

~ MINUTES ~
CALIFORNIA STATE LANDS COMMISSION
MEETING OF OCTOBER 13, 2016

**SHERATON SAN DIEGO HOTEL AND MARINA BAY TOWER
1590 HARBOR ISLAND DRIVE
SAN DIEGO, CALIFORNIA 92101**

APPEARANCES

COMMISSIONERS PRESENT

- Betty T. Yee, State Controller
- Rhys Williams, Chief of Staff and Alternate for Lieutenant Governor Gavin Newsom
- Eraina Ortega, Chief Deputy Director and Alternate for Director of the Department of Finance Michael Cohen

STAFF MEMBERS IN ATTENDANCE

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

REPRESENTING THE OFFICE OF THE ATTORNEY GENERAL

- Andrew Vogel, Deputy Attorney General

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

**RECORD OF ACTION TAKEN BY THE
CALIFORNIA STATE LANDS COMMISSION
MEETING OF OCTOBER 13, 2016**

Chair Betty Yee called the meeting of the California State Lands Commission to order at 1:00 P.M. at the Sheraton San Diego Hotel and Marina Bay Tower, Belaire Room, 1590 Harbor Island Drive, San Diego, California 92101; also present were Commissioner Alternate Rhys Williams and Commissioner Alternate Eraina Ortega.

The Minutes of the August 9, 2016 meeting were approved by a vote of 3-0 (Yee-Yes; Williams-Yes; Ortega-Yes).

EXECUTIVE OFFICER'S REPORT

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

- Earlier in the year, the Commission supported SB 900, which was authored by Senator Hannah-Beth Jackson and sponsored by Controller Yee that would have set up a Coastal Hazard Removal and Remediation Program in the State Lands Commission, along with specific continuous funding, and also a requirement to inventory wells off the coast of California and do a seep study. The bill was vetoed by Governor Brown. The Governor's veto message did leave open the idea of gathering additional information about the legacy wells and the coastal hazards and utilizing that information to then pursue possible future funding. The Governor also directed State Lands Commission to work with the Department of Conservation in that effort.
- On the subject of SB 900, the Commission directed staff in August of last year to start doing an internal inventory of legacy wells based on publicly-available information and information in the Commission's files. A significant portion of the work has been completed, including identifying their location status and summarizing all the available records on file. Staff will make a presentation to the Commission in December on the inventory.
- Commission staff issued a Notice of Preparation for the Becker Well Abandonment and Remediation Project, and released a solicitation for statements of interest for contractors to go out and do the environmental analysis for the project. The Notice of Preparation for the Draft Environmental Impact Report was released on October 4th, and staff plan on having a public scoping hearing in Carpinteria on this project October 20th.
- In February of this year, Commission staff began a feasibility study for the use of unmanned aerial systems, or drones, as a support tool for certain Commission activities. Staff researched drone systems and met with vendors who demonstrated their drone system's capabilities including providing aerial imagery, assisting in surveying, and providing topographic information. These capabilities could immediately help and assist the Commission staff in several areas of our programs, including boundary surveying, identifying and cataloging physical

RECORD OF ACTION CONTINUED

hazards, observation of offshore oil seeps, documenting changes in sea level rise in coastal processes, and locating abandoned mines and their features in difficult-to-access terrain. The information collected could then be used to create an imagery and data library as well as multiple GIS layers. Commission staff decided to purchase one drone system. This acquisition and use of the drone is consistent with Key Action 4.2.1 of the Commission's Strategic Plan to build a comprehensive set of authoritative geospatial data that will enhance Commission decision making and enrich the public's understanding of the Commission's mission, vision, policies and activities.

- Commission staff has made a significant step forward in streamlining the Commission's surface leasing application process. The previous application was 17-20 page long; the new short-form application is now 9 pages, and is a much easier to understand and work-through application for those applicants that have a simpler proposal for the use of State property.
- Venoco's proposed lease line adjustment Draft Environmental Impact Report is out for public review and comment. The comment period ends November 14th. Commission staff will be in Goleta next week on October 19th for two public hearings to hear comments from the public, at 3:00 and 6:00 pm.
- Commission staff received an application from Poseidon Huntington Beach for an amendment to their existing lease with the Commission to account for proposed sea water intake and discharge technology modifications to their proposed desalination project. Commission staff has started its review of this application and will be relying on the City's 2010 certified subsequent Environmental Impact Report, as well as prepare additional environmental analysis required by CEQA in connection with the consideration of this project. Additionally, staff has entered into an MOU with the Coastal Commission staff, and the Santa Ana Regional Water Quality Control Board staff to layout the sequencing of the consideration by these three State agencies of this project.
- Commission staff has been invited to participate in the Bureau of Ocean and Energy Management California Intergovernmental Renewable Energy Task Force to facilitate coordination and consultation among federal, state, local, and tribal governments on renewable energy activities in the Outer Continental Shelf offshore California's coast. That invitation and participation on the task force dovetails nicely as the Commission now has the second California seat on the West Coast Regional Planning Board (WCRPB), as part of the United States National Ocean Policy; the other seat is held by the Ocean Protection Council. The annual meeting of the WCRPB will be held on October 26th and 27th in Portland, Oregon. Jennifer Mattox, the Commission's Science Policy Advisor, will attend on behalf of the Commission.

RECORD OF ACTION CONTINUED

- The Commission was updated on the status of the Bureau of Land Management (BLM) exchange that was discussed in a Memorandum of Intent (MOI) entered into in October of last year. The Commission authorized executive of a MOI with BLM to facilitate the exchange of 61,000 acres of State lands for 5,600 acres of BLM lands that were primed for renewable energy facilities, including a currently operating solar facility. Since that time, BLM and Commission staffs have been coordinating to refine and submit the maps and cost-sharing estimates. On September 14th of this year, BLM issued its Record of Decision for the DRECP land-use plan amendment. The proposed exchange was included in this document. BLM indicates that the legal land description has just been completed. The next step is to coordinate to prepare the final feasibility package for submittal to the BLM Washington, D.C. office for the Director's approval. To complete this, Commission staff will need to complete land inspections, NEPA and CEQA review, notice of the proposal for newspaper publication, and a review for sufficiency by the Solicitor.
- The Commission was updated on the status of Martins Beach access acquisition negotiations. Two lawsuits are still pending at various states in the court system. The Friends of Martins Beach case is back in trial court following the Supreme Court's denial of a petition for review, and de-publication of the entire appellate opinion. This case is not yet set for trial, but it has been assigned to the same judge that heard the Surfrider case. Surfrider's case has been fully briefed in the First District Court of Appeal, with the Coastal Commission and others filing amicus briefs in support of Surfrider. The Coastal Commission is still pursuing their efforts to secure prescriptive rights at Martins Beach. The status of negotiations between the property owner and staff of the State Lands Commission under Senator Hill's bill, SB 968, has substantively stalled. Compliance with SB 968 will be agendized for the Commission's consideration at the December meeting.

CONSENT CALENDAR

- Consent Items C01-C61 were approved as presented by a vote of 3-0 (Yee-Yes; Williams-Yes; Ortega-Yes).

INFORMATIONAL CALENDAR

- Item 62 – was informational – no vote required.

RECORD OF ACTION CONTINUED

REGULAR CALENDAR

(Items appear in the order heard)

ITEM 63: A staff presentation was made to the Commission to consider an application for a wind energy lease to Pacific Wind Development, LLC, for state school land located in San Diego County. After hearing testimony from the applicant and members of the public, the Commission approved the item as presented.

Item 63 – was approved as presented by a vote of 3-0 (Yee-Yes; Williams-Yes; Ortega-Yes).

ITEM 64: A staff presentation was made to the Commission to consider a Memorandum of Understanding between the State Lands Commission and the San Diego Unified Port District to develop a pilot marine planning effort for State-owned tidelands and submerged lands located in the Pacific Ocean offshore San Diego County.

Item 64 – was approved as presented by a vote of 3-0 (Yee-Yes; Williams-Yes; Ortega-Yes).

ITEM 65: A staff presentation was made to the Commission to approve updates to the Category 1 Southern California Benchmark, which applies to leases in Ventura, Los Angeles, Orange, and San Diego counties, and to the Category 2 Huntington Harbour Benchmark, which applies to leases in Huntington Harbour in the City of Huntington Beach, Orange County.

Item 65 – was approved as presented by a vote of 3-0 (Yee-Yes; Williams-Yes; Ortega-Yes).

(The State Lands Commission adjourned into closed session from 3:23 P.M. to 3:46 P.M., then resumed open session at 3:47 P.M.)

The Commission meeting public session was adjourned at 3:47 P.M.

**STAFF AND PUBLIC ADDRESSING
THE FOLLOWING CALENDAR ITEMS
OCTOBER 13, 2016**

INTRODUCTIONS

- Supervisor Greg Cox, San Diego County Board of Supervisors
- Tony Gordon, Principal, Portfolio Manager, Port of San Diego
- Mike Prather, Eastern Sierra Audubon Society

ITEM 63

Brian Bugsch, Chief, Land Management Division, CSLC
Jennifer Mattox, Science Policy Advisor, CSLC

- Maris Brancheau, Staff Attorney, Protect Our Communities Foundation
- Jeffrey Durocher, Pacific Wind Development
- Jim Peugh, Conservation Director, San Diego Audubon Society
- Terry Weiner, Imperial County Coordinator, Desert Protective Council

ITEM 64

Jennifer Mattox, Science Policy Advisory, CSLC

- Julia Chunn-Heer, Policy Manager, Surfrider Foundation
- Michael Jones, President, The Maritime Alliance
- Kristin Kuhn, Community Engagement Manager, San Diego Coastkeeper
- CDR Jerod Markley, Environmental Counsel, Navy Region Southwest
- Amanda Sackett, California Policy Coordinator, Surfrider Foundation
- David Yow, Legislative Policy Administrator, Port of San Diego

ITEM 65

Ken Foster, Public Land Management Specialist, Land Management Division, CSLC

- Jeff Cooper, representing self

PUBLIC COMMENT

- Scott Maloni, Vice President, Poseidon Water
- Staley Prom, Legal Associate, Surfrider Foundation