

~ MINUTES ~
CALIFORNIA STATE LANDS COMMISSION
MEETING OF AUGUST 20, 2010

EMPLOYMENT DEVELOPMENT DEPARTMENT
AUDITORIUM
722 CAPITOL MALL
SACRAMENTO, CALIFORNIA 95814

APPEARANCES

COMMISSIONERS PRESENT

Cindy Aronberg, Deputy Controller, Alternate for Chair and State Controller John Chiang
Abel Maldonado, Lieutenant Governor (not present for Items 55 and 25)
Cynthia Bryant, Chief Deputy Director for Policy, Department of Finance,
Alternate for Ana J. Matosantos, Director, Department of Finance

STAFF MEMBERS IN ATTENDANCE

Paul Thayer, Executive Officer
Curtis Fossum, Chief Counsel

REPRESENTING THE OFFICE OF THE ATTORNEY GENERAL

Joseph Rusconi, Deputy Attorney General

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

**RECORD OF ACTION TAKEN BY THE
CALIFORNIA STATE LANDS COMMISSION
MEETING OF AUGUST 20, 2010**

Commissioner Alternate Aronberg called the meeting of the California State Lands Commission to order at 10:03 A.M. at the Employment Development Department Auditorium, 722 Capitol Mall, Sacramento, California 95814; also present were Commissioner Abel Maldonado and Commissioner Alternate Cynthia Bryant.

The Minutes of the June 28, 2010 meeting were approved as presented by a vote of 3-0.

EXECUTIVE OFFICER'S REPORT

Executive Officer Paul Thayer discussed the upcoming audit to be conducted by the Bureau of State Audits as requested by Senator Cogdill on July 21 and directed by the Joint Legislative Audit Committee. The Commissioners were advised of the Commission staff's initial responses and implementation actions being taken regarding keeping leases and their rents current. Those steps included 1) requiring in all future leases that a lessee applies two years in advance of the expiration of their lease, and 2) leases in holdover status be subject to rent modifications in order to keep rents at market rates. Two other actions are being pursued as well: staff is investigating what other jurisdictions leasing pipeline rights-of-way charge in order to update the present formula of \$.02/per diameter inch, per foot. The Commission is currently generally using the higher alternative rate of 9% of the value of the land. Modifying the \$.02 rate will require changing the Commission's regulations and approval of the Office of Administrative Law. Also explained were annual and cumulative revenue generated by the Commission's leases. Commissioner Maldonado encouraged staff to expedite the process.

CONSENT CALENDAR

Consent items C37 and C54 were removed from the agenda, to be heard at a later date. Consent Item 25 was moved to the Regular Calendar. Prior to the vote it was clarified by the Executive Officer that Consent Item 31 had a map exhibit that was in error and inconsistent with the legal description of the leased area, which was correct. With that clarification Consent Items C01-C24, C26-C36 and C38-C47 were approved by a vote of 3-0.

INFORMATIONAL

(The Items below appear in the order presented.)

ITEM 49: Commissioner Maldonado gave a presentation on his visit to Louisiana and the Gulf of Mexico in July to learn more about the BP Deepwater Horizon oil spill. His report included observations of what had occurred and the response to the blowout. He pointed out the differences in the number and circumstances surrounding drilling from platforms in

the Gulf and in California's offshore. Commissioner Maldonado described how he was able to view the site of the former platform and the oil still on the Gulf waters. He also met with Louisiana State Lands representatives and federal response personnel and was provided an explanation of the process to plug the well. Commissioner Maldonado also made recommendations that the State look at and possibly implement a 30-day response plan for oil spills rather than the current 7 day plans and consider third party verification of offshore drilling from platforms in federal waters. Finally, he acknowledged the important role of tourism to California's economy and expressed appreciation to the retired California firefighters, UC Davis scientists, and California state employees who participated, and commended their efforts, in helping with the oil spill clean-up and wildlife protection.

ITEM 48: Staff made a presentation to the Commission on the ongoing wetlands restoration of the Bolsa Chica Lagoon in Huntington Beach. In general, various species of birds are thriving at the Bolsa, including the Savannah Sparrow and Snowy Plover. Also, there has been an increase in the fisheries nurseries, e.g. halibut and Round Ray.

PRESENTATION OF PLAQUE: A resolution was presented to Mr. James Trout honoring his 57 years of state service, including 43 years with the State Lands Commission, 40 of which he has been working on Bolsa Chica and the wetlands restoration project.

REGULAR CALENDAR

(The items below appear in the order that they were heard and voted on.)

ITEM 50: At the June Commission meeting the Commission Chair requested staff to review and report back on the Commission's oil spill prevention activities and the effectiveness of the programs. Four of the Commission's divisions gave reports on their specific functions in regards to oil and gas operations in state waters. Staff made several recommendations including: updating regulations, expanded bonding and insurance requirements, obtaining cease and desist authority to shut down platform operations if unsafe, increasing oil spill prevention and response funds by increasing the per barrel fee, filling of positions left vacant by recent retirements in the Marine Facilities Division, reclassifying the inspector series to attract qualified personnel, increasing the personnel responsible for preventing oil spills through enforcement of the Marine Oil Terminal Engineering and Maintenance Standards, and enhancing information data bases regarding oil spills through the use of GIS. The Commission asked staff to consider whether there are additional measures to protect the Coast of California from a catastrophic oil spill. A motion was made to adopt staff recommendations. It was noted that the item had not been agendaized as an action item. The motion died for lack of a second. The Commission requested that the staff bring an agenda item back with recommendations for adoption at a future meeting

The item was information – no action taken.

ITEM 51: A staff presentation was made regarding consideration of approval of a report to the Legislature entitled “2010 Assessment of the Efficacy, Availability and Environmental Impacts of Ballast Water Treatment Systems for Use in California Waters.” It was acknowledged that the Commission will have another opportunity to review the standards when the staff is to report the status of progress in treatment technology by September 2011. John Berge, Vice President, Pacific Merchant Shipping Association spoke in opposition to certain conclusions reached in the report. Victoria Rome of the Natural Resources Defense Council spoke in approval of adoption of the report.

The Commission approved the staff recommendations as presented by a vote of 3-0.

ITEM 52: A staff presentation was made regarding authority to terminate a lease and authority to seek litigation for ejection and damages for file failure to comply with the terms of a lease issued to Larry and Laura Hamilton for an uncovered floating boat dock, pilings and a gangway located in Walnut Grove.

The Commission approved the staff recommendations as presented by a vote of 3-0.

ITEM 53: A staff presentation was made recommending authority to terminate the holdover tenancy and denial of an application for the Rio Ramaza Marina.

The Commission approved the staff recommendations as presented by a vote of 3-0.

ITEM 55: A staff presentation was made asking the Commission to support a resolution urging Congress and the President to support a permanent ban on offshore oil leasing or new offshore oil leasing off the coast of California. The resolution also supports several provisions in 47 federal bills that address the oil spill in the Gulf of Mexico. The Chief Counsel informed the Commission that due to Commissioner Maldonado having left the meeting only one alternate to the two Constitutional officers could participate and vote on items. Commissioner Alternate Amanda Fulkerson did not participate and vote. Commissioner Alternate Bryant recommended clarifying the resolution by adding the term “new” before the word offshore in the penultimate resolution paragraph.

The Commission approved the staff recommendations as amended by a vote of 2-0.

ITEM 25: A staff presentation was made regarding rent revision involving an existing lease for the Agate Pier and Swim Club Inc. at Lake Tahoe. Wes Moody, representing the Club, spoke in opposition to the increase in rent. Commissioner Alternate Amanda Fulkerson did not participate and vote.

The Commission approved the staff recommendation as presented by a vote of 2-0

PUBLIC COMMENT:

Martin Adams spoke on the status of dust control measures by the Los Angeles Department of Water and Power at Owens Lake.

Katherine Stone, representing the Seacliff Colony Homeowners Association, spoke regarding the Commission staff's proposed lease to the Association (Item 54, which was pulled from the agenda) for a revetment to protect their homes. She indicated the Association had rejected the proposed lease. She expressed the Association's belief that the revetment is on upland property and not within tide and submerged lands under the Commission's jurisdiction. She outlined a counter-proposal by the Association that would agree that the entire revetment was on private property. Staff indicated that it would agendaize the matter for Commission consideration at its next meeting.

The Commission meeting public session was adjourned at 12:32 P.M.

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

AUGUST 20, 2010

ITEM 25 – AGATE PIER AND SWIM CLUB

Mary Hays, Public Land Manager, Land Management Division

- Wes Moody, Director, Agate Pier & Swim Club

REGULAR ITEM 51 – BALLAST WATER REPORT

Nicole Dobroski, Staff Environmental Scientist, Marine Facilities Division

- John Berge, Vice President, Pacific Merchant Shipping Association
- Victoria Rome, CA Advocacy Program, Natural Resources Defense Council

REGULAR ITEM 52 – HAMILTON LEASE

Vicki Caldwell, Land Management Specialist, Land Management Division

REGULAR ITEM 53 – RIO RAMAZA MARINA

Michelle Clark, Land Management Specialist, Land Management Division

REGULAR ITEM 55 – RESOLUTION

Mario De Bernardo, Legislative Liaison/Staff Counsel

PUBLIC COMMENT

- Martin Adams, Director of Water Operations, Los Angeles Department of Water and Power
- Katherine Stone, Attorney, representing the Seacliff Beach Colony Homeowners Association