

MEETING  
STATE OF CALIFORNIA  
LANDS COMMISSION

THE PORT OF LOS ANGELES  
BOARD HEARING ROOM  
HARBOR ADMINISTRATION BUILDING  
425 S. PALOS VERDES STREET  
SAN PEDRO, CALIFORNIA

TUESDAY, AUGUST 9, 2016  
10:00 A.M.

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

A P P E A R A N C E S

COMMISSION MEMBERS:

Ms. Betty T. Yee, State Controller, Chairperson

Mr. Gavin Newsom, Lieutenant Governor, represented by Mr. Rhys Williams

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

STAFF:

Ms. Jennifer Lucchesi, Executive Officer

Mr. Colin Connor, Assistant Executive Officer

Mr. Mark Meier, Chief Counsel

Mr. Seth Blackmon, Staff Attorney, Legal Division

Mr. Brian Bugsch, Chief, Land Management Division

Ms. Kathryn Colson, Staff Attorney, Legal Division

Ms. Jennifer DeLeon, Science Policy Advisor

Ms. Wendy Hall, Public Land Management Specialist, Land Management Division

Ms. Kim Lunetta, Administrative Assistant

ATTORNEY GENERAL:

Mr. Andrew Vogel, Deputy Attorney General

ALSO PRESENT:

Ms. June Ailin, Attorney, City of Fillmore

Mr. James Allen, Publisher, Random Lengths News

Mr. Dave Arian, Vice President, Port of Los Angeles Board of Harbor Commissioners

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

ALSO PRESENT:

Mr. Alberto Boada, Ventura County Counsel, Ventura County

Mr. Richard Cameron, Managing Director, Planning &  
Environmental Affairs, Port of Long Beach

Mr. Todd Campbell, Vice President, Policy and Regulatory  
Affairs, Clean Energy

Mr. Ron Conrow, District Manager, Rancho LPG

Mr. Yair Crane, Young Professionals in Energy, Los Angeles

Ms. Shirley Dettloff, Board Member, Amigos de Bolsa Chica

Ms. Nidia Erceg, Deputy Policy Director, Coalition for  
Clean Air

Mr. Ken Ehrlich, Permitting Specialist, Moffatt and Nichol

Mr. Charles Falzon, Vice President, Amigos de Bolsa Chica

Congresswoman Janice Hahn, Congressional District 44

Mr. Richard Havenick, representing self

Ms. Margaret Anne Hohly, Applicant

Mr. Victor Leipzig, Amigos de Bolsa Chica

Ms. Jerilyn Lopez Mendoza, Environmental Program Manager,  
Southern California Gas Company

Congressman Alan Lowenthal, Congressional District 47

Dr. Joseph Lyou, President and CEO, Amigos de Bolsa Chica

Ambassador Vilma Martinez, President, Port of Los Angeles  
Board of Harbor Commissioners

Mr. Jesse Marquez, Executive Director, Coalition for a  
Safe Environment

Mr. Mel Nutter, Board Member Amigos de Bolsa Chica

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

ALSO PRESENT:

Mr. Ben Schirmer, Executive Director, Harbor Community  
Benefit Foundation

Mr. Gene Seroka, Executive Director, Port of Los Angeles

Mr. Peter Warren, representing self

Ms. Amanda Winchell, Policy Coordinator, Surfrider  
Foundation

Ms. Kathleen Woodfield, Vice President, San Pedro  
Peninsula Homeowners Coalition

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I 11:00 A.M. - OPEN SESSION	1
II CONFIRMATION OF MINUTES FOR THE MEETING OF JUNE 28, 2016	16
III EXECUTIVE OFFICER'S REPORT	17
Continuation of Rent Actions to be taken by the Executive Officer pursuant to the Commission's Delegation of Authority:	
- Ronald Rott (Lessee): Continuation of annual rent at \$171 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the Sacramento River, adjacent to 4145 Garden Highway, near the city of Sacramento, Sacramento County. (PRC 6088.1)	
IV CONSENT CALENDAR C01-C54	22

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

LAND MANAGEMENT DIVISION

NORTHERN REGION

C01 CITY OF PETALUMA (APPLICANT/LESSOR/SUBLESSOR);  
PETALUMA SMALL CRAFT CENTER (SUBLESSEE): Consider  
termination of Lease No. PRC 5607.9, a General Permit.  
Public Agency Use; and an application for a General  
Lease - Public Agency Use, and approval of a  
sublease, of sovereign land located in the Petaluma  
River, adjacent to Assessor's Parcel Numbers  
007-142-018, 007-142-026, 008-054-005, and  
008-067-005, city of Petaluma, Sonoma County; for two  
existing uncovered floating boat dock facilities,  
three gangways, and appurtenant facilities previously  
authorized by the Commission; and an existing  
platform, ramp, and gangway, extension of one  
uncovered floating boat dock facility, construction of  
a floathouse, and appurtenant facilities not  
previously authorized by the Commission. CEQA  
Consideration: termination and issuance - categorical

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exemption; construction of dock extension and floathouse. Mitigated Negative Declaration, approved by the City of Petaluma, State Clearinghouse No. 2015042070, and adoption of a Mitigation Monitoring Program. (PRC 5607.1; RA# 26014) (A 10; S 3) (Staff: M.J. Columbus)

C02 DAVID MICHAEL LANCISI AND JANINE LANCISI (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Donner Lake, adjacent to 14106 South Shore Drive, near the town of Truckee, Nevada County; for an existing pier. CEQA Consideration: categorical exemption. (PRC 7851.1; RA# 14315) (A 1; S 1) (Staff: M.J. Columbus)

C03 FEATHER RIVER RECREATION AND PARK DISTRICT (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the Feather River, adjacent to a public park known as Riverbend Park, near the city of Oroville, Butte County; for a public park and facilities previously authorized by the Commission and an existing boat dock, launching ramp, and other ancillary park facilities not previously authorized by the Commission. CEQA Consideration: categorical exemption. (PRC 6751.1; RA# 33714) (A 3; S 4) (Staff: M.J. Columbus)

C04 JAN COHN STEARNS AND ESTHER MARION STEARNS, TRUSTEES OF THE COHN/STEARNS TRUST DATED 7/26/97 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Donner Lake, adjacent to 14722 South Shore Drive, near the town of Truckee, Nevada County; for the reconstruction, use, and maintenance of a pier not previously authorized by the Commission and installation of a boat lift. CEQA Consideration: categorical exemption. (W 26943; RA# 23015) (A1; S 1) (Staff: M.J. Columbus)

C05 SUTTER BUTTE FLOOD CONTROL AGENCY (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the Feather River, adjacent to Assessor's Parcel Numbers 025-200-141 and 024-220-030, near the city of Gridley, Butte County; for placement, use, and maintenance of

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rock slope protection. CEQA Consideration: Supplemental Environmental Impact Report, certified by the Sutter Butte Flood Control Agency, State Clearinghouse No. 2011052062, and adoption of a Mitigation Monitoring Program, Statement of Findings, and Statement of Overriding Considerations. (W 26988; RA# 36215)(A 3; S 4) (Staff: M.J. Columbus)

C06 MICHAEL E. RANEY, TRUSTEE OF THE MICHAEL E. RANEY LIVING TRUST DATED DECEMBER 3, 2010 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 7701 State Highway 89, Meeks Bay, El Dorado County; for an existing pier and one mooring buoy previously authorized by the Commission and an existing marine rail, three water intake pipelines, and one mooring buoy not previously authorized by the Commission; and denial for two existing mooring buoys not previously authorized by the Commission. CEQA Consideration: lease . categorical exemption; denial - statutory exemption. (PRC 4266.1; RA# 37810) (A 5; S 1) (Staff: N. Lee)

C07 THE 628 OLYMPIC PARTNERSHIP, L.P., A CALIFORNIA LIMITED PARTNERSHIP (ASSIGNOR); JOHN V. BAUTISTA (ASSIGNEE): Consider application for the assignment of Lease No. PRC 9326.1, General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 628 Olympic Drive, near Tahoe City, Placer County; for two existing mooring buoys. CEQA Consideration: not a project. (PRC 9326.1; RA# 35215) (A 1; S 1) (Staff: N. Lee)

C08 LINDA COUNTY WATER DISTRICT (LESSEE/APPLICANT): Consider termination of Permit No. PRC 5292.9, a Public Agency Permit, and an application for a General Lease - Public Agency Use, of filled sovereign land located in the historic bed of the Feather River, adjacent to 909 Myrna Avenue, near Olivehurst, Sutter and Yuba Counties; for an existing effluent pipeline and appurtenant facilities; and construction, use and maintenance of a temporary bypass effluent pipeline. CEQA Consideration: Mitigated Negative Declaration and an Addendum, adopted by the City of Marysville, State Clearinghouse No. 2012122018, and adoption of a Mitigation Monitoring Program. (PRC 5292.9; RA# 30615) (A 3; S 4) (Staff: M. Schroeder)

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C09 CITY OF MARYSVILLE (LESSEE/APPLICANT): Consider termination of Permit No. PRC 5543.9, a Public Agency Permit, and an application for a General Lease - Public Agency Use, of filled sovereign land located in the historic bed of the Yuba River, adjacent to Assessor Parcel Number's 010-260-009, 010-260-017, 010-260-018, and 010-260-019, near the city of Marysville, Yuba County; for existing sewage treatment facilities and appurtenant facilities; and construction, use and maintenance of a temporary bypass effluent pipeline. CEQA Consideration: Mitigated Negative Declaration and an Addendum, adopted by the City of Marysville, State Clearinghouse No. 2012122018, and adoption of a Mitigation Monitoring Program. (PRC 5543.9; RA# 30515) (A 3; S 4) (Staff: M. Schroeder)

C10 U.S. BUREAU OF RECLAMATION (LESSEE): Consider application for an amendment to Lease No. PRC 5482.9, a General Lease - Public Agency Use, of sovereign land located in the Sacramento River, near the city of Redding, Shasta County; to include 11 additional areas for the rehabilitation and restoration of King salmon and Winter-Run Chinook salmon spawning grounds. CEQA Consideration: Pursuant to the Emergency Declarations, for purposes of this activity CEQA is suspended with regard to this proposed authorization. (PRC 5482.9; RA# 13915)(A 1; S 1) (Staff: M. Schroeder)

BAY/DELTA REGION

C11 THE SUSAN M. SCHABER LIVING TRUST, UTD, JUNE 23, 2005, SUSAN MARTHA SCHABER, TRUSTEE (ASSIGNOR); CHRISTOPHER CHARLES SCHIMUNEK AND BRIGILIN ROBANTE SCHIMUNEK, TRUSTEES OF THE SCHIMUNEK LIVING TRUST DATED 06/13/2000 (ASSIGNEE): Consider application for the assignment of Lease No. PRC 5159.1, a General Lease. Recreational and Protective Structure Use, of sovereign land located in Georgiana Slough, adjacent to 401 West Willow Tree Lane, near the city of Isleton, Sacramento County; for a U-shaped floating boat dock with boat lift, floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: not a project.(PRC 5159.1; RA# 18115) (A 11; S 3) (Staff: G. Asimakopoulos)



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C12 JOHN H. BROUGHTON AND GRAYCE A. BROUGHTON (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in Steamboat Slough, on Ryer Island, adjacent to 3427 Snug Harbor, near Walnut Grove, Solano County; for an existing uncovered floating boat dock, deck, appurtenant facilities, and bank protection. CEQA Consideration: categorical exemption. (PRC 6503.1; RA# 37815) (A 11; S 3) (Staff: V. Caldwell)

C13 FORESTAR (USA) REAL ESTATE GROUP, INC. (LESSEE/ASSIGNOR); 2101-2603 WILBUR LLC (ASSIGNEE): Consider rescission of approval for the assignment and revision of rent to Lease No. PRC 4813.1; and an application for the assignment of lease, amendment of lease, and revision of rent and surety to Lease No. PRC 4813.1, General Lease . Industrial Use, of sovereign land in the San Joaquin River, adjacent to 2301 Wilbur Road, near the city of Antioch, and West Island, Contra Costa and Sacramento Counties; for an existing non-operational maintenance pier, pipelines, and appurtenant facilities. CEQA Consideration: not a project. (PRC 4813.1; RA# 33015) (A 11; S 7) (Staff: V. Caldwell)

C14 FORESTAR (USA) REAL ESTATE GROUP, INC. (LESSEE/ASSIGNOR); 2101-2603 WILBUR LLC (ASSIGNEE): Consider rescission of approval for the assignment and revision of rent to Lease No. PRC 1546.1; and an application for the assignment of lease, amendment of lease, and revision of rent and surety to Lease No. PRC 1546.1, General Lease. Industrial Use, of filled and unfilled sovereign land in the San Joaquin River, adjacent to 2301 Wilbur Avenue, near the city of Antioch, Contra Costa County; for an existing non-operational industrial pier, maintenance pier, pipelines, and appurtenant facilities. CEQA Consideration: not a project. (PRC 1546.1; RA# 32915) (A 11; S 7) (Staff: V. Caldwell)

C15 BURLINGAME BAY LLC (LESSEE); CATHAY BANK (SECURED PARTY-LENDER): Consider application for termination and issuance of an Agreement and Consent to Encumbrancing of Lease for filled and partially filled sovereign land located in San Francisco Bay, adjacent to the Sanchez Channel and Burlingame Lagoon,

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Burlingame, San Mateo County; for an existing landscaped segment of the San Francisco Bay Trail including paved walkways, bike trails, viewing areas, benches, trash containers, and commercial parking. CEQA Consideration: not a project. (PRC 6127.1; RA# 20614) (A 22; S 13) (Staff: A. Franzoia)

C16 BURLINGAME BAY PARK HOTEL LLC (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use of sovereign land located in San Francisco Bay, city of Burlingame, San Mateo County, for maintenance of the existing site and information collection. CEQA Consideration: categorical exemption. (W 26981; RA# 35315) (A 22; S 13) (Staff: A. Franzoia)

C17 CITY OF SACRAMENTO (LESSEE/SUBLESSOR); WATERFRONT MANAGEMENT, INC. (SUBLESSEE/ASSIGNOR); RIVERWALK VENTURES LLC (ASSIGNEE): Consider application for the consent to assignment and an amendment of a sublease under Lease No. PRC 7001.1, General Lease - Public Agency Use, of sovereign land located in the Sacramento River, city of Sacramento, Sacramento County; for riverfront commercial use. CEQA Consideration: not a project. (PRC 7001.1; RA# 27614) (A 7; S 6) (Staff: A. Franzoia)

C18 CITY OF MODESTO (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the San Joaquin River, in the city of Modesto, Stanislaus County; for the construction of a recycled-water pipeline. CEQA Consideration: Environmental Impact Report/Statement, certified by the City of Modesto, State Clearinghouse No. 2014042068, and adoption of a Mitigation Monitoring Program and Statement of Findings. (W 26959; RA# 27915) (A 21; S 12) (Staff: W. Hall)

C19 TUOLUMNE RIVER CONSERVANCY, INC., A CALIFORNIA NONPROFIT CORPORATION (APPLICANT): Consider application for a General Lease - Other, of sovereign land located in the Tuolumne River Channel and floodplain at Bobcat Flat, approximately five river miles west of the community of La Grange near River Mile 43, Stanislaus County; for the construction, restoration, and rehabilitation of the bed of the

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Tuolumne River Channel and floodplain to improve wildlife and aquatic habitat. CEQA Consideration: Mitigated Negative Declaration, adopted by the California Department of Fish and Wildlife, State Clearinghouse No. 2010072048, and adoption of a Mitigation Monitoring Program. (PRC 8609.9; RA# 37515) (A 24; S 14) (Staff: C. Hudson)

C20 DOUGLAS HANFORD AND DAVID CASELLA (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 19225 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26973; RA# 30815) (A 10; S 2) (Staff: D. Tutov)

C21 FRANK G. STATHOS (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 961 Piedmont Drive, city of Sacramento, Sacramento County; for an existing boathouse with boat lift, floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: categorical exemption. (PRC 8534.1; RA# 28315) (A 9; S 6) (Staff: D. Tutov)

C22 JAMES BLAIR (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 19225 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26970; RA# 29015) (A 10; S 2) (Staff: D. Tutov)

C23 JOAN E. CARLSON AND MARK ROPERS (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 18555 State Route 1, Marin County; for a proposed mooring buoy. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26975; RA# 18515) (A 10; S 2) (Staff: D. Tutov)

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C24 LORCA ROSSMAN (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 18255 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26972; RA# 25615) (A 10; S 2) (Staff: D. Tutov)

C25 MARK BARTOLINI AND VARIAN BARTOLINI (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 178 Camino Del Mar, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26971; RA# 24115) (A 10; S 2) (Staff: D. Tutov)

C26 STEVEN SCHWANKE AND BARBARA SCHWANKE AS TRUSTEE OF THE SCHWANKE FAMILY 1991 TRUST DATED APRIL 5, 1991 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Tomales Bay, adjacent to 22665 State Route 1, Marin County; for a proposed mooring buoy. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26974; RA# 18715) (A 10; S 2) (Staff: D. Tutov)

CENTRAL/SOUTHERN REGION

C27 CENTRAL CALIFORNIA IRRIGATION DISTRICT (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the San Joaquin River, near the city of Dos Palos, Fresno and Madera Counties; for the construction, use, and maintenance of a concrete pipeline. CEQA Consideration: Mitigated Negative Declaration, adopted by the Central California Irrigation District, State Clearinghouse No. 2016021011, and adoption of a Mitigation Monitoring Program. (W 26956; RA# 26415) (A 5, 31; S 12) (Staff: R. Collins)

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C28 CITY OF SEAL BEACH (APPLICANT): Consider application for a General Lease - Public Agency Use, and approval of subleases, of sovereign land located in the Pacific Ocean, in the city of Seal Beach, Orange County, including an endorsement of four subleases; for use and maintenance of an existing pier with a lifeguard tower, concrete sheet pile groin, maintenance building, storage building, restaurant, public restroom, picnic area, raised planter areas with retaining walls, three parking lots, playground, the construction, use, and maintenance of a seasonal flood control berm, and the seasonal placement, use, and maintenance of temporary lifeguard stations. CEQA Consideration: lease - categorical exemption; approval of subleases - not a project. (PRC 3792.1; RA# 11113) (A 72; S 34) (Staff: R. Collins)

C29 SAN JOAQUIN RIVER PARKWAY AND CONSERVATION TRUST, INC. (LESSEE): Consider correction to prior authorization of Lease No. PRC 8162.9, a General Lease - Riparian Habitat Restoration Use, of sovereign land located in the San Joaquin River, from Friant Dam to the confluence of the Merced River, including Mendota Pool, and the East Side and Mariposa bypasses, Fresno, Madera, Merced, and Stanislaus Counties; for the removal of invasive weeds and restoration of natural riparian habitat. CEQA Consideration: not a project. (PRC 8162.9) (A 5, 21, 23, 31; S 8, 12) (Staff: R. Collins)

C30 THOMAS R. BURMAN AND BARI DREIBAND BURMAN, TRUSTEES OF THE BURMAN TRUST DATED NOVEMBER 19, 1992 (APPLICANT): Consider application for a General Lease - Protective Structure Use, of sovereign land located in the Pacific Ocean, adjacent to 5297 Austin Road, City of Santa Barbara, Santa Barbara County; for an existing seawall. CEQA Consideration: categorical exemption. (PRC 5809.1; RA# 09815) (A 37; S 19) (Staff: R. Collins)

C31 ORANGE COUNTY FLOOD CONTROL DISTRICT (APPLICANT): Consider application for a General Lease - Dredging, of sovereign land located in the Santa Ana River and the Pacific Ocean, in the cities of Seal Beach, and San Clemente, Orange County; for maintenance dredging in the lower Santa Ana River, and deposition of

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dredged materials at a receiver site in San Clemente. CEQA Consideration: Supplemental Environmental Impact Statement as a CEQA equivalent document and Addendum, certified by the Orange County Flood Control District, and a Mitigated Negative Declaration, adopted by the City of San Clemente; and adoption of a Mitigation Monitoring Program. (W 26927; RA# 11615)(A 70, 72, 73; S 34, 36)  
(Staff: K. Foster)

C32 BIN XU (APPLICANT): Consider correction to prior authorization of Lease No. PRC 3859.1, a General Lease - Recreational Use of sovereign land located in Huntington Harbour, adjacent to 16801 Bolero Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: not a project. (PRC 3859.1; RA# 01215) (A 72; S 34)  
(Staff: S. Kreutzburg)

C33 FRANK R. WARREN AND JOANNE C. WARREN, TRUSTEES OF THE FRANK R. WARREN AND JOANNE C. WARREN TRUST DATED AUGUST 2, 1985 (LESSEE); JOANNE C. WARREN, TRUSTEE OF THE WARREN TSA TRUST DATED JANUARY 4, 2011; JOANNE C. WARREN, TRUSTEE OF THE WARREN CLW TRUST DATED JANUARY 4, 2011; JOANNE C. WARREN, TRUSTEE OF THE WARREN LWC TRUST DATED JANUARY 4, 2011; AND JOANNE C. WARREN, TRUSTEE OF THE WARREN BLW TRUST DATED JANUARY 4, 2011 (APPLICANT): Consider an application for a General Lease - Protective Structure Use, of tide and submerged land located in the San Dieguito River, adjacent to 3010 Sandy Lane, near Del Mar, San Diego County; for a riprap rock revetment. CEQA Consideration: categorical exemption. (PRC 7899.1; RA# 12715) (A 29; S 17)(Staff: S. Kreutzburg)

C34 MARGARET ANN HOHLY, TRUSTEE OF THE MARGARET ANN HOHLY TRUST DATED NOVEMBER 24, 2015 (APPLICANT): Consider an application for a General Lease - Other, of sovereign land located in Huntington Harbour, adjacent to 16931 Bolero Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp,

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and cantilevered deck with enclosure. CEQA  
Consideration: categorical exemption.  
(PRC 3244.1; RA# 35010) (A 72; S 34) (Staff: S.  
Kreutzburg) 196

C35 MARILYN M. DONOVAN, AS TRUSTEE OF THE  
DONOVAN FAMILY TRUST DATED MAY 9, 1988 AS TO AN  
UNDIVIDED 8% INTEREST, AND MARILYN M. DONOVAN,  
AS TRUSTEE OF THE DONOVAN FAMILY TRUST C AS TO  
AN UNDIVIDED 92% AS TENANTS IN COMMON  
(APPLICANT): Consider application for a General  
Lease - Recreational Use, of sovereign land  
located in Huntington Harbour, adjacent to 3402  
Gilbert Drive, Huntington Beach, Orange County;  
for an existing boat dock and access ramp.  
CEQA Consideration: not a project.  
(PRC 3175.1; RA# 33715) (A 72; S 34) (Staff: S.  
Kreutzburg)

C36 MELTON L. BACON AND KATHERINE L. BACON,  
TRUSTEES OF THE MELTON BACON AND KATHERINE L.  
BACON AMENDED AND RESTATED FAMILY TRUST, DATED  
MARCH 29, 2002 (LESSEE); GILBERT ISLAND PROPERTY  
LLC, A CALIFORNIA LIMITED LIABILITY COMPANY  
(APPLICANT): Consider termination of Lease No.  
PRC 3168.1, a General Lease - Recreational Use,  
and an application for a General Lease -  
Recreational Use, of sovereign land located  
in Huntington Harbour, adjacent to 16572  
Somerset Lane, Huntington Beach, Orange County;  
for an existing boat dock, access ramp, and  
cantilevered deck. CEQA Consideration: categorical  
exemption. (PRC 3168.1; RA# 35115) (A 72; S 34)  
(Staff: S. Kreutzburg)

C37 ROBIN A. BEESO (APPLICANT): Consider  
application for a General Lease - Recreational  
Use, of sovereign land located in Huntington  
Harbour, adjacent to 3262 Gilbert Drive,  
Huntington Beach, Orange County; for an existing  
boat dock, access ramp, and cantilevered deck.  
CEQA Consideration: categorical exemption.  
(PRC 3076.1; RA# 31015) (A 72; S 34) (Staff: S.  
Kreutzburg)

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- C38 CALIFORNIA RESOURCES PETROLEUM CORPORATION (APPLICANT): Consider application for a General Lease - Right-of-Way Use, of sovereign land located in the Pacific Ocean, near Emma Wood State Beach, Ventura County; for maintenance of two non-operational intake pipelines and one non-operational outfall pipeline. CEQA Consideration: categorical exemption. (PRC 3913.1; RA# 29815)(A 37; S 19) (Staff: D. Simpkin)
- C39 CITY OF REEDLEY (LESSEE): Consider revision of rent to Lease No. PRC 8956.1, a General Lease - Public Agency Use, of sovereign land located in the Kings River, city of Reedley, Fresno County; for a bridge with sewer and water main pipes, and utility conduits. CEQA Consideration: not a project. (PRC 8956.1) (A 31; S 14)(Staff: D. Simpkin)
- C40 PACIFIC GAS AND ELECTRIC COMPANY (LESSEE): Consider application for an amendment to Lease No. PRC 8985.1, a General Lease - Data Collection Use, of sovereign land offshore of Diablo Canyon Power Plant, near Avila Beach, San Luis Obispo County; to amend the lease to allow for the use of four autonomous ocean bottom seismometers. CEQA Consideration: Mitigated Negative Declaration, previously adopted by the California State Lands Commission, State Clearinghouse No. 2011081079, and Addendum. (PRC 8985.1; RA# 25814) (A 35; S 17)(Staff: D. Simpkin)
- C41 SOUTHERN CALIFORNIA EDISON COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 8097.1, a General Lease - Non-Income Producing Use, of sovereign land located in the Pacific Ocean, near San Clemente, Orange County; for an artificial kelp reef. CEQA Consideration: not a project. (PRC 8097.1) (A 73; S 36) (Staff: D. Simpkin)
- C42 CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) (LESSEE): Consider application for an amendment to Lease No. PRC 8079.9, a General Lease - Public Agency Use, of sovereign land located in the dry lakebed, Owens Lake, Inyo County, to authorize the implementation of a Dynamic Water Management Plan including modifications to dust seasons on 44 dust control areas. CEQA Consideration: Environmental Impact Report, certified by the Los Angeles Department



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of Water and Power, State Clearinghouse No. 2014071057, and an Addendum prepared by the California State Lands Commission. (PRC 8079.9;RA# 34315) (A 26; S 8) (Staff: G. Kato)

SCHOOL LANDS

C43 BONNEVILLE POWER ADMINISTRATION (APPLICANT): Consider application for a General Lease - Right-of-Way Use, of State-owned school land located within a portion of Section 16 (Lot 4), Township 48 North, Range 6 East, MDM, near the California-Oregon border, Modoc County; for an existing unpaved access road not previously authorized by the Commission. CEQA Consideration: categorical exemption. (W 26977; RA# 33515) (A 1; S 1) (Staff: C. Hudson)

C44 PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE, INC. (LESSEE): Consider revision of rent to Lease No. PRC 8945.2, a General Lease - Right-of-Way Use, of Indemnity school lands within portions of Sections 3, 10, 11, & 12, Township 26 North, Range 16 East, MDM and Section 7, Township 26 North, Range 17 East, MDM, near the community of Herlong, Lassen County; for two existing transmission lines, two existing distribution lines, and one fiber-optic communications line. CEQA Consideration: not a project. (PRC 8945.2) (A 1; S 1) (Staff: C. Hudson)

C45 GREEN DIAMOND RESOURCE COMPANY (APPLICANT): Consider application for a General Lease - Right-of-Way Use, of State lieu lands located in a portion of Section 28, Township 9 North, Range 3 East, HBM, northwest of Hoopa, Humboldt County; for an existing unimproved road. CEQA Consideration: categorical exemption. (W 26987; RA# 36015) (A 2; S 2) (Staff: J. Porter)

MINERAL RESOURCES MANAGEMENT

C46 UNIVERSITY OF CALIFORNIA, SANTA BARBARA (APPLICANT): Consider an application for a three-year Non-Exclusive Geophysical Survey Permit to conduct low-energy geophysical surveys on tide and submerged lands under the jurisdiction of the California State Lands Commission. CEQA Consideration: Mitigated

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Negative Declaration and addendum, adopted by the California State Lands Commission, State Clearinghouse No. 2013072021, and adoption of a Mitigation Monitoring Program. (W 6005.167; RA# 37215) (A & S: Statewide) (Staff: R. B. Greenwood)

C47 SAN JOAQUIN COUNTY PUBLIC WORKS DEPARTMENT (APPLICANT): Consider an application for a Non-Exclusive Geological Survey Permit on sovereign land in the North Fork Mokelumne River, Sacramento and San Joaquin Counties. CEQA Consideration: categorical exemption. (W 6005.168; RA# 37315)(A 11, 13; S 5) (Staff: R. B. Greenwood)

C48 UNITED STATES GEOLOGICAL SURVEY (APPLICANT): Consider an application for a three-year Non-Exclusive Geophysical Survey Permit to conduct low-energy geophysical surveys on tide and submerged lands under the jurisdiction of the California State Lands Commission. CEQA Consideration: Mitigated Negative Declaration and addendum, adopted by the California State Lands Commission, State Clearinghouse No. 2013072021 and adoption of a Mitigation Monitoring Program. (WP 8394; RA# 38515) (A & S: Statewide) (Staff: R. B. Greenwood)

C49 ECOSYSTEMS MANAGEMENT ASSOCIATES, INC. (APPLICANT): Consider an application for a three-year Non-Exclusive Geophysical Survey Permit to conduct low-energy geophysical surveys on tide and submerged lands under the jurisdiction of the California State Lands Commission. CEQA Consideration: Mitigated Negative Declaration and addendum, adopted by the California State Lands Commission, State Clearinghouse No. 2013072021, and adoption of a Mitigation Monitoring Program. (WP 8536; RA# 39115) (A & S: Statewide) (Staff: R. B. Greenwood)

C50 ISLAND ENERGY PARTNERS, LLC (LESSEE): Consider waiving penalty and interest on rent and royalty for Oil and Gas Lease Nos. PRC 7318.1 and PRC 7657.1 on tide and submerged lands in the beds of Piper Slough, False River, Serpent Slough and Short Slough, Contra Costa County. CEQA Consideration: not a project. (PRC 7318.1, PRC 7657.1) (A 11; S 7) (Staff: N. Heda, S. Blackmon)

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C51 HI-GRADE MATERIALS CO. (APPLICANT): Consider an application for a seven-year renewal and amendment of a Mineral Extraction Lease for minerals other than oil, gas, or geothermal resources, Assessor's Parcel Numbers 449-111-023, and 449-111-26, administered by the Commission as trustee, containing approximately 116 acres of State fee-owned school lands, within Section 30, Township 4 North, Range 1 East, SBBM, East of Victorville, San Bernardino County. CEQA Consideration: Mitigated Negative Declaration, adopted by San Bernardino County, State Clearinghouse No. 2013121017, and adoption of a Mitigation Monitoring Program. (PRC 8831.2; RA# 29914) (A 33; S 18) (Staff: V. Perez)

C52 GILDRED SOLAR, LLC (APPLICANT): Consider a 30-year modification of the State's Right of Surface Entry on approximately 280 acres of State's reserved mineral interest, school lands, Assessor's Parcel Number 253-390-57, administered by the Commission as trustee, located in the SW1/4 of SW1/4, the E1/2 of SW1/4, and the NE1/2 within Section 36, Township 12 South, Range 8 East, SBBM, in the Ocotillo Wells area, San Diego County. CEQA Consideration: not a project. (W 40983; RA# 31215) (A 71; S 38) (Staff: V. Perez)

MARINE ENVIRONMENTAL PROTECTION

C53 CALIFORNIA STATE LANDS COMMISSION: Consider adoption of regulations to implement an enforcement and hearing process for the Marine Invasive Species Program. CEQA Consideration: categorical exemption. (W 9777.291, W 9777.234) (A & S: Statewide) (Staff: C. Brown, P. Huber, C. Beckwith)

ADMINISTRATION . NO ITEMS

LEGAL

C54 CALIFORNIA STATE LANDS COMMISSION AND CITY OF SACRAMENTO, A MUNICIPAL CORPORATION, AND THE REDEVELOPMENT AGENCY SUCCESSOR AGENCY (FOR THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO), AN ENTITY CREATED BY STATUTE, (PARTIES): Consider a boundary line agreement between the California State Lands Commission and the City of

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Sacramento, a municipal corporation, and the Redevelopment Agency Successor Agency (for the dissolved Redevelopment Agency of the City of Sacramento), an Entity Created by Statute, to establish an agreed common boundary line between City owned properties, Redevelopment Agency Successor Agency owned properties and state sovereign lands in and along the Sacramento River in Sacramento, Sacramento County. CEQA consideration: statutory exemption. (W 26265; AD 600) (A 7; S 6) (Staff: J. Frey)

KAPILOFF LAND BANK TRUST ACQUISITIONS. NO ITEMS

EXTERNAL AFFAIRS

GRANTED LANDS - SEE REGULAR

LEGISLATION AND RESOLUTIONS - SEE INFORMATIONAL

V INFORMATIONAL

55 CALIFORNIA STATE LANDS COMMISSION:  
Legislative report providing information and a status update concerning state legislation relevant to the California State Lands Commission. CEQA Consideration: not applicable. (A & S: Statewide) (Staff: S. Pemberton, M. Moser)

VI REGULAR CALENDAR 56-61

56 BROAD BEACH GEOLOGIC HAZARD ABATEMENT DISTRICT (APPLICANT): Consider application for a General Lease - Beach Replenishment and Protective Structure Use of sovereign land located in the Pacific Ocean at Broad Beach, in the city of Malibu, Los Angeles County; for portions of an existing rock riprap shoreline protective structure not previously authorized by the Commission; for the relocation of portions of an existing rock riprap shoreline protective structure off sovereign land; and for the construction of four storm drain outfalls, dunes, beach, and periodic beach replenishment and sand backpassing. CEQA Consideration: statutory

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exemption. (W 26420; RA# 07015) (A 50; S 27) (Staff: K. Foster, S. Blackmon, J. Ramos)	25
57 RINCON ISLAND LIMITED PARTNERSHIP (LESSEE): Consider termination of Oil and Gas Lease Nos. PRC 145.1, PRC 410.1, and PRC 1466.1, Ventura County. CEQA Consideration: not a project. (PRC 145.1, PRC 410.1, PRC 1466.1)(A 37; S 19) (Staff: M. LeClair, J. Fabel, S. Blackmon)	23
58 CALIFORNIA STATE LANDS COMMISSION: Informational briefing on the Bolsa Chica Lowlands Restoration 10-Year Anniversary Celebration and consider adoption of a resolution commemorating the Amigos de Bolsa Chica for 40 years of advocacy to restore and preserve the Bolsa Chica wetlands, in the city of Huntington Beach, Orange County, Orange County. CEQA Consideration: not a project. (W 025306 A; RA# X 9702) (A 72; S 34) (Staff: W. Hall, S. Pemberton)	64
59 PORT OF LOS ANGELES (INFORMATIONAL): Informational update on the Port of Los Angeles' management of its granted public trust lands and resources. CEQA consideration: not a project. (G 05-04) (A 70; S 35) (Staff: K. Colson, S. Pemberton, R. Boggiano)	86
60 PORT OF LONG BEACH (INFORMATIONAL): Informational update on the Port of Long Beach community impact study and potential mitigation measures to address direct impacts of port- related operations on neighboring communities. CEQA consideration: not a project. (G 05-03) (A 70; S 28, 35) (Staff: K. Colson, S. Pemberton, R. Boggiano)	167
61 CALIFORNIA STATE LANDS COMMISSION: Consider adoption of a Commission Tribal Consultation Policy. CEQA Consideration: not a project. (A & S: Statewide) (Staff: J. DeLeon, P. Huber)	192
VII PUBLIC COMMENT	208
VIII COMMISSIONERS' COMMENTS	216

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IX 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: 216

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):

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

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

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

San Francisco Baykeeper v. California State  
Lands Commission

Center for Biological Diversity v.  
California State Lands Commission

City of Santa Monica, et al. v. Nugent

City of Santa Monica, et al. v. Ornstein

City of Santa Monica, et al. v. Bader

City of Santa Monica, et al. v. Levy

City of Santa Monica, et al. v. Philbin

City of Santa Monica, et al. v. Greene

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City of Santa Monica, et al. v. Prager

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

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

United States v. 1.647 Acres

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

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

City of Goleta v. California State Lands  
Commission

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. Provide instructions to negotiators  
regarding entering into a new lease of state  
land for the Broad Beach Restoration Project,  
City of Malibu, Los Angeles County.  
Negotiating parties: Broad Beach Geologic  
Hazard Abatement District, State Lands  
Commission; Under negotiation: price  
and terms.

2. Provide instructions to negotiators  
regarding acquisition of a public access  
easement to and along Martins Beach in San  
Mateo County. Negotiating Parties: Martins

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Beach 1, LLC., Martins Beach 2, LLC, State  
Lands Commission; Under negotiation: price  
and terms.

C. OTHER MATTERS.

THE COMMISSION MAY CONSIDER MATTERS THAT  
FALL UNDER GOVERNMENT CODE SECTION 11126(e)  
(2)(B) or (2)(C). THE COMMISSION MAY ALSO  
CONSIDER PERSONNEL ACTIONS TO APPOINT,  
EMPLOY, OR DISMISS A PUBLIC EMPLOYEE AS  
PROVIDED IN GOVERNMENT CODE SECTION 11126  
(a)(1).

Adjournment	217
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## 1 P R O C E E D I N G S

2 CHAIRPERSON YEE: Good morning. I call this  
3 meeting of the State Land Commission to order. All the  
4 representatives of the Commission are present. I am State  
5 Controller Betty Yee; and I'm joined today by chief of  
6 staff to Lieutenant Governor Gavin Newsom, Mr. Rhys  
7 Williams, as well as Eraina Ortega representing the  
8 Department of Finance.

9 For the benefit of those in the audience, the  
10 State Lands Commission manages state property interests in  
11 over 5 million acres of land, including mineral interests.  
12 The Commission also has responsibility for the prevention  
13 of oil spills at marine oil terminals and offshore oil  
14 platforms, and for preventing the introduction of marine  
15 invasive species into California's marine waters.

16 Today we will hear requests and presentations  
17 involving the lands and resources within the Commission's  
18 jurisdiction.

19 And before we get started, let me first just  
20 thank the Port of Los Angeles for offering this wonderful  
21 venue for our meeting this month. And what I'd like to  
22 do, if I could, is to invite up a couple people to address  
23 the Commission. First off, Ambassador Vilma Martinez, who  
24 is the president of the Port of Los Angeles Board of  
25 Harbor Commissioners; as well as Mr. Dave Arian, the vice

1 president. If you'll please come forward.

2 Good morning.

3 PORT OF LOS ANGELES BOARD of HARBOR COMMISSIONERS

4 PRESIDENT MARTINEZ: Good morning, and thank you,  
5 Chairwoman Yee, Commissioners, State Lands Commission  
6 staff, and the public. I am Vilma Martinez, President of  
7 L.A. Board of Harbor Commissioners.

8 Over a hundred years ago, the State of California  
9 granted the land and submerged land around us to the city  
10 of Los Angeles for the establishment, improvement, and  
11 conduct of a harbor. Today, the lands you entrusted to  
12 the city of Los Angeles a century ago house the nation's  
13 busiest container port, serving as a gateway to the global  
14 economy, and a leader in sustainability, security, and  
15 social responsibility.

16 Welcome to the Port of Los Angeles, the port that  
17 our partnership has created.

18 I had the honor of being appointed by President  
19 Obama to serve as U.S. Ambassador to Argentina from 2009  
20 until 2013. And from that vantage point I understood  
21 better the role of trade in bringing nations closer  
22 together and supporting our collective prosperity. And  
23 now as the president of the commission overseeing the  
24 nation's largest container port, it is gratifying to see  
25 that trade manifest in the daily activity of the port -

1 the ships, the cargo, the jobs, and our thriving harbor  
2 communities. I hope it is gratifying for you as well to  
3 see this port firsthand. Consider this port the product  
4 of your trust in us, and let it also be an ongoing project  
5 shaped by our continuing partnership.

6 Thank you for honoring the port by holding your  
7 meeting here today. May it be a productive one.

8 Thank you very much, and welcome again.

9 CHAIRPERSON YEE: Thank you, Ambassador.

10 PORT OF LOS ANGELES BOARD of HARBOR COMMISSIONERS

11 PRESIDENT MARTINEZ: My pleasure.

12 CHAIRPERSON YEE: Vice President Arian.

13 Good morning.

14 PORT OF LOS ANGELES BOARD of HARBOR COMMISSIONERS

15 VICE PRESIDENT ARIAN: Well, we'd like to welcome the  
16 Commission here and the audience.

17 I started on the waterfront following my father  
18 in 1964 when I was still in high school; so I've seen the  
19 development, you know, of this port for over 50 years.  
20 Today we add an opportunity to take some people -- some of  
21 you on a boat tour. And if you want to look at the  
22 greatness of this country, you'd look at this port because  
23 it used to be a mud flat. And when I came on the  
24 waterfront, there were no containers. And now you see the  
25 kind of advancement that's taken place within this country

1 because of the human capital, human involvement from a  
2 federal, state, and local level. So we welcome you here.

3 More than that, I think it's important to look  
4 at, you know, this port and the balance that we have to  
5 create. I live seven blocks from here. And I'll tell a  
6 very short story.

7 When my grandkids were born my daughter lived  
8 here in San Pedro. She decided to move to Huntington  
9 Beach because of the air quality in this area. And so the  
10 balance that we had to develop starting way back under  
11 Antonio's administration, the mayor, and Beverly from Long  
12 Beach, was a clean air program which has been incredibly  
13 successful. Not enough, but it's a step in the right  
14 direction.

15 I think we're looked at internationally as one of  
16 the greenest ports between us and Long Beach. And the  
17 cooperation between the Port of L.A. and the Port of Long  
18 Beach has made this happen.

19 So we welcome you here. And the most important  
20 point is my grandkids have full medical coverage and I  
21 have full medical coverage because of the union that I  
22 belong to, which is the International Longshore and  
23 Warehouse Union; and that is critical. And the only  
24 reason that coverage exists is because of this port and  
25 the ports up and down the West Coast. So the land use is

1 critical.

2           So thank you for being here. Wish you the best.  
3 Usually when we stood up there, boy, a lot of comments  
4 from the audience. And we are public agencies and we have  
5 to embrace that.

6           So thank you.

7           (Laughter.)

8           CHAIRPERSON YEE: Thank you, Vice President  
9 Arian. I can assure you we get our share of public  
10 comments as well.

11          (Laughter.)

12          CHAIRPERSON YEE: We also are very honored today  
13 to be joined by someone who's represented this area with  
14 distinction on the Los Angeles City Council, now a member  
15 of Congress representing the 44th Congressional District,  
16 the Honorable Janice Hahn.

17          Good morning.

18          CONGRESSWOMAN HAHN: Good morning, Commissioners.  
19 We're so glad in our wonderful State Controller Betty Yee.  
20 It's so nice to have you here in San Pedro with us. And  
21 as you said, I have had the pleasure of representing the  
22 communities around the Port of Los Angeles for over 15  
23 years. And for those 15 years I've witnessed firsthand  
24 the effect our port has on our local residents. The port  
25 has clearly been the economic foundation of this region

1 and a source of prosperity for many workers. And it has  
2 provided generations of San Pedro and Wilmington residents  
3 with good paying jobs and is an incredible source of pride  
4 for our community.

5           When I went to Congress, one of the first things  
6 I did was establish the Bipartisan Port Caucus. I have  
7 over a hundred members of Congress who have joined me in  
8 promoting the benefits of ports across this country.

9           But it's unfortunate that our ports have  
10 continued to be the largest source of air pollution in  
11 southern California. The local neighborhoods of San  
12 Pedro, Wilmington and Long Beach have some of the worst  
13 pollution in the nation. About so percent of kids growing  
14 up in the United States have asthma. About 10 percent of  
15 kids growing up in the United States has asthma. But in  
16 2011 in the communities of Wilmington and San Pedro and  
17 Long Beach that rate was 21 percent, double the national  
18 average.

19           The cancer risk from diesel pollution is 60  
20 percent higher in these communities. And families I  
21 represent live in fear of the effects of what years of  
22 breathing in toxins will have on their health.

23           This is not to say that we have not made  
24 progress. In the last decade a series of agreements  
25 between the port and local communities have yielded

1 tremendous results, and every year the port's practices  
2 are getting greener and greener. Two of those agreements  
3 were brought about while I was serving on the Los Angeles  
4 City Council. Local residents and environmental groups  
5 were upset about the port's proposed expansion plans, and  
6 held up approval until the port agreed to green its  
7 practices. We've reached settlements to allow plans for  
8 the new China Shipping and TraPac terminals to move  
9 forward as long as the port abided by strict pollution  
10 mitigation requirements. These included new requirements  
11 to plug in ships to shore power, and the creation of a  
12 port community advisory committee to oversee  
13 implementation and act as a voice for the community.

14           Unfortunately this PCAC was disbanded recently.  
15 And it was only recently that we also found out that  
16 several of the green policies required by the settlements  
17 had not been fully implemented, and that many companies  
18 had been given a free pass to ignore pollution control  
19 rules. This included the mandate to have 80 percent of  
20 the ships plugging into shore power.

21           And this is no small matter. These ships burn  
22 highly polluting bunker fuel when they're not plugged into  
23 electricity at the port. And they produce the same amount  
24 of pollution as 20,000 additional cars on our local roads.  
25 This means more toxins in our air, more kids suffering

1 from asthma, and more people developing cancers.

2           These recent revelations have called into  
3 question the ability of the port to police itself. Even  
4 with the best-intention leadership, money and finances  
5 that -- even with the best-intention leadership, money and  
6 finances are tied too closely to these matters for public  
7 health to always win out. I still believe, as I've said  
8 many times, that we need a third-party oversight of the  
9 port's pollution-cutting measures to ensure the  
10 community's interests are being carried out.

11           I've called for the reinstatement of this PCAC,  
12 this Port Community Advisory Committee, or a similar type  
13 body, to look out for the community's best interests and  
14 ensure that measures the port agrees to are fully carried  
15 out.

16           I would also like to propose that the Port of Los  
17 Angeles explore committing a percentage of its annual  
18 budget towards pollution mitigation. In June, the port  
19 adopted its FY 2016-27[sic] budget, which would -- which  
20 included 452 million in operating receipts, a five percent  
21 increase from last year. With this sizeable budget I  
22 believe that the port can afford to dedicate maybe at  
23 least one percent to provide a steady stream of funding of  
24 4.5 million annually to programs to mitigate port-produced  
25 pollution.



1           We know too well the damage port pollution has on  
2 our communities and the health of our children. It's time  
3 that this reality is included in the cost of doing  
4 business for our local ports. The Port of Long Beach has  
5 already taken steps recently to contribute 4 million per  
6 year over the next 12 years to mitigate its pollution; and  
7 it makes sense that we in Los Angeles do the same thing.

8           I also think that this is in the best interests  
9 of the port. We know that this port produces good jobs.  
10 It's the economic engine, not only of Southern California  
11 really but the entire nation; and some would say, the  
12 global economy relies on the ports of Los Angeles and Long  
13 Beach. And we know that there are groups who would want  
14 to stop growth, who would make it very difficult for the  
15 port to continue to grow, producing these good jobs and  
16 supporting our economy. So an automatic revenue stream to  
17 really mitigate some of the negative impacts of the port  
18 would really be in the long-term best interests of the  
19 port.

20           One of the things I know you and I talked about  
21 recently was using mitigation dollars off port property.  
22 And we know that port pollution is not just limited to  
23 port property. But this funding could be used across  
24 local communities to address port pollution problems,  
25 whether they're at our beaches, in our schools, in our

1 homes; the funding can go towards installing air filters,  
2 updated HVAC systems, pollution-reducing vegetation, new  
3 window seals, buffer parks, community health care  
4 programs, and expanding the use of electric vehicles.

5 I have had in my political history an ongoing  
6 battle with the State Lands Commission over how money from  
7 the port can be used, where it can be used, and whether or  
8 not we can expand the mean tide line strict legal  
9 interpretation of our agreement with the State Lands.

10 So I hope these proposals are taken seriously. I  
11 know your authority is limited into what you can do. But  
12 you know that the Port of Los Angeles is held in trust for  
13 the people of California and should operate in their best  
14 interests, both in terms of their health and their  
15 economic welfare. And over my last 16 years of  
16 representing San Pedro, Wilmington, and parts of Long  
17 Beach, and working with both ports, I do know this to be  
18 true: We do not have to choose between good jobs and  
19 clean air. We can have them both. And I hope that your  
20 commission will look at making recommendations that prove  
21 that precept.

22 Thank you very much.

23 CHAIRPERSON YEE: Thank you very much,  
24 Congresswoman Hahn. I know your schedule is tight. But I  
25 think you'll be pleased with some of the updates from the

1 Port of Los Angeles when they come forward. We have been  
2 in conversations with them on similar issues; and I can  
3 assure you that, as one commissioner, that the oversight  
4 will continue. But I am pleased with at least the  
5 engagement and the progress that is being made on this  
6 front.

7           So thank you very much for being here and joining  
8 us.

9           With that, I also believe that Congressman  
10 Lowenthal will be joining us at some point later. I  
11 believe we'll take him up when he is present.

12           So with that -- oh, I didn't see you. Wonderful.  
13 This is terrific to have both of our congressional members  
14 representing the part of Los Angeles - Long Beach region.

15           If you're ready, Congressman Lowenthal, to  
16 address the Commission.

17           CONGRESSMAN LOWENTHAL: I'm ready, always.

18           CHAIRPERSON YEE: Always ready. Okay.

19           (Laughter.)

20           CHAIRPERSON YEE: Welcome. Thank you very much  
21 for being here.

22           CONGRESSMAN LOWENTHAL: Well, thank you for  
23 having me speak. As you mentioned, I'm Congressman Alan  
24 Lowenthal. I want to thank you, Chairwoman Yee, and all  
25 the members of the State Lands Commission.

1 I represent California's 47th Congressional  
2 District, and I'm a proud colleague of Congresswoman  
3 Janice Hahn. I represent really from Long Beach through  
4 western Orange County. It's both counties now. It also  
5 includes the Port of Long Beach, which I have represented  
6 now for over 20 years.

7 I was -- you know, my background, I was a  
8 community activist, a professor at Cal State Long Beach  
9 for over two decades. I then became a city council member  
10 and representing from the port area through the downtown  
11 and near eastside in Long Beach. In 1992 I was elected to  
12 the city council, State Assembly in 1998, State Senate in  
13 2004, and to the Congress in 2012. For six of those years  
14 I was represented the Port of Los Angeles, from 1998 to  
15 2004.

16 And as I point out, over this entire time,  
17 although I always worked in partnership with others, one  
18 of my great partners was Congresswoman Hahn when she was  
19 on the city council and I was in the state legislature and  
20 on the Long Beach City Council, and then now in Congress.

21 When I first joined the Long Beach City Council  
22 in 1992, the port complex was a diesel pollution  
23 nightmare. Tens of thousands of old diesel trucks visited  
24 the ports of L.A. and Long Beach each day. I think there  
25 were over 30,000 trips. You would know by the black smoke

1 that went up the 710 freeway. They would sit outside of  
2 terminal gates spewing diesel exhaust. Sometimes they  
3 idled for hours waiting. It was unhealthy for the  
4 community, it was unhealthy for the workers, for the  
5 longshore, and also it was critically unhealthy for the  
6 residents around.

7           If you remember in those days, when the pollution  
8 was so bad that the South Coast Air Quality Management  
9 District issued a report called the MATES-II study in that  
10 time, which was the study of the pollution emanating from  
11 the port, and that led many of the community activists to  
12 begin to label this as the Diesel Death Zone. That's  
13 how -- what we're talking about.

14           While there is still much to do, a tremendous  
15 amount that needs to be done, these ports today are the  
16 green role models throughout the port industry. Diesel  
17 pollution from the port is now a much smaller fraction of  
18 what it was almost -- no single person accomplished this.  
19 This decades' long efforts to clean up the ports has taken  
20 really tens of thousands of people, from community  
21 leaders, longshore workers, business leaders, community  
22 members, and some elected officials, including myself and  
23 Congresswoman Hahn.

24           This innovation can be accomplished through  
25 cooperation and collaboration. Kinds of solutions where

1 government and public working with the industry to solve  
2 problems is what we need to tackle when we're taking on  
3 the next big problem -- problem for the logistics  
4 industry, and that is rebuilding our crumbling national  
5 freight infrastructure.

6 I also believe when we begin to do this process,  
7 the environment, with a strong spotlight on air quality,  
8 must be the guiding factor in how we proceed. As you all  
9 know, our nation does not have a national investment  
10 strategy specific to freight infrastructure. Freight  
11 bottlenecks on our highways cost more than 243 million  
12 hours of delay in moving merchandise annually. It costs  
13 over \$6.5 billion and adding thousands of tons of  
14 pollutants to the air through idling and slow trucks.

15 We can no longer afford not to invest in our  
16 freight infrastructure, and the stakes are tremendous both  
17 economically and environmentally.

18 As we all know here, logistics is a major driver  
19 of not only our national economy but the world's economy.  
20 And in my district alone, logistics accounts for tens of  
21 thousands of jobs, generates over a \$100 billion in local,  
22 state, and federal taxes, generates tens of billions of  
23 dollars in wages and moves hundreds of billions of dollars  
24 of goods.

25 But crumbling bridges and deteriorating roadways

1 threaten all of that.

2           To address this, I have introduced House  
3 Resolution 1308 to help rebuild our freight's  
4 infrastructure. It establishes a national multi-modal and  
5 sustainable freight infrastructure program, a freight  
6 trust fund and a freight revenue source providing \$8  
7 billion annually to freight infrastructure; provides  
8 freight formula grants to states and competitive grants to  
9 states, local, and regional governments, including ports.  
10 It will pay for freight, roads; it'll pay for rail,  
11 multi-modal connectors, first- and last-mile projects and  
12 grade separation. The revenue stream will be derived from  
13 a small 1 percent user fee on the cost of transporting  
14 goods through United States as ground transportation.

15           Freight trust fund is secure. HR 1308 funds are  
16 dedicated solely to freight infrastructure. And perhaps  
17 the most important is its strong environmental component.  
18 All the projects funded through this authority would be  
19 required to demonstrate effective greenhouse gas reduction  
20 strategies, with money set aside for zero emission  
21 projects.

22           The bill has received a great deal of industry  
23 support, labor, shipping, to local cities and planning  
24 organizations. But the reality is, there is no painless  
25 or magical solutions to either our transportation or our

1 air quality problems. It's going to require a serious  
2 long-term investment. It's going to require a committed,  
3 dedicated, sustainable revenue stream, paid by the users  
4 of that stream, to promote the well-being of not only  
5 their well-being but also of the communities around them.

6 It has to be part of it, and it's going to  
7 require creative innovation to get past the status quo at  
8 the present. It's going to require cooperation by all of  
9 us towards a common goal. And more than anything it's  
10 going to require collaboration to see these goals through  
11 to the end.

12 Thank you. And I'm pleased that I've had this  
13 opportunity to speak to you this morning.

14 CHAIRPERSON YEE: Thank you very much,  
15 Congressman.

16 Any questions by the Commissioners?  
17 Comments?

18 CONGRESSMAN LOWENTHAL: Thank you.

19 CHAIRPERSON YEE: Thank you very much. And we  
20 look forward to helping in whatever way we can certainly  
21 with any advocacy efforts, Congressman, on your  
22 legislation. Thank you.

23 Okay. So back to the agenda. The first item of  
24 business will be the adoption of the minutes of the  
25 Commission's meetings on June 28th, 2016.



1           May I have a motion to approve the minutes?

2           ACTING COMMISSIONER ORTEGA: I'll move adoption  
3 of the minutes.

4           ACTING COMMISSIONER WILLIAMS: (Nods head.)

5           CHAIRPERSON YEE: Okay. Then motion by  
6 Commissioner Ortega, second by Commissioner Williams.

7           Without objection.

8           Such will be the order.

9           Thank you.

10          Next order of business is the executive officer's  
11 report. And, Ms. Lucchesi, may we have the report.

12          EXECUTIVE OFFICER LUCCHESI: Yes. Good morning.

13          I have a couple of program updates as well as  
14 some announcements to make in regards to some events the  
15 Commission is hosting in the next couple of months.

16          The first is our marine invasive species  
17 programs. On August 5th of this year Commission staff  
18 approved the vessel registered as Invictus to discharge  
19 untreated ballast water in the ports of Marina del Rey and  
20 Newport Beach for the purposes of maintaining stability.  
21 This approval was granted pursuant to our regulations.  
22 And after staff determined that due to the close proximity  
23 and the comparable biological features of the two ports,  
24 introduction of nonindigenous species would be highly  
25 unlikely.

1           This approval by staff expires on November 15th  
2 of this year, at which time the vessel must resume  
3 complying with the Commission's ballast water management  
4 standards.

5           As the Commission may remember, it authorized a  
6 new lease, short-term lease to PG&E for the Diablo Canyon  
7 Power Plant offshore infrastructure last meeting. As part  
8 of that authorization the Commission also directed staff  
9 to send a letter to the State Water Resources Control  
10 Board -- Regional Resources Control Board - excuse me -  
11 expressing your support and encouraging full compliance of  
12 the state's once-through cooling policy and associated  
13 resolutions by PG&E for the interim time between now and  
14 license expiration.

15           Staff sent that letter yesterday. Your offices  
16 all received a copy, and we're happy to provide a copy of  
17 that letter to any members of the public that wish to see  
18 that.

19           Next is a quick update on our San Diego Unified  
20 Port District offshore planning framework efforts for the  
21 offshore area of San Diego County. Commission and port  
22 staff continue to make significant progress on the pilot  
23 marine planning framework effort. We have exchanged  
24 conceptual drafts of the MOA, and will be refining it in  
25 the coming weeks in anticipation of bringing it to the

1 Commission at your October meeting, which is to be located  
2 at the Port of San Diego, for your consideration. And  
3 that MOA will establish the framework for our partnership  
4 with the port, as well as how we engage and outreach to  
5 the various stakeholder interests that will be interested  
6 in this effort.

7           A quick update on Martin's Beach. At last  
8 meeting, I reported that there had been a new concept for  
9 an acquisition of access rights for the public to get down  
10 to the Martin's Beach area. I am still in discussions  
11 with the Coastal Commission and other stakeholders on  
12 trying to flesh out that concept. I have not met again  
13 with the property owner but hope to do so in the next  
14 month or two to see if there is an avenue of moving  
15 forward.

16           And, finally, to close out the program updates,  
17 as the Commission is aware, Venoco has requested an  
18 amendment to their oil and gas lease to adjust the  
19 easterly boundary of the lease premises to include  
20 approximately 3400 acres in exchange for Venoco's  
21 quitclaim and release of approximately 3800 acres into the  
22 coastal sanctuary.

23           As part of this lease amendment application,  
24 Venoco proposes to change the bottom hole locations of six  
25 existing wells coming off of Platform Holly. Commission

1 staff is currently developing the EIR -- the Draft EIR for  
2 this project. We anticipate that the Draft EIR will be  
3 circulated for public comment towards the end of the third  
4 quarter, beginning of fourth quarter of this year. And we  
5 anticipate that the project will come before the  
6 Commission in the first quarter of 2017.

7 I want to quickly talk about an event involving  
8 Bolsa Chica coming up on August 24th. We do have an item  
9 on the regular agenda honoring the Amigos for their  
10 efforts in saving Bolsa Chica.

11 We also have our own anniversary involving Bolsa  
12 Chica coming up; and that's the 10th anniversary of the  
13 ocean inlet opening. And this event will commemorate the  
14 10th anniversary of the wetland restoration and the  
15 historic opening of the ocean inlet that basically  
16 breathed new life in the Bolsa Chica Lowlands.

17 The event will include refreshments and a brief  
18 program that will include the mayor of the city of  
19 Huntington Beach and a representative of the Amigos.

20 Following the celebration, the Amigos will be  
21 sponsoring a viewing of the Saving Bolsa Chica Wetlands by  
22 Endless Eye Productions. And that will be held at the  
23 Central Library in Huntington Beach. Additional  
24 information can be found on some postcards out on the  
25 table as you entered the hearing room and also on our

1 website.

2           And, finally, I want to talk about our -- the  
3 Commission's Prevention First conference that's coming up  
4 September 27th and 28th in Long Beach at the Westin. This  
5 year marks the 12th biennial Prevention First symposium  
6 hosted by the State Lands Commission since the symposium's  
7 inception in 1994.

8           It has been 25 years since the groundbreaking  
9 Lempert-Keene-Seastrand Oil Spill Prevention and Response  
10 Act which bolstered California's oil spill prevention  
11 efforts by triggering the creation of the Commission's  
12 Marine Environmental Protection Division and the  
13 Department of Fish & Wildlife's Office of Oil Spill  
14 Prevention and Response.

15           This act also enabled the Commission's Mineral  
16 Resources Management Division to enhance its oil spill  
17 prevention capabilities at offshore platforms and other  
18 offshore facilities. For more than two decades the  
19 staff's of these agencies have worked diligently and  
20 collaboratively to prevent oil spills from occurring in  
21 California's waters. This year's symposium contains a  
22 wealth of information about oil spill prevention,  
23 protecting marine resources from the introduction of  
24 invasive species, and sea-level rise. And we're very  
25 honored to welcome the Controller and Chair of the State

1 Lands Commission as our keynote presenter.

2 And, finally, relating to Prevention First I want  
3 to proudly announce our first foray into social media. We  
4 have created our Twitter account where we'll be tweeting  
5 live updates for all the presentations going on at  
6 Prevention First. And that handle account is At  
7 Prevention First 2016. We're very excited to be able to  
8 offer that as an additional element of that symposium.

9 And that concludes my Executive Officer's report.  
10 I'm happy to answer any questions.

11 Thank you.

12 CHAIRPERSON YEE: Thank you, Ms. Lucchesi.

13 Questions?

14 No. Okay. Very well.

15 Thank you for you for the updates.

16 Next order of business will be the adoption of  
17 the consent calendar. And let's see. Those are items  
18 C 01 to C 55. I do see a speaker signed up for C 34.

19 EXECUTIVE OFFICER LUCCHESI: Actually  
20 before -- oh, yes, I can advise --

21 CHAIRPERSON YEE: Do you want to go through them?  
22 Okay.

23 EXECUTIVE OFFICER LUCCHESI: -- on to what items  
24 to be pulled.

25 CHAIRPERSON YEE: Good. Okay.

1 EXECUTIVE OFFICER LUCCHESI: Great. We will be  
2 pulling C 16, C 33, and regular item 57 from the agenda.  
3 And those will be considered at a later time.

4 CHAIRPERSON YEE: All right.

5 EXECUTIVE OFFICER LUCCHESI: C 34 has been moved  
6 from the consent calendar to the regular agenda to be  
7 discussed, based on public comment.

8 And if there's no objections by the Commission,  
9 I'd like to just give a brief explanation on why C 57 was  
10 removed from the calendar.

11 CHAIRPERSON YEE: Sure.

12 EXECUTIVE OFFICER LUCCHESI: So we received  
13 notice late yesterday that our oil and gas lessee, Rincon,  
14 filed for bankruptcy. And as the Commission and the  
15 public is well aware, item 57 included the consideration  
16 of terminating the 3 leases currently held by Rincon  
17 because of various identified defaults in their lease  
18 obligations.

19 Bankruptcy Code requires that a bankruptcy  
20 petition operates as a stay of any act to obtain  
21 possession of the property of the estate or of the  
22 property of the estate -- or to exercise control over  
23 property of the estate. Very legally dense. Rincon's  
24 leasehold interests is a property of the estate that's  
25 subject to the bankruptcy. Thus the Commission would need

1 to obtain relief from the automatic stay in order to  
2 consider termination of those leases. And failure to do  
3 so may void the action and may subject the Commission to  
4 substantial penalties. And so I wanted to be very clear  
5 for both the Commission as well as the public that is very  
6 invested in the protection of the State's marine waters  
7 and the biological resources out there, that we are --  
8 this is not a choice to pull this, but we are required  
9 under federal law to pull this at this time.

10 CHAIRPERSON YEE: Okay. Thank you. Thank you  
11 for the clarification.

12 Commissioners, any other items you wish to pull  
13 off the consent calendar?

14 Okay. And hearing none with item C 16 to C 33  
15 pulled, may I have a motion?

16 ACTING COMMISSIONER ORTEGA: I'll move adoption  
17 of the balance of the consent calendar.

18 CHAIRPERSON YEE: Okay. We have a motion by  
19 Commissioner Ortega to adopt the remainder of the consent  
20 calendar.

21 ACTING COMMISSIONER WILLIAMS: Second.

22 CHAIRPERSON YEE: Second by Commission Williams.  
23 Without objection?

24 Such will be the order.

25 Thank you.



1           The Next order of business will be our regular  
2 calendar. And I believe we're on item 56.

3           EXECUTIVE OFFICER LUCCHESI: That's correct.

4           CHAIRPERSON YEE: Okay.

5           Seth Blackmon, our staff attorney, will be giving  
6 staff's presentation.

7           CHAIRPERSON YEE: Okay. Good morning.

8           STAFF COUNSEL BLACKMON: Good morning.

9           I'll be waiting for the PowerPoint.

10          (Thereupon an overhead presentation was  
11 Presented as follows.)

12          STAFF COUNSEL BLACKMON: Good morning bitting for  
13 the PowerPoint.

14          Good morning, Commissioners. My name is Seth  
15 Blackmon. I'm an attorney for the Commission. And I'll  
16 be presenting today on the Broad Beach Restoration  
17 Project.

18          Item 56 has a variety of different components to  
19 it. I'm going to kind of focus on where we've gone over  
20 the last four years and the final negotiation that State  
21 Lands staff has reached in accord with the Broad Breach  
22 Geologic Hazard Abatement District representative. So  
23 just for everyone here, I'm going to shorten Geologic  
24 Hazard Abatement District as GHAD.

25          What I have up right now on the PowerPoint slide

1 is a cover of our most recent project update. This is to  
2 update the project description from the 2014 analysis of  
3 Public Trust resources that the staff -- that your staff  
4 created to evaluate the original project description  
5 proffered by the Broad Beach GHAD. This update is  
6 consistent with what the Coastal Commission heard October  
7 of 2015 and actually made a decision on relative to their  
8 coastal development permit.

9           The staff believed that because of some of the  
10 difficulties in some of the negotiation that happened  
11 during the Coastal Commission report, that we also wanted  
12 to give a streamlined updated version for the public.  
13 This project update is available on our website, along  
14 with all of the project details and where they are  
15 currently and the, what we are calling, Avoidance and  
16 Minimization measures or impact minimization measures that  
17 the staff is recommending be included as a part of the  
18 lease to ensure that any potential impacts to Public Trust  
19 resources are either avoided or minimized.

20                           --oOo--

21           STAFF COUNSEL BLACKMON: This is kind of hard to  
22 see up here, but I wanted to give a larger reference point  
23 for where the project is located. You can see on sort of  
24 the southern portion of the map the Point Dume State  
25 Beach, that is kind of the bottom end -- the most eastern

1 end of that beach structure that moves up-coast into Zuma  
2 Beach, which is one of the busiest beaches in California.  
3 And then you can sort of see the coloration up at the top  
4 reaching up to Lechuza Point. That is where the Broad  
5 Beach Geologic Hazard Abatement District is formulated,  
6 and that's their assessment group.

7 --o0o--

8 STAFF COUNSEL BLACKMON: This is a little bit  
9 closer aerial that tries to kind of put everything into  
10 perspective.

11 The purple is the representation of the current  
12 rock revetment that runs approximately 4100 feet down the  
13 Broad Beach coastline. That is currently permitted under  
14 the Coastal Commission's CDP.

15 You'll also notice that the proposed lease  
16 extents is broader than the revetment because there was  
17 expectation for sand placement to exceed exact boundaries  
18 of the revetment.

19 What I do think is important to point out here by  
20 way of the alternative 4C project is that there will be no  
21 fill or any other utilization of the western end of this  
22 project down towards Lechuza Point. And you can see on  
23 the aerial that is actually an area that has a great  
24 degree of environmental significance. It is a rocky  
25 intertidal habitat that through a lot of negotiation with

1 numerous different agencies, the Broad Beach GHAD decided  
2 really wasn't going to be tenable in terms of permitting  
3 to try and nourish all the way down that west end.

4           So what you're looking at is a very reduced  
5 project from what was originally analyzed in 2014. In  
6 fact, the original -- or the initial deposition of sand is  
7 going from 600,000 cubic yards down to 300,000 cubic  
8 yards. There are opportunities every five years for the  
9 GHAD through both State Lands and Coastal Commission  
10 review to nourish -- to do major nourishment events of up  
11 to 300,000 cubic yards. So that would be at year 5 and  
12 year 10. And then intra-nourishment events every year in  
13 between at 75,000 cubic yards per year.

14                           --o0o--

15           STAFF COUNSEL BLACKMON: This is a really  
16 important part for our agency. You can see again the  
17 purple is the repres -- or pink is the representation of  
18 where the revetment currently sets. Part of the agreement  
19 with the Coastal Commission, and one of the critical  
20 components for our negotiation, was understanding and  
21 agreeing to the relocation of the revetment farther  
22 landward than the revetment currently sits; and that's  
23 because, as you can see, the darker red line that runs  
24 through the purple actually represents the 2010 mean high  
25 tide line survey that staff did just prior to the

1 placement of the rock revetment. And there's a  
2 significant amount of encroachment on the east end. Both  
3 parties agree that there's encroachment. We differ a  
4 little bit on how much encroachment. But this is an  
5 important part, so part of the discussion all along has  
6 been ensuring that that significant degree of encroachment  
7 on the eastern end of the revetment was completely  
8 eliminated. And this particular relocation plan succeeds  
9 in doing that.

10           It also is a net give to the public, because  
11 everything above the -- or landward of the mean high tide  
12 line is private. But as you can see when you relocate the  
13 revetment, there is a little over an acre of total area of  
14 private property that will be opened up to public use as a  
15 result of this relocation; and this is something that the  
16 GHAD has agreed to by both the Coastal Commission permit  
17 and our subsequent lease.

18           And I think, like I said, this is very -- very  
19 critical for us. There are a lot of little pieces that go  
20 into these discussions, because there's a patchwork not  
21 shown on this particular aerial of what are called lateral  
22 access easements and these are requirements from the  
23 Coastal Commission when folks want to do development  
24 projects. But it's patchwork. There's approximately 51  
25 up and down the entirety of this run of the revetment,

1 approximately 35 to 37 of which we hold. But they've been  
2 impacted for quite some time. They're not continuous in  
3 any way. So part of the agreement to render this portion  
4 of private property for public use helps to offset some of  
5 those impacts as they relate to the lateral access. And  
6 I'll talk a little bit more about that as we go.

7 --o0o--

8 STAFF COUNSEL BLACKMON: This is also included in  
9 the current project update. This is a project by the  
10 numbers. It's on the inside of the project. It's just  
11 one page. But I couldn't put it up here that way because  
12 no one would have been able to read it.

13 So what we have up here gives the big picture for  
14 kind of what we have going on.

15 --o0o--

16 STAFF COUNSEL BLACKMON: I think for most people  
17 the concerns at present have -- are dealing with total  
18 amount of sand and total nourishment. And really the  
19 thing that we've heard - and I'll reference this a little  
20 bit more - is degree of truck trips; like what is this  
21 going to mean big picture?

22 So as you can see, at the very bottom, sort of  
23 bracketed portion, the anticipation for just the initial  
24 nourishment is approximately a four-month project once it  
25 gets underway. At present, will require approximately

1 21,500 round trips, or 43,000 one-way trips. That's  
2 predicated upon moving 300,000 cubic yards of sand with  
3 14-cubic-yard trucks. So it's a progression.

4           Every period thereafter for an interim  
5 nourishment at approximately 75,000 cubic yards would  
6 require approximately 5,360 round trips, give or take  
7 10,750 one-way trips.

8           All told, over the course of the 10 years that's  
9 proposed in this lease it could be as much as 200,000  
10 truck trips staggered over the years. Interim years of  
11 course would be fewer truck trips. Each subsequent major  
12 renourishment of 300,000 cubic yards would be additional  
13 truck trips.

14                                 --o0o--

15           STAFF COUNSEL BLACKMON: So we had a couple of  
16 very recent communications. August 5th we received a  
17 letter from the city of Fillmore. The city of Fillmore  
18 was asking that the Commission consider a potential delay.  
19 The big concern about this is that currently the Broad  
20 Beach GHAD is involved in litigation with the city of  
21 Moorpark, the city of Fillmore, and the County of Ventura.  
22 It has to do exactly with the issues surrounding truck  
23 trips. There was an agreement that the GHAD entered into  
24 with the city of Moorpark to avoid basically trucking  
25 through Moorpark and take everything through Fillmore.

1 And as you might imagine, that upset the city of Fillmore.

2           The GHAD is trying to work with the County of  
3 Ventura, the city of Fillmore, and the city of Moorpark to  
4 resolve this.

5           While we think that it's obviously of great  
6 concern, it's outside of our jurisdiction. We are working  
7 with the GHAD and trying to help where we can to sort of  
8 influence options.

9           One of the big caveats to this is that the only  
10 time where this is going to be a huge issue is if the  
11 Broad Beach GHAD actually is able to utilize sand from the  
12 quarries in and around the city of Moorpark. Because of  
13 this litigation, it's looking less likely that that will  
14 be a primary source. Right now, what the GHAD is actually  
15 trying to solve through settlement and resolution is a new  
16 sand source out of Calleguas Creek, which is a much closer  
17 location. It would not require the use of the quarries to  
18 the same extent. I won't say not at all, because I think  
19 that's still up in the air. And maybe the GHAD  
20 representative here can address that a little more fully  
21 than I can. But they looking for a different sand source  
22 that has not yet been approved.

23           Whatever sand source they ultimately land on is  
24 going to have to be consistent with the special conditions  
25 in the coastal development permit, which requires specific



1 grain-size type and everything else to match the envelope  
2 that is out at Broad Beach now so that there's less  
3 interruption, ecologically speaking, than just simply  
4 putting really large grain or really, really fine grain  
5 sand out there.

6           The August 8th call with the GHAD representative  
7 I'll come back into a second.

8           I understand the call from Senator Hannah-Beth  
9 Jackson's office to be a request for a delay as well,  
10 broadly based on the interests of the County of Ventura  
11 and the cities involved in the current litigation.

12           We believe very broadly that we can move forward  
13 with this action by way of a lease without impacting  
14 either the city of Fillmore or the County of Ventura's  
15 litigation against the city of Moorpark and the GHAD,  
16 because our entitlement that we're giving is just for the  
17 use of sovereign land. We are in no way permitting the  
18 trucking routes or anything else. We did assess it in our  
19 after to be complete because we wanted to know all of the  
20 potential impacts broadly. But we're not taking an action  
21 on that component.

22           What more I think is important is that the lease  
23 as we have it currently negotiated and we do -- normally  
24 would require that the GHAD be in compliance with all  
25 permitting agencies that have a right under law to permit

1 this action. So any lack of compliance with any  
2 permitting agency would be grounds for either amending the  
3 lease as needed or basically they would be out of  
4 compliance with the lease.

5           Going back to the call with the GHAD  
6 representative. This has to do with some of the primary  
7 items in the lease. So I'm going to go ahead and jump to  
8 those items and then I'll address this in time.

9           After what amounts to four years of work with us  
10 and the GHAD, we have worked -- and the Coastal  
11 Commission, we have worked out a lease that is, we think,  
12 a good balance of the state's interests and, you know --  
13 and as a result we're recommending moving forward.

14           The very first thing that was one of the big  
15 points - and I know you're all very aware of it - was  
16 dealing with the prior occupation of state sovereign land  
17 by the revetment for a period of time. Through a  
18 significant degree of negotiation, and a lot of  
19 cooperation and work by the GHAD representatives, the GHAD  
20 agreed to a \$500,000 payment for that prior occupation to  
21 be paid in \$50,000 increments over the ten-year term of  
22 the lease, which we agreed to. I think this sets very  
23 important precedent for the state, and for others who are,  
24 you know, occupying State property and gaining a benefit  
25 without paying the due to the State of California. And I

1 think that was a very important negotiated point for us.

2           Subsequent to that one of the things that we did  
3 to facilitate what has become a very difficult project  
4 with a lot of moving parts is that staff agreed to confer  
5 a grace period to the GHAD following the authorization or  
6 potential authorization of this lease today of  
7 approximately two and a half -- or three and a half years,  
8 so concluding December 31st, 2019. That grace period is  
9 to allow the GHAD to work through its existing permitting  
10 issues that it has with the Army Corps of Engineers and a  
11 variety of other agencies that may still act. And we  
12 acknowledge that there are quite a few moving parts, and  
13 this was to, like I said, facilitate the project.

14           There are caveats to that however. What we have  
15 put in a lease and what we've got before you today are  
16 kind of three potential paths under that grace period.  
17 The grace period applies through December 31st, 2019. If  
18 in one instance the GHAD goes ahead and does the revetment  
19 relocation as promised on the eastern end, and provides  
20 sand on the beach, there will be no rent going backwards  
21 or going forwards because public benefit will be  
22 conferred, unless at some point the beach erodes away  
23 consistent with objective triggers that are set both in  
24 the Coastal Commission CDP and referenced in our AMMs, the  
25 avoidance and minimization measures.

1           The second instance is that the GHAD only  
2 relocates the eastern end of the revetment, getting it off  
3 of state property and also conferring private property for  
4 public use. In that instance, the State of California has  
5 negotiated based on all of those issues a rent of \$7,929  
6 per month or approximately \$95,000 per year of rent going  
7 forward. But it would not be retroactive. It would be a  
8 good faith effort to have made significant changes during  
9 the grace period and to actually confer a benefit on the  
10 State by way of relocation and the use of private property  
11 for public use.

12           The third instance is that the GHAD is unable to  
13 complete either the relocation and any subsequent  
14 nourishment through that three and a half year period.  
15 And in that instance if nothing has been done through the  
16 grace period, it is our suggestion at this point that the  
17 rent be due retroactive all the way back to the  
18 authorization point. And that rent would be \$27,430 per  
19 month, or approximately \$330,000 per year. We see this as  
20 an incentive to go ahead and move the revetment, which I  
21 believe that the GHAD is actually committed to doing so  
22 prior to the end of the grace period as both as a show of  
23 good faith and also a benefit to the State of California.  
24 In the event that that doesn't happen, we do believe that  
25 this would be an issue with continued occupation with no

1 or little public benefit and that this rental properly  
2 reflects that amount that the State should be compensated.

3           Subsequent to that, the other thing that I think  
4 a lot of concern has been raised since the October 2015  
5 Coastal Commission meeting has to do with general access  
6 up and along Broad Beach. Your staff negotiated at length  
7 with the GHAD about a landward or behind-the-revetment  
8 lateral access easement. It was a difficult conversation,  
9 to say the least. It did not really come to much because  
10 the GHAD board and the GHAD membership, for them, this is  
11 just an untenable position. What we ultimately agreed to  
12 by way of the rest of the structuring of this lease was  
13 that we think that the special conditions for -- special  
14 conditions 13 through 15 of the coastal development permit  
15 do allow for sufficient access in the event that the beach  
16 itself erodes away. And this -- these special conditions  
17 require that if the GHAD is unable to maintain a ten-foot  
18 wide sandy beach for any three out of a five-year rolling  
19 period, then there is an irrevocable license that springs  
20 to provide access on the landward side of the revetment.

21           And at this time we do believe that that's a good  
22 kind of catch-all. It's not the Cadillac or the ideal,  
23 but it does achieve the goals that we've been seeking  
24 especially when put into the overall package of what is  
25 being offered.

1           The last two things that I think I'll mention -  
2 and I already put this out there -- is that, again, part  
3 of the lease is that the GHAD comply with the avoidance  
4 and minimization measures, which are attached to the  
5 current staff report as Exhibit E. These are very  
6 thorough. Our senior environmental scientist has worked  
7 on this at length, and we believe that these are good  
8 options.

9           I do think it's important to note that in  
10 coordination with the Coastal Commission and the  
11 development of what's called the Science Advisory Panel  
12 out of the Coastal Commission's decision, there's an  
13 adaptive management approach wherein these items, the  
14 AMMs, may change, and we have built into the lease an  
15 opportunity and a delegation so that your executive  
16 officer or her designee can review and modify as  
17 necessary, or substitute. The idea behind this is that  
18 we're not seeking to really double dip on potential  
19 enforcement issues. If another agency is the appropriate  
20 enforcing agency, once the GHAD gets a permit, they can  
21 bring us a permit, we can verify it, we can say that yes,  
22 this is an appropriate substitute for the avoidance and  
23 minimization measure and/or we need to modify so that  
24 we're not in conflict. And we've done that already in  
25 coordination with the GHAD as it pertains to the Coastal

1 Commission development permit.

2           And that is the bulk of our presentation for  
3 Broad Beach. I'll be available for questions. But I  
4 think at the end of the day what we would like to say is  
5 this has been a good negotiation. It has been tough, but  
6 I think we can stand -- or we do stand by this  
7 recommendation to approve the lease.

8           CHAIRPERSON YEE: Thank you very much, Mr.  
9 Blackmon. First of all let me just thank you for your  
10 continued efforts in this. It's been hard fought. Very  
11 pleased with the 500,000 that we've arrived at for the  
12 back rent, and that all the parties came together on that.  
13 Considering where we started, I think prior to my  
14 administration we've come along way.

15           STAFF COUNSEL BLACKMON: Thank you, Chairwoman.  
16 Yes, I agree.

17           CHAIRPERSON YEE: Okay. I know we have a number  
18 of speakers on this item. But before we get to the  
19 speakers, any questions for Mr. Blackmon?

20           Okay. Very well. Let me call the speakers up  
21 then, if I could.

22           First we have Ken Ehrlich, who's counsel for the  
23 GHAD. Please come forward.

24           Followed by Alberto Boada with Ventura County.

25           Good morning.

1 MR. EHRLICH: Good morning, Madam Chair. I don't  
2 know whether to call you Madam Chair or Controller or  
3 Commissioner.

4 CHAIRPERSON YEE: You can -- I'll answer to  
5 anything.

6 (Laughter.)

7 MR. EHRLICH: Thank you. My name's Ken Ehrlich.  
8 I'm here on behalf of the Broad Beach Geologic Hazard  
9 Abatement District.

10 CHAIRPERSON YEE: We're going to time your  
11 presentation. But I know you have a clock on you.

12 MR. EHRLICH: I do. I'm fairly certain I can get  
13 through in 15 minutes.

14 I'll go as fast as I can.

15 CHAIRPERSON YEE: Okay. All right.

16 MR. EHRLICH: Thank you.

17 (Thereupon an overhead presentation was  
18 Presented as follows.)

19 MR. EHRLICH: First of all I want to thank all of  
20 the homeowners of Broad Beach who have made a colossal  
21 commitment over the past years to nourish the beach and to  
22 tax themselves to do so. By the current assessment put in  
23 place, they taxed themselves \$3.1 million a year  
24 indefinitely to fund this project. So I want to thank the  
25 homeowners - and many of them have come out this morning -



1 I want to thank them for allowing this project to move  
2 forward. And also to say that this is really the cutting  
3 edge of a response to climate change and sea rise. And to  
4 have private citizens come forward to do this on their  
5 own, to restore a beach and to make it a public access  
6 beach where there isn't already public access is really a  
7 significant, significant contribution to the State and a  
8 benefit to the public. So I want to thank the homeowners  
9 for doing that, enabling us this.

10 I also want to thank the staff of the Lands  
11 Commission for their good faith negotiations which have  
12 taken, as Seth mentioned, over four years and a lot of  
13 meetings and a lot of time and a lot of effort and a lot  
14 of frustration, but I believe we've come together and I  
15 want to thank them for their extreme efforts.

16 --o0o--

17 MR. EHRLICH: This project is trying to restore  
18 public beach resources that have been eroded over the past  
19 30 to 50 years of Broad Beach. A beach that used to be  
20 200-foot wide is now "no beach left," and a revetment is  
21 between the peril of 124 homes and some sort of semblance  
22 of safety.

23 The entire intent here is to create new beach  
24 habitat to restore a dry sand beach and a dune system, all  
25 the while nourishing down-coast beaches because the sand

1 we know is going to erode and the funding commitment is to  
2 place sand on the beach indefinitely. Also to provide  
3 shoreline protection for the existing structures, but also  
4 to benefit the public.

5           The project itself, Seth went over the numbers.  
6 Here we are, which is where we've come with this  
7 alternative 4C, 300,000 cubic yards every five years. We  
8 believe this will be at least a five-year longevity for  
9 this amount of sand; hopefully longer, depending on Mother  
10 Nature.

11           Where this is not enough though, we do commit to  
12 providing interim nourishments of up to 75,000 cubic  
13 yards. The existing revetment would be buried under a new  
14 restored dune system which the GHAD also is committed to  
15 planting.

16           The first wave of our defending the sand is to  
17 backpass the sand subject to objective triggers to keep  
18 the sand within our area. If that doesn't work, that's  
19 when the interim nourishments would apply. We're seeking  
20 a ten-year authorization. We've negotiated a ten-year  
21 lease.

22                           --o0o--

23           MR. EHRLICH: The upper right of this slide is  
24 what's existing currently at Broad Beach, and it hasn't  
25 changed since January of 2012, I assure you. The bulk of

1 the slide is a simulation of what we're trying to produce:  
2 A natural dune system. We'll try to restore the dune  
3 system, which has occurred traditionally, and a public dry  
4 sand beach.

5 In this picture, just so we can put this into  
6 context, everywhere seaward of the dune line is public  
7 beach. And as you'll see in a few moments, as the dunes  
8 erode, that will be public as well.

9 --o0o--

10 MR. EHRLICH: Significant compromises over the  
11 past six years. The nourishment area has shrunken. The  
12 dune restoration area has expanded. The revetment  
13 alignment has expanded as well to provide a tighter  
14 alignment up against the homes and more public access.

15 Extensive monitoring. A science advisory panel,  
16 which six years ago I would have said I don't know what  
17 you're talking about, has now met six times and up and  
18 running and funded by the GHAD.

19 A septic feasibility study's been committed to,  
20 as well as a potential to completely have this community  
21 go off septic, which is huge in Malibu.

22 And also a commitment to no ocean sand source.  
23 Which along with the State Lands Commission staff to again  
24 illustrate how far we've come, six years ago we're  
25 collaboratively meeting with staff, and staff said, "Oh,

1 there's sand off Dockweiler Beach we think it's usable for  
2 the project."

3 We're not using Dockweiler sand or any offshore  
4 sand.

5 --o0o--

6 MR. EHRLICH: Significant compromises with the  
7 Lands Commission staff as well: The back rent commitment;  
8 the increased access; insurance bonding; many other  
9 issues. But, you know, this has been a long negotiation  
10 and we're proud to have come together.

11 --o0o--

12 MR. EHRLICH: This is a simulated picture of what  
13 the beach would look like. Notice the lack of nourishment  
14 up the upper area of the beach. This west-end area up  
15 here, which is what we're not nourishing, and then the dry  
16 sand beach and the revetment of course covered by sand.  
17 We don't have plant life in the picture just for sake of  
18 making the illustration to show the significance of the  
19 nourishment.

20 --o0o--

21 MR. EHRLICH: Again, public funds, excuse me,  
22 will -- public funds will not be used at all. Here's the  
23 details of the assessment in place right now. \$590 per  
24 linear foot per year for the bulk of the homeowners in  
25 this area.

1           The west end, which is not getting nourished, is  
2 subject to only a 25 percent assessment. The homeowners  
3 voted by over 90 percent to assess themselves this amount,  
4 which is I think a tremendous coup for the community and  
5 the public.

6           The initial nourishment cost using the quarry  
7 sand from the Moorpark and Fillmore area quarries exceeds  
8 \$15 million. And we hope we'll fund this with the stream  
9 of income when -- with a loan secured by the stream of  
10 income of the assessment itself.

11                   --o0o--

12           MR. EHRLICH: Revetment realignment. This is  
13 other colors. Seth had prettier colors than we have, but  
14 it's the same line, where the black line comes closer and  
15 snugger -- snugger, I think I made up a word -- more  
16 closely into the homes on the landward side.

17                   --o0o--

18           MR. EHRLICH: The revetment pullback itself.  
19 This is just an illustration of where right here is the  
20 2010 State Lands Commission mean high tide line. This  
21 entire area would be pull -- the revetment would be pulled  
22 back into public -- shared public and private -- priv --  
23 public -- excuse me -- private land with public access  
24 over it seaward of the revetment line.

25                   --o0o--

1 MR. EHRLICH: So now through the project life on  
2 a nourished beach, day one, everything is beautiful. This  
3 is what it looks like.

4 And none of this project, by the way, changes the  
5 mean high tide line in public and private ownership of the  
6 property.

7 The mean high tide line remains the same. The  
8 revetment is pulled back on the east end. We have  
9 nourished and vegetated dunes, and then a 65- to 100-foot  
10 dry sand beach seaward of the dunes.

11 --o0o--

12 MR. EHRLICH: Let me back up one.

13 Here's is on an eroding beach - this is all in  
14 accordance with the coastal development permitted - the  
15 public is allowed to have 25 feet of access up and to the  
16 revetment itself. So as the -- the point here is as the  
17 dune erodes, the public access moves landward to allow for  
18 public access up to the toe of the revetment itself.

19 --o0o--

20 MR. EHRLICH: On the completely eroded beach,  
21 this is where the GHAD is allowed to have three out of any  
22 five years of a completely eroded beach provided that we  
23 nourish the next available time. And if Mother Nature  
24 still even with those nourishments doesn't allow the beach  
25 to maintain, that's when the landward access opens up.

1 And that's what we need to sell to our homeowners still in  
2 the license agreement, but we're confident we can do that  
3 and we're happy that Lands Commission staff has agreed to  
4 that as well.

5 --o0o--

6 MR. EHRLICH: Again, we're talking about a  
7 ten-year lease. The septic conversion is a very big deal.  
8 The civic center core of Malibu is right in the midst  
9 right now of dealing with lawsuits and a consent decree to  
10 have its small core, about 15 miles east of this project  
11 area, by -- through the weight of litigation, convert to  
12 something other than septic. And here the community is  
13 volunteering to do it on its own through this project.

14 --o0o--

15 MR. EHRLICH: Significant measures have been  
16 taken to avoid and minimize impacts. We're dealing with a  
17 parallel state and federal process here. So we've  
18 analyzed nine formal alternatives under the State Lands  
19 Commission's analysis, eight alternatives under the Army  
20 Corps' analysis; and we've agreed with the staff -- the  
21 State Lands Commission staff on impact avoidance  
22 minimization and mitigation measures which incorporates  
23 the Science Advisory Panel, which is working.

24 --o0o--

25 MR. EHRLICH: This is an illustration of the west

1 end nourishment that we are not doing. So at 31380 Broad  
2 Beach Road will be the border of where we're stopping  
3 nourishment. This is what has be -- due to the erosion  
4 ironically has come to be known as the boulder field. And  
5 this is seasonally varied by natural tides. That will  
6 remain that way, along with everywhere west of that, up to  
7 Point Lechuza.

8 --o0o--

9 MR. EHRLICH: Here's the dune field footprint,  
10 which has been expanded as a result of the negotiations  
11 with the Coastal Commission staff and your staff.

12 --o0o--

13 MR. EHRLICH: Significant project benefits. This  
14 is in the staff report as well, but it's worth pointing  
15 out and just running through. Public recreation has  
16 vastly expanded. Right now there's really no recreation  
17 opportunities at this beach because the water goes right  
18 up against the revetment. But with a dry sand beach,  
19 there's -- every bit of recreation is opened up and it  
20 will all be public land.

21 The sand from this beach will be feeding  
22 downcoast beaches.

23 Recreational value, public safety protection.  
24 Certainly no one wants to have anything to do with  
25 accidents dealing with the revetment or septic disasters,



1 which will be avoided by beach nourishment.

2 --o0o--

3 MR. EHRLICH: Expanded intertidal habitat as  
4 well. Sandy beach habitat for shore birds, et cetera.

5 Guaranteed public access through the life of the  
6 project. And this project has no sunset, by the way. I  
7 mean, while this lease is a ten-year lease, while our CDP  
8 is ten years, the intent of our funding has no sunset and  
9 it would go on indefinitely. So the intent here as I  
10 stand here is to continually negotiate new leases with  
11 both your agency, the Coastal Commission, any others who  
12 have jurisdiction.

13 --o0o--

14 MR. EHRLICH: This slide talks about the lateral  
15 access grants, which have been largely inert, for want of  
16 a better word, during the time of the revetment being  
17 there. And the nourishment just basically makes this all  
18 irrelevant. So by -- many of these homeowners -- I mean,  
19 our count is only 47. I think Seth may have said 51. But  
20 only 47 of 121 parcels have granted lateral access  
21 easements; and yet all of these homeowners have taxed  
22 themselves to pay all this money to pay for this  
23 restoration. Again, I think it's a significant public  
24 benefit.

25 This is the public access -- the expanded public

1 access and the possibility of the landward public access  
2 opening up.

3 --o0o--

4 MR. EHRLICH: The Science Advisory Panel is a big  
5 deal as well. I mean, it's an adaptive management tool  
6 that will be used to work on this beach, to take a ton of  
7 monitoring, get a ton of data, and to figure out what's  
8 going on as a result of the project.

9 --o0o--

10 MR. EHRLICH: The lease points and the rent  
11 points, we want to just raise one point here. There's  
12 agreement with the Lands Commission staff over back rent.  
13 The proposed rent if the GHAD completes the project by the  
14 end of 2019; the proposed rent if the GHAD relocates the  
15 revetment but isn't able to secure all the permits; as  
16 well as the proposed rent if the nourishment goes away and  
17 we don't renourish it the first opportunity. We agree  
18 with all those points.

19 The one point we don't agree with staff on and  
20 would request invention by the Commission is this grace  
21 period. If for whatever reason the GHAD does not relocate  
22 the eastern end of the revetment and does not secure all  
23 of the permits by the end of 2019, we would like the grace  
24 period to extend to that as well.

25 I mean, I've been doing this for six years. And

1 if six years ago you would have told me we couldn't use  
2 the most economic, efficient sand off Dockweiler Beach,  
3 for example, to nourish our beach, I would have thought  
4 you were crazy. But here we are, trucking sand because of  
5 stakeholders who said you can't use beach sand or sand at  
6 the bottom of the ocean.

7           The point we're trying to make is that we don't  
8 know what our permitting path is going to be. We don't  
9 know what the Science Advisory Panel is going to impose on  
10 the GHAD. So it strikes us as unfair if, for whatever  
11 reason, the revetment doesn't get relocated -- and, by the  
12 way, we fully intend to relocate the revetment. I want to  
13 be very, very clear. The GHAD intends to relocate the  
14 revetment. But for whatever reason it doesn't, and we  
15 can't secure the permits, we would request that the grace  
16 period apply and the rent only be become active after the  
17 expiration of the grace period, i.e., January 1st, 2020.

18                           --o0o--

19           MR. EHRLICH: Here are all the things that the  
20 Science Advisory Panel is monitoring. There's eight  
21 different monitoring plans and reports that are gathering  
22 data on right now and deciding frankly the scope and  
23 breadth of all of it. Right now the cost estimate for all  
24 this is \$3 million over 10 years. I will tell you that  
25 the GHAD would be elated if that comes in at that budget.

1 We're not comfortable or confident that that will. The  
2 Science Advisory Panel is frankly making a lot of new --  
3 cutting a lot of new ground, creating a lot -- new  
4 protocols here. We believe it's going to be more  
5 expensive than that.

6 --o0o--

7 MR. EHRLICH: Here are the folks that are working  
8 in concert with staff of the Coastal Commission and other  
9 agency staffs. They're already met six times; and, again,  
10 we're hopeful that we can come to a conclusion with them  
11 on at least what the monitoring plans are and how we can  
12 monitor to move forward and adaptively manage the project.

13 --o0o--

14 MR. EHRLICH: This says it all. I mean, the  
15 homeowners are paying for it. We'd like to create a new  
16 public beach.

17 If I can, I'd like to address the delay requested  
18 by the County of Ventura and the city of Fillmore. The  
19 Scientific Advisory Panel has mandated that no nourishment  
20 can occur until fall of 2017 at the earliest. So there'd  
21 be no prejudice by this Commission acting today on our  
22 lease and on our sovereign land aspect of our project,  
23 because regardless of that, no nourishment's going to go  
24 down until fall of 2017.

25 So the interests of -- there's no sense in

1 delaying this when the nourishment has already been  
2 delayed until that point.

3           And, frankly, the negotiations are done and ripe  
4 for action now by this Commission. The GHAD needs its  
5 permits as soon as possible from all agencies, including  
6 this one, and subsequently the Army Corps and the regional  
7 water boards so that we can finalize our commercial  
8 agreements for sand and trucking. So it's critical that  
9 we get the permits first and then do our commercial deals.

10           The dispute with the county and Fillmore, by the  
11 way, relates only to the routing of the trucks. And I  
12 want to make sure this is very, very clear to the  
13 Commission. It's not the ability to use the quarry sand,  
14 which has already been approved by the Coastal Commission.  
15 It's not the ability of whether the project moves forward  
16 or not. It's simply the route of the trucks. Do the  
17 trucks go the natural route, which is partially through  
18 the city of Moorpark, or an artificial route, avoiding  
19 Moorpark and through the city of Fillmore or other routes.

20           And that's frankly it -- to simplify it all, I  
21 mean we hope that a court's going to decide this by the  
22 end of the year. We're in negotiations ourselves with all  
23 the litigants to try to resolve it as well. So, again,  
24 this isn't an area of Lands Commission jurisdiction, and  
25 we'd hate for the Lands Commission to get caught up in

1 this issue, when frankly it doesn't matter to our lease.

2           And we finally -- the community has worked for a  
3 long time, and I would say that the time is ripe to strike  
4 while the iron is hot here. We've negotiated a deal.  
5 We'd like to abide by our deal. We look forward to moving  
6 forward.

7           Thank you for your time.

8           CHAIRPERSON YEE: Thank you very much, Ehrlich.

9           What I'd like to do, let me have staff comment on  
10 the requests for extending the grace period. And then --

11           MR. EHRLICH: Would you like me to stay here,  
12 Chair, or would you like me to go back?

13           CHAIRPERSON YEE: Why don't you go ahead and take  
14 a seat.

15           MR. EHRLICH: Thank you.

16           CHAIRPERSON YEE: And then after that what I'd  
17 like to do is call up the representatives from Ventura  
18 County and Fillmore.

19           EXECUTIVE OFFICER LUCCHESI: So, staff -- as Seth  
20 described in his presentation, and kind of teed this issue  
21 up for the Commission and the public, Commission staff  
22 feels fairly strongly about the recommendation that we  
23 made with regards to the rent structure that we have  
24 proposed in the lease as it relates to the category of, if  
25 no relocation and if no beach nourishment, then we go back

1 to today and charge rent for this grace period.

2           We think as a staff that it's incredibly  
3 reasonable to -- because based purely on the fact of  
4 public benefit, the relief granted for both the grace  
5 period as well as rent going forward really centers around  
6 what's the public benefit associated with this project.

7           The revetment was installed at -- under an  
8 emergency permit without authorization from the State  
9 Lands Commission, and was really to help protect the  
10 various homes along this stretch of the beach. That was  
11 the primary purpose of installing this rock revetment.  
12 There is no public benefit that's conferred solely by that  
13 rock revetment. In fact, it has some detriments to public  
14 access and other Public Trust resources.

15           But this project as a whole is an incredible  
16 project, as Mr. Ehrlich discussed in terms of the private  
17 investment going into this to create a public beach at  
18 private expense, utilizing that existing rock revetment.  
19 And I think that there is a lot of potential for the  
20 public benefit associated with this project, especially  
21 with the engagement of all regulatory agencies that are  
22 looking out for the various resources that will be  
23 impacted.

24           But with that said, if there -- if the revetment  
25 doesn't -- isn't relocated and there is no beach

1 nourishment, there is no public benefit. And so the  
2 purpose of that grace period is for naught, and we think  
3 that the rent that's due the public and the State should  
4 reflect that.

5 I will say too that even on this one element of  
6 the lease negotiation, we have compromised significantly,  
7 both in terms of the monetary rent, taking into  
8 consideration a number of different elements, but also the  
9 grace period. And I -- you know, in all frankness, we  
10 started out with a much smaller grace period time frame  
11 and negotiated to about three and a half years now, which  
12 I know in the grand scheme of things there's still a lot  
13 uncertainty with that because of what's left to go. But  
14 we also think that was a significant compromise in the  
15 favor of the applicant as well.

16 Finally, I just want to say that in the event  
17 that a couple years pass and the GHAD is not successful in  
18 getting the permit approvals and there's extenuating  
19 circumstances, they are always -- there's always the  
20 option to reapply to the Commission for the very discreet  
21 reassessment of a particular lease provision, basically  
22 apply for a lease amendment if they believe that they have  
23 a good reason for applying for that and there's a good  
24 story to be told.

25 So even if the Commission decides to vote for --



1 in accordance with staff's recommendation today as it  
2 relates to this lease term, there are options in the  
3 future for the GHAD should they think that really from an  
4 equity standpoint they would like the Commission to  
5 reconsider this.

6 CHAIRPERSON YEE: Very good. Thank you, Ms.  
7 Lucchesi.

8 Questions from Commissioners at this point?

9 Okay. Very well.

10 Thank you, Mr. Ehrlich. And also our thanks to  
11 the homeowners as well for hanging been a long process for  
12 everyone.

13 Let me call up now the representative from  
14 Ventura County Counsel, Alberto Boada, I believe; and also  
15 June Ailin with the city of Fillmore.

16 MR. BOADA: Yes, thank you. Good afternoon.  
17 Alberto Boada. I'm an attorney with the Ventura County  
18 Counsel's office.

19 And as was mentioned in the staff report and in  
20 Mr. Ehrlich's presentation, the county did initiate  
21 litigation against the project applicant. That litigation  
22 is limited to the issue of the haul routes that were  
23 agreed upon between the applicant and the city of MoorPark  
24 that we feel impact both the residents of the city of  
25 Fillmore and Ventura County in general.

1 I do want to clarify, the county has not  
2 requested that your Commission delay action on this item  
3 today. I am aware that you have received letters from the  
4 city and from Senator Jackson's office making that  
5 request. I would concur in the representations that have  
6 been made that significant progress has been made toward  
7 resolving the issues in the lawsuit. There's still  
8 details that need to be worked out and so the case is  
9 still moving forward.

10 I'm not sure I would agree with the statement by  
11 Mr. Ehrlich that the matter -- the litigation will be  
12 resolved this year. I believe there's a status conference  
13 in superior court scheduled for later this month which may  
14 result in a court hearing scheduled before the end of the  
15 year. So we may get a ruling from that judge this year,  
16 but that may or may not be the end of litigation. So I'm  
17 not sure I can predict when the lawsuit would ultimately  
18 get resolved.

19 Other than that, I would be happy to answer any  
20 questions that your Commission has about the lawsuit.

21 Thank you.

22 CHAIRPERSON YEE: Thank you. Thank you for being  
23 here.

24 Questions?

25 Okay. All right. Thank you.

1           Let me call up Ms. Ailin from the city of  
2 Fillmore.

3           MS. AILIN: Good afternoon, Commissioners. My  
4 name is June Ailin. I'm an attorney with the law firm of  
5 Aleshire & Wynder. My partner, Tiffany Israel, is the  
6 city attorney for the city of Fillmore.

7           The city of Fillmore is also a party to the  
8 lawsuit that Mr. Boada referenced. I think that the  
9 representations have been accurate about the nature of the  
10 litigation and also the nature and status of the  
11 settlement negotiations. But they may take some time.

12           I do want to point out, this is not a one-time  
13 issue. This issue of sand source and transportation is  
14 going to be recurring because there will be more than one  
15 replenishment as part of the district's project. So we  
16 think it's important to get this issue resolved.

17           I don't claim to understand all of the ins and  
18 outs of the lease. But in listening to the discussion  
19 about this grace period, given that we have these open  
20 issues about the transportation of the sand, it almost  
21 seems like it would be to the district's benefit to delay  
22 signing the lease a bit until that issue has been  
23 resolved; because its one of the things that's going to  
24 affect whether they can meet the requirements of that  
25 grace period.

1 I heard Mr. Blackmon make a comment - and it's  
2 possible I misunderstood - in the context of dealing with  
3 this issue of the sand source and the transportation of  
4 the sand; I believe Mr. Blackmon said something about the  
5 lease requiring compliance with all agencies' permitting  
6 requirements.

7 There's no connection between that and this issue  
8 of the sand source and transportation, because the county,  
9 the city of Fillmore, the city of Moorpark, none of them  
10 have any permitting authority over this project  
11 whatsoever.

12 So I do want to add the city of Fillmore's voice  
13 to the need to exercise some caution here and consider  
14 whether this is the appropriate time to approve this  
15 lease.

16 Thank you.

17 CHAIRPERSON YEE: Thank you very much, Ms. Ailin.

18 Okay. We have two other speakers on this item.  
19 Let me call up Amanda Winchell, the Surfrider Foundation;  
20 followed by Tonia McMahan.

21 MS. WINCHELL: Good morning, commissioners. My  
22 name's Amanda Winchell, Policy Coordinator for the  
23 Surfrider Foundation.

24 Although a long-term solution regarding public  
25 access and habitat restoration is desirable, we appreciate

1 that a portion of the revetment being it's landward is a  
2 positive step. We appreciate even more that the  
3 Commission is moving to ensure that the revetment is moved  
4 landward as soon as possible, with the aim of public  
5 benefit and the insurance thereof through the proposed  
6 rent structure.

7 With regards to the goal of restoring the dunes,  
8 we appreciate staff's comments today emphasizing the  
9 importance of the appropriate sand type. We ask that the  
10 necessity appropriate sand sizing be adhered to for dune  
11 health and viability. This was also discussed in  
12 Dr. Engle's memo as part of the October 2015 Coastal  
13 Commission staff report.

14 We also strongly support the development of the  
15 Science Advisory Panel to oversee development  
16 implementation of a marine habitat monitoring and  
17 mitigation plan.

18 And we further support a program for dune habitat  
19 restoration and monitoring as well as the adaptive  
20 management and reporting plan.

21 Last but not least, we support the wisdom that  
22 granting a 10-year permit as opposed to a 20-year.

23 Thank you for your continued work on and  
24 oversight of this issue.

25 Thank you.

1 CHAIRPERSON YEE: Thank you, Ms. Winchell.

2 Ms. McMahon.

3 MS. McMAHON: No comment at this time.

4 CHAIRPERSON YEE: No comment? Okay. Very well.

5 Thank you.

6 Commissioners.

7 Commission Williams.

8 ACTING COMMISSIONER WILLIAMS: Thank you. Just  
9 on behalf of the Lieutenant Governor in particular, and  
10 his regrets for not being able to be here today to see  
11 this chapter of Broad Beach arrive where it is, having  
12 felt like this has been a long chapter.

13 And to -- also to impact the significance of this  
14 project, which, you know, beyond the limited square miles  
15 of Broad Beach is much greater both in terms of climate  
16 change and sea-level rise and amplified weather  
17 conditions. This is a particularly exciting project and  
18 also a pioneer project, and I think the staff report  
19 reflects this with saying that, you know, this is not  
20 going to be the first time that we address these issues.  
21 And so all eyes are really on Broad Beach to succeed here  
22 and just to conclude that.

23 So thank you to the staff of the State Lands  
24 Commission for negotiating this and bringing it to the  
25 point it is. Thank you to Mr. Ehrlich for navigating on

1 behalf of the residents through the many permits and  
2 authorizations needed, and also in particular to the  
3 residents for their tenacity and commitment to public  
4 access at this beach. I know it's not been an easy ride  
5 and I just want to thank you.

6 CHAIRPERSON YEE: Thank you very much.

7 No other comments?

8 All right. Let me just make an observation, that  
9 I appreciate the concerns that have been raised about the  
10 truck routes; not an issue squarely in the Commission's  
11 jurisdiction. I'd hate to see all this work be put aside.  
12 And I will have a private conversation with Senator  
13 Jackson about the importance of moving this forward.

14 But I think the terms that have been negotiated  
15 and certainly just the amount of movement that has really  
16 occurred, that's been significant. And in the overall  
17 scheme of things, I do think, and I hope, the remaining  
18 legal issues on the transport will get resolved soon. But  
19 given that is outside of the Commission's jurisdiction,  
20 and our staff has negotiated in good faith, and we have I  
21 think the makings of an agreement - and I agree with  
22 Mr. Williams, this could be a model for the future as  
23 well - I would like to see this Commission move forward.

24 So with that, I would entertain a motion.

25 ACTING COMMISSIONER WILLIAMS: (Nods head.)

1 CHAIRPERSON YEE: Moved by Mr. Williams.

2 ACTING COMMISSIONER ORTEGA: Second.

3 CHAIRPERSON YEE: Seconded by Commissioner  
4 Ortega.

5 Without objection.

6 The staff's recommendation is adopted.

7 Thank you very much.

8 Okay. Our next item I believe is Item 58; is  
9 that correct?

10 EXECUTIVE OFFICER LUCCHESI: That's right. This  
11 is to consider adoption of a resolution commemorating the  
12 Amigos de Bolsa Chica for their 40 years of advocacy to  
13 preserve and restore the Bolsa Chica wetlands.

14 Wendy Hall will be our staff member providing the  
15 commission with this presentation.

16 CHAIRPERSON YEE: Good afternoon.

17 PUBLIC LAND MANAGEMENT SPECIALIST HALL: Good  
18 afternoon, Commissioners.

19 Again, my name is Wendy Hall. I'm a Public Land  
20 Management Specialist and the project manager for the  
21 Bolsa Chica Lowlands Restoration Project in Orange County.

22 I'm here to present the staff report on Calendar  
23 Item 58.

24 (Thereupon an overhead presentation was  
25 Presented as follows.)



1 PUBLIC LAND MANAGEMENT SPECIALIST HALL: The  
2 calendar item is to request the Commission consider  
3 adoption of a resolution commemorating the Amigos de Bolsa  
4 Chica for 40 years of advocacy to save, preserve, restore  
5 the Bolsa Chica Wetlands.

6 Item 58 also provides an informational report on  
7 the 10-year anniversary celebration of the new ocean inlet  
8 opening at the Bolsa Chica Lowlands Restoration Project.

9 --o0o--

10 PUBLIC LAND MANAGEMENT SPECIALIST HALL: This  
11 year marks the 40th anniversary of Amigos de Bolsa Chica.  
12 Amigos de Bolsa Chica is a nonprofit volunteer  
13 organization formed by a group of residents in 1976 to  
14 protect the Bolsa Chica wetlands from development. Its  
15 mission is to advocate for the preservation, restoration,  
16 and maintenance of the Bolsa Chica wetlands and to provide  
17 education about the importance of coastal wetlands.

18 Recognizing the Amigos de Bolsa Chica is  
19 especially appropriate as the 10th anniversary of the  
20 opening of new ocean inlet to the Bolsa Chica Wetlands  
21 approaches on August 24th.

22 Now I'd like to provide a bit of historical  
23 background as context for the anniversary of the  
24 restoration and to highlight the efforts and achievements  
25 of the Amigos de Bolsa Chica.

1                   --o0o--

2           PUBLIC LAND MANAGEMENT SPECIALIST HALL:

3           Historically thousands of acres of highly  
4 productive saltwater and fresh water marshes extended from  
5 Anaheim Bay to the Huntington Beach Bluff, including 2300  
6 acres of the Bolsa Chica lowlands. Today more than 90  
7 percent of the State's native wetlands have been lost to  
8 development.

9           In 1900 the tidal nature of the Bolsa Chica  
10 wetland was destroyed when the natural ocean inlet to the  
11 wetland was closed to improve duck hunting.

12           By the 1940s oil production had begun in the  
13 Bolsa Chica wetlands and oil drilling rigs dominated the  
14 site.

15           In 1976 the Amigos de Bolsa Chica was founded  
16 with a goal to protect, preserve, and acquire the valuable  
17 Bolsa Chica and surrounding open space, restore Bolsa  
18 Chica to its natural marsh wetland state, and educate the  
19 public about the importance of wetlands to the natural  
20 ecosystem.

21                   --o0o--

22           PUBLIC LAND MANAGEMENT SPECIALIST HALL: At that  
23 time several development plans were being pursued for the  
24 privately owned lowlands area including large residential  
25 developments. The Amigos de Bolsa Chica campaigned to

1 prevent the development of these wetlands, working in  
2 collaboration with both the public and private sectors.

3 One of the development plans Amigos was successful in  
4 defeating was this exclusive marina surrounded by  
5 waterfront homes known as the Bolsa Bay plan that you see  
6 here.

7 --o0o--

8 PUBLIC LAND MANAGEMENT SPECIALIST HALL: In 1973,  
9 the California State Lands Commission acquired  
10 approximately 330 acres in the Bolsa Chica lowlands  
11 between 1970 -- I'm sorry -- between 1996 and 2005. The  
12 Commission acquired approximately 950 additional acres in  
13 the Bolsa Chica lowlands, bringing the public ownership to  
14 more than 1200 acres. After 100 years of impacts this is  
15 what the site looked like when the state acquired it. It  
16 was an active oil drilling operation; and, as you can see,  
17 it was a severely degraded wetland with no connection to  
18 the ocean.

19 --o0o--

20 PUBLIC LAND MANAGEMENT SPECIALIST HALL: In 1996  
21 the Commission entered into an interagency agreement with  
22 three other state and four federal agencies to buy, plan,  
23 design, construct, and maintain the Bolsa Chica Lowlands  
24 Restoration Project to restore the severely degraded  
25 wetlands as mitigation for impacts to the new facilities

1 for the ports of Los Angeles and Long Beach. The ports  
2 contributed mitigation funding and in exchange received  
3 mitigation credits. In all, \$151 million has been  
4 invested in the restoration and operation of the project.

5 As a result of these collaborative efforts  
6 between the Amigos de Bolsa Chica, state and federal  
7 agencies, and other interested parties, the first phase of  
8 the Bolsa Chica Lowlands Restoration Project was completed  
9 on August 24th, 2006.

10 --o0o--

11 PUBLIC LAND MANAGEMENT SPECIALIST HALL: And  
12 after more than 100 years a new tidal opened restoring the  
13 tidal influence to the historic Bolsa Chica wetlands.  
14 This photo was taken just two days after the opening of  
15 the inlet. And you can see the new tidal opening and all  
16 the features of the restoration.

17 The project was designed with approximately 370  
18 acres of a full tidal basin, the largest project feature,  
19 180 acres of muted tidal basins, 140 acres of seasonal  
20 ponds, and another 245 acres of -- that were allowed for  
21 an expansion of the future full tidal basin once the oil  
22 operator has ceased the remaining oil operations.

23 --o0o--

24 PUBLIC LAND MANAGEMENT SPECIALIST HALL: So we've  
25 had some successes and we have some challenges.

1 Overall, the project has been a biological  
2 success and has met the mitigation goals of the 1996  
3 agreement. However, some challenges still remain.

4 The greatest challenge the project faces today is  
5 a lack of sufficient funding for long-term management and  
6 operations, including the required dredging to maintain  
7 the ocean inlet.

8 The next few slides demonstrate the need to  
9 dredge the inlet to remove the sand sedimentation as part  
10 of the long-term management of the project to prevent the  
11 closure of the inlet in order to sustain the ecological  
12 functions of the wetlands.

13 --o0o--

14 PUBLIC LAND MANAGEMENT SPECIALIST HALL: Our  
15 first slide was taken in January 2007, just four months  
16 within -- after opening the inlet.

17 And you can already see in the lower portion of  
18 the slide at the opening of the inlet there, the light  
19 coloration is the sand sedimentation, which is already  
20 beginning to constrict the inlet. And again to remind  
21 you, this is just four months earlier at the initial  
22 opening, and we already see some constriction beginning  
23 from sand intrusion.

24 --o0o--

25 PUBLIC LAND MANAGEMENT SPECIALIST HALL: Our next

1 slide is just two years later after the opening. And you  
2 can see that the inlet is nearly closed off from the sand  
3 sedimentation intrusion.

4 --o0o--

5 PUBLIC LAND MANAGEMENT SPECIALIST HALL: Our  
6 funding challenges. Insufficient long-term funding is a  
7 situation seen regionally as most of the major coastal  
8 wetland restoration projects in Southern California move  
9 into the long-term maintenance sustainability phase. The  
10 dredging for the management of inlet sand accumulation,  
11 while contemplated in the original design, has proven to  
12 be the most significant cost. The initial fund for  
13 long-term maintenance costs of \$15 million is nearly  
14 depleted. The dredging and other operational costs is  
15 approximately 1.5 to \$2 million annually.

16 The project is now threatened by insufficient  
17 funding to manage the system, with remaining reserve  
18 account balances for current operations at approximately  
19 just \$2.8 million.

20 Without augmented funding for future management  
21 of the project wetlands, funding will be depleted in just  
22 a few years, leading to the potential closure of the inlet  
23 and failure of the restoration. This would be a  
24 significant loss to California's goal of restoring our  
25 coastal wetlands and of no net loss of existing wetlands,

1 as well as a loss of a valuable public resource.

2 --o0o--

3 PUBLIC LAND MANAGEMENT SPECIALIST HALL: Now for  
4 good news. Ten years of post-restoration monitoring has  
5 shown that the project has been a great biological success  
6 and has meaningfully increased the availability of bay  
7 habitat, improving Southern California fishery resources.

8 The project has created new habitat for a variety  
9 of vegetative invertebrate fish and avian species,  
10 including 22 endangered and sensitive species.

11 The Bolsa Chica project wetlands are a critical  
12 stop for migrating shore birds along the Pacific flyway,  
13 provides foraging habitat for over 70 avian species, and  
14 has been designated as critical habitat for the Western  
15 Snowy Plover, an endangered species.

16 The mud flats provide a rich invertebrate  
17 community of over 55 marine species. And the project also  
18 hosts 65 different fish species, including nursery habitat  
19 for spawning and juvenile fish, as well as commercially  
20 important species such as the California halibut and white  
21 sea bass.

22 A variety of other wildlife also frequent the  
23 wetlands.

24 To illustrate the sampling of wildlife we see  
25 here clockwise from the upper left a Snowy Plover family,

1 an endangered species; the Brant geese, species of  
2 concern; a California least tern, another endangered  
3 species; a sea lion and a belted kingfisher.

4 --o0o--

5 PUBLIC LAND MANAGEMENT SPECIALIST HALL: In this  
6 slide we have a -- Belding's Savannah Sparrows fighting  
7 for breeding territory. They're also an endangered  
8 species. Peregrine falcon, a species of concern. A green  
9 sea turtle, a threatened species. And a Ridgeway rail,  
10 another endangered species.

11 --o0o--

12 PUBLIC LAND MANAGEMENT SPECIALIST HALL: In  
13 addition to providing a valuable ecological resource, the  
14 Bolsa Chica lowlands today also provides a very valuable  
15 public resource. Educational groups, nonprofit  
16 organizations, and the general public frequent the  
17 wetlands throughout the year to learn about wetland  
18 habitats, photograph wildlife, or hike in designated areas  
19 and enjoy the wetland open space.

20 With 20 access points and two adjacent parking  
21 lots, as many as 400 members of the general public access  
22 these wetlands on any given day. Special events and  
23 organizations such as the Amigos de Bolsa Chica provide  
24 additional educational and public outreach programs  
25 throughout the year bringing in an estimated public



1 visitation of more than 80,000 people per year to the  
2 Bolsa Chica lowlands.

3 --o0o--

4 PUBLIC LAND MANAGEMENT SPECIALIST HALL: The  
5 Bolsa Chica Lowlands Restoration Project, the result of  
6 decades of planning and cooperation by the public and  
7 government agencies, is the largest coastal wetland  
8 restoration in the history of Southern California.

9 As our Executive Officer mentioned, the 10-year  
10 anniversary event commemorating this restoration project  
11 and the historic opening of the ocean inlet will be hosted  
12 by the Commission on August 24th of this year at the Bolsa  
13 Chica Lowlands Restoration Project site. A video  
14 presentation following -- will follow at the Huntington  
15 Beach Library by the Amigos de Bolsa Chica on the history  
16 of Bolsa Chica.

17 --o0o--

18 PUBLIC LAND MANAGEMENT SPECIALIST HALL: Were it  
19 not for the dedication and commitment by the Amigos de  
20 Bolsa Chica, working in collaboration with local, state,  
21 and federal governments, these historic Bolsa Chica  
22 wetlands may not have been preserved as a valuable  
23 ecological and public resource for the State of  
24 California. The Amigos de Bolsa Chica overcame daunting  
25 challenges to succeed in their mission to help save and

1 restore these 1200 acres of imperiled wetlands, and the  
2 Amigos de Bolsa Chica are an inspiration to all.

3           Today, the Amigos de Bolsa Chica members continue  
4 their mission through public outreach, educational  
5 training and tours for all ages, and participate in  
6 environmental and other nonprofit events throughout the  
7 year. Amigos de Bolsa Chica are to be commended for 40  
8 years of diligent volunteerism to save, preserve, and  
9 restore the Bolsa Chica coastal wetlands.

10           This concludes my presentation. I believe staff  
11 is available for questions.

12           CHAIRPERSON YEE: Thank you very much.

13           Ms. Lucchesi.

14           EXECUTIVE OFFICER LUCCHESI: If I may, we do have  
15 four members of the Amigos here that wish to speak to you.  
16 And also, we do have a resolution up for consideration by  
17 you. So, you have two choices. You can either move  
18 towards a vote on the resolution. Or if you want to  
19 invite the representatives from the Amigos up first and  
20 then take the vote. But it's up to you.

21           CHAIRPERSON YEE: Okay. Let me go ahead and  
22 invite them up. This is really a wonderful time to  
23 commemorate their contributions.

24           So if I could call up Shirley Dettloff, followed  
25 by Mel Nutter, Charles Falz -- Charles Frazier, and Victor

1 Leipzig.

2 MS. DETTLOFF: Good afternoon. My name is  
3 Shirley Dettloff. I'm a former mayor of the city of  
4 Huntington Beach, former State Coastal Commissioner, and  
5 former -- and founding member of the Amigos de Bolsa Chica  
6 and their president.

7 My name is Shirley Dettloff. And I want to thank  
8 State Lands for recognizing the efforts of the Amigos de  
9 Bolsa Chica, who worked tirelessly for 40 years to save,  
10 restore, and now are working to make sure that the  
11 wetlands are sustained for future generations.

12 We must remember that it is not -- it not only  
13 takes money to restore a wetland, but it takes money to  
14 ensure that it will remain for future generations.

15 I want to thank State Lands for being one of the  
16 first agencies to recognize the importance of saving the  
17 wetlands but also recognizing the responsibility to find  
18 the monies for ongoing dredging operations and all of the  
19 other sustainable issues.

20 We must remember that Bolsa Chica was at one time  
21 the second largest oil field in the State of California.  
22 And much care had to be done with destroying one of the  
23 largest wetlands ever purchased by the State of  
24 California.

25 I remember in February of 1997 the State Lands

1 met at the Huntington Beach City Hall. I was present on  
2 that occasion, and a similar situation existed. The  
3 meeting was chaired by then Lieutenant Governor Gray  
4 Davis. And Gray Davis went on to run successfully for the  
5 Governor of California, always supporting the Bolsa Chica  
6 and the efforts that the Amigos were putting forth to save  
7 it.

8           And we have a similar situation now with one of  
9 your members also seeking the Governorship; and that is  
10 your Lieutenant Governor, who I'm sorry is not among us  
11 today, but wish him the very best luck in his efforts to  
12 run for the highest office in the State of California.

13           But we do appreciate the efforts of State Lands.  
14 I particularly want to say thank you to Betty Yee. You  
15 were at our presentation, our scientific symposium that we  
16 recently held at the Huntington Beach Library. And your  
17 statements were ones that we took to heart and saw that  
18 your intent was to make sure that these wetlands will be  
19 sustained for future generations. So we thank you for  
20 your efforts.

21           I also have and will leave with your staff copies  
22 of a book. It's called Bolsa Chica: It's History from  
23 Prehistoric Times to the Present, and what citizen  
24 involvement and perseverance can achieve; and that is the  
25 40 years work that we did - and the LA Times called it you

1 have to have patients and perseverance to achieve great  
2 results. It was written by Dr. David Carlburg, one of our  
3 former presidents and a biologist at Long Beach State. So  
4 I hope you'll read it.

5 And we also included our newsletter. And the  
6 front picture on the newsletter was a picture where your  
7 staff members, Wendy Hall included and your attorney when  
8 they were there, when the elected officials of Orange  
9 County represented our efforts. So thank you so much.

10 CHAIRPERSON YEE: Thank you, Ms. Dettloff, very  
11 much for being here.

12 MR. NUTTER: Commissioners, I'm Mel Nutter. I'm  
13 a member of the board of the Amigos. In my earlier life I  
14 was chair of the California Coastal Commission way back  
15 when we were trying to deal with some of the same issues  
16 that have gone forward over the years. And in fact, in  
17 the early eighties I was involved in a negotiation dealing  
18 with what the future of this area would be, and we were  
19 looking at what sort of looked like a Marina Del Rey South  
20 or perhaps a Huntington Harbor development. And it was  
21 clear to me way back then that that made no sense, both in  
22 terms of the economics and in terms of the beauty and the  
23 biological value of this property.

24 And I mention that, because I've worn a number of  
25 hats over the years and I think it's really important to

1 recognize that your commission, the Coastal Commission,  
2 private citizens such as those that you are honoring today  
3 from the Amigos de Bolsa Chica and others have all had to  
4 work together to make this possible. And it's very  
5 satisfying to know that things have come as far as they  
6 have. But I've got to emphasize what your staff indicated  
7 and also what Shirley Dettloff reflected, which is that  
8 going forward it's just absolutely critical that we figure  
9 out ways to make this restoration sustainable. It's easy  
10 enough I suppose, maybe difficult enough to acquire  
11 property and then sometimes to restore it, but in the long  
12 term we really have to think about how for future  
13 generations we're going to keep something like this afloat  
14 and alive.

15 So I thank you for the honor and I'll quit.

16 Thanks.

17 CHAIRPERSON YEE: Thank you very much.

18 Mr. Frazier.

19 MR. FALZON: Hi. My name is Charles Falzon.

20 CHAIRPERSON YEE: Oh, Falzon. I'm sorry.

21 MR. FALZON: That's okay.

22 And I'm the vice president of Amigos de Bolsa  
23 Chica. Our president is in South Africa right now, so  
24 he's obviously unable to attend. He's actually with a  
25 school group that did some work in Bolsa Chica. So that

1 was a long time in the planning.

2           The last time I spoke before a state agency or  
3 commission I was in Sacramento arguing on behalf of the  
4 wetlands. So I'm glad I don't have to do that today.

5           A local resident of Huntington Beach, Tom  
6 Talbert, many years ago said that there were so many birds  
7 in Bolsa Chica that if they all flew up at one time, they  
8 would block out the sun. So just to echo your staff's  
9 comments and some of the other comments, we have lost a  
10 lot of wetlands up and down the coast over the years, and  
11 we're not going to get them back, so we have to do the  
12 best with what we have, and that's the hand we've been  
13 dealt.

14           I personally got involved when I was a college  
15 student many, many years ago. I've been with the group  
16 ever since it started. I missed the first meeting. I was  
17 the student representative on the Board, and I've done  
18 whatever is necessary over the years, and it's been --  
19 it's been quite an adventure. Hopefully I'll be around  
20 for another 40 years to see what happens next.

21           My biggest reward though was when my daughter was  
22 in second grade, her school teacher, someone I'd known  
23 since high school, and they went on a trip to the Bolsa  
24 Chica wetlands. And my daughter, she was a second grader,  
25 so she was about 7 years old. She came home and she said,

1 "Dad, you never told me you saved the Bolsa Chica  
2 wetlands."

3 (Laughter.)

4 MR. FALZON: Like I did it all by myself. So,  
5 you know, whenever your kids give you a little bit of  
6 praise, it's kind of a nice thing. So on behalf of the  
7 Amigos and the many, many members of the group over the  
8 years, I just want to thank you for recognizing our  
9 efforts for the past 40 years. And we look forward to  
10 continuing to work for the Bolsa Chica and look forward to  
11 seeing you on the 24th.

12 Thank you.

13 CHAIRPERSON YEE: Thank you very much.

14 Victor Leipzig.

15 There you are.

16 MR. LEIPZIG: Good afternoon, Madam Chair and  
17 Commissioners. My name is Victor Leipzig. I am a  
18 biologist and a long time activist with the Amigos de  
19 Bolsa Chica and a resident of Huntington Beach.

20 I was asked by Charles and Shirley and Mel to be  
21 here and speak to you, and in case there was any need for  
22 me to use my experience with the biology of the system to  
23 underline the ecological importance of the wetlands. And  
24 I don't really think that that's necessary at this point  
25 in the day.



1           But I do want to tell you one recent piece of  
2 news about the biology of the Bolsa Chica ecological  
3 reserve. There is a species of bird life that nests there  
4 called the elegant tern. The elegant tern for most of its  
5 existence on this planet has nested essentially  
6 exclusively south of the international border on an island  
7 in the Gulf of California.

8           In the 1970s when the State Lands Commission and  
9 the California Department of Fish and, then, Game  
10 established the ecological reserve, elegant terns began  
11 nesting at Bolsa Chica in relatively small numbers.

12           In the last two years, those numbers have  
13 increased because nesting population in the Gulf of  
14 California has totally collapsed.

15           Today, what had been a tiny outlying population  
16 of the elegant tern now has its world's largest nesting  
17 colony in the Bolsa Chica ecological reserve, which the  
18 California State Lands Commission was largely responsible  
19 in preserving.

20           We hope that at some time ecological conditions  
21 in the Gulf of California are returned to their prior  
22 conditions and the elegant tern can reestablish its large  
23 population south of the border. But until that day comes,  
24 Bolsa Chica is saving that species.

25           I want to extend my thanks to you for your

1 efforts and those of the other agencies, including the  
2 Port of Los Angeles, the Port of Long Beach, that were so  
3 instrumental in funding the restoration. And thank you  
4 for this honor to the Amigos.

5 CHAIRPERSON YEE: Thank you very much,  
6 Mr. Leipzig.

7 First of all, congratulations to Amigos for the  
8 tremendous body of work and advocacy over the last four  
9 decades, and it is really something to be celebrated.

10 And for those in the audience who have not had  
11 the experience of visiting the wetlands, I highly  
12 recommend that you do. It is an experience that you will  
13 not forget and will want to pass on to others.

14 I first wanted to say, this Commission, I'm proud  
15 of at least recognizing that our commitment to Bolsa Chica  
16 has been memorialized in our strategic plan as a strategy  
17 to pursue the long-term support that will continue the  
18 sustaining of Bolsa Chica wetlands as well as additional  
19 habitat enhancements and the future of the wetlands. And  
20 that was really done with -- as many know, the strategic  
21 plan was the culmination of work by a number of  
22 stakeholders. And I want to particularly thank the ports  
23 of Los Angeles and Long Beach that were a part of that  
24 process.

25 We also have -- and my fellow Commissioners will

1 know this, at every opportunity that I get, we're looking  
2 for grantees and lessees that can help with some of the  
3 long-term funding needs to sustain the wetlands. And I  
4 particularly want to call out an approach that I made to  
5 Executive Director Gene Seroka of the Port of Los Angeles.  
6 I can assure you that the Port has a very high degree of I  
7 think commitment to social responsibility as well as just  
8 understanding the greater regional community investment in  
9 terms of wanting to commit additional -- to this  
10 additional effort for the future.

11 We have been engaged in conversations with the  
12 Port of Los Angeles. We will continue to do so. But I am  
13 very hopeful that with respect to benefits that can accrue  
14 to the Port in these conversations and certainly with the  
15 partnerships of the Lands Commission the staff has been  
16 involved in over the -- just the entire history of the  
17 Commission, that we will reach I think some creative ways  
18 of looking at how we can bring some of the long-term  
19 support to sustaining the wetlands. So I'm very, very  
20 heartened by the initial conversations with the Port of  
21 Los Angeles. And I'm sure Mr. Seroka will comment more on  
22 that when we get to the next item.

23 Also, with respect to other grantees and lessees,  
24 we I know publicly have asked the California Resources  
25 Corporation to consider making a commitment. And the

1 approach to the Port of Los Angeles was a specific ask of  
2 \$250,000 annually over the next 10 years, which would make  
3 a tremendous statement with respect to other grantees and  
4 lessees stepping up and really helping in this effort. A  
5 lot of work has been put into this, and it would be a  
6 really, truly a shame if we can't sustain this over the  
7 long term for future generations.

8           So we are going to be engaged in further  
9 conversation. Obviously a lot of moving parts to this,  
10 and we want be sure that the Port of Los Angeles is  
11 getting benefit from this as well. And I think as we look  
12 at this as a broader regional community investment and  
13 other requirements that the Port has to comply with, that  
14 I think there will be some creative solutions that will  
15 come out of those discussions. So we're very heartened  
16 that.

17           Lastly, I know we have the approval and  
18 presentation of the resolution to the Amigos. And before  
19 we get to that motion, I'll open it up to the other  
20 Commissioners for comment.

21           Mr. Williams, please.

22           ACTING COMMISSIONER WILLIAMS: Just to reflect  
23 the Lieutenant Governor's support for your comments and  
24 direction in which you'd like us to go.

25           CHAIRPERSON YEE: Thank you.

1           And by the way, this does not mean the State is  
2 off the hook. We are continuing our conversations with  
3 our legislators, and certainly encouraging many of them  
4 who have not seen the wetlands and experienced them, to do  
5 so, so that we can be sure that the State is part of this  
6 overall support for the long term.

7           So with that, do I have a motion for approval and  
8 presentation of the resolution?

9           ACTING COMMISSIONER WILLIAMS: Sure.

10          ACTING COMMISSIONER ORTEGA: Second.

11          CHAIRPERSON YEE: Okay. Moved by Commissioner  
12 Williams, seconded by Commissioner Ortega.

13          Without objection, that motion carries.

14          Thanks.

15          MS. BAKER: Do you want to get a picture with  
16 them?

17          CHAIRPERSON YEE: Yes, let's do that.

18          So could I have the four representatives of  
19 Amigos please come forward.

20          Come forward to the dais and we will get a photo.

21          (Thereupon a photo was taken.)

22          CHAIRPERSON YEE: So I think that deserves a  
23 round of applause for Amigos. What do you think?

24          (Applause.)

25          CHAIRPERSON YEE: Thank you very much.

1           Let's see, our next item I believe is Item 59; is  
2 that correct?

3           EXECUTIVE OFFICER LUCCHESI: That's correct.

4           CHAIRPERSON YEE: Okay.

5           EXECUTIVE OFFICER LUCCHESI: Item 59 is an  
6 informational update on the Port of Los Angeles'  
7 management of its granted public trust lands and  
8 resources.

9           We will have the staff presentation by our Staff  
10 Attorney Kathryn Colson -- Senior Staff Attorney Kathryn  
11 Colson, and then that will be followed up by Mr. Gene  
12 Seroka, the Executive Director of the Port of Los Angeles,  
13 as well as others behind him.

14           Thank you.

15           CHAIRPERSON YEE: Thank you.

16           Good afternoon.

17           STAFF ATTORNEY COLSON: Good afternoon,  
18 Commissions.

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

21           STAFF ATTORNEY COLSON: The city of Los Angeles  
22 acting through the Port is the trustee of sovereign tide  
23 and submerged lands granted by the legislature in 1911.  
24 Those lands encompass 7500 acres of land, water, and  
25 feature 27 passenger and cargo terminals.

1                               --o0o--

2                   STAFF ATTORNEY COLSON: The staff presentation  
3 will summarize the Port's trustee responsibilities and  
4 provide an update about the Port's efforts to reduce air  
5 pollution improve water quality, prepare for sea-level  
6 rise, redevelop portions of the waterfront, and comply  
7 with the marine oil terminal engineering and maintenance  
8 standards.

9                   The California legislature is vested with  
10 authority to enact laws involving State Public Trust Lands  
11 and transfer portions of these lands to local governments  
12 for management.

13                   These granted lands are held in trust for the  
14 people of California and must be for Public Trust  
15 purposes, including waterfront -- water-related commerce,  
16 navigation, and fisheries. The granting language conveys  
17 the State's legal title of the Public Trust lands subject  
18 to certain conditions.

19                   The Port is a trustee for the lands and of any  
20 revenue generated from these lands. Trust revenues are  
21 subject to the same restrictions as the lands themselves,  
22 and any use of trust lands or revenues for non-trust or  
23 purely local purposes violate the Public Trust Doctrine  
24 and the Port's fiduciary duty.

25                   The Commission represents a statewide public

1 interest to ensure that local trustees operate their trust  
2 grants in conformance with the constitution granting  
3 statutes and the Public Trust Doctrine.

4 In 2016 the Commission adopted its 2016-2020  
5 Strategic Plan identifying ports and harbor districts as  
6 the central partners for driving economic growth and  
7 managing coastal resources. The Strategic Plan identified  
8 several key actions that relate to ports and harbor  
9 districts, including working with various partners to  
10 ensure port policies and programs are consistent with  
11 Executive Order B-3215 including the freight mobility plan  
12 and the sustainable freight pathways to zero and near-zero  
13 emissions.

14 Under the framework of the Clean Air Act, the  
15 California Air Resources Board, a state agency with the  
16 primary jurisdiction over air quality in California. The  
17 Board establishes health-based air quality standards, sets  
18 and enforces emission standards for motor vehicles, fuels,  
19 and consumer products. The South Coast Air Quality  
20 Management District is responsible for clean air planning  
21 in the South Coast Air Basin, which includes the Port of  
22 Los Angeles. While air quality has improved in recent  
23 years, various areas still exceeds federal public health  
24 standards for ozone and particulate matter, and  
25 additionally the Air Quality Board has designated diesel



1 particulate matter from diesel-fueled engines as an air  
2 contaminant and estimating that there's significant amount  
3 of potential cancer risk attributable to that diesel  
4 particulate matter.

5           Reducing harmful pollutants from cargo movement  
6 at California ports is a state priority. And California  
7 has also established aggressive targets for reducing  
8 greenhouse gas emissions to address impacts from climate  
9 change. In 2015, Governor Brown issued Executive Order  
10 B-32-15, which requires the State to develop an integrated  
11 sustainable freight action plan by July 2016. That  
12 establishes clear targets to improve freight efficiency,  
13 transition to zero emission technologies, and increase the  
14 competitiveness of California's freight system.

15                           --o0o--

16           STAFF ATTORNEY COLSON: The San Pedro Bay Clean  
17 Air Action Plan is the overarching plan to improve air  
18 quality at the ports. It was adopted by the Port of Los  
19 Angeles and Long Beach in 2006 and focuses on establishing  
20 standards and goals, implementation strategies, control  
21 measures, and a technology advancement program.  
22 Source-specific performance standards were set to address  
23 trucks, ocean-going vessels, cargo-handling equipment,  
24 harbor craft, and railroads. The plan strategy for  
25 implementation is anchored on lease requirements and

1 mitigation measures identified through CEQA review.

2           One of the key goals in the plan is to replace or  
3 upgrading the heavy-duty diesel trucks that move  
4 containers through both in Southern California. To  
5 address ocean-going vessels, the plan identified  
6 strategies such as reducing vessel speed and providing  
7 shoreside power. The plan includes a technology  
8 advancement program to evaluate, demonstrate, and  
9 incorporate new technology to achieve clean air action  
10 goals. In 2010, the plan was updated to include  
11 aggressive goals for the ports to meet.

12           An important element of the update was to add San  
13 Pedro Bay standards for reducing port-related emissions.

14           --o0o--

15           STAFF ATTORNEY COLSON: Some specific initiatives  
16 under the Clean Air Action Plan include:

17           Air quality monitoring program. And the Port has  
18 a network of four air quality monitoring stations that  
19 measure ambient air pollution levels in the vicinity of  
20 the Port.

21           Alternative maritime power. And this provides  
22 shoreside electrical power to docked vessels, reducing the  
23 need to run diesel engines. And currently the Board has  
24 24 berths with alternative maritime power capabilities.

25           The Clean Trucks Program was intended to phase

1 out older, dirtier trucks by banning trucks manufactured  
2 before 1989 and providing financial incentives to purchase  
3 clean trucks. When the program was fully implemented in  
4 2012, port truck emissions were reduced by more than 80  
5 percent.

6 A central element of the program is the  
7 concessions program to establish a contractual  
8 relationship between the Port and licensed motor carriers.  
9 Concessionaires are responsible for operating trucks that  
10 meet a series of increasingly stringent emission  
11 standards, compliance with vehicle safety and maintenance  
12 standards, and safety training for drivers.

13 In May 2016, Pasha and the Port launched a zero  
14 emissions technology green terminal demonstration project;  
15 this full-scale demonstration of zero and near-zero  
16 emission technologies at a working marine terminal. At  
17 full build-out the terminal is expected to be the first --  
18 the world's first marine terminal able to generate all its  
19 energy from renewable sources.

20 The project is funded in part by a grant from the  
21 Air Resources Board. And as part of the project, Pasha  
22 plans to integrate a fleet of new and retrofitted zero  
23 emission electric vehicles and cargo-handling equipment  
24 and demonstrate the latest generation of advanced  
25 technology for capturing ship emissions from vessels

1 unable to plug into shore power at berth.

2 --o0o--

3 STAFF ATTORNEY COLSON: In 2009, the ports of Los  
4 Angeles and Long Beach developed a coordinated water  
5 resources action plan, which is intended to support the  
6 attainment of full beneficial uses of harbor waters and  
7 sediments by addressing the impacts of past, present, and  
8 future port operations; and to prevent port operations  
9 from degrading existing water and sediment quality.

10 The action plan identified 14 control measures,  
11 and a technology advancement program to evaluate and  
12 demonstrate new technologies that may enhance the  
13 protection and improvement of water and sediment quality  
14 in the harbor complex. Four types of sources that are  
15 addressed in the action plan include land-use discharges,  
16 on-water discharges, sediment and watershed discharges.

17 --o0o--

18 STAFF ATTORNEY COLSON: While ports have a  
19 positive effect on the surrounding communities by  
20 providing high paying jobs, local tax revenue and economic  
21 growth, they have environmental and health impacts through  
22 increased air pollution, noise, water pollution, and  
23 traffic congestion.

24 When ports are required to mitigate for impacts  
25 associated with a specific project, the mitigation is

1 generally appropriate whether it occurs on or off port  
2 property.

3           But the Public Trust Doctrine limits how and  
4 where ports can spend their trust revenues. Ports may  
5 implement discretionary mitigation that is not CEQA  
6 mandated, such as offsetting impacts from general port  
7 operations or impacts that have accumulated for years  
8 under certain conditions. Those conditions include port  
9 operations that are directly responsible for impacts being  
10 mitigated, determining a nexus between the direct impacts  
11 and the proposed mitigation, and also that the proposed  
12 mitigation is proportional to the impacts.

13           In 2001 the Port entered into an agreement with  
14 China Shipping Holding Company to construct and lease  
15 three-phase -- a three-phase container terminal.

16           The Natural Resources Defense Council and the  
17 Coalition for Clean Air filed litigation claiming that the  
18 Port did not prepare an adequate EIR.

19           In 2003, the parties settled, allowing the  
20 expansion project to proceed, but requiring the  
21 establishment of a port advisory committee and  
22 approximately \$75 million for mitigation including air  
23 quality and esthetics.

24           While Commission staff was not a party to any of  
25 the litigation, the settlement, staff did work with the

1 Port and commented when these mitigation projects were  
2 selected.

3 In September 2015, the Port began preparing a  
4 supplemental EIR for the China Shipping Project to review  
5 and possibly revise certain mitigation measures that were  
6 analyzed as part of that 2008 EIR. Recently the Port has  
7 initiated an audit of mitigation measures that were  
8 adopted as part of that 2008 EIR for the China Shipping.

9 According to the Port, 41 of the 52 mitigation  
10 measures are complete. There are outstanding mitigation  
11 measures for impacts related to air pollution, noise, and  
12 traffic. Six measures relating to air quality have not  
13 been completed, including enforcing alternate --  
14 alternative maritime power requirements, vessel speed  
15 reduction, and converting certain yard equipment to meet  
16 higher air quality standards.

17 In 2009, the EIR for the TraPac terminal  
18 expansion was certified. Community groups and  
19 non-governmental organizations referred to as the TraPac  
20 appellants challenged the EIR and appealed its approval.

21 In exchange for withdrawing their appeal and  
22 allowing the TraPac terminal expansion project to proceed,  
23 the TraPac appellants in the Port entered into a  
24 memorandum of understanding, which required the creation  
25 of a community mitigation fund for nonproject-related

1 mitigation for port impacts. The fund was established in  
2 2008 and funded with 16 million of Port trust funds.

3 Commission staff expressed significant concern with  
4 the MOU because the community mitigation fund and the  
5 creation of a third-party nonprofit to expend those Port  
6 trust funds.

7 Today the community mitigation fund that's  
8 administered by the Harbor Community Benefit Foundation,  
9 which is a third-party nonprofit organization,  
10 incorporated in 2011. The Foundation is currently  
11 conducting a land-use study to help document and justify  
12 efforts to mitigate off-port impacts and is estimated to  
13 be completing the study in late 2016.

14 Over the last five years the Port and the  
15 Foundation have awarded approximately \$3.3 million for  
16 local mitigation projects.

17 Despite concerns with the MOU, Commission staff  
18 has offered assistance and worked with the Port and the  
19 Foundation to facilitate consistency with the Public Trust  
20 Doctrine and the Port's fiduciary duties as a State  
21 trustee.

22 --o0o--

23 STAFF ATTORNEY COLSON: In addition to its  
24 greenhouse gas emissions reductions and mitigation  
25 program, the Port is preparing for sea-level rise and

1 other associated impacts of climate change, such as  
2 increasingly frequent and stronger winter storm and tidal  
3 events and accelerating coastal erosion. The Port and the  
4 California Energy Commission partnered in 2012 to study  
5 various sea-level rise scenarios in relation to large  
6 capital infrastructure investments and to better  
7 understand the vulnerability and the future planning  
8 options.

9           Additionally under AB 691, the Port is required  
10 to submit a sea-level rise assessment for its granted  
11 Public Trust Lands to the Commission by 2019.

12                           --o0o--

13           STAFF ATTORNEY COLSON: The Port of Los Angeles  
14 waterfront consists of a series of developments and  
15 community enhancement projects traversing more than 400  
16 acres of existing Port property. And some of the recent  
17 examples of the redevelopment going on at the Port of Los  
18 Angeles's waterfront include the San Pedro Public Market.  
19 The Board of Harbor Commissioners recently approved a  
20 50-year lease for the San Pedro Public Market, which the  
21 plans call for 16 acres of restaurant, shopping, fresh  
22 markets, and waterfront promenade with ample outdoor  
23 space. And construction is anticipated to begin in 2017.

24           There's also the Wilmington Waterfront Promenade,  
25 which includes a waterfront promenade, pedestrian plaza,





1 and confirm the marine oil terminal's continued fitness  
2 for a purpose.

3           Currently there are no marine oil terminals  
4 located at the Port that are compliant with all the MOTEMS  
5 seismic standards, which it's possible to present a  
6 significant risk to operations in the event of a seismic  
7 event.

8           Our Commission staff regularly interacts with the  
9 Port executives and the marine oil terminal management.  
10 And during the most recent meeting between the Port and  
11 Commission staff in May 2016, the Port expressed renewed  
12 commitment to fully execute the necessary MOTEMS upgrades  
13 at the marine oil terminals. And the Port has indicated  
14 its intention to have executed term sheets for lease  
15 renewals at all seven of the marine oil terminals as soon  
16 as possible.

17           And that concludes staff's presentation. I'm  
18 available for any questions.

19           CHAIRPERSON YEE: Thank you very much for the  
20 presentation.

21           I think what I'd like to do now is invite the  
22 representatives from the Port of Los Angeles to come  
23 forward first. Again, thank you for hosting the  
24 Commission today.

25           But we really wanted to provide the Port with an

1 opportunity to update us about its operations, some of the  
2 issues that have been raised today relative to addressing  
3 air and water quality.

4           But just to reiterate, I think -- I'm happy it's  
5 memorialized in our strategic plan. But the significant  
6 relationship that we have with our ports and really do  
7 look forward to having a fruitful relationship going  
8 forward and addressing some of these issues.

9           MR. SEROKA: As do we.

10           Good afternoon, Madam Chair, Commissioners,  
11 executive staff, and members of the public.

12           My name is Gene Seroka. I am the executive  
13 director at the Port of Los Angeles effective June 27th,  
14 2014.

15           (Thereupon an overhead presentation was  
16 Presented as follows.)

17           MR. SEROKA: I'd like to commend General Counsel  
18 Colson's presentation or representation of the facts and  
19 work that we do here at the port and the collaboration  
20 with the State Lands Executive Office. Kathryn, thank you  
21 very much. Well done.

22           I'll try not to be repetitive, as many of the  
23 slides that were produced here for the reference of  
24 Commission and staff to be used at later times of  
25 conversation will not be duplicitous, as I'd like to move

1 forward swiftly so we can get to the question and answer  
2 period or any other commentary, guidance, and advice the  
3 Commission and staff may have for us.

4 --o0o--

5 MR. SEROKA: The topics of conversation here  
6 before you: A brief overview about our port's activities,  
7 our air quality initiatives, as well as water quality.  
8 I'll have some commentary around Bolsa Chica, the  
9 wetlands, and our future work together, as well as the sea  
10 water rise effects and some of the work that we've done to  
11 date. Public access, which was just described, and our  
12 investment in those opportunities, now and into the  
13 future. The Marine Oil Terminals Engineering and  
14 Maintenance Standards, as well as security here at the  
15 Port of Los Angeles.

16 --o0o--

17 MR. SEROKA: As was described, this is the  
18 nation's largest container port and largest in North  
19 America. Combined with the Port of Long Beach, the San  
20 Pedro-based port complexes represent 40 percent of  
21 imported container traffic to the nation. Our cargo  
22 business touches every congressional district in the  
23 United States, and is representative of 1 in 11 jobs here  
24 in the Port area and more than 1.3 million jobs in the  
25 State of California.

1                   --o0o--

2                   MR. SEROKA: Our port is unique in that it has  
3 eight distinct lines of business that were so well  
4 described by the general counsel. Each of these areas has  
5 not only economic value, but partnershopping opportunities  
6 to earn some of the work that we want to do here now,  
7 represented by our past, and that which we aspire to in  
8 the future.

9                   We'll also talk a little bit more downline about  
10 some of those aspirations.

11                   --o0o--

12                   MR. SEROKA: This gateway to connectively has  
13 been born on infrastructure and the development,  
14 investment, and the partnershopping of the various  
15 stakeholders involved. Our ability to be the fastest and  
16 most efficient gateway to the interior of the United  
17 States is of paramount important to our stakeholder group  
18 that manages business within the supply chain. When it  
19 works very well, it is best in class; and we have a  
20 philosophy of always improving no matter what our core  
21 area of work is.

22                   More than 100 trains per day traverse our ports.  
23 That ability to move cargo to and from the inland empire  
24 with more than 1.8 billion square feat of warehousing is  
25 also a world-class standard. And the work that we do in

1 those areas again to bring a collaborative effect is we  
2 see a good formula going forward.

3 --o0o--

4 MR. SEROKA: The economic impacts of this port  
5 complex have been well documented, represented by the  
6 largest United States customs district in the nation.  
7 Those job effects and the money that is earned, including  
8 payroll here of the local longshore groups, are also  
9 noted.

10 --o0o--

11 MR. SEROKA: The industry that we serve on the  
12 container shipping business as well as other marine-born  
13 architecture-based services is changing quite rapidly;  
14 profound change. There is extreme financial pressure on  
15 this industry and the container business. About 20 major  
16 players in our industry today, whose estimated accrued  
17 losses during calendar year 2016 will surpass \$6 billion.  
18 That puts stress on the industry from the retail prices  
19 all the way through to the stakeholder groups in the  
20 private sector.

21 Our job, in my view, is to enable the success of  
22 our stakeholder groups, whether they be industrial,  
23 retail, or in our community and environmental endeavors.

24 One noticeable difference in our maritime  
25 industry is the size of ships that has been increasing for

1 more than 10 years.

2           On December 26th of 2015, the Port of Los Angeles  
3 welcomed the largest ship ever to call a North American  
4 port, the CMA CGM Benjamin Franklin, with 18,000 container  
5 units. It was also worked concurrently with the vessel  
6 that held the previous moniker of number 1, the 15,000  
7 container unit, Maersk Edmonton. So we had the  
8 opportunity to work both of those ships at the same time  
9 during the holiday season.

10           Because of some work that we did around the  
11 information side of our business, in a move that we look  
12 to digitize more of that information flow among our  
13 industry stakeholders, we're able to have influence on the  
14 loading of the vessels in China and Korea and have the  
15 sequencing load factor and discipline of all containers on  
16 that ship 13 days ahead of vessel arrival before it got to  
17 L.A. That allowed us to work with stakeholders from  
18 labor, the private sector trucking communities, western  
19 railroads, chassis providers, as well as the customs house  
20 broker and freight forwarder community to better plan for  
21 that ship arrival. We worked an already compressed  
22 56-hour port stay and had the vessel completed and  
23 departing on to its next port of call in Oakland,  
24 California, 13 hours ahead of schedule. In our world,  
25 that's nearly a lifetime.

1           So it shows the power of information flow and  
2 collaboration among stakeholder groups to find ways to  
3 tackle these new and evolving trends in the industry with  
4 much more patterned response than reactive.

5                           --o0o--

6           MR. SEROKA: Our plan for a long time has been to  
7 make sure that we have world class infrastructure. That  
8 is no longer in my view only the bricks and mortar of the  
9 Port, but it's the purposeful use of lands, introducing  
10 process management to our conveyance system and bringing  
11 technology aboard, as I mentioned, for information  
12 purposes to share along those stakeholder groups to make  
13 for better performance.

14           Our plan today for the next decade is to invest  
15 \$2.6 billion in the infrastructure of this port. A  
16 programmatic view of that on an annual budgeting process  
17 is always paramount to our decision making.

18                           --o0o--

19           MR. SEROKA: The work that we're doing here as  
20 the Port, as I came into this job a little more than two  
21 years ago, was traditionally lent to the definition of a  
22 landlord port. We think we're changing that moniker just  
23 a bit while maintaining all integrity of the trusts. We  
24 have put together a high performance team that has subject  
25 matter expertise in understanding the architecture of our



1 government at the federal, state, and local level,  
2 expertise around finance, as well as industry knowledge.

3           And that has created a new look as to what value  
4 we could add to our customers and stakeholder groups. I  
5 have been quite humbled after work with the Federal  
6 Maritime Commission to enable a decades-long relationship  
7 between the ports of Los Angeles and Long Beach to enter  
8 into discussions even deeper in the supply chain than we  
9 ever have. We're now allowed to talk about everything,  
10 with the exception of terms and price with our customers,  
11 in an effort to use our convening powers to bring  
12 disparate views together and create solutions.

13           I am quite pleased by the progress we've made in  
14 this area on the industrial side, but there is much more  
15 work to do.

16           I am also extremely humbled that I have been  
17 nominated for four federal committees that have work that  
18 is happening right now and into the future around our  
19 supply chain efforts and those others that impact,  
20 hopefully in a positive fashion, our community and our  
21 environmental stewardship.

22           This dialogue with stakeholders is nearly  
23 unprecedented, and we hope - there is no pride in  
24 ownership - that we have replicability opportunities for  
25 discussions to ensure that our nation's competitiveness is



1 MR. SEROKA: Our air quality improvement  
2 investments programs and mitigations.

3 --o0o--

4 MR. SEROKA: As was aptly put, during the first  
5 phase 10 years ago of the Clean Air Action Plan, through  
6 its second iteration, and what we will now be calling for  
7 is the third phase of clean air here in San Pedro Bay, we  
8 have seen resounding results: An 85 percent reduction in  
9 diesel particulate matter; 52 percent in NOx, 97 in SOx;  
10 and even prior to having great technology around it, an 18  
11 percent reduction in greenhouse gases. This will be a  
12 focal point in what we do next.

13 All that was done while increasing volume and  
14 growing job opportunities here at the Port.

15 But I will attest to you, there is much more work  
16 to do in this area.

17 --o0o--

18 MR. SEROKA: Environmental investments, not only  
19 of talented skill and bringing partners together, also  
20 requires money. The Port of Los Angeles has over the past  
21 10 years spent more than \$380 million on our environmental  
22 stewardship areas, nearly \$38 million a year. Much of  
23 this became programmatic to get a great line of sight on  
24 what we wanted to accomplish and bring in those folks of  
25 expertise to help us get there.

1           As was covered, the alternative marine power  
2 concept was invented right here at the Port of Los Angeles  
3 with China Shipping. Through various testing protocols,  
4 some wins, and some misses, we now have California State  
5 Regulation, an international maritime organization  
6 regulation that is recognized worldwide.

7           Our Clean Truck Program was also groundbreaking.  
8 And that leads us to what tomorrow may be. With 0.02 NOx,  
9 near zero, and zero emissions opportunities, that lies in  
10 the test of how we can coordinate the intersection of all  
11 the great plans, such as the Executive Order that was  
12 referenced of Governor Brown; in addition to the  
13 California Air Resources Board Strategic Plan; and the  
14 South Coast Air Quality Management plan. We're at a great  
15 time of intersection of all of these to make sure that we  
16 put forth a coordinated effort in building pathways to  
17 bring that technology, efficiency, and increased  
18 competitiveness at our nation's largest port complex.

19                               --o0o--

20           MR. SEROKA: Part of the air quality programs  
21 were also outlined. The Clean Air Action Plan and its  
22 core tenets.

23           The annual air quality emissions inventory, which  
24 both ports will be presenting for calendar year 2015 in  
25 the coming week and 10-days time frame.

1           Our grant programs are also of very great  
2 importance - federal, state and local - to help create  
3 that forward-leaning aspect of what we are trying to  
4 accomplish.

5           As recognized, the Pasha Green Omni Terminal was  
6 recognized just recently on July 13th, with a testing  
7 protocol in hopefully one day through battery storage and  
8 renewable energy to take this particular private business  
9 off the grid as and when necessary. We understand it's  
10 the first of its kind in the world. And hopefully that  
11 can create some replication opportunities as well.

12           The Environmental Ship Index is also something  
13 that's quite unique. I had the privilege of attending a  
14 meeting of World Ports and Harbors last year. And of the  
15 other 248 ports that were in attendance with the ports of  
16 Long Beach and Los Angeles, we were clamoring with ideas  
17 and opportunities to partner and find ways to distribute  
18 these best practices across the world. And I think the  
19 ESI Program is just one step in that future.

20           The harbor department's air quality permit  
21 management is also something I would discuss at a little  
22 more length. Part of what we've seen in some of our areas  
23 is the need to tighten down the way we evaluate our  
24 mitigation measures, and look at compliance with a very  
25 stringent eye. And I'll have two examples for you in a

1 moment.

2 But having more teeth in these agreements to make  
3 sure that we have the enforcement rights and we live up to  
4 what we promise and commit to our communities is of the  
5 highest importance to me and our staff.

6 --o0o--

7 MR. SEROKA: Two status updates for you, much of  
8 which has been in the news and in direct dialogue with the  
9 Commission and executive staff at State Lands.

10 As was stated by Kathryn, China Shipping, after  
11 disclosure that I made to the public in the fall of 2015,  
12 was short on timelines of 11 mitigation measures. There  
13 may be some debate on whether mitigation measures are  
14 feasible under CEQA law from a technology, operational or  
15 financial feasibility analysis, but that's something that  
16 we're evaluating today. And as instructed by stakeholders  
17 that had given us advice, going through a Supplemental EIR  
18 process was an avenue by which we could explore all  
19 opportunities. Most importantly, an EIR that done some  
20 years ago may not include some of the technology that is  
21 commercially available today. And those are options that  
22 we will continue to explore.

23 On TraPac. The TraPac mitigation measures also  
24 amounted to 52 in number. And after an audit that I  
25 called for, I also publicly disclosed that TraPac was shy

1 on three of the mitigation measures. One, alternative  
2 marine power, I believe is en route to completion. Its  
3 specifics to date are in excess of 94 percent of all  
4 vessels that are calling there during calendar year 2016,  
5 with both alternative marine power and the new "Bonnet"  
6 system that was approved by CARB in the fall of 2015 to  
7 supplement the use of alternative marine power.

8 The two mitigation measures that remain are:

9 1) A widening of the roadway at Alameda and  
10 Anaheim in Wilmington to make sure the traffic flows are  
11 appropriate. We have given \$8.6 million to the Los  
12 Angeles City Bureau of Engineering for the widening and  
13 turn-lane addition of that intersection. According to the  
14 Los Angeles Department of transportation in its  
15 level-of-service studies, we are not quite at the level of  
16 traffic that would require that widening, but we have set  
17 a start date of April 2018 to begin the construction of  
18 that turn lane, with a completion date in less than one  
19 year. So my hope is that we will be ahead of the curve on  
20 traffic mitigation in that area, which was the designed  
21 purpose of this mitigation measure.

22 The last of the 52 is around having tier 4 or  
23 plus yard equipment inside the fence at the facility. And  
24 we have in writing from the executive leadership of TraPac  
25 that they will be in full compliance by the end of this

1 calendar year, 2016.

2 In an effort to look at mitigation measures and  
3 compliance in a more deep way, we have assigned staff not  
4 only here at the Harbor Department but with our individual  
5 permitted tenants to monitor mitigation on a monthly  
6 basis.

7 We now have in prominent position on our website  
8 real-time emission levels throughout our port complex that  
9 in tabled format show comparisons with California  
10 standards as well as those of the nation.

11 In addition, we have posted for the viewing  
12 public all updates on mitigation measures at our  
13 facilities that require them within their permits, so the  
14 public can view at any given time where we stand on the  
15 accomplishments and achievements with respect to those  
16 mitigation measures.

17 Also we have statistics posted on that website  
18 which was completed before our commitment early -- at the  
19 end of the first quarter of this year, statistics on our  
20 alternative marine power, as well as our vessel speed  
21 reduction of both 20 and 40 nautical miles.

22 We have areas for improvement in all of these and  
23 more. But having more transparency so we can take on the  
24 accountability that resides right here beginning with me  
25 is part of that influence of the endeavor that we're



1 pursuing.

2 --o0o--

3 MR. SEROKA: Water quality initiatives, some of  
4 which were talked about, including:

5 The WRAP, the Resource Plan itself.

6 The Stormwater Management, talking about permit  
7 compliance and tenant outreach, to make sure we have a  
8 clear understanding of what vision we hold and how to  
9 accomplish the goals that are set out.

10 The Water Quality Monitoring, including Total  
11 Maximum Daily Loads are looked at with very succinct  
12 performance; and the reporting out on that will only be  
13 heightened with the level of transparency that I am  
14 representing here today and will be woven into the culture  
15 of this department.

16 And our Biological Resource Management, which was  
17 also touched on by Kathryn, includes the ideas for future  
18 projects and how we again can get ahead of the standards  
19 that have been created and how we could be forward  
20 leaning.

21 --o0o--

22 MR. SEROKA: Public Access. Through great work  
23 of staff and the initiation of dialogue within our  
24 community leadership groups, including neighborhood  
25 councils, long-time members of our community who want to

1 see a better tomorrow, we created what we called the  
2 first-ever Public Access Investment Plan.

3 --o0o--

4 MR. SEROKA: The idea was born on created and  
5 going with the spirit of the Trust to make sure that the  
6 public and our visitors from outside the State can get  
7 closer to the water. And what we designed was a formulaic  
8 process to ensure the success of our community and, in  
9 reciprocal fashion, we hope success for the Port.

10 Its start with 10 percent of our gross income being  
11 dedicated to public access investment infrastructure,  
12 matched with in-kind money for ongoing operations and  
13 maintenance of these particular projects.

14 Borne out of that can be the future of the San  
15 Pedro Public Market; AltaSea, a marine research  
16 organization that will be domiciled hopefully here one day  
17 at the harbor; the Wilmington Waterfront Promenade and its  
18 build-out of the waterfront community areas for public  
19 access; and many more ideas that will come out of the  
20 continued partnership with our community and other  
21 invested stakeholders here in the Port complex.

22 Again, we just started this program. But early  
23 returns are that we're going down a proper path. But the  
24 continued collaboration and dialogue will bring out even  
25 greater ideas for the future.

1                   --o0o--

2           MR. SEROKA:  The Marine Oil Terminal Engineering  
3 and Maintenance Standards.  That was also touched upon.

4                   --o0o--

5           MR. SEROKA:  To give you an update to complement  
6 what Kathryn had said, we currently have four term sheets  
7 signed, three are in negotiation right now.  Basic work  
8 around market conditions and escalating project costs  
9 management seem to be the two main topics of our  
10 discussions during negotiations.

11           We have a timeline through Gantt PERT chart  
12 mechanisms of looking out to move the two EIRs in current  
13 process along with the three that are scheduled to begin  
14 at the end of this calendar year; and then stay in line  
15 with construction requirements as we move out from 2018 to  
16 '22.

17           This is an area that we hold in high importance  
18 for the reasons mentioned earlier and to continue to move  
19 our stewardship in a proper fashion.

20                   --o0o--

21           MR. SEROKA:  And, finally, security at the Port  
22 of Los Angeles.

23                   --o0o--

24           MR. SEROKA:  Much has been made of how we work  
25 here having the nation's only cyber security center, a

1 world-class training center that other countries are  
2 coming to us for advanced training and work when they go  
3 back to their home ports.

4           But that area of public safety is of great  
5 importance to us. A community policing effort with the  
6 nearly 200 sworn and civilian staff at our Port of Los  
7 Angeles Police Department is the type of outreach that we  
8 want to continue. And led by Vice President Arian and his  
9 work, these groups of folks who always have opportunities  
10 and ideas to bring our community closer to the Port is  
11 really a cornerstone of what our police department  
12 attempts to do here on a daily basis.

13           Our work with agencies at the federal and state  
14 level is also of great significance to us. And that work  
15 that can be done not only on grant-making opportunities  
16 but replication of best practices and information sharing  
17 is one that we will continue. And our emergency  
18 preparedness goes without saying. We look every day at  
19 ways to tighten our supply chain, create opportunities for  
20 awareness, and make sure that we are on top of our game  
21 every day.

22           And with that, that concludes my presentation for  
23 this afternoon.

24           CHAIRPERSON YEE: Thank you, Mr. Seroka, very  
25 much for the comprehensive presentation.

1 I wanted to -- before I call up another speaker,  
2 is there a representative from the Port Long Beach here?

3 MR. SEROKA: Yes, there is. Rick Cameron, who is  
4 the managing director of environmental affairs and  
5 planning.

6 If I may, I'd like to call him up to talk a  
7 little bit about our vision for the third iteration of the  
8 Clean Air Action Plan.

9 CHAIRPERSON YEE: Great. That would be perfect.  
10 Thank you.

11 MR. CAMERON: Thank you, Gene.

12 Madam Chair, Commissioners, thank you.

13 My boss Jon Slangerup was here for a couple  
14 hours. Unfortunately he had an afternoon appointment. He  
15 apologizes but handed the baton off to me.

16 I will try to be brief here so we can get moving.  
17 We are going to be -- the Port of Long beach in the next  
18 agenda item will be making a presentation specifically on  
19 one of our programs.

20 But one of the things that is important, and as  
21 early as this last Friday, Gene and John and myself and  
22 then others on the respective port environmental teams met  
23 to really start to talk about the next steps moving  
24 forward with what we call the San Pedro Bay Cleaner Action  
25 Plan 3.0. We've got a great foundation over the course of

1 the last 11 years of our collaboration and our  
2 partnership. And you look at the document for the bay, it  
3 truly is looking at strategies with a variety of  
4 implementation mechanisms, whether it's CEQA, through  
5 tariff, through our leases, through voluntary programs.

6 Each of the ports, when we start to implement, we  
7 implement a lot of times our programs a little separately  
8 but reaching the same goals. And so that's been our  
9 success throughout the last 11 years.

10 The slide that Gene had shown about the emission  
11 reductions, I could pretty much probably present a lot of  
12 those slides on air quality initiatives and water quality  
13 and they'd be the same results. I think that's the  
14 importance of our collaboration that we've shown over the  
15 course of the last 10 or 11 years working together; not  
16 only the two ports but our respective regulatory agencies  
17 as well as a variety of other stakeholders - industry,  
18 community. It's just -- it's remarkable, without kind of  
19 the consistent pressure that we get a lot of times holding  
20 our feet to the fire, so to speak, to continue to make  
21 sure that we reach the goals that we set out.

22 As we start to move forward, we know based upon  
23 what's happened in the last year coming out of the  
24 Governor's Executive Order -- even prior to the issuance  
25 of that order, the two ports had already started to talk

1 about what we call CAP 3.0. And a lot of that was the  
2 integration of not only the need for us to move forward  
3 with zero -- near-zero emission strategies on the  
4 different sources within the port operations, but also  
5 thinking about our operation efficiencies, which goes back  
6 to supply chain optimization and the joint efforts the two  
7 ports have been working on, as well as energy. And so  
8 there's this huge integration that really is the  
9 foundation of this strategic -- sustainable strategic  
10 action plan that has just been approved. And with the  
11 California Energy Commission and Caltrans and with the hub  
12 coming out of CARB, we know that our plan will reflect and  
13 have clear linkage what is necessary for the state as a  
14 whole for meeting federal air standards as well as our own  
15 initiatives here in the state, AB 32 as well, as well as  
16 from a regional aspect. And working with South Coast Air  
17 Quality Management District, who just released their 2016  
18 AQMP, and ensuring that there's alignment so that what we  
19 need to do to provide those emission reductions continue  
20 now and in the future so that we have a balance for  
21 keeping our operations going, being sustainable, and being  
22 green for our communities.

23           So we -- and speaking at least on behalf of my  
24 boss, and I know our Board of Harbor Commissioners feels  
25 the same way - and we're going to be engaging them very

1 soon about the next steps in the process - is that we're  
2 going to have our continued collaboration with the Port of  
3 Los Angeles for the next evolution of the Clean Air Action  
4 Plan.

5 So thank you for the time to give you a little  
6 bit of that. And look forward to any questions.

7 CHAIRPERSON YEE: Thank you very much.

8 Mr. Seroka, comment?

9 MR. SEROKA: Yes, just a couple other comments in  
10 closing.

11 As Rick said, the work around the Clean Air  
12 Action Plan Version 3 was really borne out of an idea that  
13 the two ports had in that we met or nearly met all of our  
14 commitments on emissions reductions that were due in the  
15 year 2023 nearly nine years ahead of schedule. And we  
16 thought it was an opportune time to raise bar once again.

17 Two other points. On the Bolsa Chica wetlands,  
18 as we had talked about, I too am very encouraged by the  
19 dialogue that we've had directly with you, Madam Chair, as  
20 well as Deputy Director Baker and Jennifer Lucchesi from  
21 State Lands, on how we could fashion an agreement going  
22 forward that would be beneficial to many stakeholders, not  
23 just the two entities that stand before you today.

24 That dialogue will continue immediately following  
25 this meeting, as a matter of fact, with some follow-up



1 items and next steps that will be designed by staff.

2 And on seawater rise, there's been some work done  
3 by the University of Southern California as well as the  
4 California Energy Commission and others. And we will be  
5 meeting this week, as a matter of fact, on the 10th of the  
6 month between our engineering division and AECOM to begin  
7 some substantive design discussions and work around what  
8 we see are potential opportunities as well as those that  
9 need to be mitigated.

10 So at this point, I'd be open for any commentary  
11 that we'd move forward with.

12 CHAIRPERSON YEE: Great. Thank you again, Mr.  
13 Seroka.

14 Questions or comments?

15 Yeah. Why don't we reserve the discussion. And  
16 I'd like to bring Joe Lyou up with the Coalition for Clean  
17 Air and then get that presentation. And then I'm sure  
18 we'll have a more robust conversation after that.

19 MR. SEROKA: Thank you very much.

20 CHAIRPERSON YEE: Thank you.

21 Good afternoon.

22 MR. LYOU: Good afternoon.

23 The one thing that's nice about serving on the  
24 South Coast AQMD Governing Board is that the seats on that  
25 side of the dais are a lot more comfortable than the seats

1 out here.

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

4 --o0o--

5 MR. LYOU: So I'm here today because you asked me  
6 to be. But I really appreciate the opportunity to be  
7 here. So, Chair Yee, Commissioners, thank you for having  
8 me.

9 I am Joe Lyou. I'm the president and CEO of the  
10 Coalition for Clean Air. I'm also the Governor's  
11 appointee to the South Coast AQMD Governing Board.

12 And I figure that the ports would do a very good  
13 job of talking about how well they've done, and they do  
14 deserve credit for those things. But I'm here to tell you  
15 a little bit about the glass-half-empty side of things,  
16 just because there are some outstanding issues that need  
17 to be addressed.

18 I'll start with the bigger picture of things.  
19 And I guess I have a clicker here, right? I guess this is  
20 what I use.

21 --o0o--

22 MR. LYOU: On the problems, talk about where  
23 there's solutions and some recommendations.

24 --o0o--

25 MR. LYOU: On the big picture side of things what

1 we're dealing with here in our region, in the South Coast  
2 Air Quality Management District and the South Coast Air  
3 Basin, the L.A. region, we're known for smog and we're  
4 known for having particulate matter problems.

5 Well, we as a region bear the brunt in terms of  
6 the per-person population-weighted pollution of the whole  
7 country. And that's what this slide shows you, is that  
8 the overwhelming amount of air pollution that people  
9 breathe in this region is -- does not meet federal  
10 standards; and in terms of the rest of the country, we get  
11 almost half as much of bad air as the entire country and  
12 43 percent for PM.

13 So our big problems, being particulate matter 2.5  
14 and ground level ozone, also known as smog, which is the  
15 problems that we're dealing with.

16 --o0o--

17 MR. LYOU: More locally in California when it  
18 comes to the port and freight industry, the California Air  
19 Resources Board has taken a look at what it means in terms  
20 of cost, in terms of public health. And PM2.5 leads to  
21 premature death, mortality in this graph, showing an  
22 estimate of about 2,000. These are 2013 numbers. Things  
23 have gotten a little bit better, so we think it's come  
24 down a little bit. 2,000 people per year dying  
25 prematurely because of the activities associated with the

1 logistics industry, at a cost to our state of roughly \$20  
2 billion.

3           So we have to keep those things in mind. And  
4 that's why this is a priority and that's why you hear from  
5 all the speakers, from the Congress members to the leaders  
6 of the ports, about the fact that there's still work to be  
7 done.

8                           --o0o--

9           MR. LYOU: Some one at the Air Resources Board  
10 wrote a draft document many years ago in which they said,  
11 look, it really boils down to the goods movement industry,  
12 people living in those impacted areas subsidizing that  
13 industry with their health. That made it into the draft  
14 document but not the final. I thought it was really  
15 blunt. I keep it around to remind me that what we're  
16 talking about is really an externalization of the true  
17 costs in terms of public health and where the priorities  
18 should be in terms of trying to deal with those things.

19                           --o0o--

20           MR. LYOU: And then more specifically, when it  
21 comes to the South Coast Air Basin and what we need to do  
22 to get into attainment for the smog standards, the federal  
23 smog standards in the Clean Air Act, by 2032, we look at  
24 what the emission inventory tells us. And what the  
25 emission inventory tells us is at that time five of the

1 top six sources of NOx emissions - and that's the key to  
2 reducing smog, is reducing NOx - five of those six sources  
3 are related to the logistics industry. So it's a real  
4 challenge, and that's why we're focused so intently on  
5 what's happening at our ports, because there's  
6 opportunities to get some good things done.

7 --o0o--

8 MR. LYOU: In terms of local impacts, we have  
9 some community members here I think are going to address  
10 you with their concerns, but South Coast AQMD has done a  
11 series of air toxic studies, the multiple air toxics  
12 exposure studies. And the fourth one that came out showed  
13 that, as the previous three, the highest cancer risk in  
14 the entire region is centered around the port communities,  
15 has always been and always is. We'd made tremendous  
16 progress, but the problem still centers around this  
17 region.

18 And so that's why it's a priority to deal with  
19 the local impacts.

20 --o0o--

21 MR. LYOU: We have too in terms of problems the  
22 future. This is a bit outdated. I know the ports have  
23 been working on an updated cargo forecast. My  
24 understanding that it's not too different from what  
25 they've done in the past. And that in the future we



1 better to do it the easy way.

2           And I got to say that the leadership at the  
3 ports -- both ports have been very good about trying to  
4 resolve these problems. However, it seems to me that the  
5 perception is, none of this would have happened if we  
6 hadn't have taken action in the first place, if we hadn't  
7 continued to put pressure on the ports to act, if we  
8 didn't bring this lawsuit back in -- way before my time,  
9 the Coalition for Clean Air -- back in 2001. If that  
10 hadn't have happened, then none of this would have  
11 happened. We wouldn't have a Clean Air Action Plan. We  
12 wouldn't have a Clean Truck Program. We wouldn't have  
13 those emission reductions that the Port is very proud of.  
14 And I'm glad that they're owning that because they deserve  
15 it. They did a good job in getting us there.

16           But it feels to us that it happened only because  
17 of and a response to the pressure that was on them. We  
18 would like to see them taking the initiative becoming true  
19 partners and moving forward.

20                           --o0o--

21           MR. LYOU: So let's talk a little bit more about  
22 what the solutions could be.

23           Coalition for Clean Air Board of Directors Member  
24 Gary Polakovic deserves credit for this. I keep repeating  
25 it all the time and people think it's my idea. It wasn't.

1 This is an email he sent to me many, many years ago. And  
2 it basically says we can do this, but the only way we're  
3 going to do it is with guts, vision, strategy, and a hell  
4 of a lot of money. And I keep repeating it because I  
5 think it's really true. And I think that we can turn that  
6 corner. And with the State Lands Commission's  
7 involvement, and in fact fulfilling a little bit of that  
8 role that Congresswoman Hahn asked of the third-party --  
9 independent third-party oversight role, can help us to  
10 make sure that the port stays on track with the guts and  
11 courage, the vision, the strategy, and helping out finding  
12 that money to make it all happen.

13 --o0o--

14 MR. LYOU: Fortunately, in terms of solutions,  
15 technology is no longer the problem. I probably could  
16 have told you that you that 134 years ago, when Siemens,  
17 who actually started the company, had his electric trolley  
18 and was using it, well, it looks for public  
19 transportation. But I'm sure he could have put a --  
20 maybe -- not a full cargo container but something on to  
21 that cart and moved it around.

22 We now have technologies that have come to the  
23 fore. Zero-emission technologies near-zero-emission  
24 technologies. That can certainly put us on a path to  
25 reduce one of the biggest sources of NOx and PM emissions,



1 the drayage trucks, by 90 percent of NOx emissions,  
2 greenhouse gas emission reductions easily by 65 percent,  
3 within the next few years if we had the money and the  
4 investment. We create that market, and those  
5 manufacturers will come.

6 --o0o--

7 MR. LYOU: Let me go over some recommendations  
8 and wrap up right here.

9 There's a little bit in terms of what's next on  
10 the horizon with regard to what's going to happen. You've  
11 heard about the Clean Air Action Plan. South Coast Air  
12 Quality Management District has to -- under the Clean Air  
13 Act has to produce an air quality management plan, which  
14 is supposed to take up on December 2nd. And you have  
15 heard that under the Governor's Executive Order we now  
16 have a Sustainable Freight Action Plan.

17 So the implementation of that plan, the adoption  
18 of the Air Quality Management Plan, the development and  
19 adoption of the Clean Air Action Plan are certainly things  
20 on the horizon that we see coming right down the pike.

21 The Port of Los Angeles, while we have those  
22 concerns about China Shipping, TraPac, the Southern  
23 California International Gateway near-dock railyard, has  
24 however taken the initiative to start a public process, an  
25 internal one with an advisory group, which I'm glad to be



1           In terms of being a demanding partner, you have  
2 some oversight authority and responsibility, but you are  
3 also a partner with the ports. I think, you know, in  
4 my -- certainly in my role on the South Coast Air Quality  
5 Management District, I am both -- have a quasi-regulatory  
6 requirement and responsibilities but also a partnering  
7 responsibility especially when it comes to pushing new  
8 technologies and helping get those technologies funded,  
9 developed, and demonstrated.

10           And then certainly focusing on results. One of  
11 the things that has been most disconcerting for me  
12 personally is that the announcement about the China  
13 Shipping mitigation measure problem. While it was  
14 initiated, as Executive Director Seroka said, he released  
15 that information. But it's been 10 months and I'm getting  
16 impatient. I went back and looked at their timeline and,  
17 yes, they did say by the end of summer they would get out  
18 that draft supplemental and -- I mean -- yeah, the draft  
19 supplemental environmental impact statement or report for  
20 the China Shipping project. But it's been 10 months. I'd  
21 like some results. I'd like to actually have those  
22 mitigation measures in place. Whatever's going to replace  
23 the ones that they had agreed to initially, I'd like to  
24 see those in place, I'd like so see those emission  
25 reductions happen and happen soon.

1           So I think we need to keep focusing on the  
2 results, make sure we have good metrics by which to  
3 measure them and stay involved.

4           Thank you very much for the opportunity to  
5 address you today.

6           (Applause.)

7           CHAIRPERSON YEE: Thank you, Mr. Lyou.

8           Comments, Commissioners?

9           Mr. Williams, please.

10          ACTING COMMISSIONER WILLIAMS: There's actually  
11 just one question about one of the slides up there showing  
12 mortality rates going down, and then long term, 2050,  
13 going back up. I was just wondering what the -- the  
14 explanation about that was.

15          MR. LYOU: You want to pull that slide up so I  
16 can...

17          2050, 1100, I'm actually surprised that that's  
18 there, because by 2050 we should be in complete compliance  
19 with the Federal Air Quality Standards and there shouldn't  
20 be any excess mortality. I would have to check on that  
21 number. That was an Air Resources Board number, not mine.

22          ACTING COMMISSIONER WILLIAMS: Okay.

23          CHAIRPERSON YEE: Okay. Very well.

24          Other questions?

25          I think what I'd like to do -- let's here from

1 the public speakers and then we'll open it up for a  
2 broader discussion. I had some thoughts about where this  
3 might be headed. But let me call you up in pairs, if I  
4 may.

5 First, Todd Campbell of Clean Energy, if you'll  
6 come forward, followed by Ben Schirmer.

7 Good afternoon.

8 MR. CAMPBELL: Good afternoon.

9 My name is Todd Campbell. I represent a company  
10 called Clean Energy. And I would like to thank Madam  
11 Chair Yee and the Commissioners for hearing us today.

12 It was great to see Congresswoman Hahn and  
13 Congressman Lowenthal this morning, as it was reminiscent  
14 of my China Shipping days when I worked for NRDC and The  
15 Coalition for Clean Air.

16 The Clean Air Action Plan and the Clean Truck  
17 Program that eventually was rolled out in to 2006 was a  
18 great step forward by the San Pedro Bay ports, and Clean  
19 Energy stands ready as we did 10 years ago to support both  
20 ports as they update their plans for the third time this  
21 year.

22 Of course this update of this plan is critical,  
23 as I believe they are the key to fulfilling the South  
24 Coast Air Quality Management's needs to deploy 100- to  
25 150,000 near-zero or low NOx trucks by 2023 and the

1 State's goal to deploy 900,000 of these trucks on  
2 California's roads by 2031 in their State Implementation  
3 Plan. That's literally 15 years from now. It's not a lot  
4 of time, especially being in the out-fuel business and  
5 knowing the traditional turnover of trucks.

6 I am pleased to inform you however that Cummins  
7 Westport recently certified with the Air Resources Board a  
8 near-zero emission engine. Just to give you an  
9 understanding, there is no current main standard to reduce  
10 emissions to these levels. And the reason why this is a  
11 big deal is that it really reduces emissions  
12 substantially. Cummins Westport has developed these  
13 products in the 7- and 9-liter configuration, is on track  
14 to deliver a 12-liter version, a heavy-duty truck version  
15 next year for big rig trucks.

16 This is tremendous news for the ports, as  
17 zero-emission truck technology still remains in the  
18 demonstration phase. But as it does, near-zero-emission  
19 technology can fill-in where zero-emission truck  
20 technology cannot.

21 More specifically, these near-zero natural gas  
22 truck engines cuts spot-forming nitrogen oxide emissions  
23 90 percent below the cleanest diesels on our roads today,  
24 and is equivalent to the lifecycle emissions of  
25 zero-emission trucks powered by a very clean California

1 grid.

2           When combined with renewable natural gas that is  
3 collected and refined from landfills, dairy farms, and  
4 sewage treatment plants, these near-zero emission engines  
5 can cut carbon emissions to an unprecedented negative 120  
6 percent based on the Air Resources Board's analysis. In  
7 fact, renewable natural gas is the lowest carbon fuel  
8 available on the market today that is capable of powering  
9 heavy-duty trucks.

10           I am therefore proud to share with you that Clean  
11 Energy delivered 50 million gallons of renewable natural  
12 gas last year to California's transportation fuel market  
13 based on the State's low carbon fuel standard. And every  
14 natural gas truck that runs on natural gas in and around  
15 San Pedro Bay ports today runs on renewable natural gas.  
16 It's our way of doing our part to support the Pacific  
17 Gateway's future.

18           In conclusion, Clean Energy stands ready to work  
19 with our port Commissioners, staff, and port communities  
20 to deliver the cleanest and most advanced trucking fleets  
21 available today so that our most impacted communities and  
22 port workers can breathe a little easier. I agree with  
23 Congresswoman Hahn's statement that jobs and environmental  
24 protection can and should go hand in hand. We look  
25 forward to rolling up our sleeves and continuing our

1 partnership with the San Pedro Bay Port community.

2 Thank you.

3 CHAIRPERSON YEE: Thank you, Mr. Campbell.

4 Mr. Schirmer.

5 MR. SCHIRMER: Thank you, Commissioners, for  
6 this opportunity. I am Ben Schirmer. I'm the executive  
7 director for the Harbor Community Benefit Foundation, or  
8 HCBF.

9 The formation of HCBF demonstrates an historic  
10 collaboration between 17 environmental and community  
11 groups in the Port of Los Angeles. The resulting  
12 memorandum of understanding created the Port Community  
13 Mitigation Trust Fund, which was intended to help offset  
14 past, present, and future off-port impacts from port  
15 operations. HCBF was created to administer those funds.

16 It is important to note that all PCMTF funds must  
17 be spent on projects that mitigation a direct or indirect  
18 impact from port and port-related operations; and all  
19 projects must be consistent with the Public Trust  
20 Doctrine.

21 As part of its founding mission, HCBF was  
22 directed to study the impact of port operations on the  
23 communities of Wilmington and San Pedro. We have  
24 completed a noise study of Wilmington and are currently  
25 conducting an off-port land use impact study of both



1 Wilmington and San Pedro. As was mentioned, this study is  
2 looking at a broad range of possible impacts and should be  
3 done in the fall of this year.

4           Currently HCBF funds projects or programs that  
5 help mitigate impacts on our community such as health  
6 risks, noise, water quality, air quality safety,  
7 aesthetics, and marine life. It has been well established  
8 that the port's operations have a disproportionate impact  
9 on its neighboring communities. This funding is critical  
10 to helping these communities begin to address that impact.

11           The Port Community Mitigation Trust Fund  
12 currently has a balance of only \$4.5 million. Based on  
13 historic levels of grant-making and administrative costs,  
14 these funds will be depleted in approximately two to three  
15 years.

16           HCBF began its grant making in 2012. Since then  
17 HCBF has provided approximately \$3.9 million in grants to  
18 the local community. These grants have gone to 55  
19 different groups, with a total of 99 grants having been  
20 funded.

21           Just a few examples of the grants that have been  
22 funded:

23           For example, St. Mary Medical Center now has a  
24 mobile asthma clinic that visits Wilmington locations and  
25 provides wrap-around health care services for respiratory

1 disease.

2           A former above-ground oil drilling site in  
3 Wilmington, was transformed into a free community garden  
4 by SBCC Thrive L.A., and that included the planting of  
5 trees that sequester carbon and trap diesel particulate  
6 matter.

7           ACTING COMMISSIONER MATEO: The L.A. Maritime  
8 Museum, located on port property, developed an emergency  
9 evacuation plan in the event of a port disaster and  
10 trained staff on implementing it.

11           And with the support of Clean Wilmington,  
12 volunteers engaged in a widespread cleanup and landscaping  
13 of medians, alleys, and other parcels of land adjacent to  
14 port-related operations.

15           These are just a few examples of the types of  
16 programs funded by the Port Community Mitigation Trust  
17 Fund. There currently is no other source of funding for  
18 projects like these. Without this funding, many of these  
19 projects would have never happened.

20           It is critical that discretionary mitigation  
21 funding be made available so that these valuable community  
22 projects can continue.

23           Thank you.

24           CHAIRPERSON YEE: Thank you very much.

25           Let me call up the next queue of speakers.

1 Kathleen Woodfield will come forward, followed by  
2 Richard Havenick and Peter Warren.

3 And before you start, let me just -- I just  
4 realized, we have a little timer here with the lights,  
5 that I think we're giving you -- is it three minutes?

6 Yes.

7 MS. WOODFIELD: I'm sure I have more than  
8 three-minutes worth of things to say, so I'll just talk.

9 CHAIRPERSON YEE: Okay.

10 MS. WOODFIELD: My name is Kathleen Woodfield.  
11 I'm with the San Pedro Peninsula Homeowners Coalition.

12 I couldn't help but notice in your verbal  
13 presentation of the China Shipping lawsuit, both community  
14 organizations were left out. And I think it's very  
15 important that community contributions and community's  
16 health and well-being never be an afterthought or excluded  
17 or overlooked altogether.

18 I am concerned with the assertion in the staff  
19 report that the State Lands cannot support funding for  
20 mitigation for port impacts unless they are direct and  
21 that these mitigation projects must be proportional. I  
22 find this section confusing in that it seems to make a  
23 distinction between CEQA and non-CEQA mitigation, but the  
24 distinction is not clear, in that non-CEQA mitigation --  
25 mitigation, termed only as discretionary, is not defined.

1 But any monies resulting from litigation or appeal of a  
2 CEQA document would, in my opinion, be CEQA mitigation. I  
3 don't see a recognition of this in the staff report.

4           The staff report lists a non-direct impact as a  
5 container storage facility. To me, container storage  
6 facilities are a perfect example of off-port lands, port  
7 impacts; but for the Port they would not exist. They are  
8 overflow containers from port backlands, which because of  
9 port -- operational decisions and design decisions by the  
10 Port and Port tenants, are not stored on Port terminal  
11 property and are not sent back to their country of origin.

12           Because of this, empty containers generated by  
13 port operations must be stored off site. The Port has  
14 allowed this storage to be done by third parties off port  
15 lands. They are port impacts.

16           Proportionality is not a regulation in CEQA law.  
17 If the State Lands Commission and ports wish to have  
18 proportionality become a regulation, then they should go  
19 through the regulation process. CEQA law requires the  
20 significant impacts of projects to be mitigated. It does  
21 not include language requiring that those impacts must be  
22 direct or proportional. Proportionality is a cumbersome,  
23 bureaucratic, expensive project -- process that serves as  
24 a poison pill for many sound, effective, necessary  
25 community mitigations. This burdensome process cannot be

1 sustained by the community.

2           The staff report does not mention the criminal  
3 act the Port engaged in when it chose not to follow the  
4 mitigation requirements of the China Shipping EIR and the  
5 calculated way in which the Port misled the public into  
6 believing that they were in compliance with the China  
7 Shipping mitigation measures. It does not mention that  
8 the Port dismantled the only organization, the Port  
9 Community Advisory Committee, that would have likely  
10 noticed their deceit. In fact, at least a year prior to  
11 shutting down the PCAC, the Port shut down the PCAC's Air  
12 Quality Subcommittee.

13           As a member of the Air Quality Subcommittee, I  
14 knew the Port's motivation was to keep the flow of  
15 information from coming to us. But I had no idea that  
16 some of that information would have indicated the Port's  
17 failure to meet the China Shipping mitigation AMP  
18 requirements and other air quality requirements. The Port  
19 needs a third-party oversight committee to make sure that  
20 what they are reporting to us accurately reflects their  
21 actions.

22           Thank you very much.

23           CHAIRPERSON YEE: Thank you very much, Ms.  
24 Woodfield.

25           Mr. Havenick, followed by Mr. Warren, and then by

1 Jerilyn Lopez Mendoza.

2 MR. HAVENICK: Good afternoon.

3 CHAIRPERSON YEE: Good afternoon.

4 MR. HAVENICK: Thank you.

5 Great timing. And let me say thank you to  
6 Executive Director Seroka for your work in the short time  
7 you've been here. Thank you.

8 My name is Richard Havenick. I'm here as a  
9 community member. My experience on perspective I trust  
10 you will find particularly valuable.

11 I worked with the Port of Los Angeles regulators,  
12 the AQMD, the EPA, CARB, industry and labor  
13 representatives, and the Port -- and the public from 2008  
14 to 2000 -- excuse me -- from 2000 to 2008 as the chair of  
15 the Air Quality Subcommittee of the Port Community  
16 Advisory Committee.

17 I'm proud to tell you we led the simple focus to  
18 identify the top contributors to air pollution from port  
19 operations, to identify the most effective mitigations,  
20 and to drive implementation of the mitigations, the very  
21 measures that you see inside the Clean Air Action Plan,  
22 and many of which were in the no-net-increase plan before  
23 that.

24 I'm most proud, really proud of our efforts to  
25 drive implementation of the low sulfur fuel rule

1 applicable to ships, thanks to CARB and EPA, which was the  
2 single-most effective measure in reducing PM and sulfur,  
3 thanks to the State and thanks to the federal regulators  
4 as well.

5           Today we enjoy vastly improved air quality.  
6 Although we're at a major turning point. The mitigations  
7 were all very simple, and for reasonable minds they were  
8 increasingly easy to conclude as the best way forward -  
9 except for one key missing ingredient, recognizing the  
10 political will required to make them happen.

11           The great outcome of our efforts was possible  
12 only thanks to the settlement of a suit brought with the  
13 help of the NRDC. The suit, I remind you, was due to the  
14 Port's failure to perform the legally required EIR before  
15 proceeding with the China Shipping terminal.

16           Here we are again. About 10 months has passed  
17 since the NRDC letter to the Port identifying the most  
18 recent noncompliance regarding China Shipping, and I  
19 expect we would see immediate and effective actions by  
20 harbor commissioners, port management, Council District  
21 15, the mayor's office and the city attorney. I'm glad  
22 you're here.

23           I'm an optimist. And I believe that government  
24 works by and for the people. And I believe in a systems  
25 approach to problems.

1           On the Port's part, consider three simple aspect  
2 of any well-functioning organization we would expect:

3           Adequately defined policies and procedures;  
4           Regularly scheduled audits, with corrective  
5 actions; and

6           An organizational ranking of all of the key  
7 members of the organization at a level high enough where  
8 they can be effective, including environmental staff.

9           Please, if you would, evaluate for the adequacy  
10 of policies and procedures, the internal audits, and the  
11 organization chart. You might find room for improvement  
12 that would more likely help ensure compliance and  
13 compliance with the law.

14           On the State Lands Commission -- on the part of  
15 the State Lands Commission, I'll appreciate your efforts  
16 to please help the Port and the City of Los Angeles show  
17 we can trust our government to manage the Port in the  
18 interests of the State's business and in the interests of  
19 the State's public health. Show us that government works.

20           On the part of the Harbor Commission and City  
21 Council District 15 and the City Attorney's Office, I  
22 suggest that a well functioning port that operates without  
23 litigation required by the NRDC is in everybody's  
24 interest. Truly it's in everybody's interest that the  
25 State, the Port, the City doesn't continue to have to fund



1 defense and investigation into the litigation.

2           Indeed, the pollution resulting from port  
3 operation carries not only a legal responsibility but a  
4 moral and ethical responsibility.

5           California proves consistently that looking out  
6 for public health is consistent with good business  
7 operations. The Port should continue as a golden goose  
8 for the State, and the Lands Commission should implement a  
9 more direct oversight to ensure the continued success and  
10 the responsibilities to public health.

11           Thank you.

12           CHAIRPERSON YEE: Thank you very much.

13           Mr. Warren, followed by Ms. Mendoza and Mr.  
14 Allen.

15           MR. WARREN: Yeah, thank you for your time. I've  
16 sharply shortened this.

17           I was on the Coastal San Pedro Neighborhood  
18 Council for 12 years. I chaired and support an  
19 environment committee for many years. I'm a member of the  
20 committee now. I was on PCAC, which has been discussed,  
21 for more than eight years. I served on the China Shipping  
22 settlement and TraPac MOU negotiations, as well as the  
23 community panel that envisioned and created the Harbor  
24 Community Benefit Foundation.

25           The staff report does an inadequate job of

1 describing the illegal and fraudulent behavior of the Port  
2 of L.A. and unilaterally voiding key provisions of the  
3 court settlement in the China Shipping lawsuit and the MOU  
4 at TraPac.

5 I'm impressed with the operational work and  
6 financial successes described by Gene Seroka. I'm less  
7 impressed with the Port's efforts at transparency with  
8 regard to environmental law. It can be best described as  
9 a public relations operation.

10 It gives me no pleasure to say these things. Joe  
11 Lyou has explained why it's important. Californians are  
12 funding the good movement industry with our health and the  
13 health of our children.

14 A brief history: Recall that the court-approved  
15 China Shipping settlement stems from the original  
16 inadequate EIR, which was challenged in a homeowners  
17 lawsuit. The subsequent EIR was only adopted after a  
18 settlement. And we know that the Port now made a decision  
19 to not comply with the settlement and the EIR, and the  
20 Port continued in noncompliance for years and did so  
21 secretly. It didn't incorporate mitigation measures it  
22 had agreed to at leases with the China Shipping Company,  
23 particularly egregious steps, and this willful  
24 noncompliance went on for years while port officials  
25 deceived local officials, state officials, and everybody

1 they met with.

2 By its actions the Port has told us there's no  
3 reason for it to abide by this or any previous agreement,  
4 and its previous words should be questioned.

5 I incorporate Kathleen's remarks about the demise  
6 of PCAC, and note that it's likely that this secret  
7 willful noncompliance with the China Shipping settlement  
8 went hand in hand with Port and Mayoral office's decisions  
9 to fast-track development at the terminal while discarding  
10 mitigation measures.

11 Accordingly, it's clear to me that the genuinely  
12 knowledgeable committee -- a genuinely knowledgeable  
13 committee has remedies. Such as an EIR committee under  
14 PCAC must monitor future agreements at the very least.  
15 Meetings need to be public, Brown Act, and the Port  
16 should provide all necessary monitoring information as  
17 well as financial support to provide experts to the group.  
18 "Trust but verify," a famous Californian told us.

19 Finally, the noncompliance. Withholding of  
20 information and violation of the court-approved settlement  
21 is so egregious that I would urge the Commission and the  
22 plaintiffs in the China Shipping lawsuit to seek  
23 appointment of an overseer or receivership for the Port  
24 and its harbor commissioners with regard to compliance  
25 with environmental laws and court-approved settlements,

1 but certainly with regard to next steps for China Shipping  
2 terminal and compliance with the TraPac MOU in the China  
3 Shipping settlement.

4 I also -- and now I'm ending. I also urge this  
5 panel to use its resources to answer this basic question:  
6 When did senior port staff originally report these  
7 violations of the mitigation measures to the harbor  
8 commissioners, past and present, which harbor  
9 commissioners, and when did that happen?

10 And, finally, I ask the Commissioners to consider  
11 this question given the history of the Port and its  
12 failure to comply with EIR federal and state  
13 CEQA -- federally and CEQA law. Here's the question: Why  
14 is it that the Port of L.A., which is an economic -- an  
15 economic engine that this region desperately needs and the  
16 nation needs, why is it that it has repeatedly  
17 demonstrated that it lacks the ability and vision to  
18 create projects and EIRs that comply with state and  
19 federal environmental law? Once it has those answers, I  
20 urge the Commission to make that information public.

21 Thank you.

22 CHAIRPERSON YEE: Thank you very much.

23 (Applause.)

24 CHAIRPERSON YEE: James Allen, followed by Ron  
25 Conrow.

1 MS. MENDOZA: You called Jerilyn Lopez Mendoza.

2 CHAIRPERSON YEE: Oh, I'm sorry.

3 Yes, please.

4 MS. MENDOZA: Thank you.

5 Good afternoon. I included a one-page handout.

6 I don't know if it's there.

7 Is it there?

8 If it's not, I have a few extra copies here for  
9 you.

10 I'm a little worried to introduce myself after  
11 Peter's discussion and Kathleen's discussion.

12 My name is Jerilyn Lopez Mendoza. I'm an  
13 environmental program manager at SoCalGas. In prior  
14 incarnations I worked for nine years at the Environmental  
15 Defense Fund as the leader of their Environmental Justice  
16 Project Office here in Los Angeles. That was for about  
17 nine years.

18 I also served on the Board of Public Works for  
19 the Port of Los Angeles from 2005 to 2010 as an appointee  
20 of Mayor Villaraigosa. So I was part of the leadership  
21 team that brought the first Clean Air Action Plan into  
22 effect and tried to help it get implemented.

23 But I'm before you today partly to thank you for  
24 coming and to welcome you to Los Angeles; and also  
25 because, in my capacity at SoCalGas, one of the reasons

1 I'm there is because I see in the past that natural gas  
2 vehicles have played a role in terms of cleaning up the  
3 air by reducing particulate emissions from other fuels.  
4 And I believe there still is a role for natural gas to  
5 play. I know that's a controversial thing to say, because  
6 a lot of folks want zero-emission goods movement.

7 However, what we've seen so far in terms of technology  
8 advancement is that zero emissions from tailpipes is not  
9 yet achievable in the heavy-duty sector, with respect to  
10 heavy-duty trucks, locomotives, and ocean-going vessels.

11 The handout I gave you amplifies a little bit  
12 some of the discussion that Todd Campbell initiated  
13 regarding the role of natural gas in heavy-duty vehicles,  
14 with respect to the new engines that run on natural gas  
15 that reduce NOx by 90 percent. They go from 0.2 grams of  
16 NOx per brake power hour to 0.02 grams of NOx per brake  
17 power hour.

18 And one of the engines, the smaller engines, had  
19 been certified by ARB and is commercially available. And  
20 we hope to have a commercially available heavy-duty engine  
21 commercially available to the State of California next  
22 year. That would mean that these ultra-low NOx trucks  
23 would be available to long-haul truckers that go all over  
24 the country.

25 The combination of that with renewable natural

1 gas -- and when I say renewable natural gas, this chart  
2 here, created renewable natural gas, we're talking about  
3 the biomethane that occurs in dairy operations throughout  
4 the state. We kill two birds with one stone. We reduce  
5 methane that's occurring naturally in the state, that  
6 contributes about 75 percent of the methane profile for  
7 the State of California, while creating a renewable source  
8 of natural gas that's not coming from the ground.

9           And there is a pilot project to do exactly this,  
10 to take biowaste and create it into a fuel for trucks as  
11 part of the Sustainable Freight Action Plan that was just  
12 submitted to the Governor last week. So I wanted to  
13 emphasize that.

14           I only want to make two more points. I know my  
15 time is short.

16           SoCalGas did a study with a prominent consultant,  
17 Ramboll Consulting; and we found that with respect to  
18 oceangoing vessels, which go all over the world - right? -  
19 air pollution does not know political boundaries - if  
20 oceangoing vessels were to utilize liquefied natural gas  
21 between here and Shanghai, which is a very common route,  
22 if they were to use liquefied natural gas instead of  
23 diesel or bunker fuel, we would be able to reduce 92  
24 percent of their particulate emissions, 85 percent of NOx,  
25 more than 99 percent of sulfur oxide, and 39 percent of

1 black carbon. That's just one ship going one way by  
2 switching from diesel or bunker fuel to liquefied natural  
3 gas.

4           So I just wanted to use that and share with you  
5 the game-changer information on the heavy-duty trucks just  
6 to show that there is a role for natural gas with respect  
7 to these heavy-duty engines in freight movement, and  
8 SoCalGas stands ready to help the ports move forward in  
9 these initiatives and hopefully improve the air quality  
10 for all Californians.

11           Thank you so much.

12           CHAIRPERSON YEE: Thank you, Ms. Mendoza.

13           James Allen, followed by Ron Conrow and Nidia  
14 Erceg.

15           Good afternoon.

16           MR. ALLEN: Good afternoon, Commissioner Yee and  
17 other Commissioners. I wanted to thank you for being here  
18 today. And I particularly wanted to thank you, Ms. Yee,  
19 for the letter that you sent out after the China Shipping  
20 issue was exposed in the press. And I'm happy to say that  
21 our newspaper, Random Lengths News, was one of the first  
22 to reveal that to the public.

23           I have worked in many roles in this community  
24 over the last 45 years, primarily as the publisher of the  
25 town's only community newspaper. But over the last eight



1 years I have worked as the president of -- or the last two  
2 years as the president of the local neighborhood council  
3 that covers this area.

4           And have come to realize that the engagement with  
5 the Port over issues dealing with port oversight with the  
6 neighborhood council are sorely lacking. The current  
7 initiative that Gene Seroka is attempting to execute,  
8 while I think good intentioned, does not and cannot  
9 replace the knowledge and the experience of a PCAC sort of  
10 organization.

11           You've heard from several people here today, who  
12 are deeply educated into the discourse of what is  
13 important in air quality and other issues related to CEQA  
14 process. And it's rare to find in a community almost  
15 anywhere in Los Angeles or Southern California people with  
16 this kind of knowledge and expertise that can actually  
17 come up here and explain in detail as well as some of the  
18 experts in the air quality field, in the kind of detail,  
19 and engage the bureaucrats at the Port in intelligent  
20 conversation about NOx, SOx, and air quality and the  
21 volume of trade and all of this sort of thing and how that  
22 impacts all of this sort of thing.

23           It's imperative that we have community input onto  
24 the operation of this port, particularly in environmental  
25 issues. It's imperative that we have people of knowledge

1 that engage our Commissioners and Port staff in a way that  
2 there is a real conversation and not just simply rubber  
3 stamping by people who are in a political position that is  
4 influenced by either the council office or the mayor's  
5 office; but people who have some real integrity  
6 representing in the environmental part of the community  
7 and the overarching community interests of the health of  
8 the community.

9 So you have a position to push here in terms of  
10 who is going to be engaged in this third-party oversight.  
11 And I would trust that you would use your best judgment as  
12 to how that gets created and not rely on the Port itself.

13 Thank you.

14 CHAIRPERSON YEE: Thank you.

15 Mr. Conrow.

16 MR. CONROW: No comments.

17 CHAIRPERSON YEE: Okay. Nidia Erceg.

18 Good afternoon.

19 MS. ERCEG: Esteemed members and the Chairman, I  
20 thank you for the time that you've spent with us this  
21 morning. My name is Nidia and I work with Coalition for  
22 Clean Air. I'm the deputy policy director.

23 And today I had breakfast with my Aunt Angie, who  
24 lives here in San Pedro on Averill. She's 91 years old on  
25 Friday, so it was very lovely to see her. One of the

1 wonderful things about knowing her and knowing about her  
2 love of this community is understanding the changes that  
3 she's seen throughout the decades. She's lived here 75  
4 years.

5           And one of the things she mentioned today when I  
6 told her what I'd be doing today is that when she used to  
7 water their lawns the way that they did back then, all the  
8 black that would run off the windows sills, the driveway.  
9 And she's very proud of her home. This was the very first  
10 home she and her husband bought when she was 20 years old  
11 and he bought her to live in San Pedro.

12           So she says, "Today that black soot's no longer  
13 there." So that's how I know things are improving. And  
14 one of the things I wanted to mention is that we need to  
15 consider working -- having a working relationship and  
16 partnership with the Port of Los Angeles. The goods  
17 movement sector in coordination with agencies and public  
18 health regulators and manufacturers are willing to have  
19 that working partnership, a solution to cleaner air  
20 problem. This is critical to spur economic growth and  
21 also address environmental issues.

22           And as addressed by the Executive Order, the  
23 commitment to clean air should be significantly  
24 reconsidered and it should include a greater investment in  
25 zero-emissions technologies, which I haven't heard a lot

1 about.

2 I was at the Pasha unveiling and I know that  
3 there are partners there like the manufacturer who was  
4 here, BYD, who had to step out for another meeting. But  
5 we know that the technology is right and the investments  
6 can be made.

7 So thank you.

8 CHAIRPERSON YEE: Thank you very much.

9 Are there any other public speakers on this item?

10 Okay. Comments from Commissioners.

11 I think what I'd like to do -- we've heard a lot  
12 in the last period of time.

13 Mr. Seroka, are you willing to come back up and  
14 just address some of the issues. And let me see if I can  
15 frame them.

16 And I do think there is a role this Commission  
17 can play within our jurisdiction, and I may make that  
18 suggestion after some questions.

19 And I think -- probably, first and foremost, we  
20 continue to hear about concerns around China Shipping.  
21 And I guess just for the record, just -- and this isn't  
22 necessarily fair to you since you've had a short tenure  
23 with the Port -- but why has it taken so long to really  
24 correct the failure to comply with the environmental  
25 mitigation measures?

1 MR. SEROKA: I can't answer that. What I do know  
2 is that when I came into office, staff advised me that  
3 there were a number of things we needed to look at,  
4 whether they'd be on the operational side, financial,  
5 community, or environmental. And I can commit to you and  
6 the viewing public that I have dug in with both sleeves  
7 rolled up and tried to do the very best I can. There is  
8 much more work to do. I don't profess to have all the  
9 answers. But putting people together and looking for  
10 advice has been a cornerstone of what I've attempted to  
11 do.

12 To look at some of the things again, we disclosed  
13 the information on China Shipping to the public. I held a  
14 meeting right here in this board room for folks to come  
15 in, talk, ask questions, challenge - which we get on a  
16 regular occasion. And I think that raises the bar, to be  
17 challenged.

18 We have been meeting with the neighborhood  
19 council presidents and vice-presidents every last Monday  
20 of the month in outreach to community. And I know there's  
21 more to be done there.

22 It's been represented by some of your speakers  
23 today that I should hold more and frequent town halls with  
24 the public; not just my staff, not just the business  
25 community, but going out there to talk to the folks that

1 live and work in this area, and I'm amenable to that as  
2 well.

3           Once we disclosed we took action, working not  
4 only with the petitioners but also experts in many fields  
5 to see what the best pathways forward would be, and we  
6 received consensus that going through the supplemental EIR  
7 process, as designated by the CEQA regulation, was the  
8 straightest path to start getting answers.

9           I think I share frustration with many in this  
10 room throughout the state that the CEQA process takes a  
11 long time. And I would do nothing more than have answers  
12 here today and run through a CEQA process quickly, but I  
13 have to abide by the regulations in the state. It must be  
14 a very public process for all who are interested to  
15 comment on and bring suggestions forward.

16           At any point we can accelerate the process, we  
17 try to do that, given that it's within the boundaries of  
18 the law and the regulation.

19           CHAIRPERSON YEE: Okay.

20           MR. SEROKA: And I will also say that - it was  
21 referenced here - you don't want to ever brag because our  
22 jobs are never done. But at the direction of the Los  
23 Angeles Mayor, Eric Garcetti, and the need for oversight,  
24 recommendations, and expertise, we put together the first  
25 ever Sustainable Freight Advisory Committee, made up of

1 subject matter experts that represent the science that is  
2 necessary for us to get to attainment hopefully one day,  
3 representation from the community, from labor, industry,  
4 as well as others that have taken their stance in how we  
5 can do better in the future. That 10-member committee, if  
6 you have not seen our press release, I will share with you  
7 those members and their qualifications. I think it's also  
8 a good start. They're going to be working with us and the  
9 Port of Long Beach and some other endeavors in the future  
10 as well.

11 But I am always welcoming of advice and guidance  
12 and those that want to bring forward their opportunities  
13 for success in the future.

14 CHAIRPERSON YEE: Great. I mean, I appreciate  
15 that. And perhaps a starting point for that might be just  
16 getting some more concrete information about when the  
17 Clean Air Action Plan may be released. When do you --

18 MR. SEROKA: I believe in coming weeks. And I  
19 don't want to overstep my bounds, Rick Cameron and Heather  
20 Tomley. But in the coming weeks we'll have a public  
21 announcement of what some of our concepts are. Again,  
22 nothing should be predetermined, because, as I stated, we  
23 don't have all the answers or all the vision, and we need  
24 that collective input from leadership around the state and  
25 our communities.

1           But we'll be having some information come out,  
2 and that hopefully will open up even further conversation  
3 in alignment with the Sustainable Freight Action Plan, as  
4 was referenced earlier by CARB, the AQMP, our own  
5 endeavors in the Clean Air Action Plan 3.0, and then other  
6 additive commentary from folks that want to participate  
7 with us.

8           CHAIRPERSON YEE: Yeah. And I think that process  
9 is exactly what we want to have in place. We've heard  
10 some divergent perspectives today about how we get to the  
11 goal. And I know that - I guess from my perspective in  
12 terms of certainly what would be consistent with what's  
13 been outlined in our strategic plan - that we can  
14 certainly be a part of convening a working group, not to  
15 be duplicative of efforts already in place, but with the  
16 ports, with the coalition, certainly my staff, others, and  
17 provide further policy guidance. We have made Public  
18 Trust air quality a focal point of our strategic plan, and  
19 we intend to have a role in shaping the policy going  
20 forward on that.

21           MR. SEROKA: We have had those discussions, and  
22 the advice and guidance convening powers would be most  
23 welcome.

24           CHAIRPERSON YEE: Okay. Very good.

25           Ms. Lucchesi, perspectives before we...



1 EXECUTIVE OFFICER LUCCHESI: Just a couple.

2 I want to talk a little bit about the Public  
3 Trust, which is why we're here.

4 And the Port of Los Angeles, the Port of Long  
5 Beach, and all our ports and harbor districts along  
6 California's coast and inland waters really represent the  
7 tradition of the Public Trust Doctrine, the founding  
8 principles of the Trust Doctrine but with the challenges  
9 that they face going forward, also represent the  
10 evolutionary element of the Trust. The Trust isn't  
11 static. It evolves with the changing public needs. And I  
12 think that the issues that these ports are facing with  
13 regards to water quality and air quality and waterfront  
14 redevelopment and community impacts represent the evolving  
15 nature of the Trust.

16 And I want to kind of bring it back down to the  
17 local aspect of the Port of L.A. I've been working at the  
18 Commission since 1999, and some of my first assignments  
19 were working and trying to understand the concerns the  
20 concerns of the San Pedro and Wilmington communities as it  
21 relates to the Port of Los Angeles operations. And based  
22 on my personal experience there, I really saw the impact  
23 of the community members, and their passion and advocacy  
24 shape the evolution of the Port's responsibilities under  
25 the Trust to really get them to understand and see that

1 air quality and water quality and community impacts are  
2 part of their Trust responsibilities.

3           And so I know that there were some comments made  
4 about that earlier, but I do want to acknowledge that it  
5 was because of their advocacy at the beginning and  
6 bringing in the larger advocacy groups of NRDC that really  
7 brought these issues to a head at the Port of Los Angeles  
8 and Long Beach.

9           And it makes a lot of sense for the Commission if  
10 it chooses to take a more oversight role in the larger  
11 picture of the oversight -- excuse me -- the Public Trust  
12 responsibilities that, you know, dating back to - not to  
13 bore you but I think it's important - dating back to the  
14 Justinian Code where it talks about the air, the waters,  
15 the sea, and the seashore being of the public domain. And  
16 that's -- those are the fundamental tenets of the Public  
17 Trust Doctrine and the responsibility that's been conveyed  
18 to our local grantees to manage these State assets.

19           And so the oversight role that the Commission can  
20 play in that I think can't be understated. And so I just,  
21 as a staff who has to -- depending on the direction that  
22 comes out of this, then has to reassess workload and  
23 priorities, I just want to say that it is consistent not  
24 only with our strategic plan but also with the overarching  
25 principle of what the Commission does and the

1 responsibilities that it has in managing these state lands  
2 and resources on behalf of the public.

3 Thank you.

4 CHAIRPERSON YEE: Thank you, Ms. Lucchesi.

5 Commissioner comments?

6 Well, let me make a suggestion. I think the  
7 upcoming release of the Clean Air Action Plan provides  
8 kind of a turning point for us with respect to engagement  
9 certainly by the Commission. And I'd like to do this --  
10 it's not an action item, but I would like to direct staff  
11 with the support of my fellow Commissioners to proceed to  
12 convene a working group, and to look at with the ports --  
13 both ports, the coalition, and certainly my staff will be  
14 involved, but look at how we get further policy guidance  
15 on all of these fronts and how we begin to incorporate all  
16 this input that we heard today so that it doesn't just get  
17 cast aside but whether there are opportunities to  
18 incorporate some of the suggestions we've heard today or,  
19 if not, why, and to really have a very transparent process  
20 going forward.

21 But I think our role as Commission, certainly our  
22 oversight role and, as Ms. Lucchesi just eloquently  
23 stated, the evolving nature of the Public Trust in terms  
24 of our responsibility, I think it is timely now to have us  
25 be that directing mode, if you will.

1           So if there's no objection by my fellow  
2 Commissioners, I'd like to direct staff to go ahead and  
3 look at convening that working group, and obviously being  
4 sure that we have the element of community input being  
5 very central to all that.

6           EXECUTIVE OFFICER LUCCHESI: Certainly. And what  
7 I will -- a couple things that I will commit to is: Over  
8 the past two decades we have built a very sound  
9 partnership and collaboration with the Port of Los  
10 Angeles. And that's only been strengthened since  
11 Executive Director Seroka came on board. And we will  
12 build on that partnership and collaboration, and also do a  
13 very comprehensive outreach to bring the stakeholders  
14 together. And in addition to that, I will be reporting  
15 back to the Commission at either your October or your  
16 December meeting on, you know, where we are, the progress  
17 that we've made in facilitating discussions; and if  
18 appropriate, actually agendize an item for action.

19           CHAIRPERSON YEE: Great. Thank you.

20           Mr. Seroka, any final comment?

21           MR. SEROKA: Sure, just a couple. I welcome and  
22 have displayed I think, not only in today's meeting but in  
23 our interaction over the past months and years, my  
24 willingness to participate. And that's been documented at  
25 the federal and state level. Any way we can learn more to

1 be more productive here under our social license to  
2 operate, obviously you have a willing participant.

3 I think one of the great challenges that we have  
4 ahead of us is making sure that we work from factual  
5 details on commercial availability of technology that can  
6 lead us into the future.

7 I have spent a great deal of time, based on my  
8 background in the industry, working with original  
9 equipment manufacturers who are sharing some lights of  
10 hope and others who are not quite there yet, with research  
11 and development dollars all the way through to mass  
12 manufacturing and commercial availability.

13 One comment that I have raised to Brian Kelly of  
14 the California Transportation Agency as well as Mike Rossi  
15 of GO-Biz and Economic Development is that if the State of  
16 California, even starting right here with the two ports in  
17 San Pedro Bay, can create a market-maker environment - and  
18 I believe Dr. Lyou referenced that from earlier  
19 conversations as well - we can give confidence to those  
20 manufacturers and tiered suppliers that they will have a  
21 customer. And they can then pour in investment in order  
22 to make that technology available. It is again under the  
23 category of aspiration in some people's minds. But having  
24 a direct relationship and line of sight with folks who  
25 make the goods that we want to deploy here on the port is

1 going to be an integral part of this strategy now and down  
2 line.

3           And there are many other headwinds, but it  
4 doesn't mean we stop there. And those choices that we  
5 make going forward to be that forward-leaning entity as a  
6 collective here in the State of California, I think that  
7 we can see great success.

8           CHAIRPERSON YEE: Thank you. Point well taken.  
9 Thank you very much.

10           Okay. No other comments.

11           We will have the staff proceed to convene the  
12 working group.

13           Thank you very much, Mr. Seroka, and to all of  
14 our speakers this afternoon.

15           EXECUTIVE OFFICER LUCCHESI: May I, Chair. I  
16 think we need a five-minute break.

17           CHAIRPERSON YEE: Actually I was going to suggest  
18 that we take an even longer break. How about a 15-minute  
19 break. We need to give our audio-visual team a little bit  
20 of a break.

21           Okay. We will reconvene at 2:50.

22           (Off record: 2:34 p.m.)

23           (Thereupon a recess was taken.)

24           (On record: 3:08 p.m.)

25           CHAIRPERSON YEE: Okay. We will reconvene the

1 State Lands Commission meeting.

2 And I believe our next item is Item 60. This is  
3 also an informational update on the Port of Long Beach  
4 Community Impact Study.

5 And why don't we have the staff presentation.

6 EXECUTIVE OFFICER LUCCHESI: Senior Staff Counsel  
7 Kathryn Colson will be making this presentation.

8 CHAIRPERSON YEE: Great. Thanks.

9 Kathryn. Good afternoon.

10 (Thereupon an overhead presentation was  
11 Presented as follows.)

12 STAFF ATTORNEY COLSON: Hi, Commissioners.

13 This staff presentation is to provide an update  
14 regarding the Port of Long Beach's efforts to mitigate the  
15 direct impacts of port-related operations on neighboring  
16 communities through an adoption of the Port's Community  
17 Impact Study. And the city Long Beach

18 --o0o--

19 STAFF ATTORNEY COLSON: And the city of Long  
20 Beach acting through the Port is a trustee of sovereign  
21 tide and submerged lands located within the Long Beach  
22 Harbor District. And that includes 7600 acres of land and  
23 water and 22 shipping terminals.

24 The Port's granted lands and resources are held  
25 in trust for the people of California and must be used for

1 Public Trust purposes including water-related commerce,  
2 navigation and fisheries.

3           And the Port is a trustee for the lands and any  
4 revenue generated from the lands. Any use of trust lands  
5 or trust resources for non-Trust or purely local purposes  
6 violates the Public Trust Doctrine and the Port's  
7 fiduciary duties.

8   --o0o--

9           STAFF ATTORNEY COLSON: In May of 2016 the Port  
10 of Long Beach completed a community impact study to  
11 identify the direct impacts of port-related operations on  
12 the local community, and community-based mitigation  
13 measures to relieve these impacts. The study was released  
14 for public comment in April of 2016, and was approved by  
15 the Board of Harbor Commissioners on July 25th.

16           As discussed earlier, ports may conduct  
17 discretionary mitigation that is not mandated by CEQA  
18 under certain conditions; and these conditions include:

19           Number one: That the Port operations are  
20 directly responsible for the impacts being mitigated;

21           Two: There's a nexus between the direct impacts  
22 and the proposed mitigation;

23           Three: The proposed mitigation is proportional  
24 to the impacts and that the mitigation is not inconsistent  
25 with the Public Trust Doctrine or the Port's overall



1 management responsibilities for the granted lands.

2           The Port's Community Impact Study analyzed four  
3 key resources: Air quality, traffic, noise, and water  
4 quality. And through a CEQA-like analysis, the study  
5 provided a legal justification for expending Port funds  
6 for certain categories of mitigation, projects located off  
7 port property, by demonstrating a direct nexus between the  
8 Port operations and those environmental impacts; and then  
9 quantifying the proportion attributable to the Port  
10 operations.

11           Importantly the study appropriately focuses on  
12 the direct impacts of the Port's operations and proposes  
13 potential mitigation strategies that avoid, minimize,  
14 rectify, or reduce those impacts over time.

15           Even with the community impact study, each  
16 proposed project that the Port seeks to fund must be  
17 carefully analyzed on its own merits and determined to be  
18 consistent with the body of law governing the use of Port  
19 funds. And because of these complex legal restrictions,  
20 the Port of Long Beech staff has involved Commission staff  
21 early in the process of developing the study and has  
22 continued to seek staff input as the process has evolved.  
23 And this early engagement and collaboration between  
24 Commission staff and Port staff we think has been very  
25 beneficial and contributed to a document that we believe

1 has strong legal justification and that should help the  
2 Port in funding appropriate mitigation projects in  
3 accordance with the laws.

4 Thank you. I'm available for any questions.

5 CHAIRPERSON YEE: Thank you very much, Kathryn.  
6 Any questions at this point?

7 Okay. Do we have a Port of Long Beach  
8 representative?

9 Yes.

10 MR. CAMERON: Madam Chair, Commissioners. My  
11 name is Rick Cameron. I am the managing director of  
12 Planning and Environmental Affairs for the Port of Long  
13 Beach. Thank you from the previous item allow me to come  
14 up and expressing our continued interest in collaborating  
15 with the Port of Los Angeles. I think that's very  
16 important. And a lot of the background that Gene  
17 presented in terms of what's happening at the Port now --  
18 in the past, now, and, more importantly, what we're  
19 looking at in the future is very similar to the Port of  
20 Long Beach.

21 We have -- are in the process of completing our  
22 overall strategic plan, looking for 2017 moving forward,  
23 and having a very comprehensive process.

24 We're also looking at a variety of other high  
25 level initiatives, one being updating our port master plan

1 and in a comprehensive way that has not been done in a  
2 while. And part of that is developing tools and  
3 understanding; and where is our industry going, where does  
4 the port need to be when it comes to infrastructure, and  
5 how are we going to do that in a very sustainable way?

6 That also goes to the continual investment in our  
7 emission reductions, whether it's on the terminals or as  
8 part of our overall operations working with stakeholders.  
9 So...

10 In addition, to that, since 2009 the Port has  
11 invested 17.4 million in community-based projects to  
12 mitigate the impacts of port-related development. Last  
13 year, our Board of Harbor Commissioners directed staff to  
14 explore ways of providing more long-term sustainable  
15 funding for community-based mitigation programs within the  
16 restrictions of the Public Trust Doctrine, which governs  
17 the use of port funds, as you know.

18 Under the Public Trust Doctrine all aspects of  
19 community mitigation from the types of projects funded to  
20 the dollar amounts allocated must have a nexus to port  
21 operations, and the Port can mitigate only its fair share  
22 of those impacts.

23 Which one do I use? I'm sorry. This one?

24 For the sake of time, I'll go through this, and  
25 then I'll -- I can withdraw some of the slides as it comes

1 up.

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

4 MR. CAMERON: We developed a multi-step process  
5 to achieve this goal. The first step is to conduct a  
6 study to analyze and quantify our impacts on the  
7 community, as Commission staff just alluded to. And the  
8 second step is to develop the framework for getting those  
9 dollars out into the community for appropriation  
10 mitigation projects.

11 And I want to make this distinction. These are  
12 funds and projects in the community. These are much  
13 different than the types of what I would call primary  
14 types of projects and strategies for emission reductions  
15 within the context of the Port boundaries as well as part  
16 of our overall operations. That's the primary investment  
17 that we make in terms of direct emission reductions and  
18 health risk benefit, and this is projects out in the  
19 community and those funds.

20 We needed to take this stepped approach because  
21 the Port funds can be spent only for the benefit of all  
22 Californians under the State's Public Trust Doctrine.  
23 Ports can mitigate community impacts only if there's a  
24 nexus to port operations and that the mitigation is  
25 proportional to the port's share of the impact.

1                   --o0o--

2           MR. CAMERON: State Lands staff gave us very  
3 specific guidance as to how we approach this impact study.  
4 First, we only looked at the direct impacts of the Port of  
5 Long Beach operations, which means impacts arising from  
6 land owned, operated, and controlled by the Port.

7           We recognize the community may experience impacts  
8 associated with third-party warehouses and container  
9 storage yards. But per State Lands, these impacts are not  
10 direct port impacts.

11           Also the impact study uses quantitative  
12 methodologies similar to a CEQA document. Unlike CEQA,  
13 however, the impact study looks only at the current  
14 conditions, not future impacts. CEQA is the mechanism to  
15 address future impacts associated with new developments,  
16 and the impacts and mitigation measures would be  
17 identified at that point in time.

18           Again, this impact study is a technical document  
19 that must meet certain legal standards and under the  
20 Public Trust Doctrine.

21                   --o0o--

22           MR. CAMERON: The Port conducted a State-required  
23 study to quantify port-related impacts in the areas of air  
24 quality and health risk, traffic and mobility, noise, and  
25 water quality. These areas were selected based upon

1 guidance from State Lands and a review of previous  
2 community concerns on port-related projects and  
3 initiatives, including comments on past CEQA documents.  
4 And they are most strongly associated with community  
5 impacts outside of the harbor district. The impact study  
6 identified the nexus between the impacts and port  
7 operations as well as the Port's proportion of those  
8 impacts.

9 In addition, we identified the list of potential  
10 mitigation strategies to address these impacts.

11 The study was released for public comment and was  
12 finalized this past July.

13 --o0o--

14 MR. CAMERON: Once we completed the impact study  
15 we needed to monetize the impacts in order to come up with  
16 a dollar amount for mitigation. The dollar amount for  
17 community mitigation was required to have a nexus to the  
18 direct impacts identified in the impact study and  
19 presented only to the Port's representative -- only the  
20 Port of Long Beach's share of the impacts.

21 And I've said that a couple times here in this  
22 presentation. It's important because as part of the  
23 comments we received from the nexus study that we had  
24 prepared in draft and received comment -- public comments,  
25 as well as from the monetization, a lot of -- there's

1 concern that the numbers and the data that we were using  
2 wasn't jibing with other studies. There's a lot of  
3 studies from a regional or a port-wide, and so we just  
4 wanted to make it abundantly clear that we just took our  
5 portion of those impacts and monetized it. So we're not  
6 disputing those other numbers. It's just what we use for  
7 this particular study for our study -- for our program.

8 In addition we developed the investment plan, a  
9 high level document that establishes the framework for the  
10 community mitigation fund and defines structure for  
11 administering the funds.

12 --o0o--

13 MR. CAMERON: To monetizing the impacts we  
14 utilized metrics that had already been established by  
15 regulatory agencies from monetizing the impacts.

16 Air quality. We used operating emission fees  
17 promulgated by the South Coast Air Quality Management  
18 District for NOx and PM. And we gave extra weight to PM,  
19 consistent with the Air Resources Board practice, in order  
20 to account for health risk.

21 For greenhouse gases we used the AQMD's off-site  
22 mitigation cost.

23 These approaches yielded a total amount for air  
24 quality of roughly 21.4 million.

25 For traffic and noise, we used metrics for the --

1 from the Federal Highway Administration. The highway cost  
2 allocation study provides the incremental cost of  
3 congestion and traffic-related noise, yielding roughly  
4 20.5 million for port-related traffic impacts and 3  
5 million for noise.

6 For water quality impacts we derived a cost based  
7 on regional mitigation estimates provided by the  
8 Environmental Protection Agency and the Los Angeles  
9 Regional Water Quality Control Board, which yielded \$1.4  
10 million.

11 In total, we identified 46.4 million in overall  
12 mitigation costs associated with the nexus and the  
13 impact on port operations.

14 --o0o--

15 MR. CAMERON: The funding will be spent on  
16 projects that fall within the four focus areas as  
17 described on the screen. And the specific mitigation  
18 projects were identified in the impact study to mitigate  
19 the port-related impacts. These projects vary from air  
20 filters to buffer parks to bike infrastructure to  
21 stormwater treatment.

22 This is much different than the original program  
23 that the Port developed in 2009, 2010, which really only  
24 focused on air and air quality. So what we see here is a  
25 much broader look at the different types of mitigation



1 going beyond air quality and health risk. Noise, traffic,  
2 and water - these are new focal areas that were not part  
3 of our previous program that we had established back in  
4 2009.

5 --o0o--

6 MR. CAMERON: Based upon the impacts study, we  
7 identified the areas that experience the greatest direct  
8 impacts from port operations. We then established a  
9 priority zone where the funding would be directed and a  
10 larger eligibility zone within all projects -- within  
11 which all projects must occur.

12 It's a little hard to tell maybe up on the  
13 screen, but the darker green is the priority and then the  
14 eligibility zone covers pretty much the swath of the City  
15 of Long Beach.

16 --o0o--

17 MR. CAMERON: The 46.4 million in funding  
18 identified in the -- for this program is in addition to  
19 the Port's other community mitigation commitments that we  
20 made previously.

21 Previously we committed approximately 18.2  
22 million on community grant programs with funding from  
23 developed projects including Middle Harbor, the  
24 replacement of the Gerald Desmond bridge, and several  
25 terminal and infrastructure improvement projects. And

1 these were done with our -- through our CEQA process.

2 In total, the Port is committing 65 million.  
3 This is the largest voluntary community mitigation  
4 commitment ever made by a seaport.

5 Additionally, going forward, if there are new  
6 development projects with significant impacts identified  
7 through the environmental review process, we recommend  
8 those projects would be also contributing to this overall  
9 program, ensuring new revenue sources in the future.

10 --o0o--

11 MR. CAMERON: And this identifies additional  
12 investments that the Port also makes beyond this specific  
13 mitigation program. On an annual basis, 5 percent of our  
14 net revenue after all of our bills are paid goes directly  
15 to the City of Long Beach Tidelands. It's a tidelands  
16 transfer. Those dollars are used for funds such as new  
17 restrooms, marinas and things within the coastal zone and  
18 within legitimate use of the tidelands Trust funds within  
19 the City of Long Beach outside of the Port Harbor  
20 District.

21 We also have annual sponsorships for our  
22 community, and NGO and other groups, as well as  
23 educational programs; and then overall incentives that we  
24 do for our customers totals about 5 million.

25 So in addition to what we have identified as a

1 moving-forward, sustainable funding for these programs, we  
2 in addition have 24 million roughly on an annual basis  
3 that is going to community environmental benefit programs.

4 --o0o--

5 MR. CAMERON: One of the biggest -- three --  
6 there were three goals that our board gave us. One was to  
7 expand the project list that we originally had; the other  
8 was to relook at the zones; and then the third was to have  
9 sustainable funding. And we were able to accomplish that  
10 working right up front with the State Lands Commission,  
11 starting with Jennifer and her team. And I'm very  
12 appreciative of her and her team's professionalism  
13 throughout this. Chairman Yee, I know that our  
14 Commissioner and -- Commissioner Egosque and Commissioner  
15 Bynam, we met in your office. I appreciate your  
16 leadership and your guidance coming from the Commission  
17 directly on this and the importance of this.

18 And so this was a letter that was submitted just  
19 prior to our board adopting the new program. And I think  
20 it really does set kind of a path moving toward the right  
21 way, working with the State Lands Commission, following  
22 the doctrine guidance, but also looking for us to use  
23 those dollars for those communities that are most impacted  
24 from goods movement and ports.

25 --o0o--

1 MR. CAMERON: So with that being said, this is a  
2 little bit of a timeline moving forward. Now that our  
3 board has moved forward with adopting the investment plan  
4 and the overall study, we're going to be moving forward  
5 with developing guidelines. That will be a very -- we'll  
6 go through a public process as well with workshops. We're  
7 also going to be establishing with recommendations from  
8 our mayor and city council an advisory group.

9 We had a previous advisory group with the older  
10 program, which included some members from regulatory  
11 agencies, as well as community members that were  
12 recommended by the mayor and the city council.

13 We're going to take a little bit of a different  
14 format. We probably moving forward don't need the direct  
15 representation from the regulatory agencies. We want it  
16 to be a full citizen advisory group, staff led. And then  
17 ultimately, once we have the guidelines reviewed, our  
18 board adopts them, we would hope that in -- sometime in  
19 2017 we would move out with the solicitations. Once those  
20 proposals come in, the advisory group there will be to  
21 review based upon criteria and the guidelines of making  
22 recommendations ultimately to the Board of Harbor  
23 Commissioners for how those funds should be spent on  
24 certain projects.

25 With regards to the funding piece, what our

1 board -- what we recommend, and our board has approved so  
2 far, which there is flexibility, is that moving forward on  
3 an annual basis, when we go through our budgetary process,  
4 we will identify the types of projects we want to  
5 prioritize for that particular year for the Mitigation  
6 Grant Program. It would be part of our overall budgetary  
7 process. Roughly we're estimating that about 2 percent of  
8 our budget would be identified for these programs.

9 Depending on where we are and where on any given basis, if  
10 there's more dollars that need to go on a particular year,  
11 that's at the board's discretion. If there are certain  
12 other responsibilities that the board has, it could be a  
13 little bit less. Ultimately the board committed to the 46  
14 million over a 12- to 15-year period.

15           There's also -- the board asked as well as other  
16 stakeholders to be very transparent and do annual reports  
17 on how those dollars were spent, the types of projects,  
18 the benefits, as well as doing a check-in overall on the  
19 program; what has changed within the overall port, do we  
20 need to relook it and revisit maybe the impact study and  
21 the dollars. And so this will be an ongoing process, and  
22 we will also make sure that we're updating State Lands on  
23 every step of the way.

24           So with that being said, I'd be happy to answer  
25 any questions.

1           CHAIRPERSON YEE: Thank you very much for the  
2 presentation.

3           Questions.

4           Actually I had one question I was going to ask  
5 you, but I think I know the answer. And that was whether  
6 there was any additional assistance the Commission can  
7 provide? But it sounds like it's time for us to back off  
8 so you can relate to the more citizens-based approach.

9           MR. CAMERON: You don't have to back off.

10          (Laughter.)

11          MR. CAMERON: We appreciate your engagement and  
12 being proactive and working with our board on this. You  
13 know, when our board first gave us direction, they were  
14 like, do this and do that. And we said, "Well, wait a  
15 minute. Our first step is we have to meet with State  
16 Lands," because that's what we did the first round in the  
17 program, "and make sure that we're all on the same page  
18 and we don't get too far ahead of ourselves, and then do,  
19 you know, busy work that's not going to be beneficial and  
20 useful for the end goal."

21          And so I think as we move forward we'll do  
22 check-ins with the State Lands. So I -- you know, we want  
23 to make sure that if new things pop up, that we are  
24 engaging you and we'll continue to do that.

25          CHAIRPERSON YEE: We appreciate that very much.

1 Thank you.

2 We do have several public speakers on this item.  
3 Let me call them up.

4 Jesse Marquez, followed by Nidia Erceg and Yair  
5 Crane.

6 And I'm just going to point you to the time light  
7 in front of you.

8 MR. MARQUEZ: How many minutes?

9 CHAIRPERSON YEE: About three minute.

10 MR. MARQUEZ: My name is Jesse Marquez. I'm a  
11 lifetime Wilmington and harbor resident. I'm also the  
12 founder and executive director of the Coalition for a Safe  
13 Environment. We're an environmental justice organization  
14 formed in 2001; and our priority has been in the review of  
15 Port of L.A. and Port of Long Beach project EIRs as well  
16 as the petroleum industry.

17 I do want to applaud the Port of Long Beach for  
18 being the first to complete its land-use study. This is  
19 the type of document that we, the public, have asked for  
20 many, many times.

21 But as a comparison, the Port of L.A. is also  
22 completing their land-use study. So I would ask that you  
23 take time to be able to compare the two side by side.  
24 Because when you compare the Long Beach to the Port of  
25 L.A., it is about 50 percent of what the Port of L.A.'s

1 doing. So it's great to be able to see where you have  
2 competing ports, each producing a report, whereas one has  
3 gone further and beyond what the other one has done. And  
4 I participated in that.

5 I do want to comment and that we do -- I and our  
6 organization and we, the public, do disagree with one of  
7 the State Lands' positions whereby you state that only  
8 Public Trust funds can be used on, you know, port  
9 property.

10 Well, what you have to do is also compare  
11 yourself to what CEQA law states. CEQA law states that a  
12 port will evaluate both direct and indirect impacts. So  
13 container, storage yards, warehouse, and things of that  
14 nature, which you say do not apply, do apply under CEQA.

15 Another thing you have to understand is that  
16 comparing today, 2016, to 50 years ago, 40 -- at that  
17 time, 50 years ago, 90 percent of all port operations and  
18 related port operations all took place on port tidelands  
19 property.

20 And over the last 50 years, all -- I'd say 40 to  
21 50 percent of those operations have been now forcing the  
22 tenant off port property in order to conduct the business.  
23 Container storage was always done on port property. We  
24 just completed a study in Wilmington as part Port of L.A.  
25 Harbor Community Benefit Study -- Foundation's Land-Use



1 Study. We counted 106 container storage yards in  
2 Wilmington as of the July 31st. That means trucks have to  
3 come from somewhere. That means they're coming La Habra,  
4 Orange County, San Fernando Valley. But before they can  
5 go to the Port of L.A. or Port of Long Beach they must  
6 stop to put gas, they must stop and pick up a chassis.  
7 Chassis are stored off port property. Then they go to the  
8 port. And then they pick up a chassis, but then they have  
9 to go to inspection. Some inspections on port property,  
10 some inspections off port property. Some have to be  
11 fumigated. The ports have pretty much eliminated  
12 fumigation facilities on port property, so they have to go  
13 off port property.

14 So there are many things like that that we feel  
15 that need to be taken a look at, and that we would like to  
16 have possibly some other future State Lands meetings where  
17 we can discuss in more detail these off-port property.  
18 Because when we're talking about like the Port of L.A.,  
19 they own over 500/600 acres off port property. They want  
20 to build BNSF SCIG project four miles away in the  
21 community. Is that port property? We need to know that  
22 and what laws do apply to the off-port property, while you  
23 push it upon the City of L.A.

24 Port of L.A. and its tenant did not tell city  
25 planning department that they were now doing fumigation

1 off port property in Wilmington adjacent to children  
2 playing in a yard in their home. No one knew about it  
3 until the school district told us that they had to  
4 disqualify two locations because of the high methyl  
5 bromide concentrations in the air. Methyl bromide has  
6 been banned in 90 percent of the planet; yet it's used at  
7 the ports. That's giving you one other kind of an  
8 example.

9 And I thank you for this time.

10 CHAIRPERSON YEE: Thank you, Mr. Marquez.

11 Ms. Lucchesi, any comments on the limited  
12 flexibility.

13 EXECUTIVE OFFICER LUCCHESI: I'm happy to wrap-up  
14 with comments after maybe we hear from the other two,  
15 because I think I might be able to address a lot of the  
16 things that are raised, if that's okay.

17 CHAIRPERSON YEE: Sure. Okay.

18 Next we have -- there you go.

19 MS. ERCEG: Thank you for allowing me to address  
20 this again. We've been doing a lot of reading in the last  
21 few months, so this was another really interesting deep  
22 dive into planning of the ports.

23 First, we're very supportive of the Port's plan  
24 and effort in identifying the air, water, noise, and  
25 traffic as an investment-focused area. I know the staff

1 put a significant amount of time and effort into the  
2 creation of this plan and this nexus.

3 As the Port knows first hand, moving forward zero  
4 emissions is a costly endeavor. We welcome the commitment  
5 to make this transition while taking in consideration  
6 sensitive receptors like children and the aging that live  
7 in these priority zones.

8 Significant progress has been made to advance the  
9 development of these technologies, and we expect that zero  
10 emissions operations will be feasible very close to the  
11 future. They're actually already feasible now.

12 Second, I really appreciate the planning effort  
13 that has gone into this, because collaboratively they  
14 worked as a strong partner between agencies, industry, and  
15 stakeholders. And one of the things that I am questioning  
16 is whether or not we could urge that a higher priority be  
17 placed on environmental and health benefits in  
18 prioritizing the projects, as you can see that the  
19 guidelines have yet to be developed.

20 So one other concern is that when we first met I  
21 think two weeks ago, we saw the plan, it was adopted,  
22 created by an ordinance. We were given a 12-year  
23 timeline, and today I heard 15 years -- 12 to 15 years.  
24 So the proportionality is a concern. This is one year's  
25 worth of impacts.

1 I did also note that the number went from 42- to  
2 65 million, so I know that, you know, more money's coming  
3 from somewhere. But if it's being spent in 15 years, then  
4 that's something that we need to pay attention to, is that  
5 proportionality.

6 Finally we ask the Port expand utilization of  
7 funds to review every five years if possible and really  
8 reevaluate the efficacy of the program while it continues  
9 to do its forecasting. And I hope that you stay closely  
10 to monitor that.

11 Thank you.

12 CHAIRPERSON YEE: Thank you.

13 Mr. Crane.

14 MR. CRANE: Thank you very much, Chairwoman and  
15 the Commissioners. My name is Yair Crane. I represent  
16 Young professionals in Energy, Los Angeles.

17 We wanted to commend the Port of Long Beach on  
18 their efforts.

19 Just very briefly -- it's already been said. But  
20 I think that this is a great model of how we can bring all  
21 parties together at a table, you know, and get a dollar  
22 going that can actually benefit all the parties.

23 And the community impact study and the  
24 communication with your staff actually can set a model not  
25 only for other ports in the U.S. but around the world of

1 how to really impact investments in the community.

2           And I guess my last comment would be, when we  
3 look at direct or indirect impacts that Port of Long Beach  
4 is doing, one item which may be of -- you know, something  
5 that you may want to consider in the future to discuss is  
6 future plans for the energy island which actually will  
7 directly and indirectly bring grid stability and  
8 resiliency to the entire community. That isn't obviously  
9 part of the community impact study but it is one of these  
10 other initiatives that the Port is undertaking, you know,  
11 long-term strategy. So, again, direct, indirect impacts  
12 to the community through that project as well.

13           Thank you very much.

14           CHAIRPERSON YEE: Thank you.

15           Is there any other public speakers on this item?

16           Commissioner comments?

17           Ms. Lucchesi.

18           EXECUTIVE OFFICER LUCCHESI: Okay. So we've  
19 heard a lot about, both in the previous item and this  
20 item, the intensity of community impacts that stem from  
21 port operations and the surrounding industrial operations  
22 surrounding ports. This is an extremely challenging  
23 problem to address and to solve on so many different  
24 levels, both physically in terms of actually mitigating  
25 for these cumulative impacts but also on the legal side of

1 things.

2           These lands and resources were granted to the  
3 cities of Los Angeles and Long Beach and elsewhere  
4 throughout the State in trust. It's not unlike a personal  
5 trust that you may set up for your family. There are  
6 specific terms that these ports have to manage these trust  
7 lands, resources, the air and the water; and the revenues,  
8 the assets under. And those are guided by the specific  
9 legislative granting statutes; those are guided by case  
10 law going all the way up to the U.S. Supreme Court; and  
11 it's guided by the California Constitution, which talks  
12 about the gift of public funds.

13           And so, in addition, the ports also have  
14 fiduciary duties that come along with being a trustee of  
15 these lands and resources and assets on behalf of the  
16 entire State of California.

17           So when you put all of that together - and we're  
18 talking about in these situations mitigating for community  
19 impacts deriving from port and -- port operations and then  
20 the surrounding industrial operations that have a nexus to  
21 port operations - it's really outside of the  
22 project-specific CEQA process. So CEQA is really applied  
23 to proposed projects looking prospectively out, not  
24 retrosp -- not looking backwards.

25           And what we're talking about here is a really

1 distinct category of impacts that aren't captured under  
2 CEQA law.

3           We as a staff, and I know the Commission  
4 including past commissions, fully support and demand that  
5 the ports mitigate for their impacts in accordance with  
6 CEQA for their projects.

7           But what we're talking about here is different  
8 than project-specific-related, CEQA-related impacts. And  
9 so this then puts us in this other category of having to  
10 strive for that balance of addressing these real community  
11 impacts that have -- that are significant problems and  
12 challenges for the people that live and work and recreate  
13 in these areas surrounding the ports and balance that  
14 against what the law provides on all levels.

15           And I think we've experienced this as staff with  
16 the Port of L.A. and most recently the subject of this  
17 informational item with the Port of Long Beach, is that  
18 when we can collaborate and we get in on the ground floor  
19 as a staff, and we understand what the communities' goals  
20 are, what the other stakeholders' goals are, what the  
21 ports' goals are, we can usually find a path to get there.  
22 It's just, from our perspective -- and this may sound  
23 bureaucratic, but from my perspective, it's making sure  
24 that there's legally defensible justification for  
25 expending statewide public funds in certain ways, and the

1 responsibility that comes with that. We can usually find  
2 that justification if there's that collaboration from the  
3 beginning.

4 I think where there's frustration about positions  
5 that the Commission and the Commission staff has taken is  
6 because it's been a situation of being reactive. And I  
7 know our staff does not want to be in that position. We  
8 are -- we try and pride ourselves on resolution seekers  
9 and creative problem solving.

10 And so, again, I think, reflective of the  
11 Commission's discussion with the Port of L.A. item and  
12 reflected in this informational item, is we are in a  
13 collaborative mode. And that's how we want to move  
14 forward to address these really significant real problems  
15 facing the ports and the communities surrounding them.

16 CHAIRPERSON YEE: Thank you, Ms. Lucchesi.

17 All right. No other comments on this item.

18 We will move to the next general item. That's  
19 Item 61.

20 EXECUTIVE OFFICER LUCCHESI: The next item is an  
21 action item. And our senior science policy advisor,  
22 Jennifer DeLeon, will be giving staff's presentation. And  
23 the Commission is being asked to consider a tribal  
24 consultation policy.

25 CHAIRPERSON YEE: Great.



1           Good afternoon.

2           SCIENCE POLICY ADVISOR DeLEON: Good afternoon,  
3 Chairwoman Yee, Commissioners. I'm Jennifer DeLeon. And  
4 for this item I'm here representing you as your designated  
5 tribal liaison. This is the Calendar Item 61. It's  
6 regarding the Commission's consideration of a tribal  
7 consultation policy.

8           As background, in managing our vast holdings of  
9 sovereign and school lands across the State and offshore,  
10 the Commission recognizes that Native American tribes have  
11 used many of these lands, waterways, and resources to  
12 support their cultures and ways of life for millennia, and  
13 that these tribes and their members have unique and  
14 valuable knowledge and practices for conserving and using  
15 these resources sustainably.

16           Over the past year, the Commission, coordinating  
17 with Native American tribes and the Governor's tribal  
18 advisor, has developed this tribal consultation policy to  
19 ensure effective and mutually beneficial coordination that  
20 is transparent, respectful, meaningful and, most of all,  
21 continuous.

22           In addition, this policy recognizes Governor  
23 Brown's Executive Order B-10-11, that encourages all  
24 agencies and departments to develop consultation policies  
25 to improve coordination with California Native American

1 tribes and to facilitate incorporating meaningful input  
2 from tribes into each agency and department's activities  
3 and decisions.

4           The proposed policy that we are putting forward  
5 will also facilitate the Commission's compliance with  
6 Assembly Bill 52, which provides for notification and  
7 consultation requirements under the California  
8 Environmental Quality Act.

9           During the development process for this policy  
10 draft versions were sent to the chairpersons of all 109  
11 federally recognized, also the 46 non-federally recognized  
12 tribes in California. We were seeking their input, their  
13 ideas, and any must-haves or major issues that they wanted  
14 to consult on.

15           Commission staff also convened a tribal  
16 consultation policy meeting in Sacramento at our  
17 headquarters. That was attended by the Governor's tribal  
18 advisor, Jennifer, and three tribal chairpersons -- two  
19 tribal chairpersons and a designated representative.

20           The proposed policy in front of you today  
21 incorporates the recommendations and suggestions from this  
22 process that has taken place over the past 12 months.

23           Staff believes the proposed policy will enhance  
24 the Commission's relationships with California's tribes  
25 and also provide a platform for the Commission to gain

1 insights from the tribes' unique knowledge and expertise.  
2 They often have a great vast deal of tribal ecological  
3 knowledge that we could really benefit from from their use  
4 of the landscape.

5 This policy will also facilitate implementation  
6 of Strategy 3.2 of our Commission's own strategic plan.

7 And with that summary, I will conclude and  
8 respectfully recommend the Commission adopt the proposed  
9 consultation policy attached to Item 61.

10 CHAIRPERSON YEE: Great. Thank you, Ms. DeLeon.  
11 Ms. Ortega.

12 ACTING COMMISSIONER ORTEGA: Yeah, I'll move  
13 approval of the tribal policy. And I want to compliment  
14 the staff on the process that was used to create it. And  
15 also I thought it had very respectful and informative  
16 language. So I think that reflects well on the Commission  
17 and the role of the tribal consultation.

18 So happy to move the item.

19 CHAIRPERSON YEE: Great. Thank you.

20 We have a motion by Commission Ortega.

21 ACTING COMMISSIONER WILLIAMS: Second.

22 CHAIRPERSON YEE: Second by Mr. Williams.

23 Without objection.

24 Staff recommendation is adopted.

25 Thank you.

1 All right. Our next item is Public Comment.

2 Oh, actually we have Item 34, I believe, to  
3 return to.

4 EXECUTIVE OFFICER LUCCHESI: Yes. We do have  
5 Item 34. That was on the consent calendar but pulled to  
6 the regular agenda.

7 CHAIRPERSON YEE: Right.

8 EXECUTIVE OFFICER LUCCHESI: Brian Bugsch, our  
9 Chief of our Land Management Division, will be giving  
10 staff's brief presentation.

11 CHAIRPERSON YEE: Good afternoon.

12 LAND MANAGEMENT DIVISION CHIEF BUGSCH: Good  
13 afternoon, Commissioners.

14 (Thereupon an overhead presentation was  
15 Presented as follows.)

16 LAND MANAGEMENT DIVISION CHIEF BUGSCH: My name  
17 is Brian Bugsch, Chief of the Commission's Land Management  
18 Division. I'm here today to present on Item C34 regarding  
19 Lease Number PRC 3244.1, a general lease, other use, or --  
20 to Margaret Ann Hohly.

21 The item requests you to consider issuance of a  
22 new lease for an existing dock, a boat dock access ramp,  
23 and a cantilevered deck, with an enclosure in Huntington  
24 Harbor.

25 --o0o--

1           LAND MANAGEMENT DIVISION CHIEF BUGSCH: The State  
2 of California acquired fee ownership of the Huntington and  
3 Midway Channels in 1962 as a result of a land exchange  
4 entered into between the Commission and the Huntington  
5 Harbor Corporation.

6           In 2008, the Commission issued recreational pier  
7 lease at this location to Robert and Lois Hohly for an  
8 existing boat dock. That lease expired in August 2008.

9           From 2009 to 2013, the Commission staff sent  
10 requests to the homeowners for an application submittal.

11           Staff received an expense deposit but no  
12 application in 2011. And an application was submitted in  
13 July of 2013.

14           In November 2013 ownership in the upland property  
15 was transferred to the current applicant, Ms. Hohly. For  
16 various reasons including ongoing litigation in Huntington  
17 Harbor, the application has been on hold. The application  
18 is now ready for the Commission's consideration.

19                           --o0o--

20           LAND MANAGEMENT DIVISION CHIEF BUGSCH: It is  
21 staff's understanding that Ms. Hohly's concerns revolve  
22 around the payment of the lease application fee of \$1,525  
23 and annual rent. Our staff was in the hallway talking  
24 with Ms. Hohly, so they may have some updates as to some  
25 other concerns. And we've been in communication over the

1 past couple days with her via email.

2           At the time of our prior lease there was no rent  
3 associated with the boat dock because of the laws in  
4 effect at that time. However, beginning in 2012,  
5 legislation was passed directing the Commission to charge  
6 fair annual rent for the use of State Lands for private  
7 recreational piers. Moreover, the prior lease did not  
8 include provisions addressing the cantilevered deck. Had  
9 the Commission been aware of the existing cantilevered  
10 deck at that time, annual rent for that occupation would  
11 have been included consistent with the Commission's  
12 practice throughout Huntington Harbor and the rest of the  
13 State.

14           And Proposed Annual rent for this lease is  
15 \$3,627, consistent with the Commission's practice for  
16 other leases in Huntington Harbor. Rent was calculated  
17 using the Category 1 And Category 2 Southern California  
18 benchmarks. Rent for the boat dock and access ramp are  
19 calculated using the Category 1 benchmark; and rent for  
20 the cantilevered deck was calculated using the Category 2  
21 benchmark, with the enclosed portion of the deck being  
22 calculated at the undiscounted rate. This is because the  
23 applicant has full utility of the enclosed portion of that  
24 deck.

25           The open portion of the cantilevered deck was

1 calculated at the discounted rate. This is consistent  
2 with how staff calculates rent throughout the State.

3 That concludes my presentation.

4 Ms. Hohly is present and would like to address  
5 the Commission.

6 Thank you.

7 CHAIRPERSON YEE: Yes, please.

8 Thank you.

9 Good afternoon, Ms. Hohly.

10 MS. HOHLY: Thank you.

11 It's a little intimidating as a houseowner when  
12 you're following the Port of L.A. and the Port of Long  
13 Beach and a few other things, et cetera.

14 Part of the things that were said were not a  
15 hundred percent true, and I'm not here because I don't  
16 think that there should be a fee for a dock. I'm not  
17 against that. What I feel it should be is fair and level.  
18 And it should be appropriate.

19 I also -- one of the comments - I just jump - he  
20 made is that they started doing the lease and I never  
21 returned the application. Your application was 16 pages  
22 long, including grazing rights, environmental impact, and  
23 a variety of other totally bizarre things that I have no  
24 idea what they were. I contacted the State Commission and  
25 said, "How do I fill this out?" They said, "Well, just

1 fill out the part that's applying." I said, "How do I  
2 know what applies?"

3 The reason you never got an application back is  
4 nobody ever helped me fill out the application. You would  
5 have gotten it back. I would have tried to do it. I've  
6 done it all long. I've paid for my parents. It was my  
7 parents' house that just passed away recently.

8 So, anyhow you didn't get an application because  
9 nobody helped me fill it out.

10 The current person said, "Well, we could have  
11 crossed out a few pages and just left you the pages to  
12 do." I said, "Why in the heck didn't you do it?"

13 You know, make it reasonable. We're willing to  
14 do it.

15 One of the things that I'm concerned with is two  
16 parts: The lease that I came to you today is one that I  
17 got yesterday in the mail. So my time to get back to you  
18 and to talk about it was not really timely. Little over a  
19 week ago I was notified that the lease was going to be  
20 retroactive back to the date of the transfer of the trust  
21 from the death of my parents. So back to November 24th.

22 If you turn to -- I actually have a PowerPoint  
23 here. Well, if you have the documents here, if you go to  
24 page 3.

25 The charge that was there was 2,720 -- and I have



1 been working with Grace and Ken and -- no two more.

2 --o0o--

3 --o0o--

4 MS. HOHLY: There -- for the amount of that dock,  
5 which was from November 24th through August 8th. And  
6 that's 259 days. The fraction of that is 70.96 percent.  
7 Which if you do the math based on the fee that's in the  
8 lease of 3,627 times 70.96, it's 2,573 point -- rounded  
9 off to 2574.

10 The fee that you had was \$2,720. And I never got  
11 a justification. I sent an email saying, "How did you  
12 calculate this? What justification do you have? This is  
13 the fraction of the year that was there, and yet you're  
14 charging me 2720 when I see that the number of days is  
15 2574. It doesn't make sense."

16 The other thing that was also a concern to me, if  
17 you go back to page 2 of the PowerPoint.

18 One more back.

19 One more forward.

20 There.

21 This is the State Lands Commission benchmarks,  
22 which appear on your website. And it was the only place I  
23 could find the benchmarks as to the justification for how  
24 the fees were determined. Now, Ken and Grace have gone  
25 through them with me, and I understand how they were

1 there. But I also understand that they're not publicly  
2 available. And I've -- when I had asked previously how  
3 they determined that one part of the deck was \$240 a  
4 square foot times 9 percent return, and the other was only  
5 \$60 times 9 percent return -- this was on the back page of  
6 the handout, the original one -- when I looked at the  
7 enclosure for category 2 it says its 5.4. That's 60 times  
8 9 percent. And so I'm getting a charge on that back page  
9 for half the deck at 240 by square foot. So instead of it  
10 being \$6,000, it's \$2400.

11 Now, this enclosure, as they say, is livable. It  
12 still has the same Brown & Jordan furniture on the outside  
13 as it has on the inside. And when the dog pees on the  
14 tile, I wash it down and it will run right out into the  
15 water. So it's not exactly airtight.

16 Yes, it does have glass walls. But if you've  
17 ever been there trying to watch the Christmas parade in  
18 the middle of winter, you'd be happy to have some glass  
19 walls for a windbreaker. It gets pretty cold out there.  
20 And when my mom was only 85 pounds, she got really cold  
21 out there. So it was important.

22 So as I looked at these fees, and on the first  
23 page where I had done it, where it had said deck ramp, I  
24 calculated it at the 540, the fee is considerably  
25 different if we don't include that as an enclosure.

1           I was also told that it's based on the land  
2 value. And I understand this is an enhancement to my land  
3 value. I'm not bitching about that.

4           \$60, I'll pay. 240, when I can wash the dog  
5 urine down out of an enclosed room? Yeah, it doesn't blow  
6 like a hurricane in there, but it's still not real warm.  
7 And still the same lawn furniture that's inside that, it's  
8 inside the other. It's not an actual livable room.

9           So, anyhow, that one of the concerns that I have,  
10 was the justification on the cost on that.

11           And I went to -- as I said, I just got the lease.  
12 I was told a little over a week ago the other cost. And I  
13 couldn't sit here and say how can I sign a lease for  
14 amounts that don't seem real. I can't calculate them. I  
15 can't figure it out. I never got the justification till  
16 today as to how the value for differential was determined.  
17 The value implies that there's only one value for Category  
18 2. But yet there's more than one value. "But we don't  
19 publish them. We don't tell you what they are. We just  
20 make them up."

21           I talked to the person up there, which was Sandy.  
22 She said, "Well, I have a sheet of paper that I use." I  
23 said, "Send it to me." I'm still waiting. It's not on  
24 your website. It isn't a published sign. But yet I'm  
25 expected to just pony up.

1 I mean, I'm asking for fairness.

2 The other thing is that I'm now being asked to  
3 release, that is, 3,600 and change, almost 3,700, plus an  
4 additional 2574 if we do the revised rate. Plus you want  
5 a million dollar liability, which is \$1,340 charge, and  
6 then a \$1500 processing fee. That's 9 thousand plus  
7 dollars. I don't know about your bank account, but it's  
8 not sitting in mine. And I've asked, "Can I get a payment  
9 plan? You're asking for almost two years worth of fees."  
10 I don't know about any of you. Any of you have that much  
11 money sitting around just ready to write this check to the  
12 state?

13 I don't see a lot of you going, "Yeah, I'm ready  
14 to go."

15 So it's a matter of asking for something that --  
16 and I asked for a payment plan. The answer was, "I'll get  
17 back to you." I'm still waiting.

18 So, anyhow, basically I'm here to just sort of  
19 say I want the lease to be a fair lease. I'm not against  
20 paying a reasonable fee. I just want to make sure that it  
21 is level and fair and calculated correctly. And, you  
22 know -- and since you want almost two years, I want a  
23 little bit of payment plan maybe, since that's a little  
24 hard to swallow overnight.

25 But I want to thank you for the time and thank

1 you very much.

2 CHAIRPERSON YEE: Thank you, Ms. Hohly for coming  
3 forward.

4 Ms. Lucchesi.

5 EXECUTIVE OFFICER LUCCHESI: Yeah. First, I want  
6 to apologize sincerely to Mrs. Hohly for the frustration  
7 that she has felt dealing with our staff over this  
8 application over the many years. I know our staff has  
9 tried their best to communicate clearly about the lease  
10 application and what was expected and that sort of thing.  
11 Obviously we did not do a good enough job.

12 And there does seem to be some inconsistency with  
13 the back rent as well as some additional discussion that  
14 needs to occur in regards to her request for a payment  
15 plan. That is something that would need to be approved by  
16 the Commission.

17 But what I propose to the Commission at this  
18 point is to defer action on this item so we can go back  
19 and make sure that we are very clear and we spend the time  
20 that we need to spend with Mrs. Hohly to explain the state  
21 process, the expectations, the terms of the lease, as well  
22 as explore what the options for a payment plan look like.

23 What I do want -- so that would be my  
24 recommendation at this point.

25 What I do want to make sure is -- on the record

1 is that what staff is proposing here is consistent with  
2 how we approach every single Huntington Harbor applicant  
3 that has improvements, decks, docks, enclosed structures  
4 located on State property; and that in turn is consistent  
5 with the way that we approach these types of uses and  
6 applications throughout the State.

7 So after we do spend the time with Mrs. Hohly and  
8 bring this lease application back to you for your  
9 consideration, it will include the elements that you're  
10 seeing now. But hopefully we do a much better job at  
11 walking her through the process and spending the time that  
12 we need to in order to explain the rationale and the  
13 reasoning behind our recommendation, and also that we  
14 spend the time that we need to checking our own math.

15 So that would be my recommendation at this point.

16 CHAIRPERSON YEE: Okay. Very well. Thank you,  
17 Ms. Lucchesi.

18 So without objection.

19 ACTING COMMISSIONER WILLIAMS: Motion.

20 CHAIRPERSON YEE: Okay. Motion by Mr. Williams.

21 ACTING COMMISSIONER ORTEGA: Second.

22 CHAIRPERSON YEE: Second by Commission Ortega.

23 Without objection, we will defer this matter so the  
24 staff can work further with Mrs. Hohly.

25 MS. HOHLY: Thank you. Does this mean it goes to

1 another agenda or are we just going to defer and then  
2 finish up and make the recommendation?

3 LAND MANAGEMENT DIVISION CHIEF BUGSCH: It will  
4 come back to another Commission meeting.

5 EXECUTIVE OFFICER LUCCHESI: It will come back to  
6 another Commission meeting.

7 MS. HOHLY: Well, we're going to get to be good  
8 friends.

9 (Laughter.)

10 EXECUTIVE OFFICER LUCCHESI: Hopefully, you won't  
11 need to -- you won't need to participate if you're happy  
12 with the lease.

13 MS. HOHLY: Well, I basically want the lease to  
14 stay consistent. And good parts of it now are not a  
15 problem. It's just some of the inconsistencies. And I  
16 don't intend to -- my dad was a CPA, and he says you read  
17 it all. And you know what happens when you teach a kid to  
18 read? She does.

19 And so, you know, basically I read it through and  
20 I said there's some inconsistencies. It's not a matter of  
21 that the general thing is not passable by me. It's that  
22 it has to be accurate. My CPA dad would be turning over  
23 in his grave if I signed something that had wrong math in  
24 it.

25 So it's just a matter of -- it's not a matter of

1 I need to push it off as much as just get it right.

2 CHAIRPERSON YEE: Yeah. And we want to get it  
3 right as well. So give us the time to --

4 EXECUTIVE OFFICER LUCCHESI: Yeah. I want to  
5 assure her that this is not her fault. That this is, you  
6 know, our job to make this right. And hopefully it won't  
7 pose too much more of a burden on her.

8 CHAIRPERSON YEE: Right.

9 Great. Thank you.

10 All right. Thank you very much.

11 And I believe our next item now is Public  
12 Comment. And we have a series public speakers. As I call  
13 your name, please come forward, introduce yourself for the  
14 record, and you'll have three minutes to speak.

15 First I have Jerilyn Lopez Mendoza.

16 Is Jerilyn still here?

17 Okay. She may have left, but she spoke  
18 previously.

19 Kathleen Woodfield?

20 AUDIENCE MEMBER: She's left.

21 CHAIRPERSON YEE: Okay. Peter Warren. He spoke  
22 on an earlier item.

23 And these may have been folks that signed in  
24 twice to speak.

25 Amanda Winchell, Surfrider Foundation. And this



1 relates to the Martin's Beach issue.

2 MS. WINCHELL: Commissions, thank you for your  
3 time, again. My name is Amanda Winchell, Policy  
4 Coordinator for the Surfrider Foundation. I'm here on  
5 behalf of the Surfrider Foundation, our 250,000 supporters  
6 who cherish beach access, and the people of California and  
7 beyond who are hoping that a permanent access solution can  
8 be reached at Martin's Beach in San Mateo County.

9 We've appeared before the Commission a number of  
10 times since SB 968 went into effect January 2015, which  
11 marked the beginning of a year-long easement purchase, a  
12 negotiation between this agency and the property owner,  
13 Vinod Khosla.

14 When the end of 2015 came around, which marked  
15 the last weeks of the negotiation period, we encouraged  
16 the Commission to consider other means of acquisition,  
17 such as exercising eminent domain. This Commission most  
18 certainly has exercised its best efforts to negotiate in  
19 good faith with Mr. Khosla and has continued to do so even  
20 to this late date in August 2016. Surfrider Foundation  
21 and its supporters are very grateful for this.

22 The time has come however to take action. The  
23 gate at Martin's Beach was locked to the public in 2010,  
24 although a judge has ordered the gate be opened, which it  
25 is on occasion. There is no guarantee that it will be

1 open next year or even tomorrow when, for example, a  
2 three-generation family drives all the way from the valley  
3 with the hopes of visiting.

4           In addition to being a physical barrier to  
5 access, which is especially problematic for the elderly,  
6 the gate acts as a psychological barrier to those who wish  
7 to be law-abiding citizens but whose understanding of a  
8 gate is that whatever path the gate crosses is closed.

9           So please let me leave you with the words of a  
10 woman named Terri Lawrence, who is one of the many who  
11 love this beach so much, in the hopes that it will inspire  
12 this Commission to take further action.

13           "I'm not an activist or a conservationist. I am  
14 just a mom who wants to share family traditions with my  
15 son. My grandfather built a cabin on Martin's Beach in  
16 the 1940s and it was part of our family for over 50 years.  
17 It was a place for family gatherings. We enjoyed  
18 smelting, exploring the tide pools, watching the pelicans  
19 dive for fish, observing the sea lions, or just enjoying  
20 the beautiful scenery. As children our job was to collect  
21 all the smelt that were dumped from the nets and place  
22 them in buckets. Later our families would cook them up  
23 for dinner. We enjoyed going to the store, buying our  
24 candy necklace, or just hanging out and listening to the  
25 fishermen tell their stories.

1            "This is a special place with a long deep-rooted  
2 history. There are hundreds and probably thousands that  
3 would consider Martin's Beach a special place to them.  
4 This beach should be open to the public for all to enjoy  
5 and respect. Please help us to preserve history,  
6 tradition, and nature by ensuring this beach is available  
7 for all to enjoy and care for.

8            "Although the new owners are trying to get us to  
9 forget about it by painting over the sign and pretending  
10 Martin's Beach doesn't exist, we will not forget. Let us  
11 have access to our little piece of heaven so that we can  
12 share it with generations to come."

13            That's all.

14            Thank you.

15            CHAIRPERSON YEE: Thank you very much.

16            No further comment or additions from your earlier  
17 comments?

18            EXECUTIVE OFFICER LUCCHESI: No. No, we continue  
19 to engage in conversations, and I'll continue to update  
20 the Commission.

21            CHAIRPERSON YEE: Okay. Very good.

22            James Allen, are you still in the audience?

23            Okay. And Jesse Marquez I have on the agenda.

24            MR. MARQUEZ: I'm Jesse Marquez, Wilmington  
25 resident and executive director of Coalition for a safe

1 environment.

2 I wasn't here in time to make it for the 59, so  
3 most of my comments are reflected towards that. But I  
4 have referred them more towards requests and  
5 recommendation. I'm trying not to repeat what was said  
6 before by my fellow harbor residents. But concerns came  
7 over regarding the China Shipping and the TraPac.

8 Well, two of these could have been prevented by  
9 taking two actions. And these are requests I'm making to  
10 the State Lands Commission.

11 We've always asked during the course of our  
12 public comments for any type of project at the Port of  
13 L.A. and even the Port of Long Beach, that there be a  
14 third-party independent monitor. If this had been  
15 included and approved by the Board of Harbor  
16 Commissioners, we would not have gotten into this problem.

17 The other thing where I see there's a violation  
18 is the failure to disclose. Management and staff knew  
19 that China Shipping terms and conditions of the judgment  
20 were not being done. Management and staff knew that the  
21 MOU for the TraPac was being violated. But we, the  
22 public, were not notified in a timely action. Thank God  
23 that we -- the mayor appointed a new director -- executive  
24 director, Gene Seroka, who's now taking action on that.  
25 But that's not where we're at. The point was that it

1 could have been prevented, and it did not.

2           So these are two areas that I feel that the State  
3 Lands Commission could be involved with in the future to  
4 prevent this happening in the future.

5           I'm now going to bring up another category of  
6 things that we've been discussing with the Port of L.A.  
7 for about a year or two now. And this is regarding ethics  
8 violations, conflicts of interest violations, contracting  
9 and procurement policy violations.

10           We have had former Board of Harbor Commissioners  
11 and former Board President Nicholas Tonsich, who has  
12 already been told by - going back a few years - the city  
13 attorney's office that he was not to get involved in like  
14 the China Shipping and other port projects that would be a  
15 conflict of interest to them.

16           The Los Angeles City Ethics Commission ruled  
17 against him, and told him he was not to be involved in  
18 port business activities. Yet the Port of L.A. and the  
19 Board of Harbor Commissioners have allowed him to create  
20 one business as a marine service contracting company,  
21 creating another company to compete with a legitimate  
22 company who has patent technologies for a ship emissions  
23 capture technology.

24           We have brought up numerous examples of times and  
25 incidents where the Board approved him \$1.5 million as one

1 of their technology advancement grants to demonstrate his  
2 technology. What did they do wrong? Every previous  
3 applicant already had a demonstrating model. They gave  
4 him literally a million and a half dollars like you would  
5 give me a million to build it. And that's what he did.  
6 He built the demonstration model. He did not have it.

7 Even recently -- and you heard about the Green  
8 Omni Terminal. I have no problems with -- against the  
9 Green Omni Terminal, but the fact that he again is getting  
10 \$3.4 million out of that.

11 And at one of the last Board of Harbor  
12 Commissioners, I delivered copies of eight patents owned  
13 by Advanced Cleanup Technologies and Advanced Engineering  
14 Group that showed that they owned the rights and the  
15 patents to the advanced maritime emissions control system,  
16 which are various technologies on barge and off barge that  
17 you capture the emissions from a ship's exhaust system.  
18 But yet I brought it up. I've never been contacted since  
19 that time with a report saying it's true.

20 They own no patents. Yet the Port is going  
21 forward allocating millions of public funds towards a  
22 company that doesn't have the right to do it.

23 And so I ask you again. These are three  
24 categories that we asked you to follow up with. Because  
25 at one of the last board meetings they told me, "Oh, well,

1 we the Board of Harbor Commissioners are not going to  
2 address it. We referred it to the City Ethics  
3 Commission." Well, the city ethics commission already  
4 ruled against it before. So there's a concern there.

5 Another thing, if we're talking about --

6 CHAIRPERSON YEE: Mr. Marquez, your time's  
7 expired. So if you'll wrap it up please.

8 MR. MARQUEZ: Okay. Just real quickly.

9 Then our concern is that there are the best  
10 available technologies available: The ANNEX System,  
11 zero-emission trucks are another type of technology that  
12 is available, that have been certified by CARB, yet  
13 they've not been incorporated into mitigation plans.

14 Thank you.

15 CHAIRPERSON YEE: Thank you.

16 I'm going to just offer, Mr. Seroka, any need to  
17 comment on that at this time?

18 MR. SEROKA: As to Mr. Marquez's comment, he is  
19 accurate in stating that he has brought before the Board  
20 of Harbor Commissioners allegations against this  
21 particular individual, Mr. Tonsich. This is outside of  
22 our jurisdiction and we have referred all of these  
23 allegations that have been placed to us in writing  
24 directly to the Los Angeles City Ethics Commission for  
25 their ruling.

1           They work under different standards at the Ethics  
2 Commission. Do not have exact tracking and timing of  
3 receipt or dispersal of information and guidance. We will  
4 leave that to the Ethics Commission.

5           They do hold public meetings and would welcome  
6 any member of the public to join and make comment at those  
7 meetings.

8           From previous discussions with the Ethics  
9 Commission and their previous rulings that happened years  
10 ago, we continue to work through the city attorney's ease  
11 office back to the Ethics Commission to ensure that we are  
12 upholding all rights and privileges granted to us.

13           And, lastly, on the monies that were just quoted,  
14 they are not exactly accurate and we are not forcing money  
15 to people that are not going through the proper  
16 application process for technology advancement programs  
17 and others.

18           CHAIRPERSON YEE: Thank you.

19           Okay. Any other comments by the Commissioners?

20           All right. Our next item -- do we have a closed  
21 session?

22           EXECUTIVE OFFICER LUCCHESI: Yes.

23           CHAIRPERSON YEE: Yeah, we do. Yes. Okay.

24           So we will stay in this room. And we will ask --  
25 our next item is Closed Session of the Commission. We



1 will ask the public to please vacate the room so the  
2 members can meet in closed session.

3 (Off record: 4:10 p.m.)

4 (Thereupon the meeting recessed into  
5 closed session.)

6 (Thereupon the meeting reconvened  
7 open session.)

8 (On record: 4:31 p.m.)

9 CHAIRPERSON YEE: Okay. We will resume the State  
10 Lands Commission meeting. I just want to report the  
11 Commission met in closed session, discussed pending  
12 litigation. And I believe that completes all of the items  
13 on the agenda.

14 And with that, we are adjourned. Thank you.

15 (Thereupon the California State Lands  
16 Commission meeting adjourned at 4:31 p.m.)

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## 1 C E R T I F I C A T E O F R E P O R T E R

2 I, JAMES F. PETERS, a Certified Shorthand  
3 Reporter of the State of California, do hereby certify:

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

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

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

14 IN WITNESS WHEREOF, I have hereunto set my hand  
15 this 23rd day of August, 2016.

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