

~ MINUTES ~
CALIFORNIA STATE LANDS COMMISSION
MEETING OF DECEMBER 17, 2014

**CITY OF NEWPORT BEACH
COUNCIL CHAMBERS
100 CIVIC CENTER DRIVE
NEWPORT BEACH, CALIFORNIA 92660**

APPEARANCES

COMMISSIONERS PRESENT

- Alan Gordon, Deputy Controller and Alternate for Controller John Chiang
- Kevin Schmidt, Policy Director and Alternate for Lieutenant Governor Gavin Newsom
- Eraina Ortega, Chief Deputy Director and Alternate for Director of the Department of Finance Michael Cohen

STAFF MEMBERS IN ATTENDANCE

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

REPRESENTING THE OFFICE OF THE ATTORNEY GENERAL

- Joseph Rusconi, Deputy Attorney General

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

**RECORD OF ACTION TAKEN BY THE
CALIFORNIA STATE LANDS COMMISSION
MEETING OF DECEMBER 17, 2014**

Chair Alan Gordon called the meeting of the California State Lands Commission to order at 12:00 P.M. at the City of Newport Beach Council Chambers, 100 Civic Center Drive, Newport Beach, California 92660; also present were Commissioner Alternate Kevin Schmidt and Commissioner Alternate Eraina Ortega.

(The State Lands Commission adjourned into closed session from 12:04 P.M. to 12:21 P.M., then resumed open session at 12:30 P.M.)

The Minutes of the October 14, 2014 Meeting were approved by a vote of 2-0 (Ortega and Schmidt).

EXECUTIVE OFFICER'S REPORT

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

- California is celebrating the 20th anniversary of the California Desert Protection Act, signed into law on October 31, 1994 and authored by Senator Feinstein. The Senator will be renewing her effort to protect the California desert by introducing the California Desert Conservation and Recreation Act in 2015.
- The State Lands Commission will obtain its last payment in a settlement with the federal government relating to California's ownership of portions of the federal Elk Hills Naval Petroleum Reserve as a result of the omnibus appropriations legislation for FY 2015 released last week. With the \$15,579,815 appropriated in this measure, California will have received a total of \$315,522,000 paid into CalSTRS as a result of the settlement.
- The United States Supreme Court recently entered the Joint Supplement Decree submitted by the United States Solicitor General's Office and the California State Lands Commission, represented by the Attorney General's Office in the case of the United States versus California. The dispute over the location of the offshore boundary began with the discovery of oil in Wilmington, California in 1935. The State Lands Commission and the Attorney General's Office have been working with the federal government in locating the boundary since 1955. This fixed boundary, which extends from off the coast of California from Mexico to Oregon, will provide certainty to state and federal lessors, regulators, lessees, and operators of federal and state mineral and renewable energy leasing programs, and will prevent future litigation concerning the submerged lands rights of the parties.
- A couple months back the Commission received information that one of its lessees, Paradise Cove Land Company, was charging a walk-in fee to access Paradise Cove Pier and the associated public tidelands. The Commission notified the Paradise Cove Land Company of the lease violation; the same day the California Coastal Commission staff sent notice of violation to the land

RECORD OF ACTION CONTINUED

company alleging various Coastal Act violations. The Paradise Cove Land Company took immediate steps to resolve the identified violations. Commission staff will continue to monitor Paradise Cove Land Company's compliance with the terms of the lease to ensure that public access is provided to the statewide public year-round and free of charge.

- Commission staff, in conjunction with the Attorney General's Office, is working on doing an in-camera review of the Rancho LPG facility's insurance policy. Staff has sent comments back on the proposed guarantee agreement, but is unsure if Plains All American is willing to go forward with the agreement.
- The Executive Officer acknowledged the retirement Deputy Attorney General Alan Hager. Mr. Hager has been with the Attorney General's office since the mid-1970s. He is the Commission expert on oil and gas law, primarily focusing on the Long Beach Unit and the Wilmington oil properties. Mr. Hager officially retired from the Attorney General's office in 2007 but returned as a retired annuitant to work for the State Lands Commission.
- The Executive Officer acknowledged the departure of State Controller John Chiang, who has served on the Commission and the people of the State of California for the past eight years. Also acknowledged for his service is Deputy Controller Alan Gordon, the Commission's Alternate for State Controller John Chiang. Mr. Gordon will be joining Treasurer-elect John Chiang at the State Treasurer's Office.

CONSENT CALENDAR

- Consent Items C08, C26, C36, and C57 were removed from consideration.
- Consent Items C01-C07, C09-C25, C27-C35, C37-C56, and C58-C68 were approved as presented by a vote of 2-0 (Ortega and Schmidt).

INFORMATIONAL CALENDAR

- Items 69 and 70 were informational – no vote required.

REGULAR CALENDAR

ITEM 71: A staff presentation was made to the Commission to consider an application for a general lease of sovereign land located in the Pacific Ocean, near the city of Marina in Monterey County for the construction, operation, and decommissioning of a temporary exploratory test slant water well.

Item 71 – was approved as presented by a vote of 2-0 (Ortega and Schmidt)

RECORD OF ACTION CONTINUED

ITEM 72: A staff presentation was made to consider certification of a Final Environmental Impact Report for the revised PRC 421 Recommissioning Project proposed by Venoco, Inc. After hearing testimony from representatives from Venoco and the public, the Commission approved the item.

Item 72 – was approved as presented by a vote of 2-0 (Gordon and Ortega)

ITEM 73 – was removed from consideration.

The Commission meeting public session was adjourned at 1:55 P.M.

**STAFF AND PUBLIC ADDRESSING
THE FOLLOWING CALENDAR ITEMS
DECEMBER 17, 2014**

ITEM 71

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

- Rich Svindland, Vice President of Engineering, California American Water

ITEM 72

Seth Blackmon, Staff Attorney, Legal Division, CSLC

- Chris Collier, Coastal Energy Alliance
- Jenna Driscoll, Watershed and Marine Program Associate, Santa Barbara Channelkeeper
- Linda Krop, Chief Counsel, Environmental Defense Center
- Alison Krumbein, Attorney, Sohagi Law Group
- Chris Peltonen, Venoco
- Paula Perotte, Mayor, City of Goleta

PUBLIC COMMENT

- Steve Diels, representing self