've been able to undertake this and
15 really create that permanent water solution.

16 Our groups is young, passionate, diverse, and
17 concerned about where our water is going to come from, not
18 just the next three to four to five years, but 20, 30, and
19 40 years ahead.

20 In fact, for this project, they already closing
21 in on about 20 years of regulatory red tape. At some
22 point, we need to come together with the vision that all
23 of you share, and be proactive in making a decision that's
24 best for, in my opinion, in our opinion, all of our
25 future.

1 There's an old saying that the best time to plant
2 a tree is 20 years ago. The second best time is now. We
3 believe this project should be approved now, because it's
4 going to really set the seeds for our future generation.
5 In fact, some of them are going to come up and share their
6 own opinions as well regarding this project. I'd like to
7 give a chance for them about three to four people that
8 will come up and share some of their ideas.

9 Please.

10 MR. CALAQUIAN: Good afternoon. My name is
11 Siegfried. And as Kevin stated, I'm a member of
12 Millennials for New Water.

13 This project received its first permit approval
14 while I was in high school in 2006. And since then, I've
15 graduated college. And unfortunately, we're still
16 fighting regulatory red tape. I understand that this is
17 the new norm for building infrastructure in California.
18 However, that shouldn't be the case.

19 For example, in a neighboring county, regulations
20 have stopped the projects like the Clean Air Action Plan
21 for the Port of Long Beach and the Port of Los Angeles.
22 And I know this may seem like heaven for politicians and
23 lawyers, but most of us really just want fresh new water
24 supply.

25 MR. LIZAMA: All right. Good afternoon,

1 everyone. My name is Kevin. I'm a member of the
2 Millennials for New Water.

3 I'm an environmentalist. Sorry about that. And
4 for every drop of water that is -- this project produces,
5 there's one less drop of water for Orange County that is
6 imported from Northern California.

7 As Mark Twain once said, "Whiskey is for
8 drinking, and water is for fighting over". Let's stop
9 fighting over -- fighting over imported water. Let us
10 become more water independent. This new -- the new
11 screens prevent any fish from being impacted. The brine
12 discharge is a third of what it once was. This is a good
13 project and should be approved.

14 Thank you and have a great day.

15 MR. MORENO: Good afternoon. My name is William.
16 I am a member of Millennials for New Water. And I just
17 wanted to point out that you couldn't find a better spot
18 to cite the desalination plant. It's located on the back
19 end of a power plant and zoned for industrial use.
20 There's already pipes going out to the ocean area, so you
21 don't need to build anything and it won't affect the
22 beach.

23 The changes to the pipe are to prevent anything
24 larger than the width of a dime from getting through.
25 There is zero environmental reason to deny this project.

1 Just base your decision on the science in front of you and
2 your decision will be easier.

3 Thank you.

4 MR. NGUYEN: Hi. I'm Victor. Like my fellow
5 peers here, I'm with Millennials for New Water. I want to
6 point out that this project will produce the same amount
7 of drinking water while using 30 percent less seawater
8 than proposed seven years ago.

9 The area isn't marine life protected, and there's
10 no endangered or threatened species in the area. Plus,
11 the studies show in your notes that the brine diffuser
12 won't significantly impact marine life out there.

13 Please approve their permit, and work with the
14 Coastal Commission to ensure that the area is protected,
15 if necessary.

16 MR. MIHALY: Good afternoon. Before I begin, I'd
17 like to thank the State Lands Commission for taking your
18 time and listening to us, of course, the peanut gallery
19 for, you know, being respectful as we speak.

20 So my name is Andreas, and I'm also a member of
21 the Millennials for New Water group. And I'm actually
22 here to urge you guys to vote on the construction of this
23 desalination plant now, and not wait later.

24 Unfortunately, it's come to my attention that
25 most governments usually wait until a crisis is upon us to

1 take action. And we actually narrowly avoided our ninth
2 year of drought. But thank God to a wet winter. But I'd
3 like to -- I'd like us to take action now and not wait
4 until later.

5 Also, it seems to me that it's noticeable that
6 120 different countries use their own desalination plant.
7 These countries include Saudi Arabia, Spain, Portugal,
8 Greece, Italy, India, China, Japan Australia.

9 It's almost every continent in the world has at
10 least a couple desalination plants. In fact, it seems to
11 me that like if they're next to an ocean and they have
12 arid -- and they have an arid climate, they're going to
13 use a desalination plant to like get water for their own
14 citizens. We should do that as well.

15 And if you need a local example. In San Diego,
16 in the City of Carlsbad, around 300,000 people, that's
17 one-tenth of our population, received water through their
18 local desalination plant. So if it works for them, it
19 should work for us as well.

20 I do appreciate you taking your time to listen to
21 us speak, and I hope you have a wonderful day.

22 MR. WEN: Once again, we'd like to thank you for
23 inviting us, and we hope you take our generation thoughts
24 and concerns into your consideration.

25 And again, thank you for your time.

1 CHAIRPERSON NEWSOM: Thanks very much.

2 Thank you.

3 So why don't we all take five minutes. Does that
4 work? And then we'll reconvene.

5 A real five.

6 (Off record: 2:42 p.m.)

7 (Thereupon a recess was taken.)

8 (On record: 2:54 p.m.)

9 CHAIRPERSON NEWSOM: Can everybody take their
10 seats. Thank everybody for their patience.

11 And, Jennifer, whenever you're ready, we'll --

12 EXECUTIVE OFFICER LUCCHESI: I'm sorry. Yes, we
13 are ready.

14 CHAIRPERSON NEWSOM: We're ready?

15 EXECUTIVE OFFICER LUCCHESI: Yes.

16 CHAIRPERSON NEWSOM: All right, everybody. If we
17 can get everybody's attention. Grateful. I think we have
18 two more rounds of presentations, and then on to more
19 broad public comment.

20 EXECUTIVE OFFICER LUCCHESI: Yes, that's right.

21 Edin Enamarado and his colleagues representing an
22 environmental justice coalition.

23 CHAIRPERSON NEWSOM: Let's make sure they can
24 hear us back there.

25 (Can you say it louder?)

1 EXECUTIVE OFFICER LUCCHESI: Edin Enamarado.

2 CHAIRPERSON NEWSOM: There you are. Thanks.

3 Edin, you all set?

4 Great. Thank you, guys.

5 MR. HERNANDEZ: Good afternoon. My name is Zeke
6 Hernandez. I'm a life-long resident of Orange County
7 having been born here 70 -- close to 72 years ago. I'm
8 here representing LULAC, League of United Latin American
9 Citizens. We weren't founded a month, or two years ago,
10 or several years ago, or 10 or 20. Our national
11 organization was founded in 1929 in Corpus Christi, Texas.

12 Here in California and Orange County, we were
13 founded as a chapter in 1946. I'm also an elected
14 official. I'm a board college trustee for Rancho Santiago
15 Community College District, and also a U.S. Army veteran,
16 having served in '66 through '68, while my -- at the same
17 time my two brothers were also serving in the army in
18 combat in Vietnam.

19 I wish to formally express the support of Santa
20 Ana LULAC, California LULAC, as well as our national
21 LULAC, which adopted this stand, this support at its
22 national convention in San Antonio, Texas recently in
23 July.

24 We support the proposed Huntington Beach
25 Desalination Project, and also to request that you approve

1 the amended land lease agreement as requested, in addition
2 to the certification of the SEIR, which is before the
3 Commission.

4 The project is one that's a major public benefit
5 and an essential aspect of multi-pronged water supply
6 reliability network for the general population of
7 California, particularly for this local area of ours in
8 Orange County. With your approval, steps can be taken to
9 complete the portfolio that is much needed for today and
10 for future needs.

11 You have prepared yourself well in view of the
12 seriousness of this for your decision. You've
13 deliberated, you've looked at the facts, and you're going
14 to becoming with a decision.

15 If I may just add one thing. In the early 1900s
16 without the vision, without the decisiveness of pioneers,
17 we got the -- without them, we could not have gotten that
18 northern route from California, the aqueduct, we could
19 have not gotten the Colorado River aqueduct. We've looked
20 to the north. We looked to the east. Can't look to the
21 south. Now we're looking to the west for the reliability
22 in terms of our water supply system.

23 So I urge you to go forward and approve this.
24 Thank you very much.

25 MR. ENAMARADO: Good afternoon. My name is Edin

1 Enamarado. I'm in -- representing WCBI. There are some
2 who claim that the development of new water supplies is
3 not an environmental justice issue. I strongly disagree.
4 There are many of us who live inland who are not part of
5 the coastal elite class, who have been marginalized in
6 discussion of water for far too long.

7 California is our State just as much, if not more
8 than those millionaires who live along the coast. We want
9 our voice heard. How many Latinos who worked in the
10 Central Valley were affected by the water rationing during
11 the drought? How many Latino small business owners,
12 residents, gardeners were affected by water rationing?

13 I'm tired of the lip service of the old guard
14 telling us what is best for us, telling us that we
15 shouldn't pay an extra \$2 a month for reliable water. And
16 by the HB residents, Huntington Beach residents, will
17 receive a five percent discount on their desal water. The
18 project will generate \$3 million a year going to our
19 schools.

20 Telling us that they used to -- they also tell us
21 that we use too much water during their time in charge in
22 the 20th century, and now we have to pay the price by
23 conserving more and more water, even if there are water
24 supplies like the ocean that are available. This is our
25 California now, and we want desalination.

1 Thank you.

2 MS. SANTOS: My name is Laura Santos. I'm Mount
3 SAC Community College Trustee. But today I address you as
4 a leader in the Williams C. Valesquez Institute, a
5 national Latino policy institute based in California. And
6 our pro-agua coalition. And we're here to request that
7 you approve both the lease amendment and the supplemental
8 EIR. Huntington Beach and the region is in dire need of a
9 resilient locally produced clean water source. And a
10 desalination plant will be the most environmentally
11 sensitive desalination plant in the world.

12 For your consideration, we have submitted
13 documents that show the Latino community support for the
14 project, including the Huntington Beach Latino community.
15 Our documents include a resolution by Latino -- 50 Latino
16 leaders signed at the California Latino Water Summit in
17 2015 a survey by Sexton of 400 Orange County registered
18 voters, a survey by Tuchin of over 500 California voters,
19 and a petition by -- signed by over 200 residents from the
20 Oak View Community.

21 We visited that community recently, that -- and
22 it was pleasure visiting that lovely community. There
23 were a few people that declined to sign the petition. But
24 overwhelmingly, the Oak View Community supports this
25 project, and we have the signatures to show you.

1 Regarding environmental justice issues, I want to
2 echo my colleague and repeat that. LULAC Hermandad
3 Mexicana, William C. Velasquez, Orange County Latina
4 Business Association, and the groups in our coalition have
5 been addressing disadvantaged community issues for
6 decades.

7 We're not a front group that was just recently
8 put together to address just one project. There are valid
9 cost concerns, but we must consider that all sources of
10 water cost are increasing, including imported water, which
11 this water will supplement and replace. The modest higher
12 cost, \$3 to \$5 per month, as estimated by the Orange
13 County Water District, will be surpassed by the increasing
14 cost of importing water, which is about six percent
15 annually.

16 When we asked our community if they would be
17 willing to pay the extra cost, they said, yes. We
18 explained it to them. But with this issue, as well as
19 with housing, education, our community is concerned about
20 our children and their future. And therefore, we're
21 willing to invest not necessarily just for us, but for our
22 children and their future.

23 So we respectfully request that the Board approve
24 both the lease amendment and the Supplemental EIR.

25 Thank you.

1 CHAIRPERSON NEWSOM: Thank you guys. Thank you
2 all.

3 EXECUTIVE OFFICER LUCCHESI: Next is Ernesto
4 Medrano, an organized group representing labor.

5 MR. MEDRANO: Good afternoon, members of the
6 Commission. My name is Ernesto Medrano. I'm representing
7 the Los Angeles and Orange County Building and
8 Construction Trades Council. We represent 140,000 members
9 and 47 affiliate local unions and 14 trades. These are
10 hard working members of the blue collar middle class
11 living throughout the cities of Orange County, raising
12 their families and paying their taxes.

13 Well, we can't do our work without water. Put it
14 more simply there's not much anyone can do without water.
15 The Poseidon project has been heavily studied. It's a big
16 project, and it deserves a great deal of study, but now it
17 is time to move forward. We are in a water crisis in
18 California. No matter how much we conserve, capture, and
19 recycle, it will not be enough, and we can't rely on other
20 states to bail us out. We can't even rely on other parts
21 of California.

22 More than 50 percent of Orange County water is
23 imported. We've got to become more self-sufficient in
24 Southern California. The Building Trades Council has
25 partnered with Poseidon to make sure the jobs building

1 this plant are middle class with good pay, health, and
2 retirement benefits. And let me say this, we are the
3 vanguard of the working class. We are the entity that
4 will put a young apprentice in four or five years and
5 they'll be earning \$60,000 a year with health benefits and
6 pension. And there won't be any pension liability in our
7 pension plans.

8 So having said that, the plant we know will
9 provide 10 percent of drinking water this county. It's
10 extremely important that we have that. So at this point,
11 I'd like to ask all members of the trades and crafts to
12 please stand. We're ready to donned our hard hats, put on
13 our tool belts, and get our work books, and we're started
14 -- we're going to start building this plant. Thank you.

15 MR. KLEEMAN: Good afternoon, Commissioners.
16 Thank you for the time. My name is Herb Kleeman. I am a
17 resident of Huntington Beach. I'm also the apprenticeship
18 coordinator for United Association local 250. I have
19 plenty of apprentices that live in Huntington Beach and
20 can't work here.

21 We need to get this built. You know, I keep
22 hearing today, you know, we've got to slow down, take it
23 easy. This has been going on since 2000. We've got to
24 get it approved. I know my water bill went up. I was
25 asked to use less water during the drought. Considering

1 they weren't making the money off my water, they raised my
2 water bill.

3 So we do need this plant. We need it built. We
4 need it now for us, for Huntington Beach, and our economy.

5 Thank you.

6 CHAIRPERSON NEWSOM: That -- obviously, that went
7 a little fast, so...

8 MR. DAVILA: Good afternoon, Mr. Chairman and
9 members of the State Commission. My name is Gilbert
10 Davila, and I am the president of Orange County Labor
11 Federation. We are one of nearly 500 of labor councils of
12 the AFL-CIO and the heart of the labor movement here in
13 Orange County.

14 You heard a lot of good stuff about this plant.
15 But with us, it's about creating jobs. I know that you
16 guys care about the community, and I know you care about
17 good jobs. This is why we ask you to vote yes today on
18 this project.

19 These are men and women throughout Orange County
20 and Huntington Beach that will benefit from this water,
21 this desalination plant that it will provide all these
22 good jobs for these folks, our members. The initial cost
23 of the water might add maybe \$2 to \$3 a month on average
24 on a water bill, but that's a small price to pay for high
25 quality drought-proof water supply. Most of us, a lot of

1 us, probably pay more than that at Starbucks.

2 So again, this is about creating good jobs. This
3 project will provide water in an environmentally
4 sustainably, economically responsible way. And it will
5 provide thousands of good jobs to our working families
6 here in Orange County, here in Huntington Beach. That's
7 the right thing to do here right now today.

8 So I ask you, this is about creating good, good
9 jobs, that's going to -- this plant is going to be built
10 very well with a great apprenticeship program. So I
11 appreciate your support on this project.

12 Thank you.

13 MR. HANNA: Good afternoon, Commissioners. John
14 Hanna with the South West Carpenters. We cover California
15 from San Luis Obispo on south and five other states. In
16 those states, there's an increasing demand for water. The
17 Colorado River, more claims on it. The Central Valley,
18 you're dealing, as you know, with demands on that water --
19 those water resources, and the big issue about whether
20 we're going to have a California WaterFix.

21 We're having an increasing population. We have
22 24 million people here. We need to have a diversified
23 water source. That's what the desal does. You're here
24 really to -- and we recommend you approve the EIR and
25 lease agreement. But it's important to note that the bulk

1 of why you're here is because of remediation and
2 mitigation that the State Water Resources Board has
3 required. And as a result of that, there's going to be
4 about 30 percent less seawater in the intake valves.

5 So you're actually -- this is a more
6 environmentally enhanced product than the last time the
7 Commission had it. And it's good we have these
8 environmental reviews. But remember what we heard today,
9 we heard it's going too slow. You know, they're not
10 meeting their deadlines, and that -- then we heard, well,
11 it needs to be slower. We need to take our time.

12 This thing has been reviewed since 2001, and it's
13 a good thing. We need -- we're talking about serious
14 money, but we have to be responsible about it. Those
15 Delta levees have a 95 percent probability of failing in a
16 major earthquake by 2050. That means six months to two
17 years, 30 percent of Southern California water is lost.
18 We go into a deep recession if that happens. This is
19 another back-stop, in addition to serving -- helping serve
20 24 million.

21 You know, on behalf of Frank Zambrano, the lead
22 of the Orange County Carpenters, the other carpenters, the
23 laborers union, and electrical workers, and all the other
24 unions that are Ernesto Medrano represents, I say please
25 support this.

1 Thank you.

2 MR. RUIZ: Good afternoon, ladies and gentlemen
3 of the Board. My name is Robert Ruiz. I'm the
4 secretary-treasure of the Laborers International Union
5 here in Orange County. We represent over 3,000
6 construction and union workers. And on behalf them, I'm
7 here today in support of the Huntington Beach desalination
8 project, and the proposed amendments that seek to add
9 technological advancement aimed improving energy and water
10 efficiencies, and enhancing environmental and marine life
11 protections.

12 Local 652 has had a history of working with our
13 local partners and stakeholders to ensure we make the
14 adequate investments in water infrastructure that helps
15 ensure a long-term water supply that not only meets Orange
16 County growing demand, but also protects and enhances our
17 local environment.

18 We also support a public process such as the
19 State Lands Commission meeting today that provides for
20 citizen participation during the development process, as
21 well as a disclosure of project potential impact on the
22 environment.

23 My members, like most county residents, enjoy
24 spending time with their families at the ocean, beaches,
25 parks, and local waterways. And we would not support a

1 project that negatively impacts their quality of life.

2 The Huntington Beach desalination facility is a
3 good example of projects that have been fully vetted
4 through environmental processes and has the potential to
5 establish a new water supply able to produce 50 million
6 gallons of potable water each day. This project in no
7 doubt a win-win situation.

8 In addition, the immediate economy -- economic
9 benefits to the local economy offered by the project are
10 significant. The construction of the project
11 facilitates -- will generate more than 500 million in
12 local economic activity and create 3,000 good middle class
13 construction jobs, and 400 direct and indirect jobs.

14 On behalf of local 652 and its members, I
15 respectfully urge you to support the process and the
16 amendments for the project. So I'm asking here each and
17 every one of you to do the right and the responsible thing
18 to do, and approve this project. Thank you very much.

19 GARDEN GROVE CITY COUNCIL MEMBER O'NEIL: Good
20 afternoon. Chairman Newsom and fellow Commissioners.
21 Thank you so much for being a good leader up there on the
22 Chair and wrangling this crowd of activists here in Orange
23 County. Whether you're on one side or the other, we still
24 get along. We get things done here.

25 But I wanted to come to you today as -- my name

1 is John O'Neil for the record. I am a City Councilman in
2 the City of Garden Grove. But I chose to speak with my
3 buddies here in the building trades, because I've made my
4 living in the last 32 years in the building trades, and
5 built projects like this. It's very important.

6 And when we talk about good paying jobs, these
7 are the good paying jobs that enable our youth, and our
8 men and women, and our young youth, if they are going
9 through our apprenticeships, to actually be able to live
10 in the city where they're actually working or in the near
11 county.

12 But I came here to speak about the amendment. I
13 hope that you would vote in favor of that, and so we can
14 move forward with this project. It's gone on way too
15 long, 15 years. We could have had this done and built and
16 had 50 million gallons a day of fresh water. Our aquifer
17 is dangerously low. We can only clean so much wastewater.
18 We need that uninterrupted supply of 50 million gallons a
19 day of water. And we -- and it's a private job. It's all
20 funded. We didn't pay a dime until the water comes out of
21 the spigot.

22 If you're a good conservationist, you're not
23 going to pay much for this plant, because your water bill
24 is going to be lower.

25 But anyway, let me get back to my script. I had

1 a little -- a few things written down. I was on the
2 Orange County -- I was honored to be on the Orange County
3 Water District's Citizens Advisory Committee, which was
4 established a couple years ago. Twenty people out of
5 Orange County were selected for those spots. Ten people
6 sat on the Committee.

7 We revised and went over the draft agreement.
8 And the majority of that committee was in favor of the
9 draft agreement and proposed recommendations to the water
10 district. So I was very honored to be on that Committee
11 as a representative.

12 So one thing I've learned about this process is
13 that we need this 50 million gallons a day of
14 uninterrupted -- excuse me -- water supply. I think
15 Carlsbad has been a great example. They point out some
16 minor things that have happened. But if you look at
17 the -- what they've done there, it's been a great success
18 down there.

19 This project is important to the building trades
20 guys. Like I said before, this is -- these are -- these
21 are the middle class. These are the real jobs. We
22 have -- we all have apprenticeship programs that take kids
23 right out of high school. I'm the product of that. And
24 you can -- with the education you get in any of these
25 trade apprenticeships, you can go on to be a city

1 councilman, a mayor, assemblyman, a senator, or a
2 community nonprofit leader.

3 So I want to thank you for your time. I know
4 there's a lot of speakers here today. I'll wrap it up,
5 but please vote in favor of this amendment.

6 Thank you.

7 MR. ZAMBRANO: Hello. My name is Frank Zambrano,
8 and I'm a representative of the Southwest Regional
9 Council, vice president for local 2361, and representing
10 10,000 members just here in Orange County with locals 803,
11 2007, and 2361.

12 And you know what, this project we've been
13 waiting for for a long time, as you've heard many of us
14 already speak on it, and all the people that are here that
15 are for or against it. But, hey, you know what, water is
16 life. And that's what we need. And not only with water
17 being life, but this type of project right here it's not
18 going to just provide jobs, it's going to provide careers.

19 For the young ladies and gentlemen that are
20 graduating from high school, these individuals that aren't
21 going to go to college are going to be able to attend
22 apprenticeship program, and be able to have a career
23 that's going to take them forward for the rest of their
24 lives.

25 So, hey, please approve this project. I know

1 it's not the place for it right now. But, hey, you know
2 what, it's good for not only Southern California, but it's
3 good for Orange County.

4 Thank you.

5 CHAIRPERSON NEWSOM: Thank you, all.

6 EXECUTIVE OFFICER LUCCHESI: So we are moving on
7 to our individual speakers.

8 CHAIRPERSON NEWSOM: Right.

9 EXECUTIVE OFFICER LUCCHESI: But before we get to
10 that, I want to invite Carolyn Crockett up, and then move
11 on to some of the elected officials that we did not get to
12 earlier.

13 CHAIRPERSON NEWSOM: Okay.

14 EXECUTIVE OFFICER LUCCHESI: Okay. Next, I'd
15 like to welcome up Kris Murray council member from the
16 City of Anaheim.

17 ANAHEIM CITY COUNCIL MEMBER MURRAY: Thank you so
18 much for your time. I know it's been a long day, and I
19 appreciate your time. Thank you, Chairman Newsom and
20 members of the Commission. I'm here today representing
21 the largest city in Orange County. I also serve as chair
22 of the Orange County Council of Governments, and as a
23 board member for the Association of California Cities,
24 Orange County.

25 This project represents the newest and largest

1 sustainable local water supply for Orange County to truly
2 allow us drought-proof solutions that will sustain our
3 communities and sustain our community going forward for
4 decades, and for the next generation. It's absolutely
5 essential with the level of drought that we are contending
6 with, and the cycles are indefinite they're always going
7 to be there that we learn and we figure out how to make
8 these projects possible, and that we get them approved.

9 We're here today because this one has gone
10 through the time and the expense to minimize the impacts
11 even further above what was originally proposed. This is
12 a company that has really attempted to work very closely
13 across all of the various parameters of the Environmental
14 Impact Report to ensure that this is a sustainable and
15 environmentally sensitive project.

16 It will create thousands of jobs, millions in new
17 tax revenue, but most importantly will ensure billions of
18 gallons in fresh drinking water, which is the essential to
19 our quality of life, to our quality of our economy, and
20 the quality of our communities.

21 And as our population grows, we have the
22 responsibility to ensure that we can adequately supply
23 long-term water supplies for our -- for our area. And I
24 ask for your consideration of the Supplemental
25 Environmental Impact Report, and the extension of their

1 lease. And I appreciate your time and all of the energy
2 you're putting into this. So thank you.

3 EXECUTIVE OFFICER LUCCHESI: Joe Carchio with
4 Waste Management.

5 MR. CARCHIO: Thank you.

6 Good afternoon, Commissioner, and fellow
7 Commissioners, and Mr. Chairman. My name is Joe Carchio.
8 I am chairman of Orange County Waste Management, and
9 former mayor of Huntington Beach.

10 (Laughter.)

11 MR. CARCHIO: Another former Mayor of Huntington
12 Beach.

13 Well, it's kind of like former governors and
14 stuff like that.

15 (Laughter.)

16 MR. CARCHIO: Hopefully. And I support the
17 Huntington Beach Desalination Project and would encourage
18 you to vote yes to certify and the EIR and to approve the
19 leased amendment.

20 I first elected to the city council in 2006, and
21 reelected in 2010. I approved the EIR when I was on the
22 city council during my first term in office. And here I
23 am nearly a decade later asking you to approve the
24 Supplemental EIR that your staff has worked so hard on.

25 The technical aspects are really clear. There

1 are no threatened or endangered species that will be
2 affected, no kelp beds or sensitive habitat. The new
3 intake systems have a fine mesh that prevents anything
4 larger than a millimeter from entering the system.

5 Flow rate is just a half a foot per second, which
6 is so slow that natural wave actions prevent it from
7 impingement onto the screen.

8 In short, there are no significant environmental
9 impacts to the project. Huntington Beach -- Huntington
10 Beach's community wants this project built -- it will
11 provide water, necessary jobs, and tax revenue that's so
12 desperately needed by the City of Huntington Beach.

13 Please vote yes and give us the opportunity to
14 reduce our dependence on imported water, and utilize the
15 world's largest reserve, which is right at our doorstep.

16 Thank you so much.

17 EXECUTIVE OFFICER LUCCHESI: Donovan Higbee.

18 MR. HIGBEE: Good afternoon, Mr. Chairman and
19 fellow Commissioners. My name is Donovan Higbee, and I am
20 a representative for United States Congresswoman Mimi
21 Walters who represents California's 45th Congressional
22 District, which includes much of Orange County.

23 Congresswoman Walters is unable to be here this
24 afternoon, but she asked me to come on her behalf to
25 express her support for the Huntington Beach Seawater

1 Desalination Project.

2 While Orange County is a leader in sustainable
3 water management, the region still relies on imported
4 water for nearly half of its water supply. Investing in
5 water infrastructure projects like desalination will
6 increase water reliability and help to mitigate future
7 drought impacts throughout Orange County. This project
8 has the potential to produce 50 million gallons of potable
9 water daily allowing Orange County to be more water
10 independent.

11 For these reasons, Congresswoman -- Congresswoman
12 Walters supports the Huntington Beach Seawater
13 Desalination Project and encourages the Commission to
14 approve the Supplemental Environmental Impact Report, and
15 the amended land lease with Poseidon Water today.

16 Thank you very much for your time and
17 consideration.

18 EXECUTIVE OFFICER LUCCHESI: Patricia Taylor.
19 And after Patricia, Constance Towers.

20 MS. TAYLOR: Good afternoon, Mr. Chairman fellow
21 Commissioners. My name is Patricia Taylor, and I'm the
22 Chief of Staff for Assemblyman Matthew Harper. And I'm
23 here today as one of the speakers on the behalf of the
24 bipartisan Orange County legislative delegation.

25 I'm here today to request that you certify the

1 Supplemental Environmental Impact Report for the
2 Huntington Beach Seawater Desalinization project, in
3 addition to the approval of the amended land lease with
4 Poseidon Water.

5 Your affirmative votes on these items will move
6 this critical water infrastructure project closer to
7 becoming a reality and help Orange County become more
8 water independent. Orange County is known around the
9 world as a leader in sustainable water management and
10 water reliability practices.

11 As an example, the groundwater replenishment
12 system was just a concept 20 years ago, and it envisioned
13 treating our wastewater and using it to recharge our
14 groundwater basin. Today, having entered its final
15 expansion phase, the facility will produce 134 million
16 gallons of treated water each day to recharge the
17 groundwater basin. And it is known around the world as a
18 model of innovation and sustainability.

19 However, despite the success of the groundwater
20 replenishment system, Orange County must continue to
21 import nearly 50 percent of its water from Northern
22 California and the Colorado River to simply meet the
23 county-wide demand of our constituents, and to support and
24 sustain economic growth, investment, and jobs.

25 The Huntington Beach Seawater desalinization

1 project would help Orange County achieve its water supply
2 needs by providing a new local drought-proof water supply.
3 It would also reduce the county's dependence on
4 climate-driven imported water supplies, which are becoming
5 more and more expensive, and whose delivery to Orange
6 County could be interrupted for an extended period by
7 earthquake-related damage to the state's water conveyance
8 system and/or its resource waters.

9 The project would generate approximately 3,000
10 jobs during construction and hundreds of millions of
11 dollars in economic activity. Orange County's elected
12 State legislators believe that managing Orange County's
13 water supply resources should be left to local decision
14 makers. The Huntington Beach Seawater Desalinization
15 Product -- Project is identified as a planned future water
16 supply project in the Municipal Water District of Orange
17 County's Urban Water Management Plan and Orange County
18 Water District's Groundwater Management Plan.

19 As such, we urge the State Lands Commission to
20 certify the SEIR and approve the amended land use with
21 Poseidon Water. It is time for this product -- project to
22 move forward and for Orange County to move closer towards
23 a more secure water future.

24 This project enjoys unanimous bipartisan support
25 once again, as evidenced by this letter of support which

1 I'm about to pass out to you. And signed on this letter
2 is Senator John Moorlach, Assembly Member Phillip Chen,
3 Assembly Member Steven Choi --

4 CHAIRPERSON NEWSOM: Just because of time,
5 we'll --

6 MS. TAYLOR: I'm done. Okay.

7 CHAIRPERSON NEWSOM: We'll -- pass it on to us
8 and we'll take a look at all those signatures.

9 MS. TAYLOR: Okay.

10 CHAIRPERSON NEWSOM: We'll verify them.

11 EXECUTIVE OFFICER LUCCHESI: Right here.

12 CHAIRPERSON NEWSOM: I appreciate it.

13 Who's up next?

14 EXECUTIVE OFFICER LUCCHESI: Constance Towers.

15 CHAIRPERSON NEWSOM: Thank you.

16 EXECUTIVE OFFICER LUCCHESI: And then Erik
17 Weigand, Weigand.

18 CHAIRPERSON NEWSOM: Thank you very much.
19 Appreciate it.

20 MR. WEIGAND: Constance with Congressman
21 Rohrabacher left earlier.

22 My name is Erik Weigand. I work for Senator
23 Patricia Bates, Senate Republican Leader Pat Bates.

24 And Senator Bates asked me to convey her strong
25 support for this project, and to request your

1 certification of the Supplemental EIR and the approval of
2 the amended land lease with Poseidon Water. This project
3 has demonstrated its ability to adapt to the State's
4 evolving policies for desal projects as demonstrated by
5 its proposed enhancements to the facility's intake and
6 outfall lines.

7 The Huntington Beach facility's proposed upgrades
8 would conform with the State's recently amended ocean plan
9 and offer significant protections to the marine
10 environment. We have seen how San Diego County, which
11 Senator Bates represents, has benefited from having the
12 Carlsbad Seawater Desal Facility, providing 50 million
13 gallons of additional drinking water per day. Local
14 reliability has improved, and overall dependence on
15 imported water has been reduced.

16 San Diego County is better and stronger with this
17 local water supply option. Orange County wants the same
18 opportunity, and its local water leaders should be allowed
19 to lead and determine how best to meet the county's future
20 water needs.

21 Thanks for your time.

22 CHAIRPERSON NEWSOM: Thank you.

23 EXECUTIVE OFFICER LUCCHESI: Jennifer Beall and
24 then following Ms. Beall is Claudio Gallegos.

25 Jennifer Beall?

1 CHAIRPERSON NEWSOM: They don't seem to be.

2 EXECUTIVE OFFICER LUCCHESI: Okay. Claudio
3 Gallegos.

4 All right. Conner Everts.

5 CHAIRPERSON NEWSOM: He's coming.

6 EXECUTIVE OFFICER LUCCHESI: Okay. After Conner
7 is Milt -- I'm -- Milt --

8 MR. DARDIS: Dardis.

9 EXECUTIVE OFFICER LUCCHESI: Dardis. Thank you.
10 Sorry.

11 CHAIRPERSON NEWSOM: Thank you much.

12 MR. EVERTS: Thank you for the opportunity.

13 After 15 years, it takes me a little while to get to the
14 podium.

15 My name is Conner Everts, and I'm here
16 representing the Southern California Watershed Alliance.
17 I want to remind you that the State Lands has already
18 adopted a policy decision on seawater intakes. And this
19 decision undermines that policy. So I vote -- I encourage
20 you to vote no.

21 And I'll go. In the late nineties, a coalition
22 of environmental organizations and State Attorney General
23 were advocating for regulations enforcing the Clean Water
24 Act provisions for cooling water. In the early 2000s, we
25 started advocating for regulations to enforce California's

1 law that applies to all seawater intakes.

2 The State Lands staff did exhaustive research for
3 over a year. And in 2006, this Commission adopted a
4 policy resolution to use the best technology available to
5 minimize intake and mortality from seawater intakes. The
6 Ocean Protection Council adopted a similar policy
7 resolution. I'll hand those two resolutions to your staff
8 for the record.

9 If Poseidon gets approval to build the
10 desalination facility here, they must design the plant to
11 operate with subsurface intakes. That's the rule.
12 Screens and existing intake are an exception to the rule.
13 They're not eligible for the exemption -- the exception.
14 I'm sorry.

15 Studies conclude screens will only minimize the
16 existing entrainment mortality by one percent. To allow
17 this project as it is proposed, in effect, is violating
18 your own policy resolution to mandate the use of best
19 technology available.

20 For that reason and so many more, you should deny
21 the lease because of unacceptable impacts on Public Trust
22 resources. Please make clear to Poseidon and every desal
23 proponent that follows in cases like this that subsurface
24 intakes are mandatory.

25 And finally, I'd like to make a comment. As a

1 founder 17 years ago of the Environmental Justice
2 Coalition for Water, which statewide deals with people
3 without the human right to water, those that don't have
4 access to clean, safe, and affordable water, we need to
5 make that a priority.

6 Thank you very much.

7 CHAIRPERSON NEWSOM: Thank you.

8 EXECUTIVE OFFICER LUCCHESI: Milt Dardis.

9 Following Milt -- Mr. Dardis is Yenni Diaz.

10 MR. DARDIS: Milt Dardis, southeast Huntington
11 Beach peasant, taxpayer.

12 One major problem, this one billion dollar
13 project is, it's only going to employ 20 full-time
14 employees. It's being built on an earthquake fault, right
15 next to a 50-year old toxic dump site, and the rebuilt AES
16 electrical plant.

17 I live one block from this operation. So if the
18 earthquake comes, no water, you'll have no electricity to
19 operate the desal process, which takes a high amount of
20 electricity to operate. Poseidon conveniently forgot to
21 inform you of this phenomenon. Poseidon does not
22 recognize earthquake faults as a problem, and only cares
23 about the 50-year open contract, 50-year open contract
24 with the ability to increase water rates any time they
25 want.

1 The Orange County Water District can only
2 increase their water rates once a year. We're going to
3 be -- the residents will be hit every month.

4 In addition, you have to take the desal water,
5 whether you want to or not. Just wait for option 5, as
6 Huntington Beach will lose our present water supply and
7 enjoy the boron-enriched Poseidon desal water. Poseidon
8 conveniently forgot to tell you that. This project is by
9 and for local politicians as they see a 50-year monetary
10 political contribution stream on the backs of us, the
11 peasant taxpayers of southeast Huntington Beach.

12 Thank you, and good day. And please vote no, as
13 us peasant taxpayers need to be supported.

14 CHAIRPERSON NEWSOM: You have a lot of support in
15 the audience.

16 (Laughter.)

17 CHAIRPERSON NEWSOM: All right. Thank you.
18 Jennifer.

19 EXECUTIVE OFFICER LUCCHESI: Yenni Diaz.
20 Yenni Diaz and then Dyana Pena. Dyana Pena.
21 Yenni Diaz.
22 Dyana Pena.

23 Raymond Heimstra?

24 (He's coming.)

25 EXECUTIVE OFFICER LUCCHESI: Okay.

1 CHAIRPERSON NEWSOM: He's coming down.

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

4 MR. HEIMSTRA: Good afternoon. My name is Ray
5 Heimstra. I'm the associate director at Orange County
6 Coastkeeper. I want to talk a little bit about some of
7 the things for this project that we've been talking about
8 for so long. We have oppose this project as designed.

9 One of the first things is the intake. So
10 Poseidon privately mentioned that they're going to use
11 these wedgewire screens offshore for the first time in
12 this capacity. Well, good luck with that. These things
13 have been shown to clog. They corrode easily, and clog
14 up.

15 So they're going to be cleaning this thing a lot.
16 They're going to back within a year asking for a lease
17 amendment. So that's a big problem right there.

18 We also heard a lot about that it's really not a
19 big impact or anything like that. If you look at that
20 pyramid, the little red part up at the top, that's the
21 actual amount of impact that we measure. All of that
22 below that, that's the actual impact of the plant. So
23 there's a huge amount of impact from this that is not
24 getting caught, not getting measured, and that's really --
25 that's really important.

1 Next slide, please.

2 And then also up at the top, you see water
3 running out there, that's about -- that's just the kind of
4 runoff that we're dealing with. This -- we have more --
5 we're wasting more water every day than this -- than this
6 plant would produce.

7 Here's another one, the discharge -- as your
8 staff identified, the discharge is a killing machine, a
9 hundred percent mortality in the discharge zone. It
10 degrades water quality. We've heard about the problems
11 down in Carlsbad already with water quality violations.
12 And what for? Again, for parking lots full of water and
13 stuff like that.

14 You know, I -- conservation has -- still has a
15 long ways to go, despite some of the things that you've
16 heard.

17 Next slide, please.

18 And then some of the things that we're not
19 talking about. The first thing is the need. Right here
20 at the top that's a slide from a presentation from the
21 Municipal Water District of Orange County that identifies
22 by 2040 the average annual -- average shortage is 6,300
23 acre feet. And then Orange County Water District says a
24 smaller project is more feasible for Poseidon for one of
25 their options.

1 I guess I'm over. Thank you.

2 CHAIRPERSON NEWSOM: Grateful. Thank you.

3 EXECUTIVE OFFICER LUCCHESI: Thank you.

4 Norma Molen.

5 Cara Blaton[SIC].

6 Mary Ann Celinar.

7 MS. VANDERMOLEN: Good afternoon. My name is
8 Norma Vandermolen, 52-year resident of Huntington Beach.
9 I'm not a Millennial, I'm an Octarian.

10 (Laughter.)

11 MS. VANDERMOLEN: But I'm happy to be here in
12 spite of having waited since 8:00 o'clock this morning.
13 Anyway, what I want to tell you is I live down there in
14 southeast Huntington Beach. That Edison plant has
15 impacted us for the past 52 years, then -- and now we're
16 going to put in a 50-year lease on a desal plant that's
17 unproven as being adequate.

18 As an ex-member of the Huntington Beach
19 Commission on Harbors, Beaches, and Recreation for 17
20 years, I have a distinct interest in our beach, believe
21 me. And it just hurts my heart to see that the sea life
22 is going to be damaged the way it's been projected. And I
23 know that that's true, because I've been in the marine
24 environment for many years, having had a boat.

25 Anyway -- I don't mean a row boat, I mean a boat,

1 boat.

2 (Laughter.)

3 MS. VANDERMOLEN: And so anyway, I would say to
4 you please do not approve this. It's not been shown to be
5 accurate with many of the facts and figures that you've
6 been given. Certainly, the citizens feel there's no need.
7 You know, when we're down there in Huntington Beach,
8 southeast Huntington Beach, we're impacted by the
9 sanitation plant. Have you been there lately? It's
10 humongous, and they keep building more and more to recycle
11 so we could recycle the water.

12 So there you go. Vote no.

13 Thank you.

14 EXECUTIVE OFFICER LUCCHESI: Cara Blaton[SIC].

15 Yenni Diaz or Dana --

16 MS. CELINAR: I'm Mary Ann.

17 EXECUTIVE OFFICER LUCCHESI: Oh, go ahead, Mary
18 Ann. Thank you very much.

19 MS. CELINAR: Hello. Good afternoon. I'm Mary
20 Anne Celinar. I'm with the environmental team of the HB
21 Huddle, a local activist group. And I live less than a
22 mile from the proposed site. Air quality is a concern. I
23 live down wind. Huntington Beach Huddle opposes this
24 project. Your decision affects all of us living above the
25 high water tide.

1 If 70 percent of our rainwater is flowing out
2 into the ocean, replenishing our water basin might be a
3 better idea. After last year's record rain, how is the
4 water basin at 37 percent when the river was full and
5 water was rushing out to see? How did that happen? It's
6 a management problem.

7 Allowing microorganisms to perish when sucked
8 into a desal plant definitely affects the web of life.
9 It's just about protecting Flipper.

10 On a personal note, my streets will be torn up,
11 my beach will be compromised. None of us here opposing
12 this project are being paid to be here. I fully support
13 union workers, but not at the expense of our community,
14 and not at the expense of our environment.

15 I'm sure there's a bridge somewhere you guys can
16 build. We don't need this project. No on Poseidon.

17 EXECUTIVE OFFICER LUCCHESI: Roy McCord and Mary
18 Kyle. And then Keith Borh -- Borh. And then Zeke
19 Hernandez.

20 MR. McCORD: Hi. Thanks for coming down to
21 Huntington Beach. I'm an engineer, scientist, educator,
22 entrepreneur, and a resident and parent here in Huntington
23 Beach for 35 years. I'm not an environmentalist. I'm not
24 a good enough person to be an environmentalist.

25 I walk the beach every day, and I know something

1 about it from direct personal experience. And I am
2 against the plant as proposed by Poseidon. I have heard
3 some of my thinking questioned, and some of the thinking
4 of others who are with me, how could I not be for this
5 plant?

6 I had one answer. I'm not being paid.

7 (Laughter.)

8 MR. McCORD: Some of the people are being paid to
9 report about the plant. Many of the people here will be
10 making -- are representing others who will be making a
11 nine percent plus return on investment over a 30-year
12 period guaranteed, and the guarantee is on my back in the
13 rate structure.

14 How could us Republicans here in Orange County
15 make that kind of a deal, I ask?

16 Well, I'd like to focus in particular on your
17 jurisdiction. I've learned a lot here today. The beaches
18 align in the sand, and your jurisdiction apparently is
19 right around that line, and in particular with regard to
20 marine life.

21 Now, we heard from one of Poseidon's
22 representatives they will eliminate all impingement, not
23 per your report. On page 14, it will minimize. On page
24 16, it will reduce. On page 17 it will predict most fish.
25 If the bleeding edge, per their report, which they were so

1 breathlessly proud of, first-ever technology works. As an
2 engineer, and you probably having bought a car, or house,
3 or for that mater hired a plumber, how many times does the
4 best case turn out? And that's what's in the report.
5 That's what they say in the best case, it will work.

6 What about the non-best cases? All the time
7 between the four visits that the divers will make,
8 according to the report, in order to clean up the filter
9 that they so proudly laid in front of you? Four million
10 gallons an hour, think about that number, going through
11 those filters. What happens if something blocks up a
12 filter?

13 Thank you. Look at Poseidon's record before you
14 jump on a new bleeding edge technology.

15 EXECUTIVE OFFICER LUCCHESI: Mary Kyle. Keith
16 Bohr or Borh.

17 MS. KYLE: Okay. I'm Mary Kyle. I'm a 20-year
18 resident of Huntington Beach. I'm here to speak against
19 the Poseidon project. Poseidon is bad for our economy,
20 and it's bad for our environment.

21 Huntington Beach businesses depend on our coast
22 for tourism. Huntington Beach residents depend on the
23 coast for both quality of life and property values. Think
24 back to the economic impact of the beach closures in 1999
25 and 2000 for bacteria levels.

1 Also consider that Huntington Beach is still
2 dealing with the aftermath of another outside business,
3 Ascon, that was allowed to operate a toxic landfill in
4 Huntington Beach.

5 The Ascon Landfill closed near 40 years ago and
6 the clean-up -- clean-up is still not complete. We can't
7 afford ocean dead zones or the other environmental hazards
8 posed by Poseidon. I'm not opposed to desalinization, but
9 I am opposed to Poseidon. Poseidon is a bad actor, and
10 this is a bad deal.

11 Our water is a Public Trust, and it doesn't
12 belong in the hands of a private company.

13 Thank you.

14 EXECUTIVE OFFICER LUCCHESI: Keith Borh, and then
15 Zeke Hernandez, followed by Leslie Dobalian.

16 MR. BOHR: Good afternoon, Commissioners. It's
17 Keith Borh. And, yes, I'm a former Huntington Beach
18 Mayor. Get it out of the way.

19 (Laughter.)

20 MR. BOHR: So 12 years ago I'm sitting up here at
21 this dais and we had a 13 hour long meeting with the vote
22 for this Project at 7:00 a.m. in the morning. So you're
23 getting off fairly easy.

24 I'm going to cut it short in that regard. I'd
25 just like to say it's not a matter of recycling versus

1 desal, or conservation versus desal, the answer is all of
2 the above. D, all the above.

3 It's going to be 95 degrees according to my Apple
4 phone on Monday, on October 23rd. We're getting hotter,
5 not cooler. It's not a matter of we have too much water.
6 And as far as the folks that say we're for desal, but not
7 here, I think it's a little disingenuous. When we were
8 looking at this back in 2005, it was a study from the
9 Coastal Commission that said desal needs to be co-located
10 where there's existing intake lines. That's why it's here
11 in HB. Thank you for your time and patience.

12 EXECUTIVE OFFICER LUCCHESI: Zeke Hernandez,
13 Leslie Dobalian, and then Michael Grant.

14 Ruben Franco?

15 CHAIRPERSON NEWSOM: If you heard your name, just
16 come on up, even if you didn't hear it in order. Don't
17 worry.

18 EXECUTIVE OFFICER LUCCHESI: Thank you.

19 CHAIRPERSON NEWSOM: Thanks.

20 MS. DOBALIAN: Thank you for the opportunity to
21 speak today. My name is Leslie Dobalian, and I am a
22 Principal Water Resources Specialist at the San Diego
23 County Water Authority.

24 While the water authority does not have a
25 position on the proposed Huntington Beach Desalination

1 Plant, we do think it is appropriate to provide you with a
2 brief overview of the performance and benefits of its
3 perceived sister project the Claude "Bud" Lewis Carlsbad
4 Desalination Plant, which is developed and operated by
5 Poseidon in San Diego County.

6 The Carlsbad Desalination Plant has produced over
7 23 billion gallons of high quality, drought-proof drinking
8 water since commercial operations began in December 2015.
9 This represents nearly nine percent of the county's total
10 demand over that same period. The plant produces this
11 water using state-of-the-art energy efficiency
12 technologies, and a net carbon neutral energy footprint.

13 During recent mandatory drought restrictions,
14 drought-proof water supplied from the Carlsbad
15 Desalination Plant insulated the water authority from
16 further cutbacks.

17 Important ratepayer protections are built into
18 the project's public-private partnership through a water
19 purchase agreement between the water authority and
20 Poseidon. These protections include controlling increases
21 in purchase price, and transferring the risk associated
22 with non-delivery of water to Poseidon.

23 All water delivered by the Carlsbad desalination
24 plant has complied with State and federal drinking water
25 standards. And, in fact, we have experienced improvements

1 in the quality of drinking water throughout San Diego
2 County from Carlsbad to the Mexico border.

3 Treatment challenges that have been experienced
4 by the plant, such as those related to algal blooms are
5 typical of what a new water treatment plant might
6 experience and were fully addressed in the water purchase
7 agreement.

8 Poseidon is implementing operational strategies
9 based on lessons learned, and Huntington Beach will have
10 the benefit of that experience.

11 Desalination -- desalinated water from the
12 Carlsbad project complements an increasing and diverse
13 portfolio of water supplies in San Diego County, which
14 includes recycled water, and soon potable reuse, and we
15 look forward to continuing into the future.

16 Thank you.

17 CHAIRPERSON NEWSOM: Thank you.

18 EXECUTIVE OFFICER LUCCHESI: Zeke Hernandez,
19 Michael Grant, Ruben Franco.

20 MR. GRANT: Good afternoon, Chair Newsom,
21 Commissioners. My name is Michael Grant, and I am a
22 resident, a small business owner, and co-chair of the
23 Government Affairs Branch of the Huntington Beach Chamber
24 of Commerce. It is in this capacity that I want to
25 express my support for the Huntington Beach Seawater

1 Desalinization Project.

2 The Huntington Beach Desalinization Water Project
3 is an opportunity for Orange County to reduce its
4 dependence on imported water and diversify its local water
5 supply portfolio, while creating jobs, stimulating the
6 economy, and supporting our community.

7 Having a new local water supply source would not
8 only help to reduce our dependence on imported water, but
9 it would also offer residents, businesses, and investors
10 greater certainty than Orange County would successfully
11 manage a prolonged disruption in imported water
12 deliveries, another statewide drought, or some other
13 emergency water shortage situation. As a resident and an
14 owner of a Huntington Beach business, I understand how
15 critical water is to a community, its economy, and its
16 quality of life. I also understand its importance to
17 businesses, investors who often look at things like water
18 reliability when deciding if, when, and where to build or
19 expand.

20 I also support this project because it will serve
21 as a significant jobs creator for thousands of working
22 families, as well as an economic stimulator in Huntington
23 Beach and throughout the region.

24 It would create about 3,000 skilled
25 construction-related jobs and support numerous direct and

1 indirect jobs after the facility goes on line.
2 Additionally, the project will generate several hundred
3 million dollars during construction, plus millions of
4 dollars per year in property tax, and hundreds of
5 thousands of dollars per year in local sales tax, all of
6 which will benefit our community and the -- and the
7 provision of services for many years to come.

8 Finally, I support the Huntington Beach
9 desalinization project, because it continues to balance
10 the economic water supply benefits with economic -- or
11 with environmental protection.

12 Thank you.

13 EXECUTIVE OFFICER LUCCHESI: Ruben Franco,
14 Carolyn Cavecche, and Michael Bushey.

15 MR. FRANCO: Good afternoon, Chairman Newsom,
16 fellow Commissioners. My name is Ruben Franco. I'm the
17 president and CEO of the Orange County Hispanic Chamber of
18 Commerce. We represent the interests of over 30,000
19 Hispanic-owned businesses here in the county. I'm here to
20 ask you to certify the Supplemental IRE -- or ERR -- I'm
21 sorry -- for the desal project and approve the land lease.

22 The chamber supports this project, because it
23 will improve the current and future reliability of all of
24 Orange County, and facilitate long-term economic
25 development, and growth opportunities among Hispanic and

1 other minority-owned businesses.

2 The Chamber realizes this is just a first step in
3 meeting the water needs of Orange County. And finally, we
4 support this plant for the creation of the 3,000 jobs as
5 well. We think there's a lot of good reasons to support
6 it, and that's we rise in support.

7 And thank you for your time. Appreciate it.

8 EXECUTIVE OFFICER LUCCHESI: Carolyn Cavecche,
9 Michael Bushey, and then Leslie Vasquez.

10 MS. CAVECCHIE: Good afternoon. My name is
11 Carolyn Cavecche. I'm the CEO and president of the Orange
12 County Tax Payers Association. OC Tax is strongly
13 supportive of the Huntington Beach Seawater Desalinization
14 Plant from the ratepayer protection perspective.

15 Now, we followed this project for many, many,
16 many years. And the same individuals and organizations
17 that 15 years ago opposed this project based on a false
18 environmental narrative are now using ratepayer advocacy
19 as a reason to deny this project, that the permit -- that
20 it deserves. You know, it's interesting. I was up at the
21 Metropolitan Water District just a few weeks ago on the
22 California WaterFix watching that public hearing. And it
23 was amazing that the increased use and the possibility of
24 building desalinization plants was used as a reason for
25 those who were opposed to that as well.

1 Candidly, I don't think there's a water project
2 anywhere that is going to get some organizations' and
3 people's approval.

4 Now, as the only county-wide organization whose
5 exclusive focus it is to represent taxpayers on tax and
6 spending issues, we look forward to reviewing the water
7 purchases agreement between Poseidon and the Orange County
8 Water District to assure that it has ratepayer protections
9 in place, but we have to get through this process first to
10 get there.

11 So today we're asking you to approve this project
12 based on science, and your staff's recommendation, and
13 preserve our right to have the opportunity to this new
14 water supply for Orange County. Thank you very much for
15 your time today.

16 EXECUTIVE OFFICER LUCCHESI: Michael Bushey,
17 filed -- followed by Leslie Vasquez, and Bethany Webb.

18 MR. BUSHEY: Good afternoon. Mike Bushey,
19 executive with Southern California Edison Company. I'm
20 here talk about SCE's support for the Poseidon Huntington
21 Beach Desalination Facility. In 2013, Southern California
22 Edison was asked by the California Coastal Commission to
23 review the projected electricity consumption for the
24 proposed Poseidon facility, and confirm that there were --
25 would be a reliable electrical supply to serve the

1 facility.

2 SCE reviewed the projected electrical --
3 electricity consumption and confirmed there will be a an
4 elect -- a reliable electrical support for the facility.

5 Today, SCE applauds Poseidon's voluntary
6 commitment to offset indirect greenhouse gas emissions
7 from the purchase of electricity from the electrical grid,
8 and its willingness to optimize the proposed facility's
9 electrical load in a way that helps integrate renewable
10 energy resources and reduce its contribution to the peak
11 use of power.

12 Edison has also engaged Poseidon on ways to be a
13 leader in the sustainable energy related practices,
14 including integrated demand-side management and
15 conservation, through the use of its product water tank
16 storage, or other power storage programs.

17 We are also commit -- we are also commending
18 Poseidon for being willing to rapidly reduce load to
19 minimal levels during system emergencies, and to explore
20 green power alternatives, either directly with SCE or
21 through other providers and other ways to meet the goals
22 of the parties and State regulator.

23 Finally, we look forward to working with Poseidon
24 within our service territory to make the proposed
25 Huntington Beach facility part of a solution to

1 California's water and power needs. Thank you very much
2 for your time.

3 EXECUTIVE OFFICER LUCCHESI: Leslie Vasquez,
4 followed by Bethany Webb, and then Christine Brady.

5 MS. VASQUEZ: Good afternoon. My name is Leslie
6 Vasquez, and I'm here to share why I do not support
7 Poseidon -- the Poseidon desalination plant here in
8 Huntington Beach.

9 For starters, I was born and raised my whole
10 entire life in a Hispanic community here in Orange County.
11 And so I can say that I know about the struggle and what
12 it's like living in California during this drought.

13 Having the desalination plant would not only
14 affect the marine life and add more chemicals, but it
15 would also cause us to pay so much more for water that we
16 don't need. We don't need this amount.

17 Coming from where I come from where I'm lucky in
18 where I live to live in a one-room apartment with my five
19 other family members. I know a bunch of people that would
20 not be happy with this, if they knew. We don't all know
21 about this. I'm sure if I asked a bunch of people they
22 wouldn't even know about this project.

23 We have other opportunities and actions that we
24 can use to help our water needs, and that will cost less
25 damage. Not only that, but other actions can help us

1 prevent this from happening again if we learn from it.

2 For these reasons, the desalination plant in
3 Huntington Beach is a last resort. And it's not something
4 we need right now. And I just hope that as a community we
5 can work together to get the water that we need.

6 Thank you.

7 Planet before profits.

8 EXECUTIVE OFFICER LUCCHESI: Bethany Webb
9 followed by Christine Brady, followed by Richard
10 Armendariz.

11 MS. WEBB: Hi, I'm Bethany Webb with the HB
12 Huddle, Huntington Beach Huddle. I'm part of the
13 environmental team and also the local elections team,
14 which this is both part of. The first thing I'd like to
15 say is water is life, but corporations are not people, and
16 people need water, and corporations should not be
17 profiting and deciding who gets water. It -- I mean, that
18 should just say what we're talking about right now. We
19 have a problem where oil is decided the power of this --
20 of this planet. We don't need water in corporation's
21 hands to decide who has the power.

22 Number two, there's been a lot of snarky remarks
23 about surfers in the pipes. Okay. We're not talking
24 about surfers, but we're talking about what bigger fish
25 eat. They eat smaller fish, and smaller fish eat things

1 that can fit inside of a dime. So if you look at the
2 trail of that, we need to see what can fit in a dime and
3 what's going to eat that.

4 And also, Huntington Beach Huddle is having a
5 candidates forum on January 13 2018 to flip the 48th, Dana
6 Rohrabacher, we would love Gavin to come and moderate for
7 us. Thank you.

8 (Laughter.)

9 EXECUTIVE OFFICER LUCCHESI: Christine Brady
10 followed by Richard Armendariz, and Stephanie Pacheco.

11 MS. BRADY: Good afternoon, Commission and the
12 next Governor of the United -- of the California.

13 I'm here today not representing some company or
14 somebody making some financial interest. I'm here
15 representing myself, my husband, my two millennial kids -
16 they're out working today and can't be here - and the
17 other neighbors that aren't millionaires in my
18 neighborhood in southeast Huntington Beach.

19 We live in a place where we just have been
20 inundated with crap, if you'll excuse the expression. We
21 have the electric company. We have the Ascon dump. We
22 have the water treatment plant. And this is just going to
23 be another stuff -- thing that they put on us.

24 They showed that picture up there and said this
25 is the perfect place, like it was a horrible place. Well,

1 it's not a horrible place. That little area is a horrible
2 place. The Ascon dump is a horrible place. But the
3 people and the area living around it are not horrible
4 people, they're not rich people, they're working people,
5 and they want a healthy environment.

6 I'm also here to speak for the ocean, because no
7 one seems to be doing that. I've been a resident of
8 Huntington Beach for 30 years. I was born in Long Beach.
9 I've been in this area my entire life. I've been down to
10 the beach since I was a little kid. The ocean is in
11 trouble. It has been in trouble and it continues to be in
12 trouble. And we don't need to do anything to have any
13 more negative impact upon it.

14 There used to be all kinds of wildlife in the
15 ocean. Now, there's less. I went to the tide pools the
16 other day in Corona del Mar way less things than were even
17 10 years ago. Right now, Santa Barbara, Monterey have
18 whales. All summer we barely had a whale. It's
19 ridiculous. And those whales eat the smallest things in
20 the world, the shrimp which are so tiny that they probably
21 could get caught inside of that thing.

22 So all I'm asking is that you please look at the
23 people that are there, the environmental impact, the
24 possibilities that can be used prior to doing a desal
25 plant. We don't do any water restoration from our rooves.

1 We should do that. The amount of water -- just sticking a
2 bucket out on one of our poor little days gives all kinds
3 of water. The water that comes down the river is not
4 claimed. We need to do before we start doing a
5 desalination plant that can impact the ocean.

6 Thank you.

7 EXECUTIVE OFFICER LUCCHESI: Richard followed by
8 Stephanie Pacheco, followed by Scott Smith.

9 MR. ARMENDARIZ: Good afternoon, Commissioners,
10 Mr. Chairman. My name is Richard Armendariz: I declare
11 under penalty of perjury that I have not been -- have not
12 received or have been promised any compensation for making
13 this presentation or being here today.

14 I wish that I challenged all the other speakers
15 to make that same declaration. And I wish that it had the
16 opportunity to challenge them previously because nobody
17 else would have been able to speak for Poseidon, because
18 basically they're all bought and paid for.

19 I am a retired administrative law judge, and a
20 resident of Huntington Beach for the past 55 years. I am
21 speaking as a member of the Latino community. Poseidon in
22 their desperation to get approval for the EIR has raised
23 the phony issue of environmental justice.

24 Environmental justice somehow they believe that
25 they're claiming that the desalinization has a --

1 specifically impacts the Latino community. Environmental
2 justice can best be described as what has occurred in the
3 Central Valley of California where decades of pesticide
4 use are suspected as a cause of cancer clusters that have
5 occurred in the predominantly Latino area.

6 The Orange County Latino community does not need
7 fresh water anymore than any other resident of Orange
8 County. This issue is as fake as a \$3 bill. The only
9 impact on the Latino community would be that like everyone
10 else, water bills will be raised by at least \$6 a month.

11 One more thing. Look up the case -- have your
12 staff look up the case of Tampa Bay versus Poseidon. It
13 will give you an idea of the destruction of the marine
14 life. And also have your staff look up LULAC. Many of
15 their charters have been suspended. People come here and
16 speak in favor of LULAC on suspended charters. And
17 therefore, whatever they say cannot be taken for what --
18 for its worth.

19 Thank you.

20 EXECUTIVE OFFICER LUCCHESI: Stephanie Pacheco,
21 Scott Smith, followed by Clayton King.

22 MS. PACHECO: Stephanie Pacheco. I appreciate
23 the work the State Lands Commission does to protect our
24 Public Trust lands. I live in Fountain Valley not near
25 the proposed Poseidon plant. Yet, I am here as I agree

1 with many of the concerns such as the conservation groups,
2 the Irvine Ranch Water District, residents near the
3 proposed plant, the problem of increased public cost for
4 interior water we do not need and the inadequacy of the
5 EIR.

6 To be informed about water issues, which in turn
7 helps a community and the -- even the State Lands
8 Commission, I have attended, and I hope others will
9 attend, the Orange County Water District and other water
10 district meetings which occur monthly to focus on what we
11 can do to protect our public water resources.

12 We all need to work to remove elected people,
13 which have been influenced by large corporate donations
14 from Poseidon and keep our democratic values alive by
15 supporting elected officials that support water
16 conversation, while caring about water resources for all.

17 I hope the State Lands Commission appreciates
18 that private corporations look at water as a source of
19 profit, not as a way to manage an important natural
20 resource.

21 I also hope the Commission will listen to those
22 who really care about water quality and public lands, not
23 those paid by Poseidon, either by salary or donations.

24 Thank you.

25 EXECUTIVE OFFICER LUCCHESI: Scott Smith followed

1 by Clayton King, followed by Lubna Hammad.

2 MS. SMITH: Good afternoon, Commissioners. My
3 name is Scott Smith and I've lived in Huntington Beach for
4 over 40 years. I would like to make sure you're aware of
5 a public safety and environmental issue that by approving
6 this SEIR, you are saying that the risk of the public
7 safety is less than the benefit of this project.

8 No one else has mentioned public safety at all
9 have they? The public safety and environmental issue is
10 the placement -- is the placement of a huge water
11 transition pipe right past the Superfund toxic waste site.
12 Although some of the wastewater will -- some of the waste
13 will be removed, most of the toxic waste will be stored in
14 a four-story high hill right next to where the toxic --
15 right next to where the pipe is going to be.

16 So across the street of the toxic waste dump is a
17 school with over 2,500 kids. The failure of this pipe
18 will likely result in a catastrophe -- a catastrophic
19 failure in the containment of the toxic waste, which will
20 result in the school being flooded with toxic water.

21 You are probably thinking that the failure is
22 extremely unlikely. However, there is an active fault
23 that runs right under the pump and the pipe. This fault
24 caused the second deadliest earthquake in California
25 history, and it's within walking distance -- the epicenter

1 is within walking distance of the Poseidon plant.

2 What is the environmental issue? All that toxic
3 water will drain right into the ocean.

4 Commissioners, do not approve this SEIR, because
5 it is incomplete. It puts over 2 -- 2,500 kids at risk,
6 and the value of the project is questionable, especially
7 compared to the public risk. There are better places and
8 entities to build a desal plant.

9 Thank you for your time.

10 EXECUTIVE OFFICER LUCCHESI: Clayton King
11 followed by Lubna Hammad followed by Allan Beek.

12 MR. KING: Good afternoon, Commissioners. My
13 name is Clayton King. I've lived in Huntington Beach
14 since 1978. I was present in these chambers 12 years ago
15 when that council meeting occurred that went on for 12
16 hours. One of the speakers was a vice president of
17 Poseidon. He was questioned at length. He stated that 50
18 million gallons a day was the maximum the plant was
19 capable of producing, that the realistic number was 35
20 million gallons per day, not counting downtime for routine
21 maintenance, breakdowns et cetera.

22 Throughout this day, you've heard this term in
23 numbers and calculations based on 50 million gallons.
24 That is not realistic. They're putting in the same plant
25 they proposed to put in all those years ago.

1 Also, the speakers from the Orange County Water
2 District who said they don't have a price, well, at public
3 meetings in the past, they have had a price. It was
4 approximately \$2,300 per acre foot. I think the current
5 rates around here vary anywhere from \$200 an acre foot up
6 to \$700 an acre foot. There's something wrong in all of
7 these numbers.

8 My advice to you when you consider how to vote is
9 that you treat the data that has been given to you by
10 Poseidon with a grain of salt before it gets taken out.

11 Thank you.

12 EXECUTIVE OFFICER LUCCHESI: Lubna Hammad or
13 Hamad, Allan Beek and Steve Noble.

14 MS. HAMMAD: Mr. Chairman, Honorable
15 Commissioners. I'm Lubna Hammad from Aliso Viejo. I'm
16 here because this project affects people not only in
17 Huntington Beach but all over the county. It affects us
18 in two ways, in terms of its environmental impact and also
19 in terms of the water prices.

20 I am also here -- I'm specifically here to ask
21 you respectfully not to certify the environment --
22 environment impact review, because it's been done on a
23 piecemeal basis, it's incomplete, and it's -- it only
24 gives a partial view of the whole picture, so we're
25 talking about half truths in a sense. And that's not a

1 good basis for an informed decision by a Public Trust.

2 I -- this is really important now, because there
3 are two -- for two reasons. One, that there is an
4 imminent threat of climate change. We saw that in Harvey.
5 We saw that in Puerto Rico. We saw that everywhere. So
6 climate change is real, and it's problematic that our
7 leadership -- political leadership does not acknowledge
8 it, and denies it, but also because this is like the first
9 time this desalination policy is being implemented, so
10 this is going to be precedent setting, and it has to be
11 done the way it should be done. It has to be done right.
12 So all the other projects are -- would follow the same
13 steps.

14 I am mother to a six year old, and that's
15 probably the foremost motivation for me to be here since
16 7:00 o'clock in the morning for me to be in the streets in
17 the last few days, because I feel I owe it to her. I
18 brought -- we moved to California five years ago, so I
19 can -- so she can have a healthy life. She can have a
20 better life.

21 And what this project is doing is putting that at
22 stake. I have at stake much more than Poseidon does.
23 I -- my environmental rights are at stake, because I don't
24 have their resources, but I have you, the Commissioners.
25 I have your integrity and I have the law. And I fully

1 believe, and I'm very confident that you will put that as
2 the indicator and main guide for your decision.

3 Thank you.

4 EXECUTIVE OFFICER LUCCHESI: Next up is Alan
5 Beek, followed by Steve Noble, followed by Ed Laird

6 Alan Beek?

7 Steve Noble?

8 Ed Laird?

9 CHAIRPERSON NEWSOM: Come on up.

10 MR. MAREN: My name might have been poorly
11 written, and that might be me.

12 CHAIRPERSON NEWSOM: Come on up.

13 (Laughter.)

14 MR. MAREN: I'm left handed and blind in one eye.

15 (But you drink water.)

16 MR. MAREN: Yes, ma'am.

17 Okay. Now I have to cancel this.

18 All right. My name is Steve Maren, and good day
19 Commissioners. Thank you for allowing us to speak and
20 taking the time to listen. I've been a Huntington Beach
21 resident for 47 years, California for 55, and a
22 teacher/coach for 40 plus. I'm now retired.

23 I realize you're in a no-win situation today.
24 You'll not be able to keep us all happy. God bless you
25 for that one. My colleagues and I have tried to edit out

1 what has already been said, and then I had nothing left to
2 say, so we've limited it to three points. It will still
3 be somewhat redundant, I'll do my best.

4 I'm here to ask you, with all due respect, to
5 deny the Poseidon Desal Project. It is not needed. The
6 excess noise, the dust, the dirty dirt, the polluted
7 runoff, the air emissions, the oceanic pollution that will
8 be purchased -- produced by power plant demolition and
9 replacement, the scraping and remediation of the Ascon
10 landfill, the demo of the Magnolia tank farm for a huge
11 new hotel residential project in the immediate area will
12 negatively affect nearby schools, parks, residents,
13 wildlife, adjacent wetlands habitat, the ocean, and all
14 that we need it for.

15 Consequently, the EIR and the SEIR are grossly
16 inadequate, incomplete, and simply stated all in out
17 inaccurate. Please see that it is redone and take it
18 under serious consideration.

19 The brine produced will raise sea level temp and
20 kill sealife. If we compare it to driving fuel efficient
21 cars, it would be -- as it affects our ocean, it would be
22 like we all go back to driving V-10 Hummers each day.

23 The screens. The screens will not prevent fish
24 eggs photo and micro plankton from being sucked into --
25 from Palos Verdes to Dana Point. That's crucial.

1 We need to find a better more cost effective, and
2 more envinally friend -- a more environmentally
3 friendable -- friendly amenable strategy before it's too
4 late for us, our children, and those that follow.

5 Respectfully, thank you for your time and serious
6 consideration.

7 EXECUTIVE OFFICER LUCCHESI: Allan Beek, Ed
8 Laird, followed by Jim Leach.

9 Ed Laird?

10 MR. LAIRD: Good after -- long afternoon. My
11 name is Ed Laird and I'm a long-time resident of
12 Huntington Beach, and former chairman of the Bolsa Chica
13 Conservancy and current advisory chair at the Bolsa Chica.

14 I was on the water committee for the Orange
15 County Water District for this project. I'm a business
16 owner here in Huntington Beach, and I'm speaking on behalf
17 of myself today to say that I'm in favor of the Poseidon.

18 We've been talking about it for 20 years, and I
19 think it's time for some action. I've got a lot of bullet
20 points that I could read, but in the interests of time, I
21 would just please ask you to vote in favor of certify the
22 Supplemental EIR, and approve the land lease amendment
23 with Poseidon Water.

24 Thank you very much.

25 EXECUTIVE OFFICER LUCCHESI: Jim Leach, Adam

1 Wood, Ira Leibowitz.

2 Jim Leach, Adam Wood, Ira Leibowitz?

3 Aaron McCall.

4 Oh, great.

5 After Ira is Aram McCall -- Aaron McCall, and
6 Sharon Coke and Flossie Hargan -- Horgan.

7 MR. WOOD: I'll cut in line. My name is Adam
8 Wood - good afternoon - representing the Building Industry
9 Association representing our 1,100 member organizations.
10 Our mission is to champion housing as the foundation of
11 vibrant and sustainable communities. What makes a vibrant
12 and sustainable community possible is quality
13 infrastructure.

14 Roads, power, schools, all are important, but
15 none more so than high quality, always reliable water
16 source. Orange County has already tightened its belt in
17 terms of water conservation, and we are recycling more
18 water than any urban county in the nation.

19 As home builders, we are proud of the sustainable
20 homes we build, and our role in this conversation. Inside
21 and out, new communities throughout Orange County are
22 using less water than ever before. New homes use an
23 average of 50 percent less water than similarly-sized
24 homes built just a decade ago.

25 Nevertheless, we still import millions of gallons

1 of water from Northern California and the Colorado River.
2 Those sources will certainly allow us to continue to build
3 the homes Orange County needs, but these water sources are
4 a hundred miles away, and they cross significant fault
5 lines. This is not our best option. We need a new,
6 local, drought-proof water supply, and the Poseidon
7 project provides that.

8 Thank you for your consideration and I hope that
9 you will support the items before you today.

10 EXECUTIVE OFFICER LUCCHESI: Ira Leibowitz.

11 Oh, go ahead.

12 Oh, sorry.

13 CHAIRPERSON NEWSOM: Aaron, can you wait one sec?

14 Yes, let this gentleman go first.

15 Thank you so much.

16 MR. LEIBOWITZ: Good afternoon, Commissioners.

17 Thank you for the opportunity to. I just want you to know
18 I'm not an ex-Huntington Beach Mayor.

19 (Laughter.)

20 MR. LEIBOWITZ: Basically, I want to touch on
21 three points. One is I remember reading at some point
22 that the OCWD, they head their engineers take a look at
23 the Poseidon plant and they decide, well, we don't really
24 need it. So then they want outside and got a consultant,
25 and the consultant came back and said, yeah, you don't

1 really need it. So let me move on.

2 It's been mentioned recently about the Ascon
3 Landfill in that area. We live within a mile of it, so
4 we're very well aware of it. That's -- land tends to
5 liquefaction. So if there's an earthquake, that's pretty
6 nasty. And the Long Beach earthquake, by the way, wasn't
7 in Long Beach. It was Coast Highway on Huntington Beach.
8 So just to make that more obvious.

9 And lastly, it hasn't been brought up, but
10 we're -- I -- most of us are aware of the temperature
11 changes, and basically the melting glaciers and the water
12 rise. And Florida and Huntington Beach have been pointed
13 out, okay, by NASA scientists that our coast is going be
14 under water in the -- by the 19 -- excuse me, the 2030s.
15 And this has also been agreed to by UC Irvine that this is
16 going to happen.

17 So that means this expensive fix does not have a
18 long time -- a long lifetime. It's going to be a lot of
19 money for a short -- relatively short amount of time.

20 So thank you.

21 CHAIRPERSON NEWSOM: Aaron come on up.

22 EXECUTIVE OFFICER LUCCHESI: Aaron.

23 MR. McCALL: Hello. My name is Aaron McCall.
24 Thank you for this opportunity.

25 I wanted to say that, first off, I understand

1 that we all agree that we need to look at all of the above
2 options to deal with droughts and our future. But we've
3 seen in this hearing that they are not looking at all the
4 above options, and that they're saying that Poseidon is
5 the only option, and they don't actually have those
6 records or measurements to say how the other options could
7 possibly work instead of doing the Poseidon.

8 Secondly, as a science student, I've been hearing
9 people talking about we need to follow the science all day
10 today. But science is based off of evidence and data that
11 is strong and reliable. However, Poseidon has shown that
12 they're a bad actor and that they're willing to manipulate
13 data to come to conclusions that don't match other
14 scientist's conclusions.

15 And so I think that we need to take that with a
16 grain of salt and -- or talking about the wildlife that
17 will be affected. It's -- fish aren't going to fit
18 through that, that's true, but Microscopic organisms will,
19 and that's going to affect the food web. And we need to
20 keep that in mind when we're talking about this issue.

21 So I would just ask that when we are talking
22 about this, we look at all of the above, and then we -- so
23 you guys basically postpone this and vote no it, until
24 they can come back with the evidence and the things that
25 we've asked them to bring forward to prove their

1 statement.

2 Thank you so much.

3 EXECUTIVE OFFICER LUCCHESI: Sharon Coke, Flossie
4 Horgan, and Michael Wellborn.

5 MS. COKE: Good afternoon, Commissioners. I'm
6 Sharon Coke, and I'm here as chair of the Angeles Chapter
7 of the Sierra Club, representing the 48,000 members, and
8 120,000 supporters of the club, in both Orange and Los
9 Angeles counties. And I'm also a representative, and a
10 resident, of the City of Newport Beach.

11 The Sierra Club is not opposed to desalination in
12 principle. We are opposed to the Poseidon Project. It is
13 the wrong project, in the wrong area, at the wrong time.
14 It has not been shown that Orange County has a dire need
15 for water, particularly not with a 50-year guarantee to
16 the project.

17 In 50 year's time, lots of technological advances
18 can be probably predicted to happen. Why approve a
19 project now that is already using antiquated technology?

20 It is not in the interest of the Public Trust to
21 support this project. By supporting the project before
22 you today, you are committing the citizens of Orange
23 County to again a 50-year obligation, a 50-year obligation
24 to take water whether they need it or not without
25 consideration of alternative processes for increasing

1 our measures to save water, such as low-impact
2 development, better management practices, and conservation
3 methods.

4 Please decline the Supplemental EIR and do not
5 increase the lease term.

6 Thank you.

7 EXECUTIVE OFFICER LUCCHESI: Flossie Hargon,
8 Michael Wellborn, and Doug Cable.

9 MR. WELLBORN: Mr. Chairman, members of the
10 Commission, fellow campers --

11 Good afternoon, I'm Mike Wellborn. Flossie I
12 think spoke earlier today, so I just jumped right in.

13 I'm president of the Friends of Harbors, Beaches,
14 and Parks, a nonprofit organization covering all of Orange
15 County. We love our coast. We love our hills. I'm also
16 chair of the Orange County League of Conservation Voters.
17 We love candidates that love our coast, and we --

18 (Laughter.)

19 MR. WELLBORN: -- that love our hills.

20 A couple years ago as just an aside, I spoke in
21 front of the Orange County Water District board of
22 directors. You know, the technology for desal is the same
23 as that used for the groundwater replenishment system,
24 micro-filtration. Orange County Water District
25 technology, is the best in the world. People come from

1 all over the world to see it.

2 So I said Board Members, if you really needed
3 this water, you would have already built this plant, but
4 they didn't. They're expanding the GWRS, because it
5 provides a more cost-efficient water supply than
6 desalinating ocean water, cost of, you know, taking the
7 salt out is a lot more expensive with highly saline water.

8 We urge you to deny both of these items before
9 you. The Supplemental EIR it fails to address cumulative
10 impacts for this project with -- in relation to adjacent
11 projects that are going on in that area of the community.
12 And, in my opinion, using statements of overriding
13 consideration for significant environmental impacts by a
14 for-profit proponent is just bad public policy.

15 Let's not talk about money. Let's not talk about
16 the 50 year take or pay contract, but let's talk about the
17 technology they want to put on those pipes, those antique
18 pipes. The technology they're talking about for diffuser
19 and the intake it's really untested in this kind of
20 capacity.

21 Does this Commission really want to consider
22 turning this coast into a test bench? I would urge you to
23 deny this project.

24 Thank you very much for your time.

25 EXECUTIVE OFFICER LUCCHESI: Doug Cable,

1 Michael -- and then Dr. Mikel Hogan.

2 MR. CABLE: Hi. I'm Doug Cable. Thank you for
3 public comment. I live three blocks from the proposed
4 site and have for 35 years. I'm speaking for some of my
5 neighbors as well who are against this. Your own staff
6 slide says you can't mitigate against the construction,
7 and the digging up of the streets, and we're not a
8 neighborhood of millionaires, so we're between the sewers,
9 and the power plant and the toxic landfill. So we're just
10 regular people.

11 The unions who are here to deceive you, according
12 to their own T-shirts, they're from L.A. and they're
13 retired. So they -- they misled you. I asked around the
14 locals and we don't know who the Millennials for New Water
15 are, so...

16 (Laughter.)

17 MR. CABLE: See.

18 And as you know, Barbara Boxer is from Palm
19 Springs Rancho Mirage, which was profligate in their water
20 use during the drought, so her presence here is
21 hypocritical.

22 So what I want you to think about, and what I
23 haven't heard yet, in terms of the Environmental Impact
24 Report is that most of what's offshore is invertebrates,
25 and they did not evolve in a hypersalinity environment.

1 So they're going to die, and they will wash up and stink,
2 and that will affect our environment.

3 Thank you.

4 EXECUTIVE OFFICER LUCCHESI: Dr. Mikel Hogan.

5 DR. HOGAN: Thank you Commissioners for this
6 time. I won't -- I just -- I'm not going to go through
7 what others have already said about the legal and the
8 environmental impact of Poseidon.

9 I am here to urge you to vote no on Poseidon's
10 Supplemental EIR as well as the amended land lease. I'm
11 concerned about all the issues as I said that have already
12 been stated, but the project will compound the impacts
13 from several massive adjoining demolition and development
14 projects, such as the power plant being built, the planned
15 Ascon toxic dump remediation, the proposed mixed-use
16 development on Magnolia Street.

17 The EIR does not consider these cumulative
18 impacts, and it must in order to be complete. So please
19 vote no today.

20 Thank you so much

21 EXECUTIVE OFFICER LUCCHESI: Can you restate your
22 name for the record. I'm sorry.

23 DR. HOGAN: Dr. Mikel, M-i-k-e-l. Hogan,
24 H-o-g-a-n.

25 EXECUTIVE OFFICER LUCCHESI: Thank you.

1 Before we move on to the rest of the speakers, I
2 just wanted to offer a time check for the Commissioners.
3 And we have about -- I'm just guessing about between 80
4 and 100 more speakers.

5 CHAIRPERSON NEWSOM: Wow.

6 (Laughter.)

7 (Applause.)

8 CHAIRPERSON NEWSOM: All right.

9 EXECUTIVE OFFICER LUCCHESI: I will also note
10 they're evenly matched between opponents and supporters,
11 so...

12 CHAIRPERSON NEWSOM: Yeah. All right. Well,
13 let's -- we've already wasted 30 seconds.

14 (Laughter.)

15 EXECUTIVE OFFICER LUCCHESI: Well, one option is
16 to reduce time to one minute or actually maybe just
17 respectfully request speakers if it --

18 CHAIRPERSON NEWSOM: I mean, what's the -- well,
19 of course, everyone who's spoken, says yes. Everyone who
20 hasn't spoken may have a different point of view.

21 (Laughter.)

22 CHAIRPERSON NEWSOM: But what is -- what is the
23 sentiment? This is a democracy of sorts. Everyone all
24 right with one minute?

25 (Yeses.)

1 CHAIRPERSON NEWSOM: All right. Let's do one
2 minute, and if someone is desperate, I'll -- we'll be a
3 little lenient. So why don't we do that.

4 EXECUTIVE OFFICER LUCCHESI: Great.

5 CHAIRPERSON NEWSOM: Thank you all.

6 EXECUTIVE OFFICER LUCCHESI: Okay. Next up is
7 De'Andre Valencia followed by Jordan Brandman, and Paul
8 Simonds.

9 CHAIRPERSON NEWSOM: All right. There's go three
10 minutes.

11 Next.

12 (Laughter.)

13 EXECUTIVE OFFICER LUCCHESI: Followed by Dallas
14 Weaver.

15 Dallas Weaver, Peter DeMarco, Tony Capitelli,
16 James O'Callaghan.

17 Oh, please.

18 CHAIRPERSON NEWSOM: Come on up, sir.

19 Thanks.

20 And if you could, state your name.

21 DR. WEAVER: Okay.

22 CHAIRPERSON NEWSOM: Thank you.

23 Thanks for your understanding.

24 DR. WEAVER: Yes. I'm Dr. Dallas Weaver, a
25 scientist. And I have a great deal of experience relevant

1 to the entrainment issues associated with this project,
2 having produced, bought, sold billions of larval fish and
3 similar entrainment organisms from my hatchery at
4 Huntington Beach.

5 The claims of environmental damage from
6 entrainment of 80 million larva and now entrainment and
7 shear damage from the discharges are all based upon a
8 model referred to as the Extended APF model, area
9 production foregone, which is demanded by the staffers of
10 these regulatory agencies involved in this.

11 This model contains known false assumptions
12 buried in the mathematics, and has been used as an example
13 of regulatory science, which like tobacco company science,
14 is designed to give the desired result of the funding
15 agencies that are doing the studies.

16 We note that 80 million larva per year will be
17 produced from 500 pounds of adult legal-sized fish in a
18 backyard sized swimming pool. We can see that something
19 must be wrong with this unverified model used by staffers.
20 Entrainment is a \$1,000 a year problem. And the Coastal
21 Commission and others want a billion dollar solution to
22 it. Something is fundamentally wrong.

23 Thank you.

24 CHAIRPERSON NEWSOM: Thank you. Appreciate it.

25 Next speaker, please.

1 EXECUTIVE OFFICER LUCCHESI: De'Andre Valencia,
2 Jordan Brandman, Paul Simonds.

3 Peter DeMarco.

4 James --

5 CHAIRPERSON NEWSOM: Whoever is waiting, why
6 don't you come on up. You look like you want to speak.

7 Please state your name.

8 MR. BRANDMAN: Good afternoon, members. My name
9 is Jordan Brandman. And I am a former member of the
10 Anaheim City Council, and former Orange County Water
11 District director.

12 While I no longer serve in an elected official
13 capacity, public infrastructure projects, like this one
14 remain a high priority for me. During my tenure on the
15 council, and at the water district, I had the opportunity
16 to learn about and be part of the policy discussions on
17 water issues. And this desalination project offers Orange
18 County one of the largest water supplies of new water for
19 the foreseeable future.

20 Right now, the State is considering the WaterFix
21 for California, estimated to add \$5 per month to our water
22 bill. And that's just to ensure water reliability, not
23 new water.

24 Desal is estimated to add \$2 to \$3 per month to
25 average water bill, but we get not only reliability, but

1 new water supply, and it reduces Orange County's
2 dependence on imported water, and creates high quality,
3 high wage construction jobs, which benefits everyone in
4 the region and the State.

5 Please vote yes on the land lease and to certify
6 the EIR.

7 Thank you very much.

8 CHAIRPERSON NEWSOM: Well done. Practiced at 60
9 seconds. Thank you.

10 EXECUTIVE OFFICER LUCCHESI: James O'Callaghan,
11 Tony Capitelli.

12 MR. SIMONDS: Paul Simonds.

13 EXECUTIVE OFFICER LUCCHESI: There you go.

14 MR. SIMONDS: Good afternoon. My name is Paul
15 Simonds. I am the Chairman of the South Orange County
16 Economic Coalition. We support environmentally and
17 economically responsible infrastructure projects that will
18 help grow the economy in South Orange County.

19 One of our core principles is ensuring a local
20 reliable water supply to entice businesses to our region.
21 With more strains on imported supplies, I would think that
22 the State would be enthusiastic about local counties
23 trying to become more water independent.

24 I ask you to today to give Orange County the same
25 opportunity of water liability that San Diego currently

1 enjoys.

2 In addition, to being chairman of the Economic
3 Coalition, I'm also a resident of Huntington Beach. I
4 can't wait for this project to come on line. It will
5 improve our water quality, water pressure, provide
6 millions to our city in tax revenue, and be done in a way
7 that is invisible to the residents and require virtually
8 no city resources.

9 Please vote to approve this project today.

10 Thank you very much.

11 EXECUTIVE OFFICER LUCCHESI: Peter DeMarco, James
12 O'Callaghan, Tony Capitelli?

13 MR. DeMARCO: Good afternoon, Commissioners. I'm
14 Peter DeMarco of the Orange County Business Council,
15 leading voice of business regionally, nationally, and
16 globally. We work to enhance Orange County's economic
17 development and prosperity to preserve a high quality of
18 life in the nation's 6th most populous county.

19 OCBC historically has supported infrastructure
20 projects throughout California because in order to enhance
21 the business climate and grow the State's economy.

22 This project that's before you all today is a
23 perfect example of how public-private partnerships can
24 work to provide a broad public benefit, support economic
25 growth and job creation, and keep the State moving

1 forward.

2 OCBC strongly supports the plant because it will
3 enhance water reliability and reduce our independence
4 on -- dependence on imported water to meet the needs of
5 more than three million residents.

6 Currently, as you know, we must import nearly 50
7 percent of our water to meet our growing needs, and this
8 is -- and these numbers will not be subsiding any time
9 soon. Businesses need certainty that a reliable water
10 supply will be available and considering whether to invest
11 or expand in Orange County.

12 OCBC respectfully requests that the State Lands
13 Commission certify the EIR before you, and approve the
14 amended lease, so that this project can move forward
15 through the remaining steps of the State approval process.

16 Thank you very much.

17 CHAIRPERSON NEWSOM: Thank you much.

18 MR. RODEL: Good afternoon, Chairman Newsom and
19 Commission. My name is actually Adam Rodel. Tony
20 Capitelli is our government affairs director. I'm a
21 sitting officer for the Orange County Association of
22 Realtors, and I'll go ahead just speak. And you'll have
23 one less speaker, since I was on that list as well.

24 OCAR is requesting that the Commission certify
25 the supplemental EIR and approve the amended land lease

1 agreement with Poseidon. We believe that a local reliable
2 water supply is in best long-term interest of Orange
3 County homeowners and for maintaining a strong housing
4 market. I think we have concerns about supply disruption
5 and the benefits that this particular project would bring
6 us as well.

7 A lot of the stuff that we were going to talk
8 about has been covered, and so I won't go there. I just
9 wanted to make one observation. You know, we have a lot
10 of environmentalists, activists. And you guys more than
11 anybody get to see divided line between the growth and the
12 activism. And I've seen a little bit of spirit here
13 between some of the activists and conservancy groups and
14 this project, which is probably less likely than seeing
15 Hillary Clinton Donald Trump hugging it out. So, you
16 know, it's interesting that we have seen some support from
17 some of these groups that we may not usually.

18 Thank you.

19 CHAIRPERSON NEWSOM: Appreciate it.

20 EXECUTIVE OFFICER LUCCHESI: James O'Callaghan,
21 Donna Varner, and then Alex Kanavechyk -- Kanavechyks.

22 So Donna Varner, Alex Kanavechyk, Mark Sheldon.

23 CHAIRPERSON NEWSOM: So any of you want to assume
24 the names, come on up.

25 (Laughter.)

1 CHAIRPERSON NEWSOM: You can actually prove --
2 there you are. Come on up. Thank you.

3 MS. VARNER: Thank you
4 Please state your name for the record, thank.

5 MS. VARNER: My name is Donna Varner.

6 CHAIRPERSON NEWSOM: Grateful.

7 MS. VARNER: And good afternoon to Chairman
8 Newsom and the Commission.

9 I'll keep this short and sweet. I'd like to ask
10 you to vote yes for this water reliability project not for
11 me or my children, but for my grandchildren. California's
12 agriculture is important and the population in Southern
13 California continues to grow. Our water supplies are at
14 the breaking point now, and tightening the tap can only
15 get us so far. We need more water independence through
16 local, reliable water supplies. This project ensures that
17 reliability. Please vote yes for water reliability for
18 the next generation.

19 Thank you.

20 CHAIRPERSON NEWSOM: Thank you.

21 EXECUTIVE OFFICER LUCCHESI: Alex Kanavechyk.

22 MR. KANAVECHYK: I'm Alex Kanavechyk. My fellow
23 citizens and Commissioners. As a diligent student of
24 logic and critical thinking, I cannot understand why we
25 have to build this energy-thirsty plant. The power that

1 required to supply Poseidon is equals to 30,000 homes. It
2 will significantly impact the climate change if you
3 believe in it. Why should we build Poseidon if we have
4 much like less expensive options?

5 And we already have groundwater replenishment
6 system approval for another 30 million so -- gallons per
7 day. And we just need to wait and see how it works. And
8 we could just give more time for Poseidon, might be
9 another 15 years to improve, because they -- I heard that
10 they have some improvements after the last hearing. So we
11 could give them another chance and they will improve.

12 And I cannot understand the blue collar workers
13 that were here like several -- like hour ago. They will
14 pay probably couple hundred of dollars, but they will lose
15 over the lifetime much more.

16 And it's not -- it's about -- it isn't about you
17 like built this plant because we have much more -- much
18 better options.

19 Thank you.

20 CHAIRPERSON NEWSOM: Thank you much.

21 EXECUTIVE OFFICER LUCCHESI: Mark Sheldon,
22 followed by Cari Swan, followed by Steve Kretzschmar.

23 CHAIRPERSON NEWSOM: Sir, thank you. If you
24 could, state your name.

25 MR. SHELDON: Hi. I'm Mark Sheldon.

1 CHAIRPERSON NEWSOM: Thank you much.

2 MR. SHELDON: I am a resident of Huntington
3 Beach. I happen to be a member of the Environmental Board
4 of Huntington Beach, but I'm speaking on my own behalf.

5 I am speaking in opposition to the proposed
6 project. The Environmental Board reviewed and provided
7 comment on the project. We noted number of
8 inconsistencies, and basically insufficient justification
9 for the project. I personally have a background in
10 engineering and find insufficient justification for using
11 the pipe without verifying that it is proper -- that it is
12 up to the -- up to the redesign task, and that the
13 distribution of the saline plume is adequately mitigated.

14 I feel that more modeling needs to be done to
15 verify that the -- that the salinity effect is not going
16 to be problematic. I would also like to add that
17 the -- that the mitigation through Bolsa -- the Bolsa
18 Chica is apples and oranges, two different types after
19 aquatic life. And I don't think it's an adequate
20 tradeoff.

21 Thank you.

22 CHAIRPERSON NEWSOM: Appreciate it. Thank you
23 for your comments.

24 EXECUTIVE OFFICER LUCCHESI: Cari Swan followed
25 by Steve Kretzschmar and Redman.

1 MS. SWAN: Good afternoon. My name is Cari Swan.
2 I'm a 39 year resident in Huntington Beach, and I live
3 about three-quarters of a mile from the proposed Poseidon
4 plant. I'm here to request that you oppose Item 97 for
5 the lease extension and Supplemental EIR. First and
6 foremost let me point out that this is 100 percent
7 completely unnecessary. I repeat unnecessary.

8 As stewards of land and water, you are aware of
9 the very highly successful groundwater replenishment
10 system that you heard so much about. Also aware that we
11 manage our aquifer very well. Even during the worst
12 drought in decades, we conserved, we managed just fine.

13 Even probably worse though is that in every heavy
14 rainy season, we watch millions and millions of gallons
15 flow down the Santa Ana Riverbed. Nothing we can do about
16 that. I urge you to look at that fresh water source
17 before you ever come asking for an energy intensive,
18 outdated, expensive technology.

19 Finally, I just have to point out that a
20 statement of overriding consideration for something that
21 has such environmental impacts, I can't imagine that a
22 Commission, a body whose job is to be stewards of land and
23 water could possibly accept a statement of overriding
24 consideration. It just boggles my mind.

25 We are also a tourist -- our whole economy is

1 built on tourism in Huntington Beach. This plant --
2 imagine if we get 12 or two dozen toxic reports like
3 they've gotten in Carlsbad. Imagine what that will do to
4 the U.S. Open of surfing in Huntington Beach. Poseidon
5 toxic water. I urge you please do not support this.

6 EXECUTIVE OFFICER LUCCHESI: Steve Kretzschmar
7 followed by Lynn Redman, followed by Karen Coyne, followed
8 by Terrell Koken.

9 Please come on up any of the names that I just
10 read off.

11 CHAIRPERSON NEWSOM: Someone is coming right now.

12 EXECUTIVE OFFICER LUCCHESI: Okay. Great.

13 CHAIRPERSON NEWSOM: Thank you.

14 MR. KOKEN: Any friend of Terry Koken is a friend
15 of mine.

16 Water, I'm thirsty. I ain't dirty. And it's
17 been said before that whiskey is of drinking, water is for
18 fighting over. Poseidon's promise to deed this plant to
19 us in just 50 short years, but there's never been a desal
20 plant that lasted more than 20 long years. Thus, we'll be
21 getting nothing but a massive demolition project here
22 Superfund style.

23 (The following was sung.)

24 MR. KOKEN: Poseidon plans with bold panache to
25 make a lot of water. She thrashes around sweet Huntington

1 and claims that we have bought her. She bribes the
2 politicians lame, misleads the State Commission, she
3 brings her case ignobly through, though money is her
4 mission.

5 Oh, make water, Poseidon will make money. She'll
6 suck the water from the sea and puree fish and flounder.
7 Her briny effluents pollute the waters all around her.

8 Eew, what's that stench the surfers say when
9 paddling through pollution? She's gone and sucked the
10 beach away and left us no solution.

11 Oh, make water, Poseidon will make money. Cheap
12 water will not be found here and though she deed it to us.
13 What will we owe -- own in 50 years? This junk will
14 simply screw us. For when we're screwed, we cannot pee,
15 we cannot pass our water. We have -- we have much worse
16 than Gonorrhoea. We're plugged because we got her.

17 Oh, make water. Poseidon will make money.

18 EXECUTIVE OFFICER LUCCHESI: Sir, can you state
19 your name?

20 CHAIRPERSON NEWSOM: Will you just state your
21 name for the record?

22 MR. KOKEN: I did already. Terry Koken.

23 CHAIRPERSON NEWSOM: Thank you. For your agent
24 as well.

25 (Applause.)

1 CHAIRPERSON NEWSOM: Jennifer, next speakers.

2 EXECUTIVE OFFICER LUCCHESI: Okay. Don Albrecht,
3 Nancy Buchoz. Buchoz. Maggie Williams. Buchoz.

4 CHAIRPERSON NEWSOM: Thank you, sir.

5 MR. ALBRECHT: Hello. My name is -- hello. My
6 name is Don Albrecht. I'm a 42-year resident of
7 Huntington Beach, and a native Southern Californian. I'm
8 opposed to Poseidon because locating this effluent plant
9 pipe outside of the Huntington Beach is wrong, because
10 it's not just warm salty water, it also contains toxic
11 chemicals that are used in the processing of the desal.

12 Those toxic chemicals will be pushed to the beach
13 by wind, waves, current. And over the years and years of
14 that toxic chemicals being pushed onto the beach will have
15 unknown reactions to people that are trying to use that
16 beach and could make it have very adverse effects on it.

17 Oppose it. Thank you.

18 CHAIRPERSON NEWSOM: Thank you, sir.

19 Thank you, ma'am.

20 MS. BUCHOZ: Hi. My name is Nancy Buchoz. I'm a
21 resident of the City of Huntington Beach for 42 years.
22 And I'm not paid. I'm not a mayor. I don't have anything
23 to stand, and I have been here since 8:00 a.m. to address
24 you, because I feel this passionately about my
25 neighborhood, as a lot of other people in my neighborhood

1 feel.

2 I live in the epicenter of Southeast Huntington
3 Beach. I am softball throw from every one of these
4 projects. And to give you a picture, if you haven't
5 visited this site. This is a heavily populated
6 residential area that we're talking about. This is not
7 like Carlsbad. I know Carlsbad. There are a lot of
8 lagoons and there's a lot of water to kind of protect that
9 plant down there. So it does make sense to put a desal
10 plant in an area like that.

11 That's not the case here. We are a resident. We
12 are a sleepy southeast neighborhood, which has 2,500 kids
13 at a high school that's about 250 yards from where you
14 want to put a huge, massive, 24-hour a day plant.

15 And we also have other big projects going on,
16 which have not been talked about in great detail. The
17 pipeline alone nobody said anything about. And I don't
18 know about you, but with 2,500 kids walking to school,
19 riding their bikes along with three elementary schools,
20 two middle schools, and the second largest park that we
21 have in this State -- in our town, which is the Edison
22 community center, the pipeline will have an enormous
23 environmental impact on the quality of life for thousands
24 of people.

25 So it's not just about reliable water. It's

1 about putting the reliable source in the appropriate
2 environment.

3 Thank you.

4 CHAIRPERSON NEWSOM: Thank you.

5 EXECUTIVE OFFICER LUCCHESI: Maggie Williams, Jan
6 Shomaker. Shomaker. Dianne Thompson. Seth Morrisson.

7 CHAIRPERSON NEWSOM: Ma'am, was your name called?
8 Please come on up. Thank you. Thanks for your
9 patience.

10 And if you could, just state your name for the
11 record.

12 MS. SHOMAKER: My name is Jan Shomaker.

13 CHAIRPERSON NEWSOM: Thank you.

14 MS. SHOMAKER: Good afternoon. My name -- I gave
15 you my name.

16 (Laughter.)

17 MS. SHOMAKER: I live in Mission Viejo now, but
18 in the early 2000s, I lived in Huntington Beach and served
19 on the Huntington Beach Planning Commission. This project
20 was reviewed by the planning commission twice, in 2006 and
21 again in 2010 and approved both times.

22 The city council likewise approved the project.
23 I was one of those affirmative votes at the time, and
24 stand by that vote today. Even so, it's been great to see
25 that Poseidon is implementing new technology to make this

1 project even more environmentally sensitive than it was
2 when I reviewed it.

3 I made the drive today to follow -- to follow
4 your staff recommendation, approve this project, and let
5 it be moved forward through the regulatory process.

6 Thank you.

7 CHAIRPERSON NEWSOM: Thank you.

8 EXECUTIVE OFFICER LUCCHESI: Lynn Redman, Karen
9 Coyne, Maggie Williams. Dianne Thompson

10 MS. THOMPSON: Good afternoon. My name is Dianne
11 Thompson. I'm a resident here in Huntington Beach for
12 about 33 years. I am co-chair of the Huntington Beach
13 Chamber of Commerce Government Affairs Committee. As an
14 insurance agent, I'm well educated on risk mitigation for
15 catastrophes in California. I've toured the Sacramento
16 Delta and Colorado River system as part of my due
17 diligence on this issue.

18 In the event of any catastrophic impact to the
19 water system in and around our State, our access to clean
20 water would be seriously challenged. We have only to look
21 to Puerto Rico, U.S. Virgin Islands, and Florida to see
22 what powerful storms can do to our infrastructure. In the
23 event of a major earthquake, we already know the effects
24 would be devastating.

25 We are foolish to think that every service is

1 available. We need to keep a diversified portfolio of
2 safe water systems in our city, and in our neighborhood.
3 And we can be the leader in providing another method of
4 protecting our city and our neighbors in a disaster.

5 Thank you.

6 CHAIRPERSON NEWSOM: Grateful.

7 EXECUTIVE OFFICER LUCCHESI: Seth Morrisson,
8 Juliano Jarquin. Jarquin. Rolando Salmeron, Louis
9 Salgado, Eloise Gomez, Liliana Sanchez.

10 CHAIRPERSON NEWSOM: Sir.

11 MR. SALMERON: My name Roland Salmeron.

12 I think that you have to see the facts, you know,
13 what the scientific people say about the global warming.
14 One would think that it's going to be effective. It's
15 definite -- the rain part that we have. We can have a lot
16 of raining or we can have less raining. Our geological
17 records show that we have some droughts that last 50
18 years, 70 years, you know -- you know in the geologic
19 sink.

20 We only five year -- five year of drought that we
21 have, you know, and you're dreaming people from here. You
22 believe that the water that is in the top-over area is
23 going to come over here. In the event of emergencies that
24 we have, earthquake, or we have a drought, they don't
25 allow from the lake to come this water over here. You're

1 going to be by yourself.

2 It's very important that we have a reliable
3 source over here. Israel is proof you know. Israel is
4 only 28,000 square kilometers. It's very small. It's
5 just a corner of California. And they never have any
6 problems with this thing, and they've been pulling this
7 in. They supply 75 percent of the water from that over
8 there.

9 So it's very important that we take into account.
10 It's not just passion. You know, it's people is going to
11 die if we have this kind of emergency. Definite, and the
12 emergency is right there. We have the San Adreas Fault
13 that having been active, you know, since 1906 and the
14 earthquake. That is ready to go. And the source of the
15 water that comes from the Colorado and pass on -- and
16 that's over there.

17 And taking account, this is not guessing. This
18 is not a passion thing. It's people is going to die for
19 real, because you don't want to have water over here. You
20 know, so it very important that you activate this thing.
21 We already have enough by 16 years. You know, you have to
22 act immediately. In the middle of the crisis -- big
23 crisis, you don't want to have the resource to build this
24 plant. It's very important to build this plant right now,
25 and have the experience that they're going to accumulate

1 to use this same resources in another part of the
2 California.

3 We live in a desert. You know, desert is real.
4 And we cannot depend on the water -- water that is in the
5 ground. San Joaquin Valley was sinking with only five
6 years, you know, sinking. The water was sinking over
7 there. And the whole ground was sinking because we
8 extract.

9 So very important that we approve this
10 immediately.

11 CHAIRPERSON NEWSOM: Thank you, sir.

12 EXECUTIVE OFFICER LUCCHESI: Seth Morrisson.
13 Juliano Jarquin, Louise Salgado, Eloise Gomez, Liliana
14 Sanchez, Jorge Rodriquez, Jonel Samar, Meg Watson, Ann
15 Tomlinson, MaryJo Baretich.

16 Winner.

17 MS. BARETICH: Hello. Good -- good afternoon
18 again, Commissioners. My name is MaryJo Baretich. I'm
19 the president of the Cabrillo Wetlands Conservancy here in
20 Huntington Beach. I'm an engineer, and I do understand
21 the technologies and the logistics associated with
22 assessing water and exist -- from existing sources. I'm
23 also deeply concerned in the environment.

24 I do not see any positive reasons for building a
25 desalination plant in Huntington Beach, only negative

1 ones.

2 Negative number one, this desal plant is not
3 needed in our -- because of our phenomenal groundwater
4 replenishment system, the largest in the world, has proven
5 to the world that this technology is efficient and cost
6 worthy. Once the two plants in Los Angeles are built,
7 they will no longer be pulling the water out of our
8 aquifer. And within the next five to six years, we will
9 not have that problem right there. We will then have that
10 potential water again.

11 Negative two, the desal plant will be extremely
12 energy intensive and expensive and cost four times what
13 our groundwater replenishment system is.

14 And anyway, I'd like to have you vote no on this
15 Environmental Impact Report.

16 Thank you.

17 CHAIRPERSON NEWSOM: Thank you, ma'am.

18 EXECUTIVE OFFICER LUCCHESI: Meg Watson. Ann
19 Tomlinson, Harry Slusher, Michael Tryton, Mel Kong, Graham
20 Hamilton.

21 MR. HAMILTON: Coming.

22 (Laughter.)

23 EXECUTIVE OFFICER LUCCHESI: After Graham is
24 Talaat Baselaws.

25 MR. HAMILTON: Good afternoon, Commissioners,

1 Chairman Newsom. My name is Graham Hamilton. I'm here on
2 behalf of the Surfrider Foundation's Los Angeles chapter.
3 I know that each of you has been well educated, so I'd
4 like for you to travel back with me to your final days at
5 university. And I want you to imagine handing in an
6 incomplete, disingenuous dissertation with the expectation
7 that your adjudicating professor might well say, yeah,
8 okay, this is good enough.

9 (Laughter.)

10 MR. HAMILTON: You guys wouldn't dream of such a
11 thing. And the fact is that the Supplemental SEIR that
12 Poseidon is looking to slip through here today is as
13 inadequate as it is disingenuous. At Surfrider, we're not
14 against all desalination, nor are we against job creation
15 and growth. We are, however, against projects that
16 exploit our communities and are not worthy of the
17 environmental resources that support a \$40 billion coastal
18 economy.

19 We do need good jobs in California, good jobs for
20 good projects. As proposed, this isn't a good project.

21 So I encourage you to reject the amended land
22 lease and the Supplemental SEIR.

23 Thanks.

24 CHAIRPERSON NEWSOM: Thank you. You were well
25 disciplined up there. Well done.

1 (Laughter.)

2 MR. BASELAWS: I am Talaat Baselaws. I am living
3 in Huntington Beach. You want to project this when you
4 need them, not with the hope that you will need them some
5 day.

6 Thank you.

7 CHAIRPERSON NEWSOM: Very succinct.

8 EXECUTIVE OFFICER LUCCHESI: Meg Watson, Ann
9 Tomlinson, Harry Slusher, Michael Tryton, Mel Kong, Talaat
10 Baselaws, John McKirachan -- McKirachan, and Dylan
11 Gesperik.

12 CHAIRPERSON NEWSOM: And if you didn't --

13 EXECUTIVE OFFICER LUCCHESI: Any takers?

14 CHAIRPERSON NEWSOM: And is that it on the formal
15 list?

16 And if you didn't hear your name -- look, anyone
17 else, because I imagine with the -- some of you may have
18 missed that.

19 Anyone else here or in the other room that wishes
20 to speak that hasn't had the opportunity to speak?

21 Why don't you guys lineup, and we'll just quickly
22 go through these so we'll make sure, because we may have
23 skipped you. We'll do one minute and everybody please
24 state their name and we'll go quickly through this.

25 MR. BISSON: Hi. My name is Tony Bisson. I am a

1 resident of Southeast Huntington Beach. I live downwind
2 of this project by a mile or two. I was just -- I'm
3 personally against it for its intense energy consumption.
4 I believe that we should be better stewards of the
5 environment than to allow something like this in our
6 community.

7 I'm also -- I'm also rather concerned. I think
8 of the date 3/11/11, that was when the big nuclear
9 disaster happened in Fukushima, Japan. And that -- that
10 disaster hasn't gone away and it continues to leach
11 radioactive isotopes into the water, and of course water
12 circulates. And I have -- I just have a feeling -- I'm
13 not a scientist, but I have a feeling we're not testing
14 for these potentialities of actually injecting
15 un-irrevocable toxins into our water table. So that's
16 something that perhaps should be considered in this.

17 CHAIRPERSON NEWSOM: Thank you. Thank you very
18 much.

19 MR. BISSON: Thank you.

20 CHAIRPERSON NEWSOM: Yeah. So I'm going to be
21 more strict now just at the end, because some of you may
22 not have had a chance to fill out the forms and -- thank
23 you, sir.

24 MR. MCKIRACHAN: Good after -- good afternoon.
25 I'm John McKirachan. I heard my name.

1 CHAIRPERSON NEWSOM: How are you?

2 MR. MCKIRACHAN: I've been here all day and I
3 know you guys have been too. Appreciate your time and
4 everybody's time.

5 I'm against approving the current EIR and the
6 lease extension, but basically just on the points of rule,
7 I mean, that they haven't met the obligation. I think the
8 Surfrider Foundation speaker said it very well. There
9 haven't been -- there are things that are not included in
10 there for the ongoing projects that are all around it that
11 have compounded the environmental impacts that are not
12 included in that.

13 And the second point is are they meeting the
14 newest technology, and are they using the subsurface
15 intakes and things. There's points of rule that are in
16 what the regulations say they should be doing that they're
17 simply not meeting.

18 CHAIRPERSON NEWSOM: Thank you, sir.

19 MR. SAMSON: Honorable Chair, fellow members of
20 the body, ladies and gentlemen of the audience, you've
21 heard it said many times already. I'm not going to take
22 up much of your time. As you may know with the growing
23 concerns of climate change and with the rising storms,
24 hurricanes, wildfires that we've seen over the past two
25 months, we need to move away from fossil fuels.

1 And as you've heard from the Surfrider Foundation
2 and other environmental activists, the Poseidon plant
3 would not move us away from fossil fuels. Rather, it
4 would increase the use of these fuels, release more CO2 in
5 the air, and further exacerbate our dying climate as we
6 speak.

7 Climate change is real. We need to move towards
8 renewable energy, and I don't see Poseidon being a
9 solution to that. That's why I'd like you to vote no on
10 the lease extension and the SEIR.

11 Furthermore, let me -- with the few seconds I
12 have left, I'd like to mention that I send out a good nod
13 to the Orange County Labor Federation. I do support good
14 jobs. I do support that we need to have good jobs, but
15 for -- we cannot commoditize water as a commodity. Water
16 is life and water is a necessity for everyone.

17 Thank you.

18 CHAIRPERSON NEWSOM: Thank you very much.

19 EXECUTIVE OFFICER LUCCHESI: Sir. Sir, can you
20 state your name for the record?

21 MR. SAMSON: Yeah, sure. My name is Justin
22 Samson. I am a resident of Anaheim. However, I am a
23 candidate for the California State Senate and Huntington
24 Beach is within my district.

25 Thank you.

1 CHAIRPERSON NEWSOM: All right. Thank you.

2 MR. CADWALLADER: Good afternoon, Chair Newsom
3 and Commissioners. My name is Craig Cadwallader. And I'm
4 here speaking on behalf of the Surfrider Foundation South
5 Bay Chapter.

6 And I'm concerned with this project for all the
7 reasons you've heard earlier, but more so because you'd be
8 setting a precedent here that's going to impact in our
9 area, which with the pending west basin desalination
10 project, which has many of the same elements as this.

11 I think it's more efficient to recycle water. I
12 would say there's no such thing as single-use water, I
13 know that the Hyperion Plant up there wastes about almost
14 \$500 million worth of water a year by secondary treatment
15 and replacement on what they discard in our playground
16 every day. So you could save money, and prevent pollution
17 of the water resources, and I hope you'll deny the lease
18 and the -- not approve the EIR.

19 Thank you.

20 CHAIRPERSON NEWSOM: Thank you much.

21 Ma'am, you're up. Thank you.

22 MR. BRASHEARS: Good afternoon, Commissioners.
23 I'm Amaida Brashears. I've lived in Huntington Beach 52
24 years, and I want to hope that you will deny the -- this
25 project. The contract that Poseidon is requiring is for

1 50 years at a set amount of water, whether or not we use
2 it. So the reason that they have not been successful so
3 far in getting the project approved is that over and over
4 they failed to meet all the requirements of the EIRs, so
5 this is their problem.

6 Another thing, Cathy Green of the Orange County
7 Water Board said that the current cost of recycled water
8 is less than the imported water. And that's currently --
9 currently, the recycling facility is only at 30 percent.
10 So obviously, we could get a lot more water out of the
11 recycling project.

12 Expanding the current recycling project is less
13 expensive and more environmentally friendly. And
14 expanding the current recycling facilities will also
15 provide good jobs. So we don't need this Poseidon plant
16 in order to have good jobs.

17 CHAIRPERSON NEWSOM: Thank you very much, ma'am.
18 I appreciate it. Thank you.

19 MS. BRASHEARS: Thank you.

20 CHAIRPERSON NEWSOM: Thank you.

21 You guys all get closer. Don't feel so timid
22 back there.

23 Join the conversation.

24 MR. RAY: Yeah. First of all, I did sign up. I
25 don't know why I wasn't called

1 CHAIRPERSON NEWSOM: Yeah, you may have been.
2 God bless. It was hard to hear.

3 MR. RAY: Okay. Well, thank you. And you said
4 to beg for additional time. I would like to have a little
5 extra time. I had prepared remarks.

6 CHAIRPERSON NEWSOM: All right. If you were on
7 the original list, I'll give you two minutes then, sir.

8 MR. RAY: Okay. Thank you very much.

9 Mr. Chair, Honorable Commissioners, my name is
10 Steve Ray. I'm the executive director of the Banning
11 Ranch Conservancy. You may have heard a little bit about
12 us lately.

13 I am here, first of all, to register the Banning
14 Ranch Conservancy's opposition to this project in toto.
15 We reject the project, and reject the basis on which this
16 meeting is being held as well. We take issue with the
17 staff's narrow interpretation of the scope of this meeting
18 today.

19 In our opinion, the -- this is the lead agency
20 for this project at this point. There is a memorandum of
21 understanding or agreement between this body, between the
22 Coastal Commission and between the State Water Board. And
23 there is an implied, if not de facto recognition that this
24 Commission then stands as the lead agency, and as such
25 must consider all issues relative to the Environmental

1 Impact Report, and that the Supplemental Impact Report
2 that's been presented is therefore woefully inadequate,
3 and will -- should not stand.

4 So we would -- we would ask that the Commission
5 not take any action today, that it go back order a new
6 Environmental Impact Report that is full and conclusive
7 before it moves any further.

8 And I will say, just from a personal standpoint,
9 I sat at this dais, along with a couple other people who
10 were with -- with me at that time and heard this issue. I
11 proudly opposed it at that time, because of the many
12 issues related to it, all of which have been enumerated,
13 but also primarily because of the fact that the
14 information that we got from the opponents was, at best,
15 inadequate or incomplete, and actually mostly misleading
16 and, many times, actually false.

17 So take that with a grain of salt when you
18 consider what you're hearing today.

19 Thank you very much.

20 CHAIRPERSON NEWSOM: Thank you very much.

21 Sir.

22 MR. EARL: Thank you. My name is John Earl, Surf
23 City Voice, alluded to by my friend and colleague Debbie
24 Cook earlier. I just wanted to correct a few misleading
25 statements.

1 The Poseidon project will not prevent imported
2 water from coming to Southern California. It will not
3 reduce that in any way, shape, or form, a fact made clear
4 by the Coastal Commission over 10 -- about 10 years ago.
5 It is not a privately funded project completely, about
6 two-thirds will be paid for by the public upfront,
7 including subsidies of about four to five hundred million
8 dollars.

9 Director Bilodeau mislead the Commission earlier.
10 The Board prohibited any consideration of alternatives,
11 officially prohibited that by the staff or a -- and a
12 citizens committee. The cost of water, as you well know,
13 will be anywhere from 2100 acre -- dollars a acre
14 thousand -- 2,100 acres -- dollars an acre foot to 2,500
15 compared to about six or seven hundred for imported water
16 already. So that will be water that will come -- still
17 come to California, but there will not be one additional
18 drop of water provided by Poseidon to the Orange County
19 Water District service area.

20 Thank you.

21 CHAIRPERSON NEWSOM: Thank you very much.

22 (Spoke in native language)

23 MS. SPOTTED BEAR: I'll bet didn't understand.

24 (Laughter.)

25 CHAIRPERSON NEWSOM: I have Google translate.

1 MS. SPOTTED BEAR: Go ahead.

2 (Laughter.)

3 CHAIRPERSON NEWSOM: No, that's all right. I
4 made it up.

5 MS. SPOTTED BEAR: My name is Joanne Spotted
6 Bear. I'm a Tetuwan Lakhota. I'm the voice of the
7 Lakhota people, and a holder of the 1851 Fort Laramie
8 Treaty, as well as a dignitary at the United Nation level.
9 I hope you respect me.

10 CHAIRPERSON NEWSOM: Absolutely.

11 ENVIRONMENTAL PROGRAM MANAGER TAKATA: So I get
12 more than two minutes, right?

13 CHAIRPERSON NEWSOM: Not more.

14 (Laughter.)

15 CHAIRPERSON NEWSOM: Not that much.

16 MS. SPOTTED BEAR: Okay. I really don't know
17 where to start, so I'm going to start with what I know.
18 Okay. First off, I'd like to serve you guys with a paper.
19 The United States went bankrupt in 1933. The second one
20 is saying no to the Poseidon and the desalination. I may
21 have said that wrong, but I'm a Lakhota, and I have a
22 right to mess up because I'm not fully English.

23 The second one is you already have Fukushima
24 going on, and it is contaminating the water, and water is
25 life. Across Turtle Island, fracking and the destroying

1 of water is also destroying life.

2 I'd like to address the people. I've been around
3 the country four times to the United Nations and
4 Washington. And I did go to Standing Rock. I took a
5 family of six to the United Nations about a month ago.
6 That family will not live for five to 10 years. They have
7 bitumen, benzene, gadolinium, Legionnaires, copper, and
8 lead. The youngest is 17 months, and he has uranium in
9 his system. He's just a baby. He was born that way.

10 He -- the family of Flint will -- the people of
11 Flint, the only ones getting money is the mortuary, the
12 hospital, and where they bury -- the cemetery. That's it.

13 This is your future.

14 CHAIRPERSON NEWSOM: Thank you. I appreciate it.

15 MS. SPOTTED BEAR: This is your future that's
16 going to happen here. And California is very beautiful.
17 If you want to keep the beauty and all the people coming
18 back, I strongly urge you to please keep -- keep it
19 clean --

20 CHAIRPERSON NEWSOM: Very good.

21 MS. SPOTTED BEAR: -- because already as
22 indigenous people we -- you're destroying our land and you
23 were welcomed here. And when we welcomed you here, we
24 gave you everything that your ancestors wanted, including
25 the bloodshed of our ancestors. And I don't know how much

1 it's going to take to make you happy, because obviously
2 it's not the money.

3 I don't know what it's going to take.

4 CHAIRPERSON NEWSOM: Thank you very much, ma'am.
5 Thank you for your comments.

6 MS. SPOTTED BEAR: Okay. So I'm going to
7 serve -- who's the Attorney General?

8 CHAIRPERSON NEWSOM: Right there.

9 Ma'am, please come on up. Everybody else,
10 seriously get a little closer, because we're just ready
11 to -- and I'm going to -- how many more of you are going
12 to speak, because I'm going to --

13 (Hands raised.)

14 CHAIRPERSON NEWSOM: So we've got four more
15 people and then we'll officially close public comment.

16 Ma'am, please.

17 Five, six. All right.

18 MS. QUILLONES: My name is Sofia Quillones. The
19 natural path of the water has been altered. We had water
20 wars across these lands that caused genocide. We had an
21 infrastructure surrounded around the Colorado River, and
22 all -- all the water places.

23 But what happened is things changed. They
24 altered and stole California's water. Recently, in
25 current times and five surrounding states took our water.

1 That's why we're in a drought. But the people never got
2 that water.

3 And so this was already decided. Native people
4 did not receive one drop of water more on reservations
5 anywhere. And so under the -- under - in 1800 there was a
6 lawsuit, the Supreme Court already decided, under the
7 Winters Doctrine, you know, it's -- they have rights,
8 first rights. That has not been honored and they -- you
9 violated all treaties by not respecting that.

10 You cannot extract plutonium from the water.
11 They're lying. These are fake facilities. They are fake.
12 You will die of cancer. Your children will be born with
13 deformities. You cannot extract it. And under the veil
14 of intellectual property rights, they will hide. These
15 are international water cartels coming and taking our
16 water, and privatizing it. Privatizing it.

17 There isn't water a shortage. This is a water
18 theft. And you will continue to live in a society of
19 extraction on pollution because they will continue to
20 frack. And they will continue to use water to cool down
21 those nuclear power plants that will kill you.

22 CHAIRPERSON NEWSOM: Thank you.

23 MS. QUILLONES: They will kill you, and it is
24 leaking in San Onofre. It is leaking in San Onofre. It
25 is leaking in San Onofre.

1 CHAIRPERSON NEWSOM: Thank you.

2 MS. QUILLONES: And you cannot extract your
3 uranium, plutonium, and petroleum and so many other
4 chemicals from the water.

5 CHAIRPERSON NEWSOM: Thank you.

6 MS. QUILLONES: These are fake projects.

7 CHAIRPERSON NEWSOM: All right.

8 MS. QUILLONES: And you are in debt. You are in
9 debt to banks. You are a corporation --

10 CHAIRPERSON NEWSOM: Thank you.

11 MS. QUILLONES: -- with a United States
12 corporation number 052714196.

13 CHAIRPERSON NEWSOM: All right. Thank you,
14 ma'am.

15 MS. QUILLONES: You're a corporation, not a
16 country.

17 CHAIRPERSON NEWSOM: And I'm sorry. I'm sorry.
18 Just out of respect to the folks behind you.

19 Thank you so much.

20 Ma'am, thank you.

21 MS. SANTUCCI: Hi. Good afternoon. Althea
22 Santucci. I'm a Huntington Beach resident.

23 (Louder.)

24 CHAIRPERSON NEWSOM: Yeah. Sorry. Folks in the
25 back --

1 MS. SANTUCCI: Okay. Althea Santucci. I'm a I'm
2 a Huntington Beach resident. Good afternoon. I'm here to
3 request you to vote no on the Poseidon project. The
4 project is not needed. Demand for water is being met
5 across the State and here in Orange County. Water is
6 available.

7 Poseidon will increase the cost of water as the
8 contract requires ratepayers to buy this high priced
9 water. The impact -- this impacts our senior citizens,
10 those on fixed income, and low-income people in our
11 communities. The proposed site is located on a fault
12 zone. And we're also in a Tsunami zone here.

13 I would like to ask you please vote no. Please
14 help us. Huntington Beach is in an inflection point right
15 now with our population, our infrastructure, and other
16 environmental stressors. We don't need this one.

17 Thank you so much.

18 CHAIRPERSON NEWSOM: Thank you.

19 MS. SANTUCCI: Please vote no.

20 CHAIRPERSON NEWSOM: Thanks for your time.

21 Thank you.

22 Sir.

23 MR. COURTER: Mr. Chairman, members of the
24 Commission, my name is Ernie Courter. Our family has
25 lived in the neighborhood adjacent to the proposed project

1 for 41 years. We adamantly oppose the project, not only
2 for the reasons that other speakers have previously
3 voiced, but also this project has a high potential of high
4 risk effects on the pristine beaches, local marine life,
5 as well as acoustic noise issues, not only during the
6 construction, but the ongoing operation and maintenance of
7 this facility.

8 The current water management plan indicates that
9 there is adequate water for many decades in the future.
10 This is a private international corporation whose sole
11 interest is mining gold to fill its deep pockets from
12 local residents, and this is -- and the surrounding
13 communities.

14 In several years, they determined that it's no
15 longer profitable, the venture will leave -- they'll leave
16 town and leave the city with this boondoggle.

17 In closing, I believe this project is flawed, and
18 ask that you use your common sense, vote your heart, and
19 deny the lease modifications and vote no on this project.

20 Thank you for your attention.

21 CHAIRPERSON NEWSOM: Thank you very much.

22 Sir, come on up.

23 MR. FERGUSON: Yes. Thank you for the
24 opportunity to speak today. Thank you for all of you for
25 being here doing your job.

1 My name is Darrel Ferguson. I'm with Surfrider
2 Foundation, Newport Beach Chapter. I oppose this project,
3 but I am in favor of a different project. We're in dire
4 need of redoing or updating the Santa Ana River flood
5 control channel. That channel is a conveyor belt for
6 tons -- like, we got over a hundred tons of trash and
7 plant debris down to the Newport Beach this winter.

8 We do that every winter when it's heavy. And so
9 if that project would be a half billion dollar to a
10 billion dollar project to revitalize the Santa Ana River
11 flood control channel into something that could actually
12 use that stormwater in a storm event. That would require
13 lots of workers. It's very sound for the environment. I
14 really -- I really want that project to happen. I hope it
15 does.

16 Thank you so much.

17 CHAIRPERSON NEWSOM: Good. Appreciate that.

18 Sir, you're the last speaker. It's all on you.

19 MR. BROOKS: I was just going to say, you saved
20 the worst for last.

21 (Laughter.)

22 CHAIRPERSON NEWSOM: No, we're counting on you.
23 Bring it home.

24 MR. BROOKS: I want to say, it's a profound
25 honor, really, to address this body. Thank you, Chairman

1 Newsom, Commissioners. Forty year resident of Huntington
2 Beach. I guess you could call me an industrialist.
3 Poseidon, in my opinion, is a proven bad actor, has
4 integrity problems, Carlsbad violations. Apparently,
5 there's a failure in Tampa that the State of Florida had
6 to pick up and bring to completion.

7 Poseidon is not exercising very good diligence.
8 There is a solution for the energy issue that they haven't
9 brought to market, and it seem to me they should have had
10 that done. Maybe desal is a great idea, but not Poseidon
11 as the actor, not a purely profit platform.

12 Orange County Water District could do this,
13 because they do reverse osmosis on their own, and they --
14 in my opinion, Huntington Beach is not right site either.

15 Glenn Brooks.

16 Thank you.

17 CHAIRPERSON NEWSOM: Thank you, sir.

18 That concludes public comment. I appreciate --
19 okay. You got it.

20 Perfect. Thank you all very much. Thank you for
21 your patience, particularly those of you that got here as
22 early as 7:00 a.m. this morning, and those of you that
23 waited it out, and those of you who are you listening
24 online or at home, and those of you that are watching this
25 a month from now, because you've had someone record it and

1 send it to you, we're grateful for your attention on this
2 issue.

3 I have -- so, Jennifer, I want to go through some
4 of these things. Look, let's just set this up. Staff has
5 recommended a number of things to this Commission. And I
6 think it was appropriately acknowledged that this
7 Commission has -- has, I think, stepped up its game in
8 terms of its environmental stewardship. And we've had
9 some significant successes over the course of the last few
10 years. And I think we confidently say we put up against
11 any Commission in recent memory, and we're proud of that.

12 So when it comes to environmental stewardship, we
13 don't take back seat. I want to make that as a
14 foundational point.

15 So with that, comes an enlightened staff, not a
16 Commission, a staff that gets it and gets it done. And
17 rare is it that we are on opposite sides on issues,
18 because this staff has a sustainable mindset.

19 With that, there have been a number of speakers,
20 a hundred plus, that don't agree with your recommendation.
21 And they've made a series of comments that I think deserve
22 at least a response. I'll do my best to try to sum up and
23 aggregate some of them. And I don't expect a long-winded
24 response, and I don't think anyone has the patience for
25 that either.

1 But I want to just go back to a few of the
2 principal points. There's a suggestion that we're
3 approving - it's been implied at least - a 50-year lease
4 for this plant. Is that accurate?

5 EXECUTIVE OFFICER LUCCHESI: That is not
6 accurate. The lease amendment that is before you and
7 recommended by staff does not change the original lease
8 term for -- for this lease -- for this operation. It
9 terminates in 2026.

10 CHAIRPERSON NEWSOM: Right. So the lease they're
11 referring to is a lease with the water agency for a
12 region --

13 EXECUTIVE OFFICER LUCCHESI: It's the life of the
14 project.

15 CHAIRPERSON NEWSOM: The life of the project.

16 EXECUTIVE OFFICER LUCCHESI: Yes.

17 CHAIRPERSON NEWSOM: So beyond that, 20 -- so the
18 question of the lease itself I know was brought up in
19 different ways. That's about to expire. What's the basis
20 in this -- in this request to extend the lease term?

21 EXECUTIVE OFFICER LUCCHESI: The term that was
22 mentioned earlier and -- relates to start of construction,
23 or completion of construction?

24 STAFF ATTORNEY GARRETT: Completion.

25 EXECUTIVE OFFICER LUCCHESI: Completion of

1 construction, excuse me.

2 And when the Commission originally issued the
3 lease amendment in 2010, that lease amendment included a
4 term that construction for the desal project shall
5 complete by a date certain in 2018. That -- as I believe
6 speakers during the public comment mentioned, and that's
7 practically impossible given the entitlements that are
8 still outstanding.

9 So as part of Poseidon's lease application --
10 lease amendment application to the State Lands Commission,
11 they also asked that that construction term be pushed out
12 to 2026 to coincide with the expiration date of the
13 current lease. And so it's a little bit comparing apples
14 to oranges when you -- the construction date is one that
15 can be eliminated or pushed out to the end of the term.

16 As a staff, we didn't see that to be that
17 significant from a land management perspective, because of
18 the length of time it has taken Poseidon to achieve -- to
19 get in front of the various regulatory bodies for a
20 consideration on their projects. We didn't want to put an
21 arbitrary -- another arbitrary construction time frame in
22 the lease, given the uncertainties with the other
23 regulatory agencies, and the start of construction.

24 So we -- our recommendation is just to put that
25 construction term out until the end of -- until -- to

1 coincide with the end of the lease term.

2 CHAIRPERSON NEWSOM: There was suggestion that
3 we're undermining our own State policy as it relates to
4 the seawater intake policy itself. How do you respond to
5 that.

6 EXECUTIVE OFFICER LUCCHESI: Well, I will say,
7 and Mark can probably speak a little bit more articulately
8 to this, the Commission, back maybe a decade ago, did
9 adopt a once-through cooling policy that was actually --
10 it was challenged legally, and the judge -- essentially,
11 the court ruled that that was -- did not meet the
12 requirements of the Administrative Procedure Act, so the
13 Commission does not actually have a current, valid
14 once-through cooling policy on our books.

15 There is though the State Water Board and the
16 State Water Resources Control Board agencies do regulate
17 once-through cooling, and, of course, desalination
18 projects through their desal amendment under the Ocean
19 Plan.

20 CHAIRPERSON NEWSOM: Got it.

21 And as it relates to the cumulative impacts,
22 there were a number of speakers that spoke to those.

23 EXECUTIVE OFFICER LUCCHESI: Right.

24 CHAIRPERSON NEWSOM: Were they considered? Shall
25 they be considered? What is your response to the critique

1 that there are all kinds of things happening in and around
2 this facility and they were not adequately considered as
3 it relates to your recommendation to this Commission?

4 EXECUTIVE OFFICER LUCCHESI: Right. Right. I
5 think that that goes -- that question really goes to the
6 heart of a lot of the different -- of a lot perspectives
7 on this -- on this overall project, and the Commission's
8 role here. It comes down to the scope, the scope of the
9 Commission's jurisdiction, the scope of the Commission's
10 authority, and the scope of -- and that then branches off
11 into CEQA compliance, along with the scope of the lease
12 amendment and the Commission's analysis as it relates to
13 that.

14 The scope -- and we have -- staff has a
15 fundamental difference with many of the speakers that
16 spoke today in opposition of the bigger desal project.
17 The scope, as we talked about earlier in the day, from a
18 staff's perspective is very limited to that delta between
19 what the Commission approved in 2010 and what Poseidon has
20 applied for now in their lease amendment.

21 The Commission in 2010 relied on the City's EIR.
22 They -- and they considered impacts to Public Trust
23 resources, and considered what was in the best interests
24 of the State at the time, and they authorized the lease
25 amendment.

1 And so that is the -- why the staff has
2 approached this from a more narrow scope than maybe some
3 other perspective -- for folks that have different
4 perspectives on that have.

5 And so that's just a fundamental difference, and
6 it's been carried out both in, you know, our CEQA
7 compliance through the Supplemental EIR, through our
8 findings that we're recommending, the statement of
9 overriding considerations, and it also filters through the
10 analysis on -- under the Public Trust Doctrine and the
11 best interests of the State.

12 And we can talk more about that from a legal
13 perspective. We can kind of get more granular on the
14 specific question about what cumulative impacts did we
15 consider in the Supplemental EIR, and we can have our
16 scientists, along with some of our consultants, address
17 some of those more specific questions.

18 But like I said, I think the bigger concept is
19 the scope, and what the appropriate scope of the
20 Commission's jurisdiction and authority is with regards to
21 the specific lease application -- lease amendment
22 application.

23 CHAIRPERSON NEWSOM: And does that scope
24 include -- and I apologize. Jump in. Forgive me. But
25 just the notion of this piecemealing this CEQA and sort of

1 somehow deferring to other agencies --

2 EXECUTIVE OFFICER LUCCHESI: Right.

3 CHAIRPERSON NEWSOM: -- the CEQA analysis.

4 What -- I mean, what -- how do you sort of square that in
5 the context of the broader scoping question?

6 EXECUTIVE OFFICER LUCCHESI: Right. So I -- I'll
7 take piecemealing first. I think that there are concerns
8 that -- in regards to piecemealing, because the
9 distribution aspect of the water that will be produced
10 from this facility has not been set in stone. And that is
11 an uncertainty and it's an unknown. And I think the
12 argument out there is how can you approve -- generally,
13 the State or any entity approve a desal project without
14 knowing how it's going to be distributed and where it's
15 going to go.

16 Again, going back to our scope of review, under
17 CEQA, we don't believe that piecemealing is a valid
18 argument here, because the distribution element is very
19 speculative at this point. There isn't a proposed project
20 that talks about -- that deals with how the water is going
21 to be distributed.

22 So it kind of -- I can understand the perspective
23 of some of the audience -- of some of the members of the
24 public on this issue, because it's so speculative, which
25 then goes into the need issue, right?

1 And so there's lot to unpack here. But again, I
2 always come back to what's the scope of review for the
3 Commission under this lease appli -- lease amendment
4 application?

5 What was the other part of that question? You
6 had piecemealing and -- okay.

7 CHAIRPERSON NEWSOM: No, that was -- I know that
8 the Commissioner Yee had -- the Commissioner had a
9 follow-up with you on this as well, and then we'll -- I've
10 got a number of other issues, and we'll get back to it.

11 COMMISSIONER YEE: Thanks, Jennifer. Perhaps, it
12 might be good to remind folks about the sequencing with
13 respect to the other bodies that will be looking at this
14 project.

15 EXECUTIVE OFFICER LUCCHESI: Oh, right. So the
16 Santa Ana Regional Water Quality Control Board has
17 released a tentative schedule for their review of
18 Poseidon's application that includes a robust peer review
19 of various studies. That will occur by December or
20 January of 2018. And I believe that they have tentatively
21 set a May meeting date to consider Poseidon's application.

22 At least earlier, we did have some staff members
23 from the regional board here to answer questions. I'm not
24 sure if they're still here. But after the regional board
25 acts on this project, then the Coastal Commission is set

1 to act as well on the project.

2 And so I will just emphasize -- and, oh, I think
3 this goes back to your deferment question about deferring
4 to other agencies.

5 CHAIRPERSON NEWSOM: Yeah.

6 EXECUTIVE OFFICER LUCCHESI: And there was a --
7 there was a question or an argument made that based on
8 some recent California Supreme Court decisions that have
9 come out, that the Commission cannot defer environmental
10 analysis to another agency under their CEQA
11 responsibilities. From our perspective, we're not doing
12 that here. What we were -- what that deferment
13 talks -- was -- dealt with was we aren't -- the State
14 Lands Commission isn't the body with the authority to
15 determine compliance of a desalination project with the
16 desal amendment under the Ocean Plan. That rests with the
17 regional water quality control boards and the State Water
18 Board. And that's what we were defer -- that's what --
19 how we described the deferment is they're -- they're the
20 body that determines compliance with the desal amendment,
21 not the State Lands Commission.

22 CHAIRPERSON NEWSOM: Right. And now I sort of
23 reflect it as a critique that they -- we haven't -- they
24 haven't received the regional board permit yet, they
25 haven't received the coastal development permit yet.

1 EXECUTIVE OFFICER LUCCHESI: I -- and I will
2 just -- there is a little bit of a nuance there. Poseidon
3 did receive a permit from the regional board for this
4 project in 2011 or 2012, but that expired. It has a
5 five-year term, so they had to reapply to get -- for a new
6 permit, and that's what's before the regional board at
7 this point.

8 CHAIRPERSON NEWSOM: Got it. Just as it relates,
9 and it's always an issue for us. I mean, the issues --
10 earthquake faults and all those considerations as --

11 EXECUTIVE OFFICER LUCCHESI: Right.

12 CHAIRPERSON NEWSOM: You know -- and from your --
13 our scoping here.

14 EXECUTIVE OFFICER LUCCHESI: Right.

15 CHAIRPERSON NEWSOM: How we do sort of categorize
16 that? How do we conclude that?

17 EXECUTIVE OFFICER LUCCHESI: Yeah, I'm going to
18 have to actually rely on Cy, my Chief of our Environmental
19 Planning Division to I --

20 CHAIRPERSON NEWSOM: And he's passing the buck to
21 someone else.

22 EXECUTIVE OFFICER LUCCHESI: I am passing the
23 buck. I'm calling a friend.

24 CHAIRPERSON NEWSOM: No, he is as well, so this
25 is --

1 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

2 CHIEF OGGINS: It's actually a legal case, where they
3 will -- that the impacts of an earthquake on the project
4 are different from the impacts under CEQA, which we
5 analyze the impacts of the project on the environment.

6 CHAIRPERSON NEWSOM: So that's the distinction.

7 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

8 CHIEF OGGINS: Yes. California Building Industry
9 Association.

10 CHAIRPERSON NEWSOM: And then the question of
11 Poseidon itself. There are plenty of critics of Poseidon
12 on the Carlsbad plant. What's the relevance from your
13 perspective in terms of your overall analysis on the --
14 well, it goes to -- it goes to trust. It goes to
15 veracity. It goes to qualifications. It goes to
16 follow-through, delivery, all of these things.

17 EXECUTIVE OFFICER LUCCHESI: Right.

18 CHAIRPERSON NEWSOM: What is that analysis from
19 your perspective as it relates to the scoping today?
20 What's our consideration as it relates to their
21 violations, alleged or otherwise, and their operation
22 generally?

23 EXECUTIVE OFFICER LUCCHESI: Well, the State
24 Lands Commission does have a lease with Poseidon for the
25 portions of their Carlsbad facility that are located on

1 State tidelands. And so when we first started hearing
2 about potential violations of regulatory permits,
3 particularly with the regional board or with the coastal
4 development permit that was issued for that project, we
5 started to reach out to those agencies to ensure -- to
6 find out more about what those violations were, how they
7 were being resolved, and then comparing them to what our
8 lease provides for that project.

9 And at this point, from what we have been told by
10 the Coastal Commission staff, by the regional water board
11 staff, that -- that there isn't any notice of violations
12 that have been issued, per se. And if they have -- if --
13 for any potential violations, they are being worked on
14 with those regulatory agencies.

15 So the bottom line from our perspective when we
16 were looking at lease compliance issues is, at this point,
17 it doesn't appear that there's any evidence that they are
18 in violation of any of the State Lands Commission lease
19 provisions. So that's what I can say on that issue.

20 CHAIRPERSON NEWSOM: All right.

21 EXECUTIVE OFFICER LUCCHESI: I will also just
22 mention that as far -- that we do have a current lease
23 with Poseidon and AES for this particular site. And we
24 have also looked into their own lease compliance with
25 those -- with that -- with that lease and we have not

1 found any violations currently.

2 CHAIRPERSON NEWSOM: Okay.

3 EXECUTIVE OFFICER LUCCHESI: So that's what I can
4 speak to.

5 CHAIRPERSON NEWSOM: And just two quick things
6 and then I want to go what I know Commissioner Yee cares
7 deeply about and that's guarantees and following up on
8 some of these greenhouse gas related issues. And there
9 were some comments about that --

10 EXECUTIVE OFFICER LUCCHESI: Right.

11 CHAIRPERSON NEWSOM: -- which I thought were very
12 valid. And I hope this Commission -- I expect your
13 leadership will attend to.

14 The issue of Marine Protective Areas, and the
15 broader impacts on the MPA, is that -- was that something
16 assessed or is that something outside the scope.

17 EXECUTIVE OFFICER LUCCHESI: No. Certainly, it
18 was assessed. And again, I'm going to defer to Alexandra.

19 Oh, I'm sorry. Dr. Raimondi. I'm sorry I wasn't
20 sure who Cy was pointing to. Dr. Raimondi is our
21 consultant for the analysis, and please.

22 DR. RAIMONDI: Yeah. I can tell what we -- what
23 we have done. We looked at the locations of the putative
24 plant, the current plant as well. And then we compared
25 that to what we know about the connectivity of the current

1 patterns, because I think what we're really asking is is
2 there a likelihood that little babies, larvae are going to
3 go from one place to the other, especially from the MPAs
4 to be taken into the plant?

5 There's just been a study that came out a few
6 weeks ago. It hasn't been fully analyzed to see what that
7 level of connectivity is, but it could be. At the time,
8 we thought that the distance -- distances made it likely
9 that there would be some individuals that would go from
10 the MPAs and get taken into the plant, and that are
11 currently being taken into the current operation, but not
12 very many. But that was based upon older modeling. The
13 new models have just come out.

14 CHAIRPERSON NEWSOM: Okay. So if the new models
15 have just come out, what is -- what -- and so what are we
16 to assess from the new model? You said that we're still
17 analyzing the new data.

18 DR. RAIMONDI: These were done under a different
19 guise. They were done for the Marine Protected Area
20 group, and they were trying to look at the level of
21 connectivity among the MPAs themselves to establish the
22 level of connection between them with respect of
23 transported larvae. Because what we're really talking
24 about, people have talked about this all day long about
25 the things that get sucked into the pipe.

1 CHAIRPERSON NEWSOM: Right.

2 DR. RAIMONDI: So that's what -- we weren't
3 talking about that context with respect to Poseidon or any
4 other once-through. We were talking about with respect to
5 all places in California, and -- but when we got here
6 today, we realized that this would be inform -- it could
7 be informative for this particular question if it came up.

8 CHAIRPERSON NEWSOM: Okay. And just --

9 EXECUTIVE OFFICER LUCCHESI: I'd like --

10 CHAIRPERSON NEWSOM: Yeah, please.

11 EXECUTIVE OFFICER LUCCHESI: If you don't mind.

12 CHAIRPERSON NEWSOM: No.

13 EXECUTIVE OFFICER LUCCHESI: I'd like Alexandra
14 our environmental scientist and project lead to just
15 emphasize.

16 CHAIRPERSON NEWSOM: Fabulous.

17 ENVIRONMENTAL SCIENTIST BORAK: Okay. So we did
18 work with Dr. Raimondi see what sort of effect and impact
19 there could be on the nearest MPAs from the operation of
20 this -- the lease modification with the screens being put
21 on the intake pipeline. And we attempted to account for
22 any mortality that could be -- that could occur from
23 organisms that would be drawn in from those MPAs. And
24 that was built into the mitigation that you'll find in the
25 Supplemental EIR.

1 So we were incredibly conservative. And in the
2 absence of a very definitive model or data set, we assumed
3 that that mortality was going to occur and we built that
4 into our mitigation in the EIR.

5 CHAIRPERSON NEWSOM: Okay. Good to hear it. And
6 did you assess, and I don't know extending this point, the
7 technology itself. There was a number of people
8 criticizing potential clogging of those wedgewires, the
9 fact that it's untested. Is that part of the analysis,
10 part of the objective assessment when you're looking at
11 impacts? I mean, how confident are we in the technology
12 that we're proposing here.

13 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION
14 CHIEF OGGINS: This is Cy Oggins again. We're really
15 relying heavily on the regional board's analysis in the
16 desalination amendment to look at that. The supplemental
17 environmental document prepared by the State Water Board
18 for the desalination amendment did address the fact that
19 wedgewire screens and diffusers, in the absence again of
20 subsurface intakes or other considerations, were the
21 preferred technology. So we're relying heavily on our
22 State Water Board analysis for that substitute
23 environmental document.

24 CHAIRPERSON NEWSOM: Got it. And then I don't
25 want to take the energy around guarantees as opposed to

1 voluntary goals as it relates to low carb -- great carbon
2 neutrality, some of the GHG-related commitments. It's one
3 thing to say, it's another to do get to a hundred percent.
4 And perhaps I defer to you in terms of advancing some of
5 those issues.

6 COMMISSIONER YEE: Sure. Can I just pose a
7 couple other questions before that?

8 CHAIRPERSON NEWSOM: Oh, please. Yeah.

9 COMMISSIONER YEE: Okay. Great.

10 This has been a fascinating day. And, first of
11 all, I just want to thank everyone who's participated in
12 the public hearing. This project. And you can probably
13 guess through some of my questions how frustrating this is
14 in terms of our -- the scope of what is before us in the
15 Commission -- at the Commission with respect to the
16 considerations for the entirety of the project.

17 And what I just would say is I don't feel like
18 I'm in a position to second guess local water officials,
19 but I hope that they do better with respect to a couple
20 things. One, if there are citizens advisory committees
21 going forward, that they definitely be more
22 representative. I was astonished at how many people came
23 forward who knew nothing about the project. Certainly,
24 had never been contacted or had any kind of communication.
25 And I think that we all could do better in terms of the

1 outreach.

2 Secondly, I was happy to hear that there seems to
3 be some monitoring of ratepayer protections. And the idea
4 that when we talk about desal, that we should not be
5 focused on cost, I think, is really ridiculous. It is the
6 most expensive type of water that we could be producing.

7 (Applause.)

8 COMMISSIONER YEE: And so I happy to hear that
9 there's some monitoring of ratepayer protections.

10 And then I hope down the road, and this is the
11 frustrating part, it's not within our jurisdiction, and
12 it's frankly a part of how the desal policy will evolve
13 over time, but as we talk about the need for the water,
14 that there be some sort of amped up analysis that frankly
15 I don't think has been done yet, where we do some scenario
16 analysis about what the projection of the need for the
17 water is; that there actually be an articulation of each
18 of the water sources, pro and con; and to do the cost
19 benefit analysis attendant to each of those. I have not
20 seen that. I've not seen that, and I hope we do see it
21 down the road.

22 Having said that, with respect to what is
23 currently before us, I think there are a couple things,
24 Mr. Chairman, that are squarely in our jurisdiction. And
25 first thing I wanted to tackle was just kind of the -- and

1 why I asked about the sequencing of the bodies that we'll
2 be looking at this project is that I know that the Water
3 Board is undergoing an additional separate process for
4 third-party review as it relates to the diffuser.

5 And I -- that analysis is currently not done. It
6 will be done. And what I would like to suggest, Mr.
7 Chairman, if we look at a motion for this project, is that
8 we, in approving the recommended lease modification
9 project, that we except the diffuser element of the
10 project, which then could be approved only on the
11 condition that the regional quality water board approves
12 the diffuser element. And it wouldn't have to come back
13 to this Commission. We would authorize the Executive
14 Officer to essentially move forward on that.

15 The second concern -- second concern, which has
16 been articulated well by many of the speakers does relate
17 to the energy issue. A lot has changed since 2010. And
18 by the time this facility is built and certainly where
19 California is leading with respect to really aggressive
20 greenhouse gas emissions, our transition to renewable
21 energy, I think this project has to be a model project
22 within that regard.

23 And so in that vein, I know that there is a
24 provision in the lease agreement right now relative to
25 Poseidon's responsibility on offsetting direct and

1 indirect greenhouse gas emissions. And what I would
2 propose is that we require that Poseidon offset a hundred
3 percent of their direct and indirect greenhouse gas
4 emissions from construction and operations, regardless of
5 what they've already committed to already.

6 And essentially, it's not just status quo, but
7 we're going to reach and do better. And I want to give it
8 some time. And what I would propose is that we see a plan
9 that would be provided by Poseidon, I don't know, some
10 period out, probably 90 days prior to the start and
11 construction for review.

12 So that -- I think those two issues are squarely
13 before us that could be incorporated in a motion. And if
14 you're ready for a motion, I would put those into a
15 motion.

16 CHAIRPERSON NEWSOM: Great. Appreciate that.

17 What -- so what is the commitment currently. I
18 mean, I want to understand the clarity as it relates. And
19 perhaps the representative from Poseidon is here.

20 Sorry. I'll lean in a little more.

21 So you've committed to the hundred percent GHG
22 reduction, or at least offset, correct?

23 MR. MALONI: Correct.

24 CHAIRPERSON NEWSOM: Is that in the construction
25 phase or also on the operation phase?

1 MR. MALONI: Both.

2 CHAIRPERSON NEWSOM: Both. So you've already
3 committed. So, in essence, we're just trying to codify
4 your commitments. How -- I mean, is there anything in the
5 provision of the resolution of what's in front of us that
6 does that or is it just a statement from Poseidon of
7 commitment, and is there a way to codify it and to require
8 it?

9 EXECUTIVE OFFICER LUCCHESI: Well, I think what I
10 I'm hearing is that what staff proposed is that Poseidon
11 offset or avoid a hundred percent, direct or indirect, GHG
12 emissions from construction operations to the extent that
13 they have committed to already in their GHG plan, and some
14 of the supplemental information that they have submitted
15 to the Commission as a part of their application
16 processing.

17 I think, at least from -- what I heard from
18 Commissioner Yee was that not to have any kind of caveat
19 associated with it. It's 100 percent avoid or offset,
20 indirect or direct, operations or construction, period,
21 and to submit a plan that actually achieves that 90 days
22 before construction starts.

23 COMMISSIONER YEE: Right.

24 CHAIRPERSON NEWSOM: And is that not -- I mean,
25 least from the perspective of the representative from

1 Poseidon what you're committing to?

2 MR. MALONI: Yeah, and just for clarity, it's not
3 voluntary. It's a design feature of our project,
4 incorporated by the city council in 2010, and then
5 memorialized a condi -- as a condition of our lease in
6 2010, and being renewed as a condition of our lease now.
7 So it's not voluntary. It's a requirement.

8 CHAIRPERSON NEWSOM: So this amendment shouldn't
9 be -- an issue.

10 COMMISSIONER YEE: Well, let me just clarify.

11 CHAIRPERSON NEWSOM: -- unless there's a
12 different amendment.

13 COMMISSIONER YEE: I know that the conversations
14 have started between Poseidon and Edison, and I think
15 those are ongoing. We didn't hear a progress report back.
16 But it's not writing a check just to fulfill the
17 obligation. We actually want to see action, and that's
18 the commitment. And frankly, that the direction that the
19 State is moving towards.

20 And if this is going to be a state-of-the-art
21 desal plant that we can rely on, and by the time it's
22 constructed, I think, that's -- that should be the
23 standard. So, yes, you've already committed to it, that
24 it is not just writing a check to address it, but to
25 really develop, develop either a technology or other tools

1 that will help meet this obligation of being 100 percent
2 greenhouse gas emission free.

3 CHAIRPERSON NEWSOM: So either I'm missing
4 something -- it sounds like we're all on the same page,
5 but I know the devil is in the damn details. So I get it.

6 EXECUTIVE OFFICER LUCCHESI: So I do want to
7 clarify.

8 CHAIRPERSON NEWSOM: And so I know something, as
9 they say, ain't right here. So what -- how do -- how do
10 we square this circle?

11 EXECUTIVE OFFICER LUCCHESI: Yeah, I -- I think
12 maybe the nuance here, and Commissioner Yee correct me if
13 I'm wrong, is that it -- that the avoidance and the offset
14 have to be actual --

15 COMMISSIONER YEE: Yes.

16 EXECUTIVE OFFICER LUCCHESI: -- and not
17 purchasing credits.

18 COMMISSIONER YEE: Yes.

19 CHAIRPERSON NEWSOM: So is it a credit?

20 EXECUTIVE OFFICER LUCCHESI: Is that correct --

21 ACTING COMMISSIONER ORTEGA: To a hundred
22 percent?

23 COMMISSIONER YEE: To a hundred percent.

24 ACTING COMMISSIONER ORTEGA: A hundred percent
25 of -- I guess I'm not clear if we have the information

1 that that is achievable. If you're saying a hundred
2 percent, no credit, I'm unclear as to whether that's
3 feasible as a --

4 COMMISSIONER YEE: All I want to be sure of is
5 that this is explored with Edison, and that they're -- all
6 options are explored, and that it's not just about
7 satisfying this by writing a check. There is -- there are
8 all kinds of things being developed towards meeting our
9 energy goals. And this plant ought to be showcasing some
10 of that.

11 And so maybe at the end of the day, you come back
12 and tell us you can't do it all through -- without just --
13 through the operation. And so it might be a combination
14 of things to satisfy the requirement, but --

15 MR. MALONI: We hear you loud and clear, Madam
16 Controller. In addition to the offset of 100 percent of
17 the direct and indirect emissions associated with the
18 construction and operation, we are proposing additional
19 measures to make the plant and -- more energy efficient
20 and responsive to the grid needs.

21 So the demand management program, the design
22 efficiency, trying to purchase renewable energy under a
23 long-term water purchase agreement, assuming that we can
24 do that under State regulations, our lease amendment
25 condition requires us to pursue all of those options, in

1 addition to being 100 percent carbon neutral. We're
2 committed to doing that.

3 And it's memorialized in an obligation through a
4 report that we have to submit to your staff to their
5 satisfaction prior to the construction of the plant.

6 COMMISSIONER YEE: Okay. I'm just going to say
7 this. Mr. Maloni, I appreciate that. You and I have
8 talked about this issue several times. I know you've been
9 in conversation with the -- I think it's one of the
10 national labs on water technology. You just started
11 conversations with Edison recently. We were hoping to get
12 a status report back. But I think there are options out
13 there for you, where you can actually develop in concert
14 with Edison, things that you can incorporate into the
15 operations that will get you to a hundred percent
16 greenhouse gas emission-free.

17 That's all I'm asking. And we haven't heard
18 anything back. I know you had meetings. There have been
19 some -- and there might -- and it might be even things
20 that you go to the legislature to help facilitate. But I
21 want to see movement on this. By the time this is
22 built -- by the time this is built, you be behind the
23 standard with respect to greenhouse gas emissions. That's
24 my belief.

25 CHAIRPERSON NEWSOM: So Jennifer, what -- is

1 there language that we can incorporate into this
2 authorization and lease that would basically fill the
3 spirit of what the Commissioner is advancing?

4 EXECUTIVE OFFICER LUCCHESI: So to the
5 existing -- to the language that we are proposing in our
6 recommendation, maybe add, "To the maximum extent possible
7 or feasible, avoid GHG emissions a hundred percent without
8 providing offsets", but it doesn't preclude them from
9 purchasing credits or --

10 COMMISSIONER YEE: Maybe --

11 EXECUTIVE OFFICER LUCCHESI: I'm sorry. I
12 just -- I'm time trying to thread this needle for you
13 right now.

14 COMMISSIONER YEE: Maybe you can say, "Poseidon
15 shall offset or avoid", and so they can -- there's kind of
16 that --

17 EXECUTIVE OFFICER LUCCHESI: Yes, it currently
18 says that.

19 COMMISSIONER YEE: Right. Okay. And so -- but
20 it's regardless of its -- of the commitments in its GHG
21 plan. I mean, it's going to be on --

22 EXECUTIVE OFFICER LUCCHESI: And in addition,
23 what I'm hearing is to the maximum extent possible.

24 COMMISSIONER YEE: Yes. And we want to see if
25 that --

1 EXECUTIVE OFFICER LUCCHESI: And I would also add
2 that when we are evaluating that -- that plan 90 days
3 before construction, we would be consulting with the
4 Energy Commission --

5 COMMISSIONER YEE: Yes

6 EXECUTIVE OFFICER LUCCHESI: -- and other --

7 COMMISSIONER YEE: Yes.

8 EXECUTIVE OFFICER LUCCHESI: -- State agencies
9 with more --

10 COMMISSIONER YEE: Air Resources Board.

11 EXECUTIVE OFFICER LUCCHESI: -- expertise on
12 these. Air Resources Board exactly.

13 CHAIRPERSON NEWSOM: Please.

14 ACTING COMMISSIONER ORTEGA: On this point, I
15 think I -- I just don't want to get too far from the staff
16 recommendation or the language that's before us, so that
17 the approval, or if it is approved today, is not
18 achievable under some proposal that we don't really have
19 the details of. So I want to be cautious to not -- while
20 we want to push on this issue, to not go so far that we're
21 then making the company be out of compliance with the
22 terms that we've approved today.

23 COMMISSIONER YEE: Yeah, which is why I'm still
24 preserving the ability for them to offset. So I'm trying
25 to build in that flexibility, but --

1 CHAIRPERSON NEWSOM: Yeah. So, I mean, we -- so
2 we have some language, right? And I don't know if,
3 Jennifer, you've had a chance to see this. "Poseidon
4 shall offset or avoid a hundred percent of all direct or
5 indirect GHG emissions in construction or operation of the
6 Huntington Beach desal plant lease modification project
7 regardless of commitments in its GHG plan". So far so
8 good?

9 EXECUTIVE OFFICER LUCCHESI: Yes.

10 CHAIRPERSON NEWSOM: Poseidon, so far so good, in
11 the spirit of what you already are committing to?

12 MR. MALONI: The additional language is,
13 "Regardless of the requirements of this GHG plan"?

14 CHAIRPERSON NEWSOM: Yeah, the existing. So,
15 "shall offset or avoid", so it's still within a margin of
16 your frame, "Poseidon shall submit its plan to comply with
17 the terms to the Commission 90 days prior to starting
18 construction review", right, that should work?

19 MR. MALONI: Yes.

20 CHAIRPERSON NEWSOM: That's good.

21 "Subsequent to the Commission's review,
22 Poseidon's plan to offset or avoid a hundred percent
23 direct or indirect GHG emissions from the construction and
24 operation of Huntington desal plant lease modification,
25 Poseidon..." -- here's the key language -- "...Poseidon

1 shall report annually to the Commission on the compliance
2 of this requirement".

3 Is that a huge burden?

4 MR. MALONI: No.

5 CHAIRPERSON NEWSOM: Didn't think so.

6 Fabulous.

7 And then we delegate to the Executive Director,
8 when in doubt that's you, Jen, unless you retire --

9 EXECUTIVE OFFICER LUCCHESI: Yes.

10 CHAIRPERSON NEWSOM: -- or your designee --
11 actually, wait a second. You have an out too. The
12 authority to make the changes to the proposed lease
13 amendment consistent with this motion.

14 Make sense?

15 EXECUTIVE OFFICER LUCCHESI: Is there a motion?

16 ACTING COMMISSIONER ORTEGA: Well, can I ask her
17 one further --

18 CHAIRPERSON NEWSOM: You need clarification.

19 ACTING COMMISSIONER ORTEGA: So a clarification
20 on the diffuser point.

21 EXECUTIVE OFFICER LUCCHESI: Um-hmm.

22 ACTING COMMISSIONER ORT3GA: So if the
23 diffuser -- if that issue is addressed in -- at the
24 board -- at the regional board, it would have to come back
25 to -- it would becoming back to the Commission?

1 COMMISSIONER YEE: I'm suggesting that it not.
2 That we authorize the Executive Officer just to --

3 EXECUTIVE OFFICER LUCCHESI: It's essentially --
4 if I may --

5 COMMISSIONER YEE: It's a conditional approval.

6 EXECUTIVE OFFICER LUCCHESI: -- just elaborate.
7 It's a conditional approval. And so --

8 ACTING COMMISSIONER ORTEGA: But what I'm saying
9 is if the regional board had not approved it, so without
10 your proposed clarification. If the regional board
11 doesn't approve it, it -- they -- if they -- they would
12 have to -- likely they would be proposing something else
13 that would come back to the Commission anyway, right?

14 EXECUTIVE OFFICER LUCCHESI: That's correct.

15 ACTING COMMISSIONER ORTEGA: Yeah. So I don't
16 think I have any objection to that change, because I feel
17 like the flip side of it would end up back here anyway.

18 EXECUTIVE OFFICER LUCCHESI: That's correct.

19 ACTING COMMISSIONER ORTEGA: Yeah.

20 CHAIRPERSON NEWSOM: Okay. So any desire to move
21 that now or do we want to continue the conversation?

22 COMMISSIONER YEE: I'm prepared to make the
23 motion, Mr. Chairman.

24 CHAIRPERSON NEWSOM: So moved.

25 COMMISSIONER YEE: Yeah.

1 CHAIRPERSON NEWSOM: Is there a second?

2 ACTING COMMISSIONER ORTEGA: Second.

3 CHAIRPERSON NEWSOM: Good. Without objection,
4 we'll move that amendment to the broader issue, which we
5 have yet to move, because we are going to continue perhaps
6 to talk about it.

7 Any other comments from the Commissioners? Any
8 other aspects of the conversation?

9 ACTING COMMISSIONER ORTEGA: So I guess --

10 CHAIRPERSON NEWSOM: Please.

11 ACTING COMMISSIONER ORTEGA: -- I would -- on the
12 issue of the jurisdiction, the limited scope, respecting
13 all of the points that have been made today, I think there
14 are lots of legitimate policy questions that have been
15 raised, issues that need to be addressed, you know, from
16 where -- the position I'm representing on the Commission,
17 it feels like many of those issues are more appropriately
18 addressed at the regional board, and not in the context of
19 the decision that's before us.

20 The decision before us is really about the
21 amendment to the lease. And it seems to me from what's
22 been presented by staff, what's before is an improvement
23 over what was approved in a previous Commission action, in
24 terms of less water intake, the application of the
25 screens, and diffuser.

1 And so for that reason, and again respecting the
2 advice our counsel is providing that the CEQA analysis is
3 appropriate, and what is legally required, I would move
4 adoption of the staff recommendation as it relates to the
5 certification of the EIR. I don't know if we need a
6 separate motion on the lease amendment or if the previous
7 motion covers that.

8 CHAIRPERSON NEWSOM: It should cover it, correct?
9 It's amended into the authorization.

10 EXECUTIVE OFFICER LUCCHESI: Yes. I think just
11 to be very clear -- excuse me, sorry. Just to be very
12 clear, I recommend a motion that approves staff
13 recommendation -- the staff recommendation --

14 CHAIRPERSON NEWSOM: As amended.

15 EXECUTIVE OFFICER LUCCHESI: -- as amended.

16 ACTING COMMISSIONER ORTEGA: Okay. So that would
17 be the complete motion to move staff recommendation as
18 amended by the request of Controller Yee.

19 COMMISSIONER YEE: Okay. I'll second.

20 CHAIRPERSON NEWSOM: Second.

21 And so before we move on that, I just want to say
22 briefly, first of all, thank you all. I said that, but I
23 want to repeat that for all the reasons you just advanced.
24 I mean there's so many, I think, very substantive policy
25 issues that came out of this conversation that are

1 essential to debate and discuss. The question again is
2 the scope of this body, and its role and responsibility
3 and relationship to the action at hand that limits the
4 broader conversation. It doesn't limit it, but it
5 inherently restricts our ability, at least as it relates
6 to the action item, to overly indulge in those other
7 areas. It's not without consideration those concerns.

8 Second, I have to say this, and I should have
9 said it earlier, and she left. And so I'm going to say it
10 behind her back to Senator Boxer. There were a few people
11 that took personal shots. I should have cut them off.
12 And I say that to make this point, you don't have to agree
13 with Senator Boxer's position on this issue - good people
14 can disagree - but my gosh, I was a resident in Marin
15 County when she was a champion of the environment before
16 it was even in people's mindset, back in the, you know,
17 dark ages before you were born over there.

18 (Laughter.)

19 CHAIRPERSON NEWSOM: And I don't know a more
20 fierce and moreover successful champion of the environment
21 in the United States of America than Senator Barbara
22 Boxer. And so I just want to -- just from a reputational
23 perspective, respectfully, I'm happy to get blowback on
24 that, but I just personally need to express that, because
25 I have great admiration and respect for obviously you

1 just -- you know, good people can disagree, but I don't
2 want to undermine or impugn her integrity in this process.
3 That's an editorial comment from me.

4 Beyond that though, the issue is at hand. And,
5 Jennifer, unless you have anything else you want to say,
6 and if you do, I'd be shocked at this late hour --

7 (Laughter.)

8 EXECUTIVE OFFICER LUCCHESI: I'm fine.

9 CHAIRPERSON NEWSOM: -- or concern.

10 You have nothing else.

11 The Commissioners having nothing else.

12 There's a motion, it's been seconded, and now
13 approved unanimously we'll move that item forward as
14 amended.

15 Everybody, thank you so much for your time and
16 attention today.

17 We now have one other item on the agenda. And
18 I'm sure you all want to stick around for it. You're
19 welcome to, but I unfortunately cannot. And that's why
20 Rhys is going to replace me. And we'll get to Item number
21 98. You want to read it.

22 EXECUTIVE OFFICER LUCCHESI: Yes. So Item 98 is
23 an informational report on the Commission's efforts to
24 increase transparency in our closed session agendas, and
25 discussions. I'm happy not to belabor the point, but I am

1 very happy -- yes, I'm -- we can move very quickly.

2 CHAIRPERSON NEWSOM: Yes, because I actually care
3 about this, but I'm late. I'm sorry.

4 EXECUTIVE OFFICER LUCCHESI: Yes. Well, we -- it
5 was at your direction, Chair Newsom, for us to reevaluate
6 our practices as it relates to our closed session.

7 CHAIRPERSON NEWSOM: And I'm sorry, everyone, if
8 you can -- you can editorialize about your feelings about
9 what we just outside, I'd appreciate it. Thank you.

10 We have one other. Jennifer, please continue.

11 EXECUTIVE OFFICER LUCCHESI: So we have been in
12 the process of evaluating our practices as it relates to
13 public disclosure of our closed session discussions to
14 achieve more transparency in the Commission's operations.

15 The informational staff report in front of you
16 talks about different ways that we can do that without
17 prejudicing the State's position in litigation or in other
18 confidential situations.

19 CHAIRPERSON NEWSOM: So I'm happy to answer any
20 question.

21 CHAIRPERSON NEWSOM: Excellent. Good. What are
22 you recommending?

23 EXECUTIVE OFFICER LUCCHESI: I will turn it over
24 to Mark.

25 CHAIRPERSON NEWSOM: And, everybody, if we could,

1 just respectfully, we still -- we'll still meeting,
2 everybody, if you could. Thank you very much.

3 CHIEF COUNSEL MEIER: There's no action for the
4 Commission to take. What we're recommending is to report
5 a little bit more information in the public agenda --

6 CHAIRPERSON NEWSOM: Good.

7 CHIEF COUNSEL MEIER: -- about what will be
8 discussed in closed session. If it's reasonable to take
9 votes on actions such as to pursue litigation in public,
10 we will recommend taking those votes in public, after
11 closed session discussion about the advisability and pros
12 and cons. And I already closed the item.

13 But essentially, it would be those type -- a
14 little bit more description about what's being discussed,
15 and a little bit --

16 CHAIRPERSON NEWSOM: Things that tip our hat,
17 don't prejudice any legal action.

18 CHIEF COUNSEL MEIER: Yeah, we'd strongly
19 recommend that. I mean, the purpose of the Bagley-Keene
20 Open Meetings Act is to allow for confidential discussions
21 if it's in the public interest. If it's not in the public
22 interest, there's no reason to have a confidential
23 discussion.

24 So we would -- we would parse out the particular
25 actions and separate those items that need to be discussed

1 in private from those items that can be done in the
2 public.

3 CHAIRPERSON NEWSOM: No, I -- and colleagues I
4 really appreciate the work on this, because I do think
5 it's important. If we're going to preach transparency,
6 we've got to practice transparency. But I also understand
7 what the inherent friction as it relates to our litigation
8 strategies and our broader legal conversations that
9 appropriately are held in private, so as to not prejudice
10 the State's interests.

11 So I am thankful. I know we've had at least, for
12 full disclosure, three or four conversations around this
13 in closed session. So we might as well advance that as
14 evidence A of our commitment to be more transparent.

15 EXECUTIVE OFFICER LUCCHESI: Right.

16 CHAIRPERSON NEWSOM: And I thought they were very
17 thoughtful, and I really sincerely am grateful to the
18 Commissioners for their willingness to lean into this as
19 well, and to advance these principles in a public manner.
20 So I thank you.

21 EXECUTIVE OFFICER LUCCHESI: And just to -- to
22 add just a tiny bit, this was an excellent exercise for us
23 to go through as a staff as a Legal Division, and then in
24 consultation with the Attorney General's office, because
25 we realize we could really improve our communication with

1 the public on these issues. So thank you for directing us
2 to go through this exercise. I think it was beneficial
3 all the way around.

4 CHAIRPERSON NEWSOM: Well, that's actually a
5 wonderful way to end the day with some unanimous consent,
6 in the spirit of good will.

7 Are there any other items to come before the
8 Commission?

9 Seeing none, meeting is adjourned. Thank you all
10 very much.

11 (Thereupon the California State Lands
12 Commission meeting adjourned at 6:01 p.m.)

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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 31st day of October, 2017.

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23 JAMES F. PETERS, CSR
24 Certified Shorthand Reporter
25 License No. 10063