STATE OF CALIFORNIA
CALIFORNIA STATE LANDS COMMISSION MEETING
OPEN SESSION MINUTES
STATE TEACHERS' RETIREMENT SYSTEM
7801 FOLSOM BOULEVARD
TRUCKEE RIVER CONFERENCE ROOM
2ND FLOOR
SACRAMENTO, CALIFORNIA 95826

3:30 PM

JULY 13, 2007

APPEARANCES

COMMISSIONERS PRESENT

John Garamendi, Lt. Governor, Chair
John Chiang, Controller (Ron Placet sat in for Controller during the consent calendar vote. The Controller was present for the regular calendar.)
Anne Sheehan, Alternate for Department of Finance

COMMISSIONERS' STAFF PRESENT

Nettie Hoge, Lt. Governor's Office
Ron Placet, Alternate for Controller

STAFF MEMBERS IN ATTENDANCE

Paul D. Thayer, Executive Officer
Jack Rump, Chief Counsel

REPRESENTING THE OFFICE OF THE ATTORNEY GENERAL

Matthew Rodriquez, Senior Assistant Attorney General
Christine Sproul, Deputy Attorney General

RECORD OF ACTION TAKEN BY THE
CALIFORNIA STATE LANDS COMMISSION
MEETING OF JULY 13, 2007

Lt. Governor John Garamendi, Chair, called the regular meeting of the California State Lands Commission to order at 3:36 p.m. at the State Teachers' Retirement System, Truckee River Conference Room, 2nd Floor, 7801 Folsom Boulevard, Sacramento, California 95826.

The minutes of the June 28, 2007 meeting were approved by a vote of 2-0, by Commission Chair John Garamendi and Ron Placet.

The recommendation of staff, relative to Consent Calendar Items C01 and C02 were approved by a vote of 2-0, by Commission Chair John Garamendi and Ron Placet.

Regular Item 03: The Commission listened to a staff presentation on the consideration of a certification of an EIR and authorization of an amendment to a lease to North Baja Pipeline, LLC. After taking testimony from North Baja and other state and private agencies, the Commission, by a vote of 3-0 (Lt. Governor John Garamendi, Controller John Chiang and Alternate Anne Sheehan), voted to approve the item with the following amendments included:

In addition to the terms of the lease drafted by the staff of the State Lands Commission, the lease shall require the following:

1) The applicant, in consultation with any California air quality district within whose jurisdiction gas from the North Baja Pipeline will be used, shall conduct a study to determine the impacts, if any, of using gas with a higher Wobbe index than is presently used in the district. This study shall:

a) establish a mutually agreed upon, estimated baseline for measuring and reporting the current average Wobbe index for all natural gas from all sources being consumed in the district as of the date of initial delivery of any gas north of the Mexico California border through the North Baja pipeline. .

b) measure on a regular basis, NOx emissions directly attributable to any incremental increases in the Wobbe index of gas used in the district, resulting from the operation of the North Baja Pipeline. This measurement shall consider the Wobbe index of gas supplies that are supplanted by gas from the Pipeline.

c) determine appropriate mitigation measures, in cooperation with the relevant local air district and the relevant utilities responsible for gas distribution, that will offset or eliminate any increases to NOX emissions in the district that are attributable to higher Wobbe index gas from the Pipeline.

2) A plan for the study, which will include the calculation of the baseline required in (a), shall be submitted by October 1, 2007 for the review and approval of the State Lands Commission.

3) Within one year after the first delivery in a district of gas from the Pipeline, and annually thereafter, the applicant will submit the results of the study to the Commission for its review and approval.

4) As approved by the Commission, the applicant shall carry out the mitigation measures.

The meeting was adjourned by Lieutenant Governor John Garamendi at 6:35 p.m.

PUBLIC ADDRESSING THE FOLLOWING CALENDAR ITEMS
CALIFORNIA STATE LANDS COMMISSION MEETING

JULY 13, 2007

REGULAR ITEM 03 – NORTH BAJA PIPELINE, LLC.

- Les Bamburg, Sempra LNG
- Jim Bore, California Energy Commission
- Tom Filler, Staff Environmental Scientist, DEMP, CSLC
- Dale Kelly-Cochrane, VP of Planning & Analysis, Sempra LNG
- Cheung Liu, Deputy Executive Officer, South Coast Air Quality Management Distict
- Pat Perez
- Henry Morse, General Manager, North Baja Pipeline
- Jim Porter, Public Land Management Specialist, LMD, CSLC
- Megan Quinn, Attorney at Remy, Thomas, Moose and Manley
- Aaron Quintanar, Border Power Plant Working Group
- Roger Schwecke, Southern California Gas Co. & San Diego Gas & Electric