

MEETING
STATE OF CALIFORNIA
NATURAL RESOURCES AGENCY
LANDS COMMISSION

STATE CAPITOL
ROOM 447
SACRAMENTO, CALIFORNIA

FRIDAY, FEBRUARY 21, 2014
10:04 A.M.

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

A P P E A R A N C E S

COMMISSION MEMBERS:

Mr. John Chiang, State Controller, Chairperson,
represented by Mr. Alan Gordon

Mr. Gavin Newsom, Lieutenant Governor

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

STAFF:

Ms. Jennifer Lucchesi, Executive Officer

Mr. Mark Meier, Chief Counsel

Mr. Brian Bugsch, Chief, Land Management Division

ATTORNEY GENERAL:

Mr. Joe Rusconi, Deputy Attorney General

ALSO PRESENT:

Mr. Gary Furumoto, Civil Engineer, Sagan Design Group

Mr. Nat Goldhaber

Mr. Gregg Lien

Mr. Edgar Washburn, Attorney, representing Hewlett Family
Trust

I N D E X

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OPEN SESSION	1
I 10:00 A.M. - CLOSED SESSION: AT ANY TIME DURING THE MEETING THE COMMISSION MAY MEET IN A SESSION CLOSED TO THE PUBLIC TO CONSIDER THE FOLLOWING PURSUANT TO GOVERNMENT CODE SECTION 11126:	2
A. LITIGATION. THE COMMISSION MAY CONSIDER PENDING AND POSSIBLE LITIGATION PURSUANT TO THE CONFIDENTIALITY OF ATTORNEY-CLIENT COMMUNICATIONS AND PRIVILEGES PROVIDED FOR IN GOVERNMENT CODE SECTION 11126(e).	
1. THE COMMISSION MAY CONSIDER MATTERS THAT FALL UNDER GOVERNMENT CODE SECTION 11126(e)(2)(A):	
Redwood Square Enterprises, LLC v. Standard Brands Paint Co. et al.	
State of California, acting by and through the State Lands Commission v. Crockett Marine Services et al.	
Seacliff Beach Colony Homeowners Association v. State of California et al.	
State of California, acting by and through the State Lands Commission v. Singer	
Defend Our Waterfront v. California State Lands Commission et al.	
The Melton Bacon and Katherine L. Bacon Family Trust et al. v. California State Lands Commission, City of Huntington Beach	
SLPR, LLC et al. v. San Diego Unified Port District, State Lands Commission	

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San Francisco Baykeeper v. State Lands
Commission

City of Los Angeles v. Great Basin
Unified Air Pollution Control District
et al.

City of Los Angeles v. California Air
Resources Board et al.

California State Lands Commission v.
Edward L. Clark Jr.

2. THE COMMISSION MAY CONSIDER MATTERS
THAT FALL UNDER GOVERNMENT CODE SECTION
11126(e)(2)(B) or (2)(C).

- B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS.
THE COMMISSION MAY CONSIDER MATTERS THAT
FALL UNDER GOVERNMENT CODE SECTION 11126
(c)(7) - TO PROVIDE DIRECTIONS TO ITS
NEGOTIATORS REGARDING PRICE AND TERMS FOR
LEASING OF REAL PROPERTY.

1. Consider and provide instructions to
negotiators regarding negotiations over
a proposed lease of state lands, to be
designated as PRC 3659.1, to Nathaniel
Goldhaber and Marilyn K. Goldhaber,
Co-Trustees of the Goldhaber Revocable
Trust U/A/D 11/11/2005. Negotiating
parties: Nathaniel Goldhaber and Marilyn
K. Goldhaber, and the California State
Lands Commission; Under negotiation:
price and terms.

II OPEN SESSION 2

III CONFIRMATION OF MINUTES FOR THE MEETING OF
JANUARY 23, 2014 2

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IV EXECUTIVE OFFICER'S REPORT

3

Continuation of Rent Actions to be taken by the CSLC Executive Officer pursuant to the Commission's Delegation of Authority:

- Bidart Bros. (Lessee): Continuation of rent at \$500 per year for a General Lease - Grazing Use, located on State owned indemnity school land within portions of Section 15, Township 31 South, Range 21 East, MDM, near the town of McKittrick, San Luis Obispo County (PRC 5672.2).
- Sprint Communications Company, L.P (Lessee): Continuation of rent at \$400 per year for a General Lease - Right of Way Use, located on State school lands in portions of Section 30 and 32, Township 10 North, Range 1 East; Section 36, Township 15 North, Range 9 East; Tract 37, Township 16 North, Range 11 East; and Section 16, Township 16 North, Range 13 East, SBM, near Barstow, San Bernardino County (PRC 7201.2).
- Cablecom General of Modesto (Lessee): Continuation of rent at \$100 per year for a General Lease - Right-of-Way Use, located in the Tuolumne River at Modesto, Stanislaus County (PRC 5969.1).
- Joseph Tony Zeiter (Lessee): Continuation of rent at \$875 per year for a General Lease - Recreational and Protective Structure Use, located in the San Joaquin River, near Atherton Cove, city of Stockton, San Joaquin County (PRC 5577.1).
- David G. Gifford, Trustee of the David G. Gifford 2006 Revocable Trust, dated December 4, 2006 (Lessee): Continuation of rent at \$50 per year for a General Lease - Recreational Use, located in the San Joaquin River at Atherton Cove, near the city of Stockton, San Joaquin County (PRC 7147.1).

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- Shirley H. Allen, Trustee, or the acting successor trustee of The Allen Family Trust for the benefit of David and Shirley Allen, under instrument dated December 29, 1995 (Lessee): Continuation of rent at \$647 per year for a General Lease - Recreational Use, located in Lake Tahoe, Placer County (PRC 4183.1).
- Shasta County Department of Public Works (Lessee): Continuation of rent at \$341 per year for a General Lease - Public Agency Use, located on sovereign land in the Sacramento River, near the city of Anderson, Shasta County (PRC 505.1).

V. CONSENT CALENDAR C01-C63

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

LAND MANAGEMENT DIVISION
NORTHERN REGION

- C01 STOCKTON MARINA PROPERTIES LLC (LESSEE): Consider revision of minimum annual rent to Lease No. PRC 4049.1, a General Lease - Commercial Use, of sovereign land located in Seven Mile Slough near the city of Isleton, Sacramento County; for a commercial marina known as the Owl Harbor Marina. (PRC 4049.1)(A 9; S 6) (Staff: R. Boggiano)
- C02 CHEVRON U.S.A., INC. (LESSEE): Consider revision of rent to Lease No. PRC 3277.1, a General Lease - Right-of-Way Use, of sovereign land located in Honker Bay, Roaring River Slough, Montezuma Slough, Grizzly Slough, and the Sacramento River, Solano, Contra Costa, Yolo, and Sacramento Counties; for an eight-inch refined products pipeline used to transport gasoline, diesel, and jet fuel.(PRC 3277.1) (A 8, 9, 11; S 4, 6, 7) (Staff: R. Boggiano)

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- C03 LINCOLN CHAN (LESSEE): Consider revision of rent to Lease No. PRC 4221.1, a General Lease - right-of-Way Use, of sovereign land located in Hensley Slough, adjacent to Assessor's Parcel Number 132-0190-050, near the town of Courtland, Sacramento County; for a right-of-way for ingress and egress to Lessee;|s adjoining property. (PRC 4221.1) (A 8; S 4) (Staff: R. Boggiano)
- C04 SUISUN RESOURCE CONSERVATION DISTRICT (LESSEE): Consider application for a Dredging Lease to dredge material from sovereign land located in the Suisun Marsh, Solano County; dredged material to be used for exterior levee maintenance and repair. (W 26708) (A 11; S 3) (Staff: R. Boggiano)
- C05 THOMAS WEBORG AS SOLE TRUSTEE OF THE STANLEY F. RODRIGUEZ REVOCABLE TRUST, DBA STAN'S YOLO MARINA (ASSIGNOR); JAMES ROBERT UHL, DBA STAN'S YOLO MARINA (ASSIGNEE): Consider application for the assignment and amendment of Lease No. PRC 4405.1, a General Lease ;VCommercial Use, of sovereign land located in the Sacramento River, adjacent to 31070 South River Road, near Clarksburg, Yolo County; to revise the Liveaboard Attrition Plan. (PRC 4405.1; RA# 11713) (A 8; S 8) (Staff: V. Caldwell)
- C06 THE SAN FRANCISCO SAILING WHALEBOAT ASSOCIATION, INC. (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in White Slough at Empire Tract, adjacent to Assessor's Parcel Number 069-080-15, near the city of Stockton, San Joaquin County; for two existing wood pilings and a walkway. (PRC 5437.1) (A 10; S 5) (Staff: V. Caldwell)
- C07 WALTER R. HURLBUT AND LINDA H. HURLBUT (LESSEES); WALTER R. HURLBUT AND LINDA H. HURLBUT, TRUSTEES OF THE HURLBUT FAMILY REVOCABLE TRUST U/V/D JUNE 21, 2006 (APPLICANTS): Consider acceptance of a quitclaim deed for Lease No. PRC 7795.1, a General Lease - Recreational and Protective Structure Use, and an application for a new General Lease - Recreational and Protective

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Structure Use, of sovereign land located in the Sacramento River, adjacent to 7095 Garden Highway, near the city of Sacramento, Sacramento County; for existing bank protection previously authorized by the Commission, and an existing uncovered single-berth floating boat dock with boat lift, steel dolphin, two steel pilings with steel stabilizer bar, gangway, and electrical utility outlet not previously authorized by the Commission. (PRC 7795.1; RA# 12613) (A 7; S 6) (Staff: V. Caldwell)

- C08 STEVEN F. GIANANDREA AND JUDY L. BAKER-GIANANDREA, TRUSTEES OF THE GIANANDREA FAMILY TRUST DATED OCTOBER 30, 2007 (APPLICANTS): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the San Joaquin River, adjacent to 2039 Cove Court, near the city of Stockton, San Joaquin County; for an existing single-berth floating boat dock, four pilings, ramp, and bank protection previously authorized by the Commission, and an existing dock cover, storage box, electrical outlet, bulkhead, and fill area not previously authorized by the Commission. (PRC 6527.1; RA# 22612) (A 13; S 5) (Staff: M.J. Columbus)
- C09 GEORGE B. ALMEIDA, TRUSTEE, GEORGE B. ALMEIDA 1991 TRUST DATED JULY 29, 1991 (LESSEE); STEVEN CODOG (APPLICANT): Consider acceptance of a quitclaim deed for Lease No. PRC 7015.9, a Recreational Pier Lease, and an application for a General Lease - Recreational Use, of sovereign land located in the Calaveras River, adjacent to 2725 Calariva Drive, near the city of Stockton, San Joaquin County; for an existing uncovered single-berth floating boat dock, ramp, and six pilings previously authorized by the Commission, and an existing shade structure, utility conduit, debris deflector, chain attached to a deadman, and one piling not previously authorized by the Commission. (PRC 7015.1; RA# 35212) (A 13; S 5) (Staff: M.J. Columbus)

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- C10 COUNTY OF SACRAMENTO (APPLICANT): Consider application for a General Lease - Public Agency Use of sovereign land located in Snodgrass Slough, adjacent to Assessor's Parcel Numbers 146-0070-008, 146-0070-014, 146-0100-084, and 146-0120-051, near Walnut Grove, Sacramento County; for an existing bridge known as the Twin Cities Road Bridge. (PRC 3216.9; RA# 03613) (A 15; S 5)(Staff: M.J. Columbus)
- C11 PETER F. SNOOK AND JUDITH L. SNOOK, AS TRUSTEES OF THE SNOOK FAMILY REVOCABLE TRUST, DATED APRIL 11, 2000 (APPLICANTS): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4688 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing pier, boathouse, and two mooring buoys previously authorized by the Commission; and an existing boat lift and sundeck with stairs not previously authorized by the Commission. (PRC 1617.1; RA# 24810) (A 1; S 1) (Staff: M.J. Columbus)
- C12 DELTA DIAMOND VENTURES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to 15175 State Highway 160, near the city of Isleton, Sacramento County; for an existing boat dock, five pilings, and walkway. (PRC 8488.1; RA# 05313) (A 11; S 3) (Staff: W. Hall)
- C13 SUSAN S. METCALF, AS TRUSTEE OF THE SUSAN S. METCALF REVOCABLE TRUST DATED MAY 16, 1995, AND JOHN BROCKWAY METCALF (APPLICANTS): Consider application for a General Lease - Recreational Use of sovereign land located in Lake Tahoe, adjacent to 9031 Lupine Way, near the city of South Lake Tahoe, El Dorado County; for an existing pier and two mooring buoys not previously authorized by the Commission. (W 21450; RA# 16509) (A 5; S 1)(Staff: W. Hall)

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- C14 WILLIAM R. TIMKEN AND JUDITH P. TIMKEN, TRUSTEES OF THE 2007 WILLIAM R. TIMKEN QUALIFIED PERSONAL RESIDENCE TRUST I B AND TRUST II B U/D/T DATED SEPTEMBER 10, 2007; AND WILLIAM R. TIMKEN AND JUDITH P. TIMKEN, TRUSTEES OF THE 2007 JUDITH P. TIMKEN QUALIFIED PERSONAL RESIDENCE TRUST I B AND TRUST II B U/D/T DATED SEPTEMBER 10, 2007 (LESSEE): Consider rescission of approval for revision of rent, and continuation of rent for Lease No. PRC 3705.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 1300 West Lake Boulevard, Tahoe City, Placer County; for an existing pier, boat hoist, slip, and sundeck. (PRC 3705.1) (A 1; S 1) (Staff: W. Hall)
- C15 LLOYD A. LUNDSTROM, III, NANCY GILL, MARGY LUNDSTROM, GERALDINE M. LUNDSTROM, TRUSTEE OF THE GERALDINE M. LUNDSTROM SURVIVOR'S TRUST UDT DATED DECEMBER 21, 1991 AS AMENDED AND SUCCESSOR TRUSTEES THEREUNDER, GERALDINE M. LUNDSTROM, TRUSTEE OF THE LLOYD A. LUNDSTROM, JR. BYPASS TRUST UDT DATED DECEMBER 21, 1991 AS AMENDED AND SUCCESSOR TRUSTEES THEREUNDER (APPLICANTS): Consider application for a General Lease - Recreational Use of sovereign land located in Lake Tahoe, adjacent to 4920 North Lake Boulevard, Carnelian Bay, Placer County; for an existing pier, boathouse, boat hoist, existing sundeck with stairs; and one mooring buoy previously authorized by the Commission, and one existing mooring buoy not previously authorized by the Commission. (PRC 4226.1; RA# 03213) (A 1; S 1) (Staff: W. Hall)
- C16 DELTA BEACH PROPERTIES, INC. (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to 14250 Isleton Road, near the city of Isleton, Sacramento County; for an existing boat launch ramp and accommodation dock previously authorized by the Commission and 20 existing double-point mooring buoys not previously authorized by the Commission. (PRC 5383.1; RA# 11609) (A 11; S 3) (Staff: N. Lavoie)

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- C17 THE BOW CORPORATION, A CALIFORNIA CORPORATION (LESSEE); RIVER VIEW MHC, LLC (APPLICANT): Consider rescission of approval of Lease No. PRC 5189.1, a General Lease - Recreational and Protective Structure Use, and application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 11705 Parey Avenue, near the city of Red Bluff, Tehama County; for an existing boat launch ramp and bank protection. (PRC 5189.1; RA# 10513) (A 3; S 4) (Staff: N. Lavoie)
- C18 STEVEN L. MERRILL, TRUSTEE OF THE STEVEN L. MERRILL LIVING TRUST U/A/D 4/17/95, AND JACQUELINE MERRILL, TRUSTEE OF THE JACQUELINE MERRILL 2006 TRUST UNDER TRUST AGREEMENT DATED FEBRUARY 17, 2006, AS AMENDED (APPLICANTS): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 2000 North Lake Boulevard, near Tahoe City, Placer County; for an existing pier, boathouse, two mooring buoys, and one unattached piling previously authorized by the Commission, and one existing boat lift not previously authorized by the Commission. (PRC 2666.1; RA# 11512) (A 1; S 1) (Staff: J. Sampson) 59
- C19 CONEY ISLAND FARMS, INC. (LESSEE): Consider amendment to Lease No. PRC 2222.1, a General Lease - Right-of-Way Use, of sovereign land located in the Old River, adjacent to Contra Costa County Assessor Parcel Number 001-111-005 and San Joaquin County APN 189-250-07; to include an existing floating boat dock, two pilings, and gangway not previously authorized by the Commission; and revise the lease description, and the annual rent. (PRC 2222.1) (A 15; S 5) (Staff: J. Sampson)

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- C20 JEFFREY B. O'NEILL AND DARICE D. O'NEILL, AS TRUSTEES OF THE O'NEILL TRUST UTA DATED 4/10/1996 (LESSEES): Consider revision of rent to Lease No. PRC 6958.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3940 Belleview Avenue, Tahoe Pines, Placer County; for two existing mooring buoys. (PRC 6958.1) (A 4; S 1) (Staff: J. Sampson)
- C21 MARK L. FRANCIS (LESSEE); AARON BEAVER AND NATALIE BEAVER, TRUSTEES OF THE AARON BEAVER AND NATALIE BEAVER AB LIVING TRUST, DATED 4/15/08 (APPLICANTS): Consider termination of Lease No. 8625.9, and application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to 14400 State Highway 160, Walnut Grove, Sacramento County; for an existing single-berth floating boat dock, seven steel pilings, and gangway. (PRC 8625.1; RA# 10813) (A 8, 15; S 5, 14) (Staff: J. Sampson)
- C22 OMP/I&G CREEKSIDE INVESTORS, LLC (APPLICANT): Consider application for a General Lease - Right of Way Use, of sovereign land located in Penetencia (Scott) Creek APN 519-0820-002-13, city of Fremont, Alameda County; for the construction of a new 12-inch sanitary sewer pipeline and a 30-inch steel casing. (W 26688; RA# 09213) (A 25; S 10) (Staff: J. Sampson)
- C23 EDWIN M. KADO AND JEAN A. KADO, TRUSTEES OF THE ED AND JEAN KADO FAMILY REVOCABLE TRUST, ESTABLISHED DECEMBER 17, 1998 (APPLICANTS): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land in the Sacramento River, adjacent to 1635 Garden Highway, city of Sacramento, Sacramento County; for a single-berth covered floating boat dock, two pilings, one three-pile dolphin, ramp, and bank protection. (PRC 6524.1; RA# 33112) (A 5, 9; S 1) (Staff: J. Sampson)

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- C24 LOCHE M. JOHNSON AND SUSAN M. JOHNSON, AND SUCCESSORS IN TRUST, AS TRUSTEES OF THE JOHNSON FAMILY TRUST DATED AUGUST 13, 1999 (APPLICANT): Consider application for a new General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 4603 Garden Highway, city of Sacramento, Sacramento County; for an existing floating boat dock, gangway, and bank protection. (PRC 7212.1; RA# 11313) (A 5, 9; S 6) (Staff: J. Sampson)
- C25 BRIAN WARD AND TERESINHA S. WARD, AS CO-TRUSTEES OF THE BRIAN WARD AND TERESINHA WARD LIVING TRUST DATED MAY 6, 1993 (APPLICANTS): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3856 North Lake Boulevard, near Carnelian Bay, Placer County; for two existing mooring buoys. (PRC 8508.1; RA# 23712) (A 1; S 1) (Staff: M. Schroeder)
- C26 L.C. BOWMAN, TRUSTEE OF THE L.C. BOWMAN TRUST INITIALLY CREATED ON APRIL 15, 2009 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 247 Drum Road, near Meeks Bay, El Dorado County; for two existing mooring buoys. (PRC 7420.1; RA# 34312) (A 5; S 1) (Staff: M. Schroeder)
- C27 COUNTY OF SHASTA (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the Fall River, adjacent to Assessor's Parcel Numbers 016-340-06, 016-320-56, and 016-320-67, near Fall River Mills, Shasta County; for an existing bridge. (PRC 7701.9; RA# 01913)(A 1; S 1, 4) (Staff: M. Schroeder)

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- C28 CITY OF SACRAMENTO, A MUNICIPAL CORPORATION (APPLICANT): Consider acceptance of a quitclaim deed for Lease No. PRC 3402.9, a Right-of-Way Easement, and an application for a General Lease - Public Agency Use, of sovereign land located in the American River, adjacent to Assessor's Parcel Numbers 295-0040-002, 295-0040-003, 295-0040-004, 005-0010-007, and 005-0010-008, city of Sacramento, Sacramento County; for an existing pedestrian foot-bridge commonly known as the Guy West Bridge. (PRC 3402.9; RA# 10113) (A 7; S 6) (Staff: M. Schroeder)
- C29 KENDRICK ELTON HOOPER (LESSEE); TIMOTHY MINTON ANDERSON AND MITZI JOAN MARVEL, TRUSTEES OF THE ANDERSON/MARVEL TRUST AGREEMENT DATED SEPTEMBER 25TH, 2006 (APPLICANTS): Consider termination of Lease No. PRC 5322.9, a Recreational Pier Lease, and an 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. (PRC 5322.9; RA# 34210) (A 5; S 1) (Staff: M. Schroeder)
- C30 TAHOE CITY PUBLIC UTILITY DISTRICT AND CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE ACTING THROUGH THE WILDLIFE CONSERVATION BOARD (LESSEE): Consider amendment of Permit No. PRC 2754.9, a General Permit - Public Agency Use, of sovereign land located in Lake Tahoe, adjacent to 2500 Lake Forest Road, near Tahoe City; Placer County, to remove an existing boat launching ramp and six trench plates, construction of a new boat launching ramp, and maintenance dredging. (PRC 2754.9; RA# 10413) (A 1; S 1) (Staff: M. Schroeder)

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- C31 LOREN A. JENSEN AND MELISSAH A. JENSEN, OR THEIR SUCCESSOR(S), AS TRUSTEES OF THE LOREN AND MELISSAH JENSEN 2013 FAMILY TRUST, DATED MARCH 6, 2013; DORIS A. JENSEN, TRUSTEE OF THE ELBERT A. JENSEN BYPASS TRUST; BIRNEY ALAN JENSEN, ALICE WINIFRED CROFT, JANICE LEE JENSEN, WAYNE ANDERS JENSEN, WARREN BOOMER JENSEN, AND MARNA JUNE JAVETE; AND RONALD A. UBALDI AND ESTHER UBALDI, TRUSTEES OF THE UBALDI LIVING TRUST DATED JULY 19, 1993, AND RESTATED AUGUST 7, 2008 (APPLICANTS): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 1090 and 1130 West Lake Boulevard, near Tahoe City, Placer County; for one existing mooring buoy. (PRC 5611.1; RA# 11608) (A 1; S 1) (Staff: M. Schroeder) 59
- C32 CALIFORNIA DEPARTMENT OF PARKS AND RECREATION (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in San Francisco Bay, Angel Island, Marin County; for the construction, use, and maintenance of 32 three-foot diameter mooring buoys. (PRC 5921.9; RA# 23211) (A 10) (Staff: D. Simpkin)
- C33 GREENBRAE IMPROVEMENT CLUB, INC. (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Corte Madera Creek, Greenbrae, Marin County; for an existing floating boat dock, ramp, walkway, and six pilings. (W 26603; RA# 1312) (A 10; S 2) (Staff: D. Simpkin)
- C34 J.W. SILVEIRA, TRUSTEE OF THE J.W. SILVEIRA AND BARBARA O. SILVEIRA FAMILY TRUST; AND SFTA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY AND SACROS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (APPLICANTS): Consider application for a General Lease- Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 2197 and 2201 Cascade Road, city of South Lake Tahoe, El Dorado County; for an existing joint-use pier, two boat lifts, and four mooring buoys. (PRC 4282.1; RA# 28910) (A 5; S 1) (Staff: B. Terry)

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- C35 BROCKWAY SHORES (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 144 Chipmunk Street, near Brockway, Placer County; for an existing pier, 20 mooring buoys, and two marker buoys. (PRC 4195.1; RA# 06513) (A 1; S 1) (Staff: B. Terry)
- C36 ROBERT MCNEIL AND CAROLE JOYCE MCNEIL, TRUSTEES OF THE ROBERT AND CAROLE MCNEIL 1993 TRUST DATED FEBRUARY 3, 1993 (LESSEES); CAROLE J. MCNEIL, TRUSTEE OF THE ROBERT AND CAROLE MCNEIL 2000 TRUST DATED NOVEMBER 15, 2000 (APPLICANT): Consider termination of Lease No. PRC 3883.9, a Recreational Pier Lease, and an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to Assessor's Parcel Number;||s 090-320-001 and 090-320-002, near Kings Beach, Placer County; for an existing pier previously authorized by the Commission and three existing mooring buoys not previously authorized by the Commission. (PRC 3883.1; RA# 28112) (A 1; S 1) (Staff: B. Terry)

CENTRAL REGION

- C37 TIMOTHY P. ALPERS AND PAMELA J. ALPERS (LESSEE): Consider revision of rent to a Memorandum of Understanding referred to as Lease No. PRC 8172.1, involving sovereign land located in Mono Lake, near Lee Vining, Mono County; for a residential leach field system. (PRC 8172.1) (A 4; S 4) (Staff: R. Boggiano)
- C38 IRONHOUSE SANITARY DISTRICT (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in Marsh Creek, adjacent to Assessor's Parcel Numbers 037-191-036 and 037-191-028, near the city of Oakley, Contra Costa County; for an existing 12-inch diameter effluent pipeline. (PRC 6484.9; RA# 06413) (A 10; S 7) (Staff: R. Boggiano)

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- C39 CALIFIA LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (LESSEE): Consider amendment to Lease No. PRC 7631.1, a General Lease - Commercial Use, of sovereign land located in the San Joaquin River, adjacent to Assessor's Parcel Number 213-290-19, near the city of Lathrop, San Joaquin County; for reconstruction of Mossdale Marina, replacement of the land description, and a revision of rent. (PRC 7631.1; RA# 22712) (A 17, 26; S 5, 14) (Staff: R. Boggiano)
- C40 PHILLIPS 66 COMPANY (APPLICANT): Consider amendment to Lease No. PRC 2869.1, a General Lease - Industrial Use, of sovereign land located in the Carquinez Strait, near the town of Port Costa, Contra Costa County, for the decommissioning and demolition of a non-operational marine terminal wharf; and either: acceptance of a quitclaim deed for and termination of Lease No. PRC 2869.1; or, execution of a Lease Termination and Abandonment Agreement, upon evidence that complete site clearance is not reasonable or feasible, and acceptance of a quitclaim deed.(PRC 2869.1; RA# 14812) (A 14; S 3) (Staff: K. Foster)
- C41 TESORO REFINING AND MARKETING COMPANY, GOLDEN EAGLE REFINERY (APPLICANT): Consider certification of a Final Environmental Impact Report and issuance of a General Lease - Industrial Use, of sovereign land located in the Carquinez Strait and Pacheco Slough, in and near the city of Martinez, Contra Costa County; for the continued operation and maintenance of an existing marine oil terminal wharf and two pipeline crossings. (PRC 3453.1; RA# 01311) (A 14; S 3, 7)(Staff: K. Foster, S. Mongano, J. Fabel)

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C42 BRIDGE MARINA YACHT CLUB (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the San Joaquin River, adjacent to 20 Fleming Lane, in the city of Antioch, and in Dutch Slough adjacent to an unnamed island, APN 037-191-016, Contra Costa County; for an existing club house, and boat dock and an existing covered platform previously authorized by the Commission. (PRC 3820.1; RA# 07613) (A 11; S 7) (Staff: W. Hall)

SOUTHERN REGION

C43 RUSSELL H. BUTCHER AND LEONORE BUTCHER AND NICHOLAS M. HANNA AND ANDREA L. HANNA (APPLICANTS): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Colorado River, adjacent to 1122 Beach Drive, city of Needles, San Bernardino County; for an existing concrete stairway with rock retaining walls and electrical lighting appurtenances; two concrete sun decks with rock retaining walls; two planter areas with rock retaining walls, electrical lighting, and plumbing appurtenances; and riprap bank line not previously authorized by the Commission. (W 26580; RA# 30511) (A 33; S 18) (Staff: R. Collins)

C44 TODD Y. KING AND SHAREEN M. KING, TRUSTEES OF THE TODD AND SHAREEN KING LIVING TRUST, DATED JULY 30, 2009 (APPLICANTS): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Colorado River, adjacent to 1166 Beach Drive, city of Needles, San Bernardino County; for two existing planter areas with rock retaining walls, concrete stairs with rock walls, shower with concrete pad, and riprap bank line not previously authorized by the Commission. (W 26556; RA# 24611)(A 33; S 18) (Staff: R. Collins)

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- C45 RIO BUENA VISTA HOMEOWNERS - ASSOCIATION
 (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Colorado River, adjacent to Lots 37, 38, and 39, Tract No. 15640, Map Book 257, Pages 86-92, Amended Map Book 261, Pages 88-94, city of Needles, San Bernardino County; for an existing concrete stairway with railing and riprap bank line not previously authorized by the Commission. (W 26547; RA# 23311) (A 33; S 18)
 (Staff: R. Collins)
- C46 DAVID AND SUSAN ROBINSON FAMILY TRUST
 (APPLICANT): Consider application for a General Lease - Protective Structure Use, of sovereign land located in the Colorado River, adjacent to 1210 Beach Drive, city of Needles, San Bernardino County; for riprap bank line not previously authorized by the Commission. (W 26727; RA# 09813) (A 33; S 18) (Staff: R. Collins)
- C47 VENTURA COUNTY FIRE PROTECTION DISTRICT
 (APPLICANT): Consider application for a new General Lease - Public Agency Use, of filled tide and submerged land located adjacent to 5674 Pacific Coast Highway, near the city of San Buenaventura, Ventura County; for an existing paved parking area with lighting, landscaping, and drainage appurtenances; a weather gauging and telemetry station; a concrete block wall; and a chain link fence. (PRC 7255.9; RA# 07113)
 (A 37; S 19) (Staff: R. Collins)
- C48 DEL JUNCO CHILDREN'S INVESTMENTS, LLC
 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Main Channel of Huntington Harbour, adjacent to 16592 Somerset Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. (PRC 3170.1; RA# 05013) (A 72; S 34)
 (Staff: A. Franzoia)

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- C49 SANTA CATALINA ISLAND COMPANY AND SANTA CATALINA ISLAND CONSERVANCY (LESSEE/SUBLESSOR); HUBBS SEA WORLD RESEARCH INSTITUTE AND CATALINA SEA BASS FUND (SUBLESSEE): Consider application for an amendment and sublease under Lease No. PRC 3639.1, a General Lease - Commercial Use, of sovereign land located in Catalina Harbor, Santa Catalina Island, Los Angeles County; for experimental stock enhancement facilities. (PRC 3639.1; RA# 26712) (A 70; S 28) (Staff: A. Franzoia)
- C50 GOLETA SANITARY DISTRICT (APPLICANT): Consider application for a new General Lease - Public Agency Use, of sovereign land located in Goleta Slough and the Pacific Ocean, Goleta, Santa Barbara County; for an existing 36-inch wastewater outfall pipe extending underground from the wastewater treatment plant to 5,800 feet offshore into the Pacific Ocean. (PRC 3204.1; RA# 11013) (A 37; S 19)(Staff: A. Franzoia)
- C51 THE KISSEL COMPANY, DBA PARADISE COVE COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 391.1, a General Lease - Commercial Use, of sovereign land located in the Pacific Ocean at Paradise Cove, Malibu, Los Angeles County; for the existing Paradise Cove Pier for commercial events, commercial film set location, fishing, and recreational use. (PRC 391.1) (A 41; S 23) (Staff: D. Oetzel)
- C52 AT&T CORPORATION (LESSEE): Consider revision of rent to Lease No. PRC 8144.1, a General Lease - Right-of-Way Use, of sovereign land located in the Pacific Ocean, near the city of Los Osos, San Luis Obispo County; an existing fiber-optic cable that is a portion of Segment 5 of the AT&T Asia America Gateway fiber optic system. (PRC 8144.1) (A 33; S 15) (Staff: D. Oetzel)

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- C53 SOUTHERN CALIFORNIA EDISON COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 6704.1, a General Lease - Right-of-Way Use, of sovereign land located in the Pacific Ocean at Paradise Cove, Malibu, Los Angeles County; for an existing 220kV overhead transmission line. (PRC 6704.1) (A 30, 32; S 18)(Staff: D. Oetzel)
- C54 DCOR, L.L.C. (LESSEE): Consider revision of rent to Lease No. PRC 4324.1, a General Lease - Right-of-Way Use, of sovereign land located in the Santa Barbara Channel at Summerland, Santa Barbara County; for an existing 3.2-inch diameter submarine power cable. (PRC 4324.1) (A 35, 37, 67; S 19, 35) (Staff: D. Oetzel)
- C55 KENNETH ARTHUR LESTER AND LANA CHRISTINE LESTER, TRUSTEES OF THE LESTER FAMILY TRUST, DATED APRIL 18, 1991 (LESSEE): Consider revision of rent to Lease No. PRC 4095.1, a General Lease - Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 16821 Bolero Lane, city of Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. (PRC 4095.1) (A 67; S 35) (Staff: D. Oetzel)
- C56 KWAN MING CHAN AND KAREN KUNG-MEI CHAN, TRUSTEES OF THE K.M. LIVING TRUST, DATED MAY 24, 1995 (LESSEE): Consider revision of rent to Lease No. PRC 3852.1, a General Lease - Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 16847 Bolero Lane, city of Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. (PRC 3852.1) (A 67; S 35) (Staff: D. Oetzel)
- C57 EVERINGHAM BROS. BAIT COMPANY, INC. (APPLICANT): Consider application for a General Lease - Commercial Use, of sovereign land located in San Diego Bay, San Diego County; for the operation and maintenance of two bait barges not previously authorized by the Commission. (W 26622; RA# 06812) (A 78; S 39) (Staff: D. Simpkin)

SCHOOL LANDS

- C58 SOCIETY FOR THE CONSERVATION OF BIGHORN SHEEP (APPLICANT): Consider application for a General Lease - Other, of State school land in a portion of Section 16, Township 2 South, Range 18 East, SBM, near the Granite Mountains, Riverside County; for two existing rainwater catchment basins (PRC 4910.2; RA# 26611) (A 80; S 37, 40) (Staff: C. Hudson)
- C59 SOUTHERN CALIFORNIA GAS COMPANY (LESSEE): Consider an amendment to Lease No. PRC 1801.2, a General Lease - Right-of-Way Use, of six parcels of State school land in portions of Section 36, Township 10 North, Range 13 East, SBM; Section 36, Township 10 North, Range 14 East, SBM; Section 16, Township 7 North, Range 1 East, SBM; Section 16, Township 7 North, Range 10 East, SBM; Section 16, Township 7 North, Range 13 East SBM; and Section 16, Township 7 North, Range 21 East, SBM; near Twenty Nine Palms, San Bernardino County; to include an unpaved access road, known as the Mojave Heritage Trail and revise the annual rent. (PRC 1801.2; RA# 18612) (A 34, 65; S 18) (Staff: C. Hudson)

MINERAL RESOURCES MANAGEMENT

- C60 IMPERIAL WELLS POWER LLC (APPLICANT): Consider an application for issuance of a Negotiated State Geothermal Resources Lease for Non Surface Occupancy of State School Land within the Wister Waterfowl Management Area, Salton Sea Geothermal Field, Imperial County. (W 40969) (A 56; S 36) (Staff: V. Perez, R. Lee)
- C61 IMPERIAL WELLS POWER LLC (APPLICANT): Consider an application for issuance of a Negotiated State Geothermal Resources Lease for Non Surface Occupancy of State Proprietary Land within the Wister Waterfowl Management Area, Salton Sea Geothermal Field, Imperial County. (W 40969) (A 56; S 36)(Staff: V. Perez, R. Lee)

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MARINE FACILITIES - NO ITEMS

ADMINISTRATION - NO ITEMS

LEGAL

C62 CITY OF ALAMEDA, CALIFORNIA STATE LANDS
COMMISSION (PARTIES): Consider authorization of
the Phase 1 transactions of the previously
approved Naval Air Station Compromise Title
Settlement Agreement and approval of the Record
of Survey required by the agreement, City of
Alameda, County of Alameda. (W25109; RA# 31111)
(A 16; S 9) (Staff: E. Milstein)

EXTERNAL AFFAIRS

GRANTED LANDS

C63 CITY OF NEWPORT BEACH (APPLICANT): Consider
approval of a proposed loan from the City's
General fund to the Harbor Capital Fund to help
finance a portion of the Marina Park project
located within legislatively-granted sovereign
land in the City of Newport Beach, Orange County.
(G 09-02) (A 74; S 37) (Staff: R. Boggiano)

LEGISLATION AND RESOLUTIONS - NO ITEMS

VI INFORMATIONAL - NO ITEMS

VII REGULAR CALENDAR

64 A. NATHANIEL GOLDHABER AND MARILYN K.
GOLDHABER, CO-TRUSTEES OF THE GOLDHABER
REVOCABLE TRUST U/A/D 11/11/2005 (APPLICANTS):
Reconsider prior authorization for a General
Lease - Recreational Use, of sovereign land
located in Lake Tahoe, adjacent to 9818 Lake
Street and 77 Speedboat Avenue, near Kings
Beach, Placer County; for an existing pier,
boat hoist, boat house with a boat lift,
and two mooring buoys. (PRC 3659.1;
RA# 11011) (A 1; S 1) (Staff: B. Terry) 13

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65	VENOCO, INC. (APPLICANT): Consider certification of a Final Environmental Impact Report and an application for the Revised State Oil and Gas Lease No. PRC 421.1 Recommissioning Project, by Venoco, Inc., City of Goleta, Santa Barbara County. (PRC 421.1) (A 35; S 10) (Staff: S. Curran, E. Gillies, S. Blackmon, J. Rader)	13
	VIII PUBLIC COMMENT	65
	IX COMMISSIONERS' COMMENTS	65
	Adjournment	66
	Reporter's Certificate	67

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

2 ACTING CHAIRPERSON GORDON: Everybody, please
3 take a seat. We're going to get going.

4 I call this meeting of the State Lands Commission
5 to order. All the representatives of the Commission are
6 present. I'm Alan Gordon representing State Controller
7 John Chiang. I am joined to my right by Lieutenant
8 Governor Gavin Newsom, and representing Department of
9 Finance, Eraina Ortega to my left. For the benefits of
10 those in the audience, the State Lands Commission manages
11 State property interests in over five million acres of
12 land, including mineral deposits.

13 Specifically, the Commission has jurisdiction in
14 filled and unfilled tide and submerged lands navigable
15 waterways and State school lands. The Commission also has
16 responsibility for the prevention of oil spills at marine
17 oil terminals and offshore oil platforms and for
18 prevention of the introduction of marine invasive species
19 into California's marine waters.

20 Today, we'll hear requests and presentations
21 concerning the leasing, management and regulation of these
22 public sovereign and school land property interests and
23 the activities occurring or proposed thereon.

24 We're going to change our order of business a
25 little bit today. Normally, we would go to the Executive

1 Director's report and into open session. Instead today,
2 we are going to start with closed session in which we will
3 deal with specific legal issues and personnel matters, if
4 they come up.

5 Could we please empty the room and we will go to
6 open session when we have finished with the closed
7 session. Thank you.

8 (Off record: 10:06 AM)

9 (Thereupon the meeting recessed
10 into closed session.)

11 (Thereupon the meeting reconvened open session.)

12 (On record: 10:53 AM)

13 ACTING CHAIRPERSON GORDON: All right.

14 Everybody, we are out of closed session now, back into
15 open session. Ms. Lucchesi, is there anything to report
16 from closed session?

17 EXECUTIVE OFFICER LUCCHESI: Not at this time.
18 Thank you.

19 ACTING CHAIRPERSON GORDON: Next item of business
20 will be the adoption of the minutes from the Commission's
21 special meeting of January 23rd, 2014. May I have a
22 motion to approve the minutes, please.

23 COMMISSIONER NEWSOM: So moved.

24 ACTING COMMISSIONER ORTEGA: Second.

25 ACTING CHAIRPERSON GORDON: All those in favor?

1 (Ayes.)

2 ACTING CHAIRPERSON GORDON: Okay. Minutes are
3 unanimately adopted.

4 The next order of business is the Executive
5 Officer's Report. Ms. Lucchesi, please.

6 EXECUTIVE OFFICER LUCCHESI: Good morning. I
7 want to touch upon about four different items. The first
8 I wanted to just brief the Commission on a couple
9 presentations. One that I made yesterday in front of the
10 Maritime Leadership Symposium on the history of the State
11 Lands Commission, why it was created, and its role in
12 protecting and enhancing our port operations throughout
13 the State.

14 The next one is next week at the Ocean Protection
15 Council meeting. I will be participating in a
16 presentation on the Commission's efforts to address sea
17 level rise. That's in coordination with the Coastal
18 Commission and the Coastal Conservancy and BCDC.

19 The next item I want to report on is our
20 database. I'm very pleased to announce that the State
21 Lands Information Center, or SLIC, database went live a
22 February 6th.

23 COMMISSIONER NEWSOM: SLIC?

24 (Laughter.)

25 ACTING CHAIRPERSON GORDON: We need somebody in

1 charge of acronyms, Ms. Lucchesi.

2 EXECUTIVE OFFICER LUCCHESI: That -- it was a
3 very democratic process. It went out to a vote of the
4 Commission staff. This database has been developed at the
5 direction of the Lieutenant Governor to address the prior
6 use of disparate databases for lease tracking and billing,
7 and is also responsive to the findings made by the Bureau
8 of State Audits in a recent report on the Commission's
9 lease compliance and management.

10 The first iteration of the database will track
11 leases from Commission approval or action to completion.
12 The database will start with the base information
13 converted from our previous lease database and our
14 separate invoice database. The database will be able to
15 perform all rental and minimum royalty billings, monitor
16 lease invoice payments and delinquencies, track rent
17 reviews and renewals, monitor compliance with special
18 lease provisions and environmental mitigation monitoring
19 requirements. It will also track bond and insurance
20 requirements and compliance.

21 The main users of the first phase of the database
22 will be those Commission staff dealing in surface lease
23 management, although provisions have been made for our
24 royalty leases. Mostly, those deal with our mineral
25 leases. The objective of this first phase of

1 implementation is to address those urgent lease management
2 needs identified in the audit.

3 Subsequent modules will be added for application
4 processing, tracking, GIS and eventually direct citizen
5 access with the ability to accept applications, fees and
6 lease payments online, and allow lessees and citizens
7 direct access to information regarding their lease or
8 application.

9 This system will have a profound impact on the
10 way we conduct the Commission's business. A
11 multi-divisional team has been working very hard with our
12 consultants to meet the needs of our business processes by
13 improving reliability of the data and accountability of
14 the universe of our leasing operations. We're looking
15 forward to leveraging these capabilities of the database
16 to continuously improve our process and service to the
17 public.

18 COMMISSIONER NEWSOM: Just if I may, through the
19 Chair, what -- the interface with the public goes online
20 when?

21 EXECUTIVE OFFICER LUCCHESI: We're still working
22 on that. It may be a couple years out. Yes, we are --
23 based on our experience in other numerous databases that
24 we have created in-house, our goal with this one was to
25 basically take small bites at the apple, in order to

1 ensure that the base information is accurate and usable,
2 and then kind of building on from there. So what we
3 didn't -- what we've done -- had happened in the past is
4 kind of taking on too big of a project and then that
5 project collapsing in on itself. And so that's something
6 we wanted to avoid this time.

7 So this -- what we -- we really took the core of
8 the Commission's process, which is basically from
9 Commission action and monitoring the lease through its
10 various terms. And this was highlighted not only by the
11 audit but by also other individuals, both on the
12 Commission and as well as in the legislature. We wanted
13 to tackle that first, because that's the most important.
14 It's what the Commission authorizes, and the legal
15 document and terms that we manage our lands by, and then
16 building off both ends on that.

17 So it's -- we're kind of in the first couple
18 miles of a marathon.

19 COMMISSIONER NEWSOM: Well done. I mean, again,
20 you've moved at a much faster pace than I think a lot of
21 us had suspected. And I -- you know, you've leaned in,
22 and I think doing it wisely. Standish Group does -- every
23 year, they do an analysis of large scale federal IT
24 projects. They also come out every few years with State
25 and local reviews. Ninety-four percent of large scale

1 federal IT projects fail to meet goals and expectations,
2 another way of saying failing, 94 percent.

3 I mean, the most remarkable thing about
4 Healthcare.gov was how unremarkable it was, in terms of
5 its roll-out. So the mistake is so often, the mistake you
6 pointed out, that you're not going to make, because you're
7 breaking this down, I think, in a much more strategic
8 manner. So I applaud that consideration than trying to
9 bite off too much with all these legacy systems, and all
10 these disparate databases, and then you just have a
11 hodgepodge mess that no one has confidence in. So anyway,
12 thank you for the good work.

13 EXECUTIVE OFFICER LUCCHESI: Well, thank you for
14 your leadership and real focusing on this.

15 The next item I want to address, and this was
16 something that the Commission brought up last meeting,
17 kind of as a result of our -- of the approval of the lease
18 of our land management regulations. And as you recall,
19 the Commission adopted regulations that changed the
20 practice, the former practice, of the Commission in terms
21 of assessing rent, the impact area and -- forward.

22 And so the question that was brought up is well
23 what about those folks that have already received
24 authorization from the Commission and a lease, based on
25 kind of the old practice? What would be the process for

1 them amending their lease for a new -- to address the new
2 lease premises in effect?

3 And what we explained was that was really a
4 decision that the lessee had to make. You know, a
5 business decision kind of weighing oh, I have five more
6 years -- or, excuse me, three more years until my rent
7 review. Maybe I'll just stick with my lease terms as they
8 are and wait for that rent review at the five-year mark
9 for the change in the impact area to reduce my rent, or
10 I'm in year one, I want to apply for an amendment and
11 change that.

12 And so what the Commission had asked us to do was
13 kind of detail out that process and make it as efficient
14 and as least costly as possible. Typically, our lease
15 amendments cost anywhere between \$1,500 and \$2,000.

16 Sir, can you pull up that PowerPoint, the lease
17 processing. And we went through and reevaluated what our
18 process would be for a lease amendment for a reassessment
19 of the impact area, and to change the rent. And if you
20 can see, what we had anticipated, or what I said we
21 thought the cost for an amendment to reprocess the rent
22 would cost about \$1,000.

23 And we went through and really worked through
24 what our process is based on our units -- our title unit,
25 our environmental review, our negotiator review, our

1 boundary unit review, because all the exhibits have to be
2 changed for the lease, because of the difference in the
3 rent reviews or the impact area, along with calculations
4 based on what those are.

5 And so approximately we think it will cost us
6 \$850 to process those lease amendment applications. And I
7 want to reiterate that we receive reimbursement agreements
8 from the applicant for the cost of this. Anything that
9 staff does not use gets refunded back to the applicant.

10 So you have my assurances, staff's assurances
11 that we will try to be as efficient as possible in
12 processing any new lease applications for amendments based
13 on the impact area. This is an approximate cost. And, of
14 course, everybody is different. They all have different
15 types of piers. They all have different types of
16 amenities to their piers, in which we have to assess the
17 impact area. So this could be lower or higher, but we
18 will process these as efficiently as possible. Again, at
19 the end of the day, it's up to the lessee to make that
20 business decision.

21 COMMISSIONER NEWSOM: Yeah.

22 EXECUTIVE OFFICER LUCCHESI: Any questions?

23 Okay. Then the --

24 COMMISSIONER NEWSOM: You obviously -- you
25 provide that as background for the argument of why it's so

1 expensive? I mean is that document transparent?

2 EXECUTIVE OFFICER LUCCHESI: Yes. Exactly. It's
3 very transparent about what our process actually is. I
4 think that --

5 COMMISSIONER NEWSOM: As opposed to just here's
6 the sticker price.

7 EXECUTIVE OFFICER LUCCHESI: Exactly. Exactly.
8 There actually is a lot of process behind calculating and
9 identifying what that impact area is based on the
10 regulations that the Commission adopted. Before the
11 impact area, if you remember, was 10 feet wide around the
12 entire pier. That's fairly easy to assess and then
13 calculate. Now, the impact area is really based on the
14 use area, you know, where are those amenities on the dock
15 that facilitate or encourage the docking or moorings of
16 boats or other types of water-dependent vessels.

17 So staff now will have to go and look at photos,
18 work with the lessees to identify where those -- or the
19 applicants, where those amenities are and then calculate
20 an impact area around that. So there's a little bit more
21 work to be done -- I mean, that our negotiators will have
22 to do. But again, our goal is to be as efficient as
23 possible.

24 And then the last thing I just want to mention is
25 that we are currently trying to schedule our next

1 Commission meeting, which we're working on the end of
2 April, and that location will likely be in the Los Angeles
3 area. We are working with each of your offices to arrange
4 the logistics for that. But I wanted to mention that in
5 my Executive Officer's report for the benefit of the
6 public.

7 COMMISSIONER NEWSOM: We've been lifted from the
8 no travel requirement?

9 EXECUTIVE OFFICER LUCCHESI: At the direction of
10 the Chair, he would like to take this show on the road.

11 COMMISSIONER NEWSOM: But his boss is from Los
12 Angeles, so that helps.

13 EXECUTIVE OFFICER LUCCHESI: Well, you know, this
14 is -- this is something that really goes back to our old
15 practice of a couple years ago that we had for numerous
16 decades. And it's really the -- we manage -- the
17 Commission makes decisions on lands and activities that
18 have an impact on the entire State. And so it really
19 makes sense to take our Commission meetings to different
20 locations, so that different members of the public in
21 different locations have the opportunity to address the
22 public -- to address the Commission and raise any concerns
23 or questions that they think are important to the
24 Commission and to themselves.

25 ACTING CHAIRPERSON GORDON: I'm going to probably

1 regret saying this, but being as we have -- this is my
2 third year on the Commission, and we still haven't had a
3 Southern California hearing for lots of budgetary reasons,
4 and there have been numerous issues involving the folks at
5 Huntington Harbor, who I think would love to have the
6 opportunity to address us --

7 EXECUTIVE OFFICER LUCCHESI: Yes.

8 ACTING CHAIRPERSON GORDON: -- in a friendly
9 manner, I think we should do -- I would like, with the
10 agreement of my two other Commissioners, to make some kind
11 of extra effort to get the word out at Huntington Harbor
12 that we'll be having that hearing to give those folks an
13 opportunity to address us, at that point in time.

14 EXECUTIVE OFFICER LUCCHESI: Of course, we can do
15 that.

16 ACTING CHAIRPERSON GORDON: With that, the next
17 order of business -- Ms. Lucchesi, are you done with the
18 Executive --

19 EXECUTIVE OFFICER LUCCHESI: Yes, that concludes
20 my report.

21 ACTING CHAIRPERSON GORDON: Next order of
22 business will be adoption of the consent calendar. Ms.
23 Lucchesi, can you indicate which items, if any, have been
24 removed from that calendar, please?

25 EXECUTIVE OFFICER LUCCHESI: Yes. C11, 13, 19,

1 29 and 36 have been removed from agenda and will be
2 considered at a later time. Items 18 and 31 will be moved
3 to the regular agenda.

4 ACTING CHAIRPERSON GORDON: Okay. Let's see, is
5 there anyone in the audience who wishes to speak on any
6 item on the consent calendar?

7 ACTING COMMISSIONER ORTEGA: I'll move adoption
8 of the consent calendar.

9 COMMISSIONER NEWSOM: Second.

10 ACTING CHAIRPERSON GORDON: Okay. I have an
11 adoption and a second.

12 All those in favor?

13 (Ayes.)

14 ACTING CHAIRPERSON GORDON: All right. Next
15 order of business will be the regular calendar.

16 Ms. Lucchesi, are there any items that have been
17 removed from the regular calendar?

18 EXECUTIVE OFFICER LUCCHESI: Yes. Item 65 is
19 removed from the regular calendar and will be considered
20 at a later time. So that leaves Item 64 on the agenda,
21 and also those two items, Items 18 and 31 that have been
22 removed -- moved from the consent to the regular.

23 ACTING CHAIRPERSON GORDON: Okay. Let's see, can
24 we have a presentation on Item 64, please. This is to
25 reconsider prior authorization for a general lease for

1 recreational use on sovereign land located in Lake Tahoe.

2 Staff presentation, Mr. Bugsch, please.

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

5 EXECUTIVE OFFICER LUCCHESI: Yes. Brian Bugsch,
6 our Chief of our Land Management Division.

7 LAND MANAGEMENT DIVISION CHIEF BUGSCH: How do
8 you turn this on?

9 EXECUTIVE OFFICER LUCCHESI: It's on.

10 LAND MANAGEMENT DIVISION CHIEF BUGSCH: Okay.

11 Cool. All right. It will be real quick.

12 Good morning, Chairman -- Mr. Chairman and
13 members of the Commissions. My name is Brian Bugsch. I'm
14 the Chief of the Land Management Division. I'm here to
15 provide a very brief background on the Calendar Item 64.
16 This requests that the Commission rescind the prior
17 authorization of lease number PRC36 -- is it up? Okay --
18 3659.1, approved by the Commission at the December 2nd,
19 2013 meeting, and reconsider issuance of a general lease
20 recreational use between the Commission and the Nathaniel
21 and Marilyn Goldhaber for a pier, boathouse with a boat
22 lift, boat hoist, and two mooring buoys. This lease is
23 located on Lake Tahoe near Kings Beach.

24 --o0o--

25 LAND MANAGEMENT DIVISION CHIEF BUGSCH: At the

1 time of the Commission approved this lease at the December
2 2nd meeting, it was staff's understanding that the
3 applicants agreed with the terms of the new lease.
4 However, since that time, the applicants have expressed
5 concern over the lease provisions. And I believe Mr.
6 Goldhaber is here to address the Commission regarding
7 those concerns.

8 This is just some pictures of it. And we can go
9 through them, but that's the lease area, the pier and the
10 two buoys. Just different photos of it. I'll leave it
11 there.

12 ACTING CHAIRPERSON GORDON: Okay. Any comments
13 from the Commissioners?

14 COMMISSIONER NEWSOM: Ms. Lucchesi, is there
15 anything you want to amplify to this?

16 EXECUTIVE OFFICER LUCCHESI: Not at this time.
17 The only thing I would just want to highlight for the
18 Commission's benefit and the public's benefit is that
19 staff's recommendation is relatively similar to its
20 recommendation in December, however with one change and
21 that is to the rent.

22 Because of the Commission's adoption of the
23 regulations that changed the impact area assessment at the
24 last Commission, we have gone ahead and made those changes
25 to Mr. Goldhaber's lease to reflect the Commission's new

1 regulation. So the authorization that staff is
2 recommending for Mr. Goldhaber's lease is substantively
3 the same, except for a reduction in rent based on the
4 reassessment of the impact areas.

5 ACTING CHAIRPERSON GORDON: Ms. Lucchesi, just
6 for the benefit of the public, can you also explain where
7 the money that is paid for rent is going to go and what
8 its purposes will be with regard to this increased rent
9 that the Legislature has authorized.

10 EXECUTIVE OFFICER LUCCHESI: Yes. In fact, last
11 session, the legislature passed and the Governor signed a
12 bill that primarily dealt with the Lake Tahoe compact
13 between Nevada and California, but it also included a
14 provision that all the lease revenues that the Commission
15 generates from Lake Tahoe leases will go to the Lake Tahoe
16 Conservancy for funding of science and public access based
17 projects.

18 So ultimately, all the money that the Commission
19 generates in its surface leasing program at Lake Tahoe go
20 back into Lake Tahoe types of benefits and activities.

21 ACTING CHAIRPERSON GORDON: All right. Very
22 good. One other thing I'd like to do before we bring up
23 the folks who wish to comment on this, Mr. Rusconi for the
24 benefit of the public primarily, can you describe very
25 briefly the Commission's responsibility under the Public

1 Trust Doctrine with regard to sovereign lands?

2 DEPUTY ATTORNEY GENERAL RUSCONI: Well, when it
3 is applied to Lake Tahoe, the Commission and the
4 people -- the Commission has the jurisdiction over the
5 lands that are owned by the State of California by virtue
6 of its sovereignty. And at Lake Tahoe, pursuant to
7 California Supreme Court cases, that is the State of
8 California owns to the ordinary low water mark in fee
9 subject to the trust. And that between the ordinary low
10 water mark and the ordinary high water mark, the
11 Commission administrates a Public Trust easement.

12 And it is a -- any person that wishes to use the
13 area lower than the ordinary low water mark is required
14 under the Constitution to compensate the State for that
15 use.

16 ACTING CHAIRPERSON GORDON: In a traditional
17 landlord/tenant type relationship?

18 DEPUTY ATTORNEY GENERAL RUSCONI: Exactly.

19 ACTING CHAIRPERSON GORDON: Okay. Thank you very
20 much.

21 Any questions by other Commissioners?

22 With that case, I've got three folks who --
23 from -- in the audience who would like to comment on this
24 issue. I have Mr. Goldhaber, Mr. Washburn, Mr. Lien --
25 actually four -- and Mr. Furumoto. Can we start maybe

1 with Mr. Goldhaber. I think he is the reason why we have
2 this issue in front of us. It his lease.

3 MR. GOLDHABER: Thank you very much for this
4 opportunity, Governor, Chairman -- Mr. Chairman, members
5 of the Commission. Ms. Lucchesi, nice to meet you in
6 person.

7 EXECUTIVE OFFICER LUCCHESI: Yes, likewise.

8 MR. GOLDHABER: "Eternal vigilance is the price
9 of freedom", so said Thomas Jefferson. My general MO when
10 I receive complex documents is to hand them over to
11 attorneys to take a look at and tell me what they say. My
12 attorney, in the case of this lease, initially said it
13 seems appropriate, and the provisions that you don't like
14 are going to be too difficult to fight.

15 I then, as is my MO, read it before I signed it,
16 and was surprised and shocked by, in particular, Section,
17 I believe it is, 3, paragraph 13 the restoration of lands.

18 It is my opinion as a citizen, not as a lawyer,
19 that this is a direct violation of the Fifth Amendment,
20 the Fourteenth Amendment, and likely could be considered a
21 Bill of Attainder, where a specific group of people are
22 picked out and potentially penalized for things that
23 occurred prior to the time that the legislation was in
24 place.

25 My boathouse was built -- which thank you very

1 much for the pretty pictures, by the way -- was built in
2 1928 approximately, ten years before there was a State
3 Lands Commission. It is, as you saw, a beautiful
4 boathouse, so much so that it is a source of attraction
5 for kayak tours that come almost every day of the summer
6 and kayak underneath the walkway waiving at us on the
7 porch.

8 It was built at a time that there was no question
9 about littoral rights. If you owned a piece of property
10 on the lake, you had the right to build a boathouse. And
11 as I know all of you know, this has been a very confused
12 and constantly changing environment for landowners on the
13 borders of the lake. The Nejedly Bill, which was passed I
14 guess in the seventies, stated that such structures,
15 boathouses and piers would be rent free in perpetuity,
16 because they provided for improved navigability on the
17 lake and a safe harbor for boats at a time when the
18 weather on the lake rapidly deteriorates and people need
19 to escape destruction of their boat by the high waves and
20 winds.

21 I can tell you that since I have owned this
22 property I have saved likely two lives, at least certainly
23 avoided very serious injury, when some fellow came racing
24 over the rocks tore a gigantic hole in the bottom of his
25 boat where his spouse was deeply injured. They came to

1 the side of my dock, the boat sank as we pulled them out,
2 and we called emergency services who picked them up from
3 our dock.

4 In another instance, I noticed that there was a
5 Ski-Doo that was out maybe a couple of miles that didn't
6 seem to be moving anymore. And so I went to the end of my
7 boathouse with binoculars and was able to spot that there
8 was nobody on that Ski-Doo. We called the Coast Guard and
9 the fella who had been on it, who turned out to be a
10 diabetic, was rescued just short of thermal shock.

11 I believe that the boathouses and the piers on
12 Lake Tahoe are a public service, and certainly the best
13 representation of a public-private agreement. We, the
14 boat -- the owners of those, are asked at our expense to
15 maintain them, which we do. And it is also a wonderful
16 example, I believe, from an aesthetic standpoint of the
17 human nature interface, which we strive so difficultly in
18 all of our park districts to achieve.

19 In my view, Section 13, which is the one of most
20 significant -- the paragraph 13 of Section 3 is the one
21 which is of most significant interest. Fundamentally, it
22 states that at its discretion the State may not renew a
23 lease. And if it does not renew the lease, that the
24 boathouse or structure on the water, which is built over
25 State lands, must be removed or, at the discretion of the

1 owner, deeded to the State. That strikes me as
2 confiscation without due process in its most egregious
3 form.

4 I have proposed a simple solution, a solution
5 that I think is appropriate and a solution which I think
6 serves both the landowners and boat owners -- sorry
7 boathouse and pier owners as well as the people of the
8 State of California. And that is that at the end of a
9 lease period, assuming that there have no been -- been no
10 egregious violations of the lease, that the owners have
11 not defaulted, that there be essentially a renewal of that
12 lease with appropriate price adjustments on lease
13 payments, and that that go on for the maximum period which
14 is allowable under law, which is 50 years, under
15 California State law. So five renewals of 10 years.

16 That would deal essentially with almost all of
17 the concerns with the document which was presented, except
18 for some relatively light-weight stuff that I think we
19 could deal with without the Commission's -- I don't know
20 maybe all things go to the Commission -- but without
21 significant hand-wringing.

22 So that is my presentation. I have sent each of
23 you actually a copy of the changes to the lease as I saw
24 them fit. And I hope that you consider those duly and
25 that we can put this issue to bed. I know that I am far

1 from the only person who finds this paragraph
2 inappropriate and are unlikely to sign the lease if it
3 remains as stands. So thank you very much for the
4 opportunity to present to you.

5 ACTING CHAIRPERSON GORDON: Mr. Meier, do you
6 have any comments with regard to -- there's was -- Mr.
7 Goldhaber asserted that the literal rights -- the littoral
8 rights of the State did not exist prior to the
9 Commission's creation. Is that your legal interpretation
10 of where the law is on this subject?

11 CHIEF COUNSEL MEIER: No, it isn't. It may have
12 been the belief of the property owners at that time back
13 in the 1920s that they had a right, but by that time the
14 State Supreme Court had already weighed in on the subject.
15 And I can quote this language from the 1890 case. This is
16 a Supreme Court case Dana versus Jackson Street Wharf
17 Company.

18 Excuse the archaic language, but they wrote a
19 little different back in those days. "A riparian
20 proprietor on navigable water has no right, at common law,
21 to wharf out against his own land. By the common law, any
22 erection below high water mark..." -- this was -- this
23 case had to do with a waterfront down in Oakland. So this
24 is an inland waterway, so it's a little bit different
25 nowadays -- "...without license is regarded as an

1 encroachment and intrusion on the King's soil, which the
2 King may demolish and seize or rent at his pleasure. This
3 shows decisively that in cases of purpresture that the
4 right of entry is not on the adjacent owner, but in the
5 crown", and the State is, of course, the successor to the
6 crown.

7 So even at that date -- at that early date in the
8 1920s, it was well established by law that Lake Tahoe
9 belongs to the State and not to the adjacent property
10 owner.

11 ACTING CHAIRPERSON GORDON: One other issue that
12 was raised with regard to an extended lease, as -- I mean,
13 I know, our -- we traditionally do a ten-year lease.
14 Other than the adjustment for fair market value that one
15 would do at the end of ten years, is there a reason why we
16 do not do longer leaseholds?

17 EXECUTIVE OFFICER LUCCHESI: Our regulations
18 limit recreational pier leases to ten years. And other
19 leases for industrial purposes, the maximum under our
20 regulations is 49 years.

21 ACTING CHAIRPERSON GORDON: So to issue a longer
22 lease, we would have to go out with a new reg package to
23 do that.

24 EXECUTIVE OFFICER LUCCHESI: Correct.

25 ACTING CHAIRPERSON GORDON: So we cannot do that

1 currently?

2 EXECUTIVE OFFICER LUCCHESI: Not at this meeting,
3 no.

4 ACTING CHAIRPERSON GORDON: All right. I just
5 wanted to be certain.

6 All right. Let's see. Let's go to Mr. Washburn.

7 MR. WASHBURN: Thank you, and good morning,
8 Commissioners. I'm Edgar Washburn. I'm an attorney in
9 San Francisco with the firm of Perkins Coie. I represent
10 three potential leaseholders, the Hewlett -- basically
11 three parcels owned by the Hewlett family at Lake Tahoe
12 subject to three separate leases that are up for renewal.
13 We have been in discussion with the staff on the
14 terminology and have some concerns, some are shared with
15 Mr. Goldhaber, and two others are not. And I thought it
16 would be appropriate to mention all of them at this point.

17 I have expressed our position in a letter to the
18 Commission and to staff. By way of background, I was the
19 attorney for the landowners in the Fogerty and Lyon cases,
20 which basically set the groundwork for the Commission's
21 position at Lake Tahoe and have been involved in
22 subsequent litigation there since the beginning of time it
23 seems like.

24 (Laughter.)

25 MR. WASHBURN: I was also involved in the

1 legislation that, after our resounding defeat in the Lyon
2 and Fogerty, resulted in the rent-free provisions in the
3 Public Resources Code.

4 The Hewlett family has owned these parcels since
5 the late 1970s. They've been subject to leases when they
6 were required. We have three problems basically. First,
7 similar to one Mr. Goldhaber expressed, but our position
8 is perhaps a little different. The way our lease, as
9 modified by the staff reads, at the end of 10 years, the
10 property becomes the property -- the facilities become the
11 property of the State, and we are obligated to remove
12 them.

13 It has no provision for processing an extension
14 of the lease or a new lease, which I understand may be
15 under consideration by the Commission and the staff.

16 Our problem is that as it reads right now, at the
17 end of 10 years, that's it. The facilities become the
18 property of the State. What we're recommending is that
19 there be a provision -- ideally, we'd like to have an
20 option to renew, but we understand the regulation -- the
21 regulatory obstacle to that as the regulations currently
22 read.

23 But it seems to me that there can be a provision
24 that would provide for the filing of an application for a
25 new lease by the landowner prior to the expiration of the

1 existing lease, and provision that the State Lands
2 Commission would -- both parties for that matter, would
3 act reasonably in the processing of that document. That
4 gives the landowner assurances that these facilities are
5 not going to become automatically the property of the
6 State. I know you've all seen many of the facilities at
7 Lake Tahoe, and they are significant.

8 And I would speak for the ones that the Hewletts
9 have, and they are substantial. It is, you know,
10 inconceivable that they would not apply to renew the
11 lease, and be subject to a new lease with presumably
12 updated terms at that point. That's our first objection.
13 We'd like to see that modification.

14 The second is that the default provision relates
15 to -- I know, I'm summarizing it. If there's a violation
16 of any ordinance, statute, so on and so forth, that is
17 automatically a default. There is -- and that comes in
18 our lease paragraph 11. I think the numbers may be
19 different on some of the other ones. There is a
20 subsequent provision in that paragraph that relates to
21 certain types of defaults, which require the giving of a
22 notice of default and then an opportunity for the
23 landowner to cure.

24 What we're requesting is that that same procedure
25 apply to the default provision that relates to the failure

1 to comply with any law, federal, State or local.
2 Basically, our concern is there could be a minor violation
3 of some local ordinance, some State law. That could then
4 be interpreted under the provisions in our proposed lease
5 as a default. And the default provisions then trigger the
6 title becoming vested in the state of the improvements.

7 What we are requesting is that the provision,
8 which is, in our lease, made -- applies to certain types
9 of defaults be applied to those types of defaults. That
10 there be a notice of default, and then the landowner has
11 say 30 days to cure, at which point it would be a default.

12 In other State Lands leases, certainly in the
13 commercial context, that's a very common provision.

14 The third problem we have is the 90-day provision
15 for abandonment, that there is a presumption that if the
16 facility is not used for 90 days, it's abandoned. You do
17 have a right to show, at that point, that it's commonplace
18 not to have an abandonment or not to use the facility
19 during that 90-day period.

20 As a practical matter, at Lake Tahoe, during the
21 winter, nobody is using these piers for boats, and that
22 the 90-day provision will be triggered every year
23 requiring the landowner to come in, or some process to be
24 invoked, to show that this is commonplace.

25 It makes sense to me and to us to have a longer

1 period of time than 90 days for that presumption of
2 abandonment to be triggered. The seasonal issue is
3 obviously not debatable. But six months or something of
4 that sort, which would take you through the winter, so
5 that people are not having to come in every year and
6 demonstrate to the staff it's commonplace not to use and
7 have your boats docked out there in January.

8 Those are our three --

9 COMMISSIONER NEWSOM: Most January's. Perhaps
10 this is the exception, but God bless.

11 (Laughter.)

12 MR. WASHBURN: Very true.

13 In any event, those are the provisions that we
14 would like to see modifications on. I will say that the
15 staff has been cooperative in working with this on working
16 through these issues, and we're appreciative of that, and
17 we would like to see that this level of cooperation could
18 continue, and we can resolve these other three issues in a
19 similar fashion.

20 ACTING CHAIRPERSON GORDON: Mr. Washburn, can you
21 hold there for one second. Mr. Meier, can you respond to
22 the three specific issues? I'd just be interested to hear
23 -- just see where we are on these.

24 CHIEF COUNSEL MEIER: Well, on the one statement,
25 that it would be inconceivable that someone would not

1 apply for a renewal, it may be inconceivable, but it
2 happens all the time. Leases reach the end of their term
3 and, basically it falls through the cracks. People
4 don't -- forget to -- either the property has been -- the
5 upland property has been transferred or somebody -- or the
6 landowner just forgets to do it to file the application,
7 and sometimes it can go for several years without filing
8 an application.

9 We have never made it a practice -- it's never
10 been -- not only never been the policy, it's never been
11 the practice that the Commission has then gone in and said
12 the pier has to be pulled out during that period. What we
13 try to do is get them to submit an application, so we can
14 get the thing under lease, from a practical matter.

15 They have a ten-year lease. I mean, at the end
16 of that lease, they have to do something. I mean, what we
17 hope is that they get the application in in time. If they
18 haven't, then, you know, things are open to question, but
19 basically they're either in holdover or they're in
20 trespass, depending on how it's treated. It would require
21 some affirmative action, I think, for the Commission to
22 say that they're not in holdover, as long as they continue
23 to pay rent.

24 But, I mean, it's -- frankly, I can't
25 understand -- I can't really see a circumstance where the

1 Commission would demand that a pier be pulled out simply
2 because the lease has lapsed and they haven't yet gotten
3 around to submitting an application.

4 ACTING CHAIRPERSON GORDON: What about the
5 recommendation that the lessee be given the option to
6 extend or remove the improvements within a significant
7 period -- within a specific period of time?

8 CHIEF COUNSEL MEIER: This is -- the third
9 provision?

10 ACTING CHAIRPERSON GORDON: I'm still on number
11 one, restoration of improvements.

12 EXECUTIVE OFFICER LUCCHESI: I'm sorry. Can you
13 repeat that, Chairman?

14 ACTING CHAIRPERSON GORDON: The recommendation
15 from Mr. Washburn is the lessee should be given the option
16 to extend the lease or remove the improvements within a
17 definitive period of time.

18 EXECUTIVE OFFICER LUCCHESI: Well, presumably
19 that's their choice within the given ten-year lease term.
20 They have that ability within that as -- as you near the
21 end of the lease term, they have the option to either
22 apply for a new lease or to remove their facilities. They
23 have that ability now.

24 If what Mr. Washburn is recommending is that they
25 be given a longer lease to be able to make that decision,

1 again that would be in violation of our regulations.

2 CHIEF COUNSEL MEIER: I wanted to make --

3 ACTING CHAIRPERSON GORDON: I'm trying to
4 understand what the disagreement is here between the
5 terms --

6 MR. WASHBURN: I think if I can speak for my
7 clients who received these leases and read them and read
8 that provision and were immediately on the phone saying
9 what are you doing? This lease is over in 10 years and
10 we're out of here and the improvements become the property
11 of the State.

12 What would give them great reassurance, quite
13 frankly, is to hear what they heard -- what I just heard
14 right now, that the State has no intention of terminating
15 the lease and capturing the improvements at that point.

16 From a practical point of view, just saying that
17 in the lease would make a difference. For people who get
18 a copy of the lease and read it and say, you know, do I
19 sign this? Do I not sign this? You know, is my lawyer
20 blowing smoke or what is he doing?

21 Just an indication that this is the process that
22 can be followed. No guarantees. It's not an option, but
23 I think that that would go a long way to resolving that
24 issue.

25 EXECUTIVE OFFICER LUCCHESI: Yeah. I completely

1 agree with Mr. Washburn. In fact, we are embarking on
2 some efforts to be more educational about the Commission's
3 leasing practices, about the way the Commission makes
4 decisions, which is very unique to this Commission, in the
5 sense that staff is not making determinations to terminate
6 a lease or to issue a new lease. That is all made at
7 public meetings, where the public has the opportunity to
8 address the Commission on any individual action.

9 And so we are in the process of trying to take
10 those opportunities to educate our applicants, educate our
11 lessees and the general public about our practices. In
12 addition, we have heard those concerns about making our
13 applicants very well aware of what the normal practice is,
14 and we're exploring ways to do that more formally maybe in
15 the leases themselves.

16 So we are exploring those options right now. And
17 in terms of the other issues that Mr. Washburn raised in
18 terms of the default and the continuous use, I think
19 that's also a function of just talking those issues
20 through, educating, understanding each other's
21 perspective, but ultimately not really changing the
22 obligations and the rights of the parties, just making it
23 more transparent and clarifying.

24 And our hope is that especially with Mr. -- with
25 the Hewlett leases, the three applications that we have

1 pending, they're not currently on the agenda now.
2 Hopefully, they will be in the very near future, because I
3 think we've been negotiating these leases for like 20
4 years.

5 MR. WASHBURN: Maybe longer.

6 EXECUTIVE OFFICER LUCCHESI: Yes, maybe longer.
7 So it would be nice to bring the Hewletts under lease, you
8 know, after 20 years of negotiating these things.

9 COMMISSIONER NEWSOM: Yeah.

10 ACTING CHAIRPERSON GORDON: I think one of the
11 things we're dealing with here, and I -- you know --

12 MR. WASHBURN: But the Hewletts have been paying
13 rent.

14 (Laughter.)

15 ACTING CHAIRPERSON GORDON: Oh, yeah. We
16 weren't -- I'm not accusing them of being deadbeats.

17 I think one of the things that's happening here
18 somewhat is the legacy of the massive staff cuts at the
19 State Lands Commission that began in the early nineties.
20 And I very much feel for the lessees, because I think what
21 happened is a lot of these, as was pointed out in the
22 Bureau of State Audits analysis, many people fell through
23 the cracks for a long period of time.

24 And then suddenly, somewhere in the last three,
25 four years, they got a notice, having not heard from the

1 State Lands Commission in some times over 20 years, you
2 owe went. You owe back rent. You haven't paid. You need
3 to come under lease.

4 Hopefully, the new database and the continued
5 outreach of the new Executive Director, who is doing a
6 marvelous job bringing all these things under, will
7 alleviate some of these concerns. There will be -- people
8 will be regularly informed when their leases are running,
9 and we will be able to stop this kind of, "Oh my God. I
10 haven't heard from these people. I didn't even know I
11 needed to pay rent for this property".

12 So hopefully the new staff positions that have
13 been placed in the budget and the new database over the
14 next few years will bring all of these into a far more
15 modern landlord/tenant and consistent relationship that
16 will benefit all.

17 That said, let's go to the second issue raised by
18 Mr. Washburn here. You raised the issue of any failure.

19 MR. WASHBURN: I did. I'm taking maybe not
20 liberties, but there are several provisions that deal with
21 various defaults or failures to comply with ordinances.
22 And some are more restrictive than others. But basically
23 what we're suggesting is that what I find in our lease, in
24 what's paragraph 11B, and it may be differently numbered
25 in others, which is the 30-day notice.

1 In other words, if there's a default -- if the
2 State Lands Commission staff believes that there's been a
3 violation of a TRPA, or some other ordinance, that they
4 give a notice, and that the landowner then has an
5 opportunity to cure, rather than before the default
6 provision, which is currently I think in paragraph 4, is
7 triggered. Because with default, then you get into the
8 whole issue of the improvements becoming the property of
9 the State. It's just a -- it's basically just a notice
10 provision, which you have partial coverage, but not
11 complete coverage.

12 EXECUTIVE OFFICER LUCCHESI: Yeah.

13 CHIEF COUNSEL MEIER: A couple of points on that.
14 One is the practical way that the Commission operates. If
15 a lease is -- a lessee is in default -- well, first of
16 all, I'd to have say -- I correct a point that if the
17 lease is in default, the State automatically assumes
18 ownership of the premises. That's not the way we read it.

19 First of all, as far as the improvements go, you
20 have -- if the lease is terminated, you would have an
21 obligation to restore. As far as title to the
22 improvements goes, our purpose of having the restoration
23 provision is there is so that the State doesn't have to
24 have -- take possession of the improvements.

25 The provision we believe is written so that, you

1 know, the State doesn't have to take possession at that.
2 It's not automatic. It would have to take some
3 affirmative action in order to take possession.

4 MR. WASHBURN: I understand that.

5 CHIEF COUNSEL MEIER: The second point I'd like
6 to make is that even if the lessee were in default,
7 whether legally or technically in default, nothing happens
8 until the staff goes to the Commission and gets permission
9 to take action. So by the time that happens, there's an
10 automatic opportunity to cure it, you know, just for the
11 time that it takes us to get to the Commission.

12 MR. WASHBURN: Well, as long as the landowner
13 knows, in other words, if the State considers it to be a
14 breach. That's my point, is that there's a method of
15 communicating to the landowner that the staff is of the
16 opinion that there may be a violation.

17 EXECUTIVE OFFICER LUCCHESI: Yeah, I agree with
18 that. I think that we're constantly in a process of
19 improving our internal processes, our -- the ways that we
20 conduct our business. And I think Mr. Washburn is
21 highlighting a couple of areas that we need to explore,
22 and we have been exploring with Mr. Washburn on those two
23 subject matters.

24 COMMISSIONER NEWSOM: You want to jump into the
25 90-day abandonment issue.

1 CHIEF COUNSEL MEIER: Yeah, on that,
2 abandonment -- the premises that's being abandoned isn't
3 the pier. The abandonment is the land that the pier is
4 on. If you have a pier that's maintained, it's not
5 abandoned. So the question really comes down to is the
6 pier being held and maintained.

7 MR. WASHBURN: Well, if that's your
8 interpretation, I accept it, but that's not the way I read
9 it.

10 CHIEF COUNSEL MEIER: The State is not leasing
11 the pier to the lessee. The State leasing the land. It's
12 being occupied by the improvements of the lessee. Now, a
13 circumstance may arise where the pier starts deteriorating
14 and is not maintained. It's a little bit of a gray area
15 when the 90-day clock starts ticking as to when it's being
16 abandoned. Now, I mean there may be -- there are
17 circumstances where we've had in the Delta -- I mean, in
18 Tahoe nobody abandons a pier, but down in the Delta, there
19 have been circumstances where people have let their docks
20 deteriorate.

21 So usually they maintain the leases, but it
22 deteriorates. So they keep paying, but, you know, at that
23 point then there's a question of whether or not they've
24 abandoned, so -- but it becomes a gray area.

25 But as far as if a pier is maintained, even if

1 it's not being used, you're still using the land.

2 MR. WASHBURN: Okay. I accept that, if that's
3 your position.

4 EXECUTIVE OFFICER LUCCHESI: And it's not just,
5 you know, something that we've pulled out of the air. The
6 lease itself authorizes the use of the land for a pier and
7 the maintenance of the pier thereof. So if you are
8 occupying the property with your pier and maintaining it,
9 you're not triggering that section of the lease.

10 MR. WASHBURN: That's the only other question.
11 Thank you very much and I appreciate your consideration
12 and --

13 ACTING CHAIRPERSON GORDON: Mr. Lien.

14 MR. WASHBURN: -- I will not need to speak as
15 part of the public discussion.

16 DEPUTY ATTORNEY GENERAL RUSCONI: To the Chair,
17 we started this as a public hearing on Item 64 and we've
18 sort of expanded it.

19 COMMISSIONER NEWSOM: Amen.

20 ACTING CHAIRPERSON GORDON: Okay. All of the
21 folks that I've got here wanted to speak on 64, so that
22 that's why I'm -- Mr Lien.

23 MR. LIEN: Good morning, Mr. Chairman, members of
24 the Commission, distinguished staff, and legal counsel.
25 My name is Gregg Lien. I'm an attorney from Tahoe City,

1 where I've had my practice for some 30 years, and I wanted
2 to address some of the points and the discussion, which I
3 think has been very productive so far and I appreciate
4 many of the things that have been said.

5 I think one of the core concepts here is that
6 while I understand the legal need to dance around this, is
7 that there's really no intent here to see piers removed or
8 structures threatened at Lake Tahoe. Although, the
9 language frankly strikes a lot of my clients and a lot of
10 others around Lake Tahoe as implying directly the
11 opposite. That's your first visceral reaction to it.

12 As a matter of public policy, not only the State
13 Lands Commission has encouraged the continuation of active
14 leases and the maintenance of structures at Lake Tahoe,
15 and, in fact, your lease requires people to maintain their
16 piers in good condition with the idea that they're not
17 going to be amortized out of existence, but they're going
18 to be there. And people put in their steel pilings,
19 invest many tens of thousands of dollars in maintaining
20 these very, very valuable structures on the expectation
21 that at expiration, they will be able to renew, but your
22 leases do not say that.

23 And I think that's a problem that we need to
24 address in terms of the language. The TRPA grandfathers
25 these things quite explicitly. Army Corps of Engineers

1 grandfathers these structures. And the State Lands
2 Commission, while not saying it in so many words, I think
3 in its leases and its dealings with people at Tahoe should
4 set up a system where they can be assured that we have
5 continuous use.

6 An option is something that's been considered.
7 Although, Section 2004 of your regulations sets forth the
8 maximum term for private recreational pier permits is 10
9 years, there's nothing in there, as I read it, that says
10 you can't have a renewal period that can be added on.

11 As a matter of fact, I think if we were to word
12 craft the lease language, you could easily say something
13 like the lease will be renewed except for the following.
14 And you raised examples of structures in the Delta or
15 whatever. I don't see any reason why we can't accommodate
16 structures that are derelict, abandoned, and so on as
17 exceptions to the general rule, that people would be able
18 to renew these leases as some kind of a matter of right or
19 a recognition of the expectation that people have, that
20 they're going to be able to maintain their piers.

21 Let me tell you a little bit about why this is a
22 particular point of anxiety with me, is that there are
23 defaults -- potential defaults, as Mr. Washburn had
24 indicated, everywhere, whether it's the continuous use
25 language that, of course, nobody uses their pier

1 continuously at Lake Tahoe, or whether it's the use
2 language that's extremely narrow. You can only have a
3 structure that's actually used for the docking of boats.

4 What about boathouses? What about the area of
5 the pier that leads out to navigable water? Apparently,
6 if you read your lease narrowly, those structures are
7 presumably not legal.

8 I have personally experienced having the
9 Commission come after my clients for structures Lake Tahoe
10 and you have exercised the Public Trusts and removed one
11 structure from a client of mine with no compensation
12 whatsoever.

13 So, you know, word gets around at Lake Tahoe. We
14 understand that the Commission does have a hammer
15 occasionally in its hands and it goes out and forcibly
16 removes things. We don't want to have that hammer hanging
17 over most people, I wouldn't think. There's no reason for
18 it. And every reason I think to be hopeful we can workout
19 this language, so that people don't fear that their
20 structures are being threatened.

21 So again, while, Jennifer, I hear you saying, you
22 know, we can talk it through, I think what we'd like to
23 have as a goal here is a lease document that people don't
24 feel that they need to talk it through. They don't need
25 to read it and see language that goes, "Gee, I'm really

1 afraid". I'm afraid that what happened to so and so down
2 the street where he had a structure removed might happen
3 to me, or there might be some big shift in public policy
4 after I repaired my pier to the tune of six figures plus
5 I'm going to have to figure at the end of my lease term
6 I'm not going to be able to continue.

7 So I'd like to invite a broader process here,
8 where we look at this, and certainly paragraph 13, and
9 some other provisions as well. As Mr. Washburn said,
10 there's a number of things, and I'll tell you too, that
11 look like they could trigger defaults. And we can talk
12 through a process of notice and so on. I think we're on
13 the same page on a lot of these ideas here, but I'd really
14 like to see us get this done.

15 I think it's mandatory too -- I'll just close at
16 this point -- in view of the regulations that you just
17 adopted within the last month or so, some of the language
18 in your current leases is now archaic, and in fact,
19 contrary to what was just adopted in terms of the
20 modifications to your regulations.

21 So I think there's reasons to do a wholesale look
22 at this and try to clean up a lot of this.

23 ACTING CHAIRPERSON GORDON: Stay for one second,
24 Mr. Lien. Ms. Lucchesi, can you respond to that?

25 EXECUTIVE OFFICER LUCCHESI: Yeah. I just want

1 to clarify a couple of statements that Mr. Lien had talked
2 about. I think he's bringing this up, you know, under the
3 paragraph 13, under restoration of leased premises, but
4 for clarification the example he gave about the Commission
5 removing a structure was not exercised under that
6 restoration of leased premises provision. That's a
7 totally different situation. And I want to explain that a
8 little bit.

9 That was -- in 2009, the Commission voted to
10 exercise its Public Trust easement rights. And as Joe had
11 explained earlier, the State, through the Commission, has
12 an easement interest in the area of Lake Tahoe between the
13 ordinary low water mark and the ordinary high water mark.

14 There are instances throughout the California
15 side of California -- of Lake Tahoe -- the California side
16 of Lake Tahoe, where property owners have built
17 structures, fences down into that easement area that
18 essentially prohibit the public from exercising its rights
19 and accessing the State's interest there.

20 In 2009, the Commission voted to exercise that
21 easement for the purpose of assuring public access within
22 that entire easement area at that site, commonly called
23 Speed Boat Beach, as well as the removal of the fence.

24 The Commission was also very explicit in that
25 they are required to compensate the property owner for

1 that removal of the fence, if the property owner had
2 obtained the legal permits to place it there originally.

3 And as far as I'm aware, your clients were not
4 able to produce those legally obtained permits for the
5 placement of that fence. So there was no requirement to
6 compensate them for the removal of that fence. So I just
7 wanted to make that clear for the Commission and the
8 public that we're talking about two separate situations
9 here.

10 And I also want to just comment that as staff, we
11 are very open to kind of working with our lessees,
12 especially as how they see their reality, and how we see
13 our responsibilities to protect the State's interest. But
14 I do want to clarify that as it relates to the restoration
15 of the leased premises, as more the lease term, we don't
16 feel like there is room to really negotiate that in terms
17 of the staff's recommendation and the State's obligations
18 and rights, and the lessees rights and obligations in
19 accordance with the restoration of leased premises.

20 I completely agree with having the ability to
21 clarify the Commission's practice and kind of talk about
22 what the reality of the situation is. But in terms of the
23 Commission having this discretion as a trustee of the
24 State in managing the State's property, the Commission, as
25 the landowner, really needs to have that ability to

1 require a lessee to remove their structures from the
2 State's property if that lessee does not want to continue
3 the contractual relationship with the State.

4 ACTING CHAIRPERSON GORDON: Ms. Lucchesi, what
5 strikes me having, you know, now gone through months of
6 hearings, primarily on Lake Tahoe, is a large disconnect
7 between State Lands Commission practices, the language in
8 the leaseholds, and how it is perceived by the people who
9 live there.

10 Mr. Lien has recommended, and it's something that
11 has kind of been kicking around in my mind for awhile,
12 that, you know, we kind of take a look at the lease -- at
13 the standard lease and review if there's a way, whether
14 it's disclaimer language or, you know, a cover letter,
15 whatever would be necessary. What would the process look
16 like if we were to begin -- you know, I don't know if it's
17 a reg package we're looking at. What are we looking at if
18 we were to try to look at the document without giving up
19 any of the State's rights. I mean, that going in I
20 understand. The restoration language is absolutely
21 critical. We are a landlord. If you are leasing property
22 and you don't -- and you breach your lease, the landlord
23 has the right to take the property back. That's basic
24 landlord/tenant law.

25 But if we were to look at this -- if we were to

1 fundamentally look at how do we word this in a way that
2 kind of alleviates some of these, a layman gets this lease
3 and says, "Oh, my God. They're going to take my land
4 after 10 years"? What would the process look like if we
5 were to open that up?

6 EXECUTIVE OFFICER LUCCHESI: Yeah. We're
7 currently exploring that right now. So it could entail
8 going and submitting a regulations package to OAL, which
9 is a year-long process. We are looking at what our
10 different options are. I want to caution, to a certain
11 extent, that any effort to do that, if we were to pursue
12 that, that again it would not change the obligations and
13 the rights that are currently existing. Because what I
14 don't want to have happen is applications being on hold or
15 people not applying while we pursue that process, so that
16 then the occupation of State land without authorization
17 from the Commission, without paying rent continues
18 indefinitely while they wait for this magical lease to
19 come down.

20 So like I said, we are exploring ways based on
21 recent conversations, based on past conversations we've
22 had with our applicants and our lessees to better respond
23 to concerns without reducing or minimizing the State's
24 protections.

25 COMMISSIONER NEWSOM: Here, here.

1 ACTING CHAIRPERSON GORDON: I'm interested in my
2 colleague's responses to where we should go from here.

3 COMMISSIONER NEWSOM: I'm all for. Yeah, I have
4 such strong opinions. I'm physically sort of coming out
5 of my chair, but I'm not going to express them, because
6 they'll offend too many people. I'm at a point of the
7 year where I don't want to offend folks.

8 (Laughter.)

9 COMMISSIONER NEWSOM: So I'm all for softening
10 the language, you know, whatever you can do. And I think
11 you've amply provided us evidence, since you've been
12 director of this agency, of your willingness to do that,
13 to reach out one on one and to reach out broadly.

14 And so I subscribe to supporting, broadly
15 speaking, that. I also humbly submit, you know, some of
16 these recommendations I imagine if the shoe was on the
17 other foot would be sort of perceived as preposterous.
18 And this is where I'm entering into the offensive
19 territory, and I say that with respect.

20 You know, I've got dozens of leases in my
21 businesses. Gosh, I'd be so lucky to have the willingness
22 of this Commission to submit to basically de facto
23 extensions of leases by default that all fly in the face
24 of sort of, you know, property rights and ownership
25 rights. I mean, these are not individual's properties.

1 It's the public's. It's all of ours, and we have an
2 obligation. And I'm all for helping folks, and I think
3 this is a very good thing.

4 But some of these things just go a little too
5 far, respectfully, and some of these requests. And
6 clarifying language, sure, but changing the provisions, I
7 just -- I think we're entering into over -- sort of
8 overindulgence and that's as nice as I can say it. Let's
9 be careful here not to be too indulgent, and -- but temper
10 the fears that legitimately are out there, that we've
11 dealt for three years as you've noted, that are completely
12 legit.

13 And we've got work to do from a public relations
14 perspective to get out there and meet with folks, so when
15 they read these -- this, they realize the Commission's
16 never done these things. We haven't kicked people out. I
17 mean, this is not a practice of ours, that says it expires
18 in 10 years and we can take it back. Well, every business
19 I own it says the same thing. But, you know, by
20 extension, you work through these things and you get, you
21 know, 90 -- what 99.9 percent of your damn leases are
22 renewed, right --

23 EXECUTIVE OFFICER LUCCHESI: Um-hmm.

24 COMMISSIONER NEWSOM: -- unless there's something
25 extraordinary. So we can do a better job selling that,

1 but we start making legalese things and changing
2 everybody's individual lease, we've got a mess throughout
3 this State. And I would be vehemently opposed to getting
4 too prescriptive here on everybody's lease.

5 ACTING CHAIRPERSON GORDON: Ms. Ortega.

6 ACTING COMMISSIONER ORTEGA: I think I would
7 agree with the majority of what the Lieutenant Governor
8 has said, in terms of our view of the issue. The other
9 thing I want to say that really hasn't been talked about
10 that much here is the State's liability, and the State's
11 concerns about property that might be abandoned or not
12 upkept.

13 So I think that part of this entire structure is
14 built on this notion that if the lease is not renewed or
15 if the lease terms are not complied with, the State would
16 be responsible if the property was not removed. And I
17 think that is not a liability we're interested in taking
18 on. And when you think about all the liability that would
19 be out there, that is the major concern of the State.

20 And so I think the Commission's role is to
21 balance these issues, to balance the requests of the
22 property owners to have the leases and to have the piers.
23 You know, we consider them all here as we mentioned in a
24 public forum, but we have to protect the State's interest
25 in terms of liability, and we have to protect the public's

1 interest. The lake belongs to the public, not to any
2 particular homeowner.

3 MR. LIEN: If I could jump in here and just
4 respond. You were looking at me when you made your
5 comment --

6 COMMISSIONER NEWSOM: No, I rarely looked at you.
7 (Laughter.)

8 MR. LIEN: -- and I know I represent a lot of
9 those people.

10 COMMISSIONER NEWSOM: I looked at others.
11 (Laughter.)

12 MR. LIEN: But I want to say it's a very
13 different situation than the buildings you're dealing with
14 when you do a lease. In this particular case, the people
15 built the building to use your analogy. It's their pier.
16 They paid for it. They built it. It's a completely
17 different situation where there's a littoral owner that
18 has a --

19 COMMISSIONER NEWSOM: I'm going to cut you off
20 and suggest that that's not necessarily the case in terms
21 of the specific examples, but I appreciate your making
22 that distinction. But the bottom line is it's the
23 public's property, and I --

24 MR. LIEN: I don't disagree they own it --

25 COMMISSIONER NEWSOM: Well, that --

1 MR. LIEN: -- beyond the low water mark.

2 COMMISSIONER NEWSOM: God bless. I mean, I think
3 case law is well established, fundamentally well
4 established ad nauseam, but I get -- I have no reason to
5 quibble, and I don't want to get into the specifics of any
6 of my personal businesses in the context of my -- that
7 informs my point of view, but I certainly appreciate that
8 people are putting a lot of money into maintaining these
9 properties. They do an extraordinary service. I will
10 submit to your client in the credible service that he's
11 provided maintaining this beautiful structure, and the
12 impact that has in people's enjoyability, and their
13 safety, and their sense of security on the lake. All of
14 those are admirable and correct things.

15 It's also State property that that structure is
16 on, and we have obligations here. And those obligations
17 transcend Lake Tahoe. And if we start splicing every
18 single lease, we're in serious trouble here, in terms of
19 our capacity to deliver on our fiduciary responsibilities.

20 And I think this team here -- and I am so -- I am
21 usually a big critic of bureaucracy, but I'm going to
22 submit, this -- you've got one of the best groups of folks
23 that I've worked with in government that have gone out of
24 their way to be indulgent, and I think even with your
25 client. And I hope they continue. I'm not denying those

1 express concerns here.

2 The Hewlett example, which wasn't on the
3 calendar, which, you know, I appreciate we indulged in a
4 conversation, and we want to be respectful of their rights
5 as well, and at least I think we do that. I just -- if we
6 start making some dramatic changes to having default
7 status on these leases and extended provisions, I think
8 we're in very muddy waters, very muddy waters.

9 MR. LIEN: I don't disagree, and I don't want to
10 get this off in an ideological disagreement whatsoever.
11 I'm saying as a practical matter, there's ways that you
12 can preserve every right that the public needs to have and
13 we can preserve the private rights that need to be
14 preserved as well. There's a way to do this. We don't
15 need to go off in a fight over this, and I hope we can
16 work it out. And I agree with you, by the way, it's been
17 a pleasure to work with your staff at all times.

18 COMMISSIONER NEWSOM: Good. I'm glad that's the
19 case. Nice to hear.

20 ACTING CHAIRPERSON GORDON: Let me try this. Ms.
21 Lucchesi, you indicated that you're looking at various
22 ways to address this issue. With the indulgence of my
23 colleagues, could we instruct staff to come back in April
24 with a recommendation as to what the process will be as
25 to -- what is it that we need to do reach clarity, again

1 without compromising any of the State's interests, but
2 just whether -- you know, do we need to authorize a cover
3 letter that says, you know, it is not the State's interest
4 in taking the property unless there's a significant breach
5 of the -- you know, whatever that process would look like,
6 whether we need new regulations.

7 I don't know what it is, but I would like to know
8 how do we solve this, so that we don't spend -- you know,
9 I'm off of this Commission next year, but that you folks
10 don't spend the next 10 years dealing with these -- the
11 same issue over and over and over again, so that folks
12 when they get this in the mail will understand. If they
13 don't keep the premises up, they could lose their lease,
14 that they are in a landlord/tenant situation on State
15 land.

16 I mean, I think there's a fundamental
17 misunderstanding of what the relationship is. You know,
18 it is very clear, under the Public Trust Doctrine, as Mr.
19 Rusconi laid out, you are renting property on the State's
20 sovereign lands. I think a lot of folks don't understand
21 that. And something in that lease, somewhere, large
22 language at the top says this is a leasehold of State
23 land. You know, you are the tenant, the State of
24 California is the landlord, might go a long way for a lot
25 of folks getting beyond that shock of reading down there.

1 And if it doesn't, well, then they just have a
2 fundamental misunderstanding of what their relationship
3 is, and there's nothing we can do about that. But there
4 is -- there have been so many folks who have come before
5 this Commission frankly confused. You know, and I think
6 also something in the lease that says the lease -- the
7 money you're going to pay -- again, fundamental
8 misunderstanding. The money you are paying in lease will
9 be used at Lake Tahoe for the benefit of the public, which
10 you will also benefit by. You know, the value of your
11 upland property will benefit by the fact that your
12 lease -- your rents are being used right here, not in the
13 general fund. They are being used to increase the value
14 of the lake in perpetuity.

15 I think that kind of information that is received
16 with the lease could go a long way towards alleviating
17 some of the apprehension that people have when they get
18 these.

19 EXECUTIVE OFFICER LUCCHESI: Yeah. So what I
20 would recommend is that at the April meeting, I can come
21 in my Executive Officer's report and update the Commission
22 and the public on our efforts to better educate our
23 leasing clients, our leasing customers, and also ways that
24 we are exploring to make our practice more transparent in
25 whatever mechanism that would end up taking place in.

1 I think that if I can do that in an Executive
2 Officer's report and update the Commission as the year
3 goes on, that would probably be the most efficient and
4 effective in allowing staff to kind of have the option of
5 exploring of wide variety of mechanisms to address not
6 only the concerns we've heard specifically from a group of
7 folks at Lake Tahoe, but also we have a statewide
8 responsibility as well. So, you know, how to address
9 that.

10 So I will update the Commission at the -- at
11 my -- during my Executive Officer's report at the April
12 Commission meeting about our efforts and our plans moving
13 forward.

14 ACTING CHAIRPERSON GORDON: Works for me.

15 COMMISSIONER NEWSOM: Fabulous. Thank you.

16 ACTING CHAIRPERSON GORDON: All right. Ms.
17 Lucchesi, can you lay out what the -- we need to go to a
18 vote, but if you could lay out what that vote would be at
19 this point in time, what we need -- oh, we have one more.

20 EXECUTIVE OFFICER LUCCHESI: I think we have one
21 more comment.

22 ACTING CHAIRPERSON GORDON: Yeah, we do have one
23 more. You're absolutely -- sorry, excuse me.

24 Mr. Furumoto.

25 MR. Furumoto, you are under Item 64. I recognize

1 in your request to speak, you've also identified several
2 other folks that you represent that you're here for. If
3 you could, to the greatest degree possible, confine to
4 Item 64.

5 MR. FURUMOTO: Yes, I will. Thank you. My name
6 is Gary Furumoto. And I'm a civil engineer with the Sagan
7 Design Group in Tahoe City. And I'm a representative of
8 Mr. Goldhaber. I'm also a representative of Steven
9 Merrill, which is Item number 18. Steven Merrill is also
10 a member of the TRPA Governing Board. And we're also
11 representing Birney Jensen and Ron Ubaldi, which is Item
12 31. And being a consultant up in Lake Tahoe, we also have
13 numerous other clients that we have represented and still
14 represent through State Lands.

15 And during my discussions with Mr. Goldhaber, we
16 were alerted to the language in paragraph 13.
17 Specifically, I think it's condition -- sentence A1. And
18 I asked each of my clients to review the language in that
19 paragraph, and they all strongly object to signing the
20 lease in its current format. Specifically, my clients
21 find the language to be confiscatory, and would like to
22 see language that is really more fair and appropriate to
23 all parties.

24 And I don't want to go into much more detail on
25 this, because it's been discussed here with previous

1 speakers, but we believe this issue applies more than just
2 to my clients, and really should be reviewed for all of
3 the properties really up in Lake Tahoe.

4 Thank you.

5 ACTING CHAIRPERSON GORDON: Thank you. Is there
6 anyone else who would wish to comment on this item?

7 Ms. Lucchesi, can you layout for us what the
8 options are at this point in time for a motion as to where
9 we need to go from here?

10 EXECUTIVE OFFICER LUCCHESI: Well, the item
11 before you is Item number 64. This is Mr. Goldhaber's
12 application for a lease. The staff's recommendation is to
13 rescind the Commission's prior authorization of December
14 2013 and authorize a lease with basically reduced rent
15 based on the adoption of the new regulations, but that the
16 language that he has raised concerns about, including the
17 restoration of leased premises, be as they -- the standard
18 covenants that they are and that there are no changes to
19 that.

20 Yes.

21 ACTING CHAIRPERSON GORDON: Would you recommend
22 we do this in separate motions, one to rescind and the
23 second to authorize the second lease?

24 EXECUTIVE OFFICER LUCCHESI: I think that if the
25 will of the Commission is to go along with staff's

1 recommendation, you can authorize staff's recommendation.

2 Make one motion to adopt staff's recommendation

3 ACTING CHAIRPERSON GORDON: Okay. Open for a
4 motion

5 COMMISSIONER NEWSOM: Yeah, I'd certainly move
6 that.

7 ACTING COMMISSIONER ORTEGA: Second.

8 ACTING CHAIRPERSON GORDON: All right. So the
9 motion before us is to -- is a combination to rescind the
10 previous lease and to authorize a new lease recognizing
11 the new regulations that were adopted by the Commission at
12 our last meeting, reducing the impact area from the
13 10-foot around the entire dock to the 9-foot just for the
14 areas of impact where the boat would be.

15 EXECUTIVE OFFICER LUCCHESI: In addition --

16 ACTING CHAIRPERSON GORDON: Oh, in addition, all
17 of the existing terms of the standard lease to be
18 authorized to do that.

19 EXECUTIVE OFFICER LUCCHESI: And I would just add
20 that it's also to authorize acceptance of additional
21 holdover rent in the amount of \$101. So, I mean, just to
22 be -- just to be safe legally, I recommend that you
23 adopt -- if it's the will of the Commission, I recommend
24 that you adopt staff's recommendation just to encompass
25 everything.

1 ACTING CHAIRPERSON GORDON: Okay. We have the
2 motion before us. We have a second.

3 All those in favor?

4 (Ayes.)

5 ACTING CHAIRPERSON GORDON: Okay. What's the
6 next order of business, Ms. Lucchesi?

7 EXECUTIVE OFFICER LUCCHESI: I believe that
8 concludes the regular set -- oh, excuse me. Yes, we
9 had -- we pulled Consent Items 18 and 31 from the consent
10 agenda to be heard during regular. So again, Mr. Furumoto
11 represents those two lease applicants, and he requested
12 that they be moved to the regular agenda. We are prepared
13 to give a very quick staff presentation on both of those
14 items, if that's the wish of the Commission. If not, we
15 can forgo our staff presentation, and then Mr. Furumoto
16 may want to address the Commission on those two items.

17 But ultimately, the Commission will need to take
18 separation action on C18 and C31.

19 ACTING CHAIRPERSON GORDON: Mr. Bugsch, why don't
20 we waive your presentation, at this point, and have Mr.
21 Furumoto come forward if he has additional comments.

22 MR. FURUMOTO: Thank you. So, we're going to
23 address condition -- or Item 18 at this point?

24 EXECUTIVE OFFICER LUCCHESI: Yes, you can address
25 both of them, if you would like or --

1 MR. FURUMOTO: I would like to address both Item
2 18, which is Steven Merrill and Item 31, which is the
3 Ubaldi and Jensen property, and for very similar reasons
4 to the Goldhaber lease, our clients object to the language
5 in Paragraph 13(A)(1). And we would like to have this --
6 these leases -- both of these leases to be set for a
7 following agenda, at some future time, so that we can work
8 out language on these provisions.

9 My clients, at this moment, they're not prepared
10 to sign the lease in its current format, and we think that
11 we can work with staff. And obviously, you guys will have
12 some discussions and we can determine how to proceed at
13 that time, but we would like to have those two items
14 stayed until a future meeting.

15 ACTING CHAIRPERSON GORDON: All right.

16 Ms. Lucchesi.

17 EXECUTIVE OFFICER LUCCHESI: So if we can take
18 each item separately and clarify that I have this right.
19 It's my understanding with C18, which is Mr. Merrill's
20 application, that he has concerns over the restoration of
21 leased premises language, as well as additional language.
22 Does he have concerns over anything else in the proposed
23 lease?

24 MR. FURUMOTO: Steven Merrill's property is very
25 similar to the Goldhaber property, in that it is a

1 boathouse, a pier, also contains a couple of buoys. And
2 we have the same concerns with regards to the use -- is
3 the -- are the facilities that are being leased solely for
4 docking of boats, or can we -- are there any other uses
5 that can be used out there? Can somebody go out and have
6 a picnic on their dock, et cetera, swimming as well?

7 EXECUTIVE OFFICER LUCCHESI: So the way the
8 leases are written it's for the occupation of State
9 property by a pier and buoys and a boathouse, depending on
10 what the specific situation is. In terms of whether the
11 lease effectively prohibits swimming or other types of
12 recreational fishing from the pier, that is not a correct
13 reading of the lease. What the lease does expressly
14 prohibit is the placement of swimming buoys or markers
15 that would effectually create a private swimming area on
16 State property, but it does not -- it should not be read
17 as prohibiting the lessees from utilizing their pier to
18 jump off and swim or to fish or anything like that.

19 You know, I guess that there might be some
20 additional conversations that need to be had in terms of
21 ensuring that the lease language is being read properly,
22 but again, staff's recommendation is to authorize this
23 lease with the standard covenants, barring any, you know,
24 minor, non-substantive clarifications that may need to
25 occur based on the uniqueness of his client.

1 COMMISSIONER NEWSOM: Yeah, and through the
2 Chair. It doesn't sound like we're going to get very far,
3 but I've never, in the past in all my years -- I mean, to
4 the extent, are there any other extenuating circumstance
5 where you need to go forward today with this?

6 EXECUTIVE OFFICER LUCCHESI: No. No.

7 COMMISSIONER NEWSOM: And I think to the extent
8 it won't take too much staff time, and again in the spirit
9 of what we're advancing here today, a true willingness to
10 try to explain these provisions and our practices in a way
11 that could satiate some of the concern of your clients,
12 I'd be willing to extend, but with caution from your
13 perspective that Mr. Goldhaber wasn't very successful with
14 Section 13 in terms of those arguments that the likelihood
15 of being successful, Mr. Merrill and Mrs. Jensen or Mrs.
16 Merrill and Mr. Jensen, may find a similar fate.

17 EXECUTIVE OFFICER LUCCHESI: The only thing I
18 would add, I'm not able to pull up your -- Mr. Merrill's
19 staff report and application right this moment, but while
20 we were -- we are always amenable to deferring action on
21 particular item, just a couple of caveats, so that you're
22 client is aware, that there -- it may be a situation where
23 their lease is currently expired and they're in a holdover
24 situation. They may still be paying rent, if they were
25 obligated to do so otherwise, but their lease may be in

1 holdover.

2 And in addition, our next meeting, which is going
3 to be -- likely be in April will likely be in southern
4 California, which will make it a little bit more costly
5 and time consuming to appear before the Commission. So I
6 just wanted to make them aware, but staff does not have --
7 other than, you know, wanting to make Mr. Furumoto aware
8 of those issues, staff doesn't have any objection to
9 deferring action on this item with the goal that we would
10 bring it to the Commission in April.

11 COMMISSIONER NEWSOM: And this Item is 18 or 31?

12 EXECUTIVE OFFICER LUCCHESI: Both.

13 ACTING CHAIRPERSON GORDON: Both.

14 COMMISSIONER NEWSOM: Both on the same thing.

15 ACTING CHAIRPERSON GORDON: So we have any
16 evidence where the State Lands Commission police have gone
17 out and stopped people from swimming?

18 (Laughter.)

19 EXECUTIVE OFFICER LUCCHESI: The State Lands
20 Commission does not have any police and we actually don't
21 have staff to be able to regularly patrol Lake Tahoe.
22 Although, if we were able to get a budget change proposal
23 approved for that purpose, I'd be the first to apply for
24 that.

25 ACTING CHAIRPERSON GORDON: Lifeguards part of

1 these.

2 Part of these -- and it just always amazes me. I
3 mean, there's no history ever of anybody being told not to
4 swim or fish from their pier. So, I mean, the fact that
5 people have these kind of fears. And I a get it, fears
6 are, whether they're real or not, they're legitimate.

7 COMMISSIONER NEWSOM: It shows we've got work to
8 do.

9 ACTING CHAIRPERSON GORDON: Yeah, exactly.
10 Exactly. I mean this has never happened. It has never
11 happened before. I could tell you -- at least for the
12 three Commissioners I think here I could speak. If we
13 ever found out that the State Lands Commission was going
14 out to somebody's private pier and saying you can't swim
15 off it of, you know, there would be some serious
16 consequences for the people who tried to do that, not the
17 people swimming off their pier.

18 COMMISSIONER NEWSOM: Here, here.

19 MR. FURUMOTO: More specifically, we're concerned
20 with the language in paragraph 13.

21 ACTING CHAIRPERSON GORDON: Okay. All right.
22 Understood.

23 COMMISSIONER NEWSOM: Give that your best shot,
24 with everything that just happened.

25 EXECUTIVE OFFICER LUCCHESI: So if it's the will

1 of the Commission to defer action on these two, I would
2 just -- we can remove those two items --

3 COMMISSIONER NEWSOM: And to the extent it
4 matters through the Chair, you know, if there's -- if it
5 turns out the lease is expired or something, no -- we're
6 not -- there's no real consequence here, you know, unless
7 something extraordinary, just so they shouldn't be too
8 concerned.

9 MR. FURUMOTO: Right.

10 EXECUTIVE OFFICER LUCCHESI: We would consider
11 them in holdover status, still obligated to comply with
12 the terms of their old lease and pay rent that sort of
13 thing.

14 COMMISSIONER NEWSOM: Good.

15 MR. FURUMOTO: Okay. Thank you.

16 EXECUTIVE OFFICER LUCCHESI: So just for the
17 record, we're officially removing consent Item 18 and 31
18 from the agenda, deferring action on those to a later
19 date.

20 ACTING CHAIRPERSON GORDON: Let's see, any
21 other -- do the Commissioners have any comments?

22 COMMISSIONER NEWSOM: Nothing.

23 ACTING CHAIRPERSON GORDON: Is there anyone in
24 the public who has any additional comments?

25 That being said, I believe this meeting is

1 closed.

2 (Thereupon the California State Lands

3 Commission meeting adjourned at 12:15 PM)

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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, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing California State Lands Commission meeting was
7 reported in shorthand by me, James F. Peters, a Certified
8 Shorthand Reporter of the State of California;

9 That the said proceedings was taken before me, in
10 shorthand writing, and was thereafter transcribed, under
11 my direction, by computer-assisted transcription.

12 I further certify that I am not of counsel or
13 attorney for any of the parties to said meeting nor in any
14 way interested in the outcome of said meeting.

15 IN WITNESS WHEREOF, I have hereunto set my hand
16 this 3rd day of March, 2014.

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23 JAMES F. PETERS, CSR, RPR
24 Certified Shorthand Reporter
25 License No. 10063