

MEETING
STATE OF CALIFORNIA
LANDS COMMISSION

DOUBLETREE BY HILTON MARINA
BELVEDERE ROOM
200 MARINA BOULEVARD
BERKELEY, CALIFORNIA

TUESDAY, APRIL 5, 2016
1:00 P.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

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

STAFF:

Ms. Jennifer Lucchesi, Executive Officer

Mr. Dave Brown, Assistant Executive Officer

Mr. Mark Meier, Chief Counsel

Mr. Brian Bugsch, Chief, Land Management Division

Mr. Colin Connor, Chief, Administrative Services Division

Mr. Joseph Fabel, Staff Attorney

Ms. Kim Lunetta, Executive Assistant

Mr. Cy Oggins, Chief, Division of Environmental Planning
and Management

Ms. Sheri Pemberton, Chief, External Affairs Division

ATTORNEY GENERAL:

Mr. Andrew Vogel, Deputy Attorney General

ALSO PRESENT:

Mr. Ian Bain, Vice Mayor, City of Redwood City

Ms. Joan Bernier

Ms. Mary Bernier

Mr. Lee Callister

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

ALSO PRESENT:

Ms. Emelio Diaz

Ms. Melissa Stevenson Diaz, City of Redwood City

Mr. John Geesman, Alliance for Nuclear Responsibility

Mr. Kevin Germano

Mr. Robert Heflin

Mr. James Jonas

Mr. Adam Lyman, IBEW 1245

Ms. Alison Madden, San Francisco Bay Marinas for All

Ms. JoAnn McDonnell

Mr. David Mercier, California Resources Corporation

Mr. Greg Miller

Ms. Diana Reddy, Redwood City Residents for Rent
Protection

Ms. Jennifer Savage, Surfrider Foundation

Mr. William Sloan, Morrison & Foerster

Ms. Tania Solé

Mr. Edward Stancil, Peninsula Yacht Club

Ms. Lynn Walter

Mr. David Weisman, Alliance for Nuclear Responsibility

Ms. Dayna Williams, IBEW 1245

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I 1:00 P.M. - OPEN SESSION	1
II CONFIRMATION OF MINUTES FOR THE MEETING OF FEBRUARY 9, 2016, AND THE REVISED MINUTES FOR THE MEETINGS OF APRIL 23, 2015 AND DECEMBER 18, 2015.	1
III EXECUTIVE OFFICER'S REPORT	2
Continuation of Rent Actions to be taken by the CSLC Executive Officer pursuant to the Commission's Delegation of Authority:	
- Darlene A. Brock, as Trustee of the DAWB Trust, Dated May 17, 2004 (Lessee): Continuation of annual rent at \$335 per year for a General Lease - Recreational Use located on sovereign land in the Sacramento River, adjacent to 3505 Garden Highway, near the city of Sacramento, Sacramento County. (PRC 5720.1).	
- Wayne Demmel (Lessee): Continuation of annual rent at \$629 per year for a General Lease - Recreational Use located on sovereign land in Tomales Bay, adjacent to 12836 Sir Francis Drake Boulevard, near Inverness, Marin County. (PRC 8941.1).	
IV CONSENT CALENDAR C01-C61	20
THE FOLLOWING ITEMS ARE CONSIDERED TO BE NON-CONTROVERSIAL AND ARE SUBJECT TO CHANGE AT ANY TIME UP TO THE DATE OF THE MEETING.	
LAND MANAGEMENT DIVISION	
NORTHERN REGION	
C01 JOHN A. LAMBETH AND CARSON LAMBETH (LESSEE): Consider application for an amendment to Lease No. PRC 9098.1, a General Lease. Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 33912 South River Road, near the city of Clarksburg, Yolo County; to extend the completion	

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date for construction of a covered floating boat dock, appurtenant facilities, and placement of bank protection. CEQA Consideration: categorical exemption. (PRC 9098.1; RA# 21115) (A 4; S 3) (Staff: G. Asimakopoulos)

- C02 ADOLPH A. SCHONDER AND KATHLEEN M. SCHONDER, TRUSTEES OF THE ADOLPH AND KATHLEEN SCHONDER REVOCABLE TRUST, DATED MARCH 7, 2005 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 735 Lakeview Avenue, near the city of South Lake Tahoe, El Dorado County; for two existing mooring buoys not previously authorized by the Commission. CEQA Consideration: categorical exemption. (W 24037; RA# 21815) (A 5; S 1) (Staff: M.J. Columbus)
- C03 CHRISTOPHER J. COCCHI AND KENNETH R. CARLSON (LESSEE); LAWRENCE R. WHITMAN AND JENNIFER A. WHITMAN (APPLICANT): Consider termination of Lease No. PRC 7973.9, a Recreational Pier Lease, and an application for a General Lease - Recreational Use, of sovereign land located in Donner Lake, adjacent to 14254 South Shore Drive, near the town of Truckee, Nevada County; for an existing pier. CEQA Consideration: categorical exemption. (PRC 7973.1; RA# 17915) (A 1; S 1) (Staff: M.J. Columbus)
- C04 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)
- C05 LEVEE DISTRICT ONE OF SUTTER COUNTY (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the Feather River, adjacent to Second Street, Assessor's Parcel Number 52-570-006, near Yuba City, Sutter County; for two existing uncovered

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floating boat docks and appurtenant facilities not previously authorized by the Commission. CEQA Consideration: categorical exemption. (W 20980; RA# 18015) (A 3; S 4) (Staff: M.J. Columbus)

- C06 NORMAN A. NAGEL AND RITA NAGEL, AS TRUSTEES, OR ANY SUCCESSOR TRUSTEE OF THE NORMAN A. NAGEL AND RITA NAGEL 1981 LIVING TRUST UNDER AGREEMENT DATED OCTOBER 26, 1981; AND CLINTON CHARLES MYERS AND JANELLE KAY MYERS, AS TRUSTEES OF THE MYERS FAMILY 2011 TRUST DATED MARCH 17, 2011 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4910 and 4900 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing joint-use pier, two boathouses, three boat hoists, two sundecks with stairs, and four mooring buoys. CEQA Consideration: categorical exemption. (PRC 3257.1; RA# 21315) (A 1; S 1) (Staff: M.J. Columbus)
- C07 SIX BAR C, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY; ROBERT C. COOK, JR., AS TRUSTEE UNDER THE WILL OF ROBERT C. COOK, SR., DECEASED, FOR BENEFIT OF KRISTEN A. COOK; AND ROBERT C. COOK JR., AS TRUSTEE UNDER THE WILL OF ROBERT C. COOK, SR., DECEASED, FOR BENEFIT OF MARK A. CHRISLER (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 770 West Lake Boulevard, near Tahoe City, Placer County; for an existing pier and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 3491.1; RA# 31914) (A 1; S 1) (Staff: M.J. Columbus)
- C08 SIX BAR C, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY; ROBERT C. COOK, JR., TRUSTEE UNDER THE WILL OF ROBERT C. COOK, SR., DECEASED, FOR BENEFIT OF KRISTEN A. COOK; AND ROBERT C. COOK JR., AS TRUSTEE UNDER THE WILL OF ROBERT C. COOK, SR., DECEASED, FOR BENEFIT OF MARK A. CHRISLER (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 750 West Lake

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Boulevard, near Tahoe City, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (PRC 3492.1; RA# 31814) (A 1; S 1) (Staff: M.J. Columbus)

- C09 THE HURRICANE BAY ESTATES OWNERS ASSOCIATION (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 201-240 Mankato Place, near Homewood, Placer County; for five existing mooring buoys. CEQA Consideration: categorical exemption. (PRC 8683.1; RA# 20515) (A 1; S 1) (Staff: M.J. Columbus)
- C10 DAVID R. SHELTON AND JENNIFER L. SHELTON, CO-TRUSTEES OF THE DAVID AND JENNIFER SHELTON FAMILY TRUST, DATED JUNE 6, 2003; AND DONALD MACLEOD AND MARY L. MACLEOD, TRUSTEES OF THE MACLEOD FAMILY TRUST DATED JANUARY 31, 2005 (APPLICANT): Consider correction to prior authorization of Lease No. PRC 5357.1, a General Lease. Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3800 and 3810 North Lake Boulevard, near Tahoe City, Placer County; for an existing joint-use pier, unenclosed boathouse with sundeck and stairs, and four mooring buoys. CEQA Consideration: not a project. (PRC 5357.1) (A 1; S 1) (Staff: S. Kreutzburg)
- C11 CENTRAL VALLEY FLOOD PROTECTION BOARD (LESSEE): Consider application for an amendment to Master Lease No. PRC 7203.9, a General Lease - Public Agency Use, of sovereign land located in the Sacramento River at River Mile 71.3, near the city of Woodland, Yolo County; to add a parcel of land and authorize repair and maintenance of bank protection. CEQA Consideration: Mitigated Negative Declaration, adopted by the Central Valley Flood Protection Board, State Clearinghouse No. 2009042052, and re-adoption of a Mitigation Monitoring Program. (PRC 7203.9; RA# 20815) (A 4; S 3) (Staff: N. Lee)
- C12 DAVID TENENBERG AND TRICIA GROSE TENENBERG, TRUSTEES OF THE TENENBERG FAMILY TRUST DATED JULY

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7, 2015 (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Napa River, adjacent to 1796 Milton Road, city of Napa, Napa County; for reconstruction of an existing uncovered floating boat dock, appurtenant facilities, and bank protection not previously authorized by the Commission. CEQA Consideration: categorical exemption. (W 26939; RA# 17115) (A 4; S 3) (Staff: M. Schroeder)

C13 CLABURN NIVEN JONES AND JOAN LEVERINGTON JONES AS TRUSTEES OF THE JONES FAMILY TRUST DATED MARCH 13, 2007; NENA JONES BROGAN, TRUSTEE, OF THE BROGAN LIVING TRUST DATED NOVEMBER 1, 1984; EDGAR MARK JONES, TRUSTEE, OF THE JONES FAMILY TRUST, DATED OCTOBER 26, 1997; CLABURN JONES AND DOUGAL JONES, CO-TRUSTEES OF THE LINDA JONES FALK BYPASS TRUST U/A/D MARCH 28, 2000 (LESSEE); CLABURN NIVEN JONES AND JOAN LEVERINGTON JONES AS TRUSTEES OF THE JONES FAMILY TRUST DATED MARCH 13, 2007; NENA JONES BROGAN, TRUSTEE, OF THE BROGAN LIVING TRUST DATED NOVEMBER 1, 1984; EDGAR MARK JONES, TRUSTEE, OF THE JONES FAMILY TRUST, DATED OCTOBER 26, 1997; JONES GST - EXEMPT FAMILY TRUST FBO EDGAR MARK JONES, EDGAR MARK JONES AND FIRST REPUBLIC TRUST COMPANY, COTRUSTEES; JONES GST - EXEMPT FAMILY TRUST FBO NENA JONES BROGAN, NENA JONES BROGAN AND FIRST REPUBLIC TRUST COMPANY, COTRUSTEES; AND JONES GST - EXEMPT FAMILY TRUST FBO CLABURN NIVEN JONES, CLABURN NIVEN JONES AND FIRST REPUBLIC TRUST COMPANY, COTRUSTEES (APPLICANT): Consider termination of Lease No. PRC 5527.9, a Recreational Pier Lease, and an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 2510 West Lake Boulevard, near Homewood, Placer County; for an existing pier, boat lift, and one mooring buoy. CEQA Consideration: categorical exemption. (PRC 5527.1; RA# 08315) (A 1; S 1) (Staff: M. Schroeder)

C14 JON Q. REYNOLDS AND ANN S. REYNOLDS, TRUSTEES OF THE JON Q. REYNOLDS AND ANN S. REYNOLDS FAMILY TRUST DATED 12/23/92 (APPLICANT): Consider

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application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8621 North Lane, near Rubicon Bay, El Dorado County; for an existing pier, boat lift, and one mooring buoy. CEQA Consideration: categorical exemption. (PRC 3539.1; RA# 11515) (A 5; S 1)(Staff: M. Schroeder)

C15 JOHN BROCKWAY METCALF (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 9031 Lupine Lane, city of South Lake Tahoe, El Dorado County; for an existing pier and two mooring buoys not previously authorized by the Commission. CEQA Consideration: categorical exemption. (W 21450; RA# 42614) (A 5; S 1) (Staff: M. Schroeder)

C16 LLOYD T. ROCHFORD AND CAROL A. ROCHFORD, TRUSTEES OF THE ROCHFORD LIVING TRUST, DATED DECEMBER 1, 1999 (LESSEE); SKYLANDIA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (APPLICANT): Consider termination of Lease No. PRC 4058.1, a General Lease - Recreational Use, and an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3740 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing pier, boathouse, boat hoist, sundeck with stairs, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 4058.1; RA# 37614) (A 1; S 1) (Staff: M. Schroeder)

C17 MICHAEL U. MANGUNLAY AND TRACY L. MANGUNLAY (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to 53303 County Road 142, near Clarksburg, Yolo County; for construction of an uncovered floating boat dock and appurtenant facilities not previously authorized by the Commission. CEQA Consideration: categorical exemption. (W 26940; RA# 18815) (A 4; S 3)(Staff: M. Schroeder)

C18 STEPHEN ROY MILLER AND TERRY P. MILLER, AS TRUSTEES OF THE STEPHEN ROY MILLER 1982 TRUST

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- (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 235 Drum Road, near Meeks Bay, El Dorado County; for an existing pier, boathouse with boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 3551.1; RA# 03815) (A 5; S 1) (Staff: M. Schroeder)
- C19 ANTHONY GREEN (LESSEE); WILLIAM MICHAEL ANDERSEN AND MARILYN H. ANDERSEN (APPLICANT): Consider termination of Lease No. PRC 8696.9, a Recreational Pier Lease, and an application for a General Lease. Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4180 Ferguson Avenue, near Carnelian Bay, Placer County; for an existing mooring buoy. CEQA Consideration: categorical exemption. (PRC 8696.1; RA# 12515) (A 1; S 1) (Staff: C. Singleton)
- C20 SHARON L. STOKES, TRUSTEE OF THE 2005 SHARON L. STOKES QUALIFIED PERSONAL RESIDENT TRUST DATED JULY 7, 2005; AND HOWARD W. STOKES (LESSEE); SIENNA PARTNERS, LLC, A NEVADA LIMITED LIABILITY COMPANY (APPLICANT): Consider acceptance of a quitclaim deed for Lease No. PRC 6819.9, a Recreational Pier Lease, and an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8381 Meeks Bay Avenue, near Meeks Bay, El Dorado County; for an existing pier, boat lift, boat hoist, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 6819.1; RA# 13415) (A 5; S 1) (Staff: C. Singleton)
- C21 WILLIAM D. WATKINS AND DENISE P. WATKINS TRUSTEES OF THE WATKINS FAMILY TRUST DATED 1-7-94 (LESSEE); 6980 WEST LAKE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (APPLICANT): Consider termination of Lease No. PRC 3637.1, a General Lease - Commercial Use, and an application for a General Lease. Commercial Use, of sovereign land located in Lake Tahoe, adjacent to 6980 West Lake Boulevard, near Tahoma, Placer County; for an

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existing pier and five mooring buoys. CEQA Consideration: categorical exemption. (PRC 3637.1; RA# 15715) (A 1; S 1) (Staff: C. Singleton)

- C22 WILLIAM G. ROBINSON AND DONALD A. WELLS, JR., AS TRUSTEES OF THE 1991 TAHOE IRREVOCABLE TRUST, DATED JULY 24, 1991; DONALD A. WELLS, JR.; KATHLEEN WELLS LALONDE OR HER SUCCESSOR(S), TRUSTEE OF THE KATHLEEN W. LALONDE 2006 REVOCABLE TRUST AGREEMENT DATED 11-16-2006, AS AMENDED; AND DEBBIE BAKER (LESSEE); WENDY J. WARREN, TRUSTEE OF THE WENDY J. WARREN REVOCABLE TRUST (APPLICANT): Consider termination of Lease No. PRC 7746.9, a Recreational Pier Lease, and an application for a General Lease. Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 48 Moana Circle, near Tahoma, Placer County; for an existing pier and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 7746.1; RA# 22015) (A 1; S 1) (Staff: C. Singleton)
- C23 ARTHUR L. NARVAEZ, DBA SCHOONER'S LANDING RV PARK, MARINA, AND CAMPGROUND (ASSIGNOR); GABRIELLA LEVINE, AS TRUSTEE OF THE GABRIELLA LEVINE LIVING TRUST, E/A DATED AUGUST 6, 2014, DBA SCHOONER'S LANDING RV PARK, MARINA, AND CAMPGROUND (ASSIGNEE): Consider application for the assignment of Lease No. PRC 5414.1, General Lease. Commercial Use, of sovereign land located in the Albion River, adjacent to Assessor's Parcel Numbers 123-060-10 and 123-060-14, near Albion, Mendocino County; for an existing commercial marina. CEQA Consideration: not a project. (PRC 5414.1; RA# 20715) (A 2; S 2) (Staff: B. Terry)
- C24 RED WOLF LAKESIDE LODGE L.P., A CALIFORNIA LIMITED PARTNERSHIP; AND TAHOYA SHORES CONDOMINIUM ASSOCIATION (LESSEE): Consider rescission of approval of amendment of lease and revision of rent to Lease No. PRC 7954.1, a General Lease - Recreational and Protective Structure Use, and issuance of an amendment of lease and revision of rent to Lease No. PRC

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7954.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in Lake Tahoe, adjacent to 7610 and 7630 Lakeside Boulevard, Tahoe Vista, Placer County; for an existing joint-use pier, rock jetty and a portion of a second rock jetty, and four mooring buoys. CEQA Consideration: not a project. (PRC 7954.1)(A 1; S 1) (Staff: B. Terry)

C25 T H GRACE LLC (LESSEE): Consider revision of rent to Lease No. PRC 8710.1, a General Lease. Commercial Use, of sovereign land located in the Sacramento River, adjacent to 36250 Riverview Drive, near Clarksburg, Yolo County; for a commercial marina. CEQA Consideration: not a project. (PRC 8710.1) (A 4; S 3) (Staff: B. Terry)

C26 THE 628 OLYMPIC PARTNERSHIP, L.P., A CALIFORNIA LIMITED PARTNERSHIP (APPLICANT): Consider application for a General Lease. Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 628 Olympic Drive, Tahoe City, Placer County; for two existing mooring buoys not previously authorized by the Commission. CEQA Consideration: categorical exemption. (W 26140; RA# 20315) (A 1; S 1) (Staff: B. Terry)

BAY/DELTA REGION

C27 ALOYSIA R. FOUCHE, TRUSTEE, FOUCHE TRUST, DATED SEPTEMBER 17, 1991 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Georgiana Slough, on Andrus Island, adjacent to 455 West Willow Tree Lane, near the city of Isleton, Sacramento County; for an existing boatshed, enclosed cabana, uncovered floating boat dock, and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 3045.1; RA # 29314) (A 11; S 3) (Staff: G. Asimakopoulos)

C28 NEIL E. KELLY AND MARY JO KELLY, TRUSTEES OF THE KELLY FAMILY REVOCABLE TRUST (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of

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sovereign land located in the Sacramento River, adjacent to 3575 Garden Highway near the city of Sacramento, Sacramento County; for an existing covered floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: categorical exemption. (PRC 5621.1; RA# 01115) (A 7; S 6) (Staff: G. Asimakopoulos)

- C29 KING & LYONS, A PARTNERSHIP (LESSEE); CROSSINGS AT 880 INDUSTRIAL LLC, A DELAWARE LIMITED LIABILITY COMPANY (APPLICANT): Consider acceptance of a quitclaim deed for Lease No. PRC 8370.1, a General Lease - Right of Way Use, and an application for a General Lease - Right of Way Use, of sovereign land located in Coyote Creek, adjacent to Assessor's Parcel Number 519-0820-002-16, near the city of Fremont, Alameda County; for four existing culverts. CEQA Consideration: categorical exemption. (PRC 8370.1; RA# 07515)(A 25; S 10) (Staff: G. Asimakopoulos)
- C30 DAVID J. LAMOREE AND BETTY J. LAMOREE (LESSEE); KATHRINE M. WALTON (APPLICANT): Consider correction to prior termination of Lease No. PRC 5782.1, a General Lease Recreational and Residential Use, and authorization of Lease No. PRC 5782.1, a General Lease - Recreational and Residential Use, of sovereign land located in Mare Island Strait, adjacent to 19 Sandy Beach Road, near the city of Vallejo, Solano County. CEQA Consideration: not a project.(PRC 5782.1) (A 10; S 2) (Staff: V. Caldwell)
- C31 CITY OF LATHROP (APPLICANT): Consider approval of boundaries of the annexation of sovereign land located in the San Joaquin River from San Joaquin County into the City of Lathrop by the San Joaquin Local Area Formation Commission. CEQA Consideration: not a project. (W 2400.208; RA# 28515)(A 12; S 5) (Staff: A. Franzoia)
- C32 CAPITOLA SEAWALL REPAIR AND REINFORCEMENT: Consider denial without prejudice of application for a General Lease - Protective Structure Use

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for a proposed seawall repair and reinforcement project, 110 Grove Lane, Capitola, Santa Cruz County. CEQA Consideration: statutory exemption. (W 26763) (A 29; S 17) (Staff: W. Hall, C. Herzog, L. Calvo)

- C33 RONALD L. AND GAY A. GILES (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in Georgiana Slough, adjacent Assessor's Parcel No 157-0100-076, near the city of Isleton, Sacramento County; for an existing two-berth uncovered floating boat dock and appurtenant facilities. CEQA Consideration: categorical exemption.(PRC 7694.9; RA# 23415) (A 11; S 3) (Staff: D. Tutov)
- C34 JASON C. MARKSTEIN, AS TRUSTEE OF THE MARKSTEIN TRUST, DATED DECEMBER 16, 2015 (APPLICANT): Consider application for a General Lease. Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 1841 Garden Highway, near the city of Sacramento, Sacramento County; for an existing uncovered floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: categorical exemption. (PRC 5612.1; RA# 23115) (A 7; S 6) (Staff: D. Tutov)
- C35 ERIC C. SCNEDER AND JACALYN SCNEDER (LESSEE): Consider revision of rent to Lease No. PRC 6740.1, a General Lease . Recreational Use, of sovereign land located in the Sacramento River, adjacent to 14434 State Highway 160, near Walnut Grove, Sacramento County; for an existing covered floating boat dock, appurtenant facilities, and two speed buoys. CEQA Consideration: not a project. (PRC 6740.1) (A 11; S 3) (Staff: D. Tutov)
- C36 CALIFORNIA CELLARS LLC (LESSEE): Consider revision of rent to Lease No. PRC 8937.1, a General Lease . Recreational Use, of sovereign land located in the Sacramento River, adjacent to 15511B Isleton Road, near the city of Isleton,

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Sacramento County; for an uncovered floating boat dock and appurtenant facilities. CEQA Consideration: not a project. (PRC 8937.1) (A 11; S 3) (Staff: D. Tutov)

CENTRAL/SOUTHERN REGION

- C37 POINT ARGUELLO PIPELINE CO. (PAPCO) (LESSEE): Consider revision of rent to Lease No. PRC 6995.1, a General Lease . Industrial Use, of sovereign land in the Pacific Ocean, near Gaviota, Santa Barbara County; for existing intake and outfall pipelines. CEQA Consideration: not a project. (PRC 6995.1) (A 37; S 19) (Staff: R. Collins)
- C38 CALIFORNIA STATE LANDS COMMISSION (PARTY): Consider authorizing the Executive Officer and/or their designee to sign a Memorandum of Agreement among the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, National Ocean Service, Office of National Marine Sanctuaries and the State of California Natural Resources Agency, Ocean Protection Council, California Department of Fish and Wildlife, California Fish and Game Commission, California Coastal Commission, and the California State Lands Commission, to describe the consultation process for the Office of National Marine Sanctuaries authorization of commercial shellfish aquaculture projects within Gulf of the Farallones and Monterey Bay National Marine Sanctuaries. CEQA Consideration: not a project. (W 26958) (A 2, 10, 19, 22, 24, 29, 30; S 2, 8, 11, 13, 17)(Staff: A. Franzoia)
- C39 CALIFORNIA HIGH-SPEED RAIL AUTHORITY (LESSEE): Consider application for an amendment to Lease No. PRC 9058.9, a General Lease - Public Agency Use, of sovereign land located in the San Joaquin River, near the unincorporated community of Herndon, Madera and Fresno counties; to change the required construction completion date and change the Lease Premises. CEQA Consideration: Environmental Impact Report/Statement, certified

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by the California High-Speed Rail Authority and Federal Railroad Administration, State Clearinghouse No. 2009091125, and re-adoption of a Mitigation Monitoring Program and Statement of Findings. (PRC 9058.9; RA# 08012) (A 5, 23; S 8, 12) (Staff: C. Hudson)

- C40 VINCENT B. RUH, TRUSTEE (LESSEE): Consider revision of rent for Lease No. PRC 5698.1, a General Lease - Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 16762 Coral Cay Lane, city of Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: not a project. (PRC 5698.1) (A 72; S 34) (Staff: S. Kreutzburg)
- C41 CONRAD G. BANKS AND CATHERINE V. BANKS, TRUSTEES OF THE CONRAD G. BANKS AND CATHERINE V. BANKS INTER VIVOS REVOCABLE TRUST, DATED NOVEMBER 7, 1980 (LESSEE): Consider revision of rent to Lease No. PRC 4637.1, a General Lease - Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 3372 Gilbert Drive, city of Huntington Beach, Orange County, for an existing boat dock, access ramp, and cantilevered deck. CEQA consideration: not a project. (PRC 4637.1) (A 72; S 34) (Staff: S. Kreutzburg)
- C42 CITY OF SAN CLEMENTE (APPLICANT): Consider an application for a General Lease - Public Agency Use, of sovereign land located in the Pacific Ocean, adjacent to North Beach and Linda Lane Beach, near the city of San Clemente, Orange County; for the existing City of San Clemente Opportunistic Beach Replenishment Program. CEQA Consideration: Mitigated Negative Declaration, adopted by the City of San Clemente, State Clearinghouse No. 2002081044, and re-adoption of a Mitigation Monitoring Program. (PRC 8567.9; RA# 19115) (A 73; S 36)(Staff: S. Kreutzburg)
- C43 NAGY KHALIL AND ALICIA KHALIL (LESSEE): Consider revision of rent to Lease No. PRC 3253.1, a General Lease - Recreational Use, of sovereign land located in Huntington Harbour, adjacent to

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16542 Somerset Lane, city of Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA consideration: not a project. (PRC 3253.1) (A 72; S 34) (Staff: S. Kreutzburg)

- C44 SCOTT S. BROWN, TRUSTEE U/D/T DATED MAY 23, 2011, F/B/O OF THE SCOTT S. BROWN TRUST (LESSEE); YU SHAO AND BIN XU (APPLICANT): Consider termination of Lease No. PRC 3859.1, a General Lease - Recreational Use, and an application for 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: categorical exemption. (PRC 3859.1; RA# 01215) (A 72; S 34) (Staff: S. Kreutzburg)
- C45 CALIFORNIA STATE LANDS COMMISSION AND CALIFORNIA COASTAL COMMISSION (PARTIES): Consider acceptance of an offer to dedicate lateral public access easement over land adjacent to State tidelands in the city of Malibu, 22230 Pacific Coast Highway, Los Angeles County. CEQA Consideration: not a project. (W 24665) (A 50; S 27) (Staff: D. Simpkin)
- C46 CALIFORNIA STATE LANDS COMMISSION AND CARBONVIEW LIMITED, LLC (PARTIES): Consider amendment of a lateral public access easement over land adjacent to 22224 Pacific Coast Highway in the city of Malibu, Los Angeles County. CEQA Consideration: not a project. (W 24665; AD 503) (A 50; S 27) (Staff: D. Simpkin)
- C47 GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT (LESSEE): Consider application for an amendment to Lease No. PRC 9085.9, a General Lease - Public Agency Use, of sovereign land located in the dry lake bed, Owens Lake, Inyo County; to authorize the removal of 14 Sensit sites and the installation of three additional Sensit sites. CEQA Consideration: categorical exemption. (PRC 9085.9; RA# 15414) (A 26; S 8) (Staff: D. Simpkin)

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C48 GUIDED DISCOVERIES, INC. (LESSEE): Consider application for an amendment to Lease No. PRC 6440.1, a General Lease - Recreational Use, of sovereign land located in the Pacific Ocean, near Button Shell Beach, Santa Catalina Island, Los Angeles County; for a reconstructed pier not previously authorized by the Commission, a change in the annual rent, and a change in the Lease Premises. CEQA Consideration: categorical exemption. (PRC 6440.1; RA# 22815) (A 70; S 26) (Staff: D. Simpkin)

C49 SANTA CATALINA ISLAND COMPANY AND SANTA CATALINA ISLAND CONSERVANCY (LESSEE/SUBLESSOR); UNIVERSITY OF SOUTHERN CALIFORNIA ON BEHALF OF THE WRIGLEY INSTITUTE FOR ENVIRONMENTAL STUDIES (SUBLESSEE): Consider application for a sublease under Lease No. PRC 3639.1, a General Lease - Commercial Use, of sovereign land located in Catalina Harbor, Santa Catalina Island, Los Angeles County; for a shellfish culture research facility. CEQA Consideration: California Coastal Commission Coastal Development Permit No. 9-14-0489. (PRC 3639.1) (A 70; S 26) (Staff: D. Simpkin)

136

SCHOOL LANDS

C50 QUESTAR SOUTHERN TRAILS PIPELINE (APPLICANT): Consider application for a General Lease - Right-of-Way Use, of State school land located in portions of Section 16, Township 9 North, Range 21 East, SBM; Section 36, Township 9 North, Range 20 East, SBM; Section 16, Township 8 North, Range 20 East; and Section 16, Township 7 North, Range 18 East, SBM, near the city of Twentynine Palms, San Bernardino County; for an existing natural gas pipeline and one cathodic protection unit. CEQA Consideration: categorical exemption. (PRC 8255.2; RA# 11715) (A 33; S 16) (Staff: C. Hudson)

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MINERAL RESOURCES MANAGEMENT

- C51 CITY OF LONG BEACH (APPLICANT): Consider prior approval of subsidence costs for vertical measurements and studies for the period 2016-2017 Fiscal Year, City of Long Beach, Los Angeles County. CEQA Consideration: categorical exemption. (W 10443) (A 70; S 33, 34) (Staff: R. B. Greenwood)
- C52 CITY OF LONG BEACH (APPLICANT): Consider acceptance of the Long Beach Unit Annual Plan (July 1, 2016 through June 30, 2017), Long Beach Unit, Wilmington Oil Field, Los Angeles County. CEQA Consideration: not a project. (W 17168) (A 70; S 33, 35) (Staff: E. Tajer)

MARINE FACILITIES . NO ITEMS

ADMINISTRATION

- C53 CALIFORNIA STATE LANDS COMMISSION: Consider granting authority to the Executive Officer to solicit bids and award and execute agreements to repair and renovate the Commission's Huntington Beach Field Office, located at 1700 Pacific Coast Highway in the City of Huntington Beach, Orange County. CEQA Consideration: not a project. (A 74; S 34) (Staff: C. Connor, D. Cook, A. Abeleda)
- C54 CALIFORNIA STATE LANDS COMMISSION: Consider granting authority to the Executive Officer to execute agreements for information technology services and for County Assessor records for Budget Fiscal Year 2016-2017. CEQA Consideration: not a project. (A & S: Statewide) (Staff: C. Connor, D. Cook, A. Abeleda)
- C55 CALIFORNIA STATE LANDS COMMISSION: Consider authorizing the Executive Officer and/or her designee to sign a Memorandum of Understanding among the California Natural Resources Agency and agency members comprising the Marine Renewable Energy Working Group regarding a cost share commitment related to a marine renewable energy feasibility grant from the U.S. Department of

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Energy. CEQA Consideration: not a project. (A 35, 37; S 19) (Staff: J. DeLeon)

LEGAL

- C56 PETER JAY PHILBIN, AN INDIVIDUAL AND AS TRUSTEE OF THE PETER JAY PHILBIN TRUST DATED DECEMBER 7, 1995; CALIFORNIA STATE LANDS COMMISSION; DEPARTMENT OF PARKS AND RECREATION; AND CITY OF SANTA MONICA (PARTIES): Consider a boundary line agreement involving certain real property in and adjacent to Santa Monica State Beach, Los Angeles County. CEQA Consideration: statutory exemption. (W503.2077; AD 648) (A 50; S 26) (Staff: S. Haaf)
- C57 JONATHAN G. ORNSTEIN AND LISA A. ORNSTEIN, INDIVIDUALS AND TRUSTEES OF THE ORNSTEIN FAMILY TRUST DATED APRIL 6, 2005; CALIFORNIA STATE LANDS COMMISSION; DEPARTMENT OF PARKS AND RECREATION; AND CITY OF SANTA MONICA (PARTIES): Rescind the prior approval granted August 19, 2015, and consider a boundary line agreement involving certain real property in and adjacent to Santa Monica State Beach, Los Angeles County. CEQA Consideration: statutory exemption. (W503.2074; AD 649) (A 50; S 26) (Staff: S. Haaf)
- C58 GRANT ALLAN LEVY, TRUSTEE OF THE C & L LEVY 2012 IRREVOCABLE TRUST, DATED DECEMBER 27, 2012; CALIFORNIA STATE LANDS COMMISSION; DEPARTMENT OF PARKS AND RECREATION; AND CITY OF SANTA MONICA (PARTIES): Consider a boundary line agreement involving certain real property in and adjacent to Santa Monica State Beach, Los Angeles County. CEQA Consideration: statutory exemption. (W503.2076) (A 50; S 26)(Staff: S. Haaf)
- C59 BROWNE GREENE AND LEANA GREENE, INDIVIDUALS AND TRUSTEES OF THE GREENE FAMILY REVOCABLE TRUST UAD JULY 24, 1998; CALIFORNIA STATE LANDS COMMISSION; DEPARTMENT OF PARKS AND RECREATION; AND CITY OF SANTA MONICA (PARTIES): Consider a boundary line agreement involving certain real property in and adjacent to Santa Monica State Beach, Los Angeles County. CEQA Consideration: statutory exemption.

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(W503.2078)(A 50; S 26) (Staff: S. Haaf)

- C60 US BUREAU OF PRISONS (APPLICANT): Consider ceding concurrent criminal legislative jurisdiction to the US Bureau of Prisons over United States Penitentiary, Atwater; Metropolitan Detention Center, Los Angeles; Federal Correctional Institution, Mendota; Correctional Institution, Taft; and Federal Prison Camp, Boron. CEQA Consideration: not a project. (FJ 0124.3, FJ 0119.9, FJ 0110.1, FJ 0115.2; W 25229; RA# 21715) (A 21, 53, 31, 34; S 12, 24, 16) (Staff: P. Huber)

KAPILOFF LAND BANK TRUST ACQUISITIONS . NO ITEMS

EXTERNAL AFFAIRS

GRANTED LANDS

- C61 CITY OF ALAMEDA AND THE CALIFORNIA STATE LANDS COMMISSION (PARTIES): Consider the hazardous material remediation finding and record of survey for the second closing phase as required by the Naval Air Station Alameda Title Settlement and Exchange Agreement. CEQA Consideration: not a project. (AD 617; W 25109; G 01-01) (A 16; S 9) (Staff: R. Boggiano, J. Porter)

LEGISLATION AND RESOLUTIONS . SEE INFORMATIONAL

V INFORMATIONAL

- 62 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)

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VI REGULAR CALENDAR 63-66

- 63 CALIFORNIA STATE LANDS COMMISSION: Consider granting authority for the Executive Officer to solicit statements of interest for consultant services, negotiate a fair and reasonable price, and award and execute agreements for the preparation of environmental documentation and mitigation monitoring for the proposed Santa Barbara Channel Offshore Legacy Well and Hazard Remediation Program, located offshore Santa Barbara and Ventura Counties. CEQA Consideration: not a project. (W 30214, RA# X9115) (A 37, 44; S 19, 27) (Staff: C. Connor, A. Abeleda, E. Gillies) 21
- 64 CALIFORNIA STATE LANDS COMMISSION (INFORMATIONAL): Informational update related to the application by Pacific Gas And Electric Company for a General Lease - Industrial Use for a cooling water discharge channel, water intake structure, breakwaters, and associated infrastructure at the Diablo Canyon Power Plant, near Avila Beach, San Luis Obispo County. CEQA Consideration for Informational Agenda Item: not applicable. (PRC 4449.1, PRC 4307.1, W 26721)(A 17; S 35) (Staff: P. Huber, C. Oggins) 30
- 65 SOCAL HOLDING, LLC (LESSEE): Consider amending the price based sliding scale royalty for State Oil and Gas Lease Nos. PRC 91, PRC 163, PRC 425, PRC 426, and PRC E-392, offshore Huntington Beach, Orange County. CEQA Consideration: not a project. (PRC 91, PRC 163, PRC 425, PRC 426, PRC E-392) (A 72, 74; S 34, 37) (Staff: J. Planck, J. Fabel) 51
- 66 CITY OF REDWOOD CITY: Consider providing direction to staff in response to the City of Redwood City's letter to the State Lands Commission requesting that the Commission support legislation that would allow

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residential uses to remain at the Docketown Marina for a limited period and subject to certain conditions. CEQA Consideration: not a project. (A 22; S 13)
(Staff: S. Pemberton)

75

VII PUBLIC COMMENT

142

VIII COMMISSIONERS' COMMENTS

146

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:

146

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

Defend Our Waterfront v. California State Lands Commission, et al.

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

Sportsman's Paradise v. California State Lands Commission

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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

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

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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 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	147
Reporter's Certificate	148

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

2 CHAIRPERSON YEE: Good afternoon. I call the
3 meeting of the State Lands Commission to order. All
4 representatives of the Commission are present. I am State
5 Controller Betty Yee. And I'm joined today by Lieutenant
6 Governor Gavin Newsom, and also Eraina Ortega representing
7 the Department of Finance.

8 For the benefit of those in the audience, the
9 State Lands Commission manages State property interests in
10 over five million acres of land, including mineral
11 interests. The Commission also has responsibility for the
12 prevention of oil spills and marine oil terminal and
13 offshore oil platforms and for preventing the introduction
14 of marine invasive species into California's marine
15 waters. Today, we will hear requests and presentations
16 involving the lands and resources within the Commission's
17 jurisdiction.

18 The first item of business will be the adoption
19 minutes from the Commission's meeting of February 9th --
20 Commission's meeting of February 9th 2016. May I have a
21 motion to approve the minutes?

22 COMMISSIONER NEWSOM: So moved.

23 CHAIRPERSON YEE: Motion by Lieutenant Governor
24 Newsom.

25 ACTING COMMISSIONER ORTEGA: Second.

1 CHAIRPERSON YEE: Seconded by Ms. Ortega.
2 Without objection, such will be the order.
3 Thank you.

4 The second item of business will be the adoption
5 of the revised minutes from the Commission's meetings of
6 April 23rd, 2015, and December 18th, 2015. May I have a
7 motion to approve the revised minutes?

8 ACTING COMMISSIONER ORTEGA: So moved.

9 CHAIRPERSON YEE: Moved by Ms. Ortega.

10 COMMISSIONER NEWSOM: Second.

11 CHAIRPERSON YEE: Second by Lieutenant Governor
12 Newsom.

13 Without objection, such will be the order.

14 The next order of business is the Executive
15 Officer's report. And, Ms. Lucchesi, good afternoon.

16 EXECUTIVE OFFICER LUCCHESI: Good afternoon.

17 CHAIRPERSON YEE: May we have that report?

18 EXECUTIVE OFFICER LUCCHESI: Yes, and I also have
19 a PowerPoint to go along --

20 CHAIRPERSON YEE: Great.

21 EXECUTIVE OFFICER LUCCHESI: -- with my Executive
22 Officer's report today.

23 (Thereupon an overhead presentation was
24 presented as follows.)

25 EXECUTIVE OFFICER LUCCHESI: First, as we're

1 pulling that PowerPoint up, I just wanted to announce that
2 the next State Lands Commission meeting is scheduled for
3 June 28. The location in Sacramento with a satellite
4 location in San Luis Obispo County. Additional details
5 about the specifics of the locations and also time will be
6 forthcoming and be posted on our website in the near
7 future.

8 So the first item of my Executive Officer's
9 report is an update on hazards removal.

10 --o0o--

11 EXECUTIVE OFFICER LUCCHESI: Recent storms have
12 cause sand erosion and exposed several hazards, including
13 steel-anchored tie rods and cables steel H-piles, railroad
14 irons, wooden pilings, and sheet pilings along several
15 beaches in Santa Barbara and Ventura counties. Due to the
16 imminent threat to public safety from these exposed
17 hazards which need immediate removal, the Commission staff
18 is coordinating with various agencies and local upland
19 owners for access permits to remove these exposed hazards.

20 These hazard removal activities will be conducted
21 at these sites during the next four to eight weeks during
22 favorable tide conditions. These activities will exhaust
23 the last of the residual funds remaining from the Federal
24 Coastal Impact Assistance Program grant for this purpose.

25 There are still many hazards that have not been

1 removed from 15 of the 24 sites originally identified in
2 the grant.

3 --o0o--

4 EXECUTIVE OFFICER LUCCHESI: Commission staff
5 estimates that an additional \$1 million will be required
6 to remove all hazards from these currently known sites in
7 Santa Barbara and Ventura counties. Staff will continue
8 to aggressively seek funds through the budget process and
9 possible grants or other funding alternatives. Staff will
10 be providing more information in the presentation for Item
11 63 on this issue as well.

12 --o0o--

13 COMMISSIONER NEWSOM: Just a quick question.

14 CHAIRPERSON YEE: Yes, Mr. Newsom.

15 COMMISSIONER NEWSOM: The original grant was for
16 how much?

17 ASSISTANT EXECUTIVE OFFICER BROWN: Seven hundred
18 thousand.

19 COMMISSIONER NEWSOM: And that is -- and we were
20 assuming that we would cover those 24 sites with that 700
21 K or --

22 ASSISTANT EXECUTIVE OFFICER BROWN: No.

23 COMMISSIONER NEWSOM: -- we just got what we
24 could get.

25 ASSISTANT EXECUTIVE OFFICER BROWN: Right.

1 COMMISSIONER NEWSOM: Got it.

2 ASSISTANT EXECUTIVE OFFICER BROWN: We originally
3 asked for a million. It got cut down to 700,000. In
4 order to take them all out, we would need closer to two
5 million in the original grant.

6 COMMISSIONER NEWSOM: Got it. And these are
7 competitive grants with other states or is this --

8 ASSISTANT EXECUTIVE OFFICER BROWN: There was an
9 allocation to the State of California, and we had to
10 compete with other jurisdictions local and State.

11 COMMISSIONER NEWSOM: Got it. So the --

12 ASSISTANT EXECUTIVE OFFICER BROWN: Administered
13 through Resources Agency.

14 COMMISSIONER NEWSOM: And the presumption is
15 there is no additional dollars necessarily. This grant is
16 closed.

17 ASSISTANT EXECUTIVE OFFICER BROWN: Correct.

18 COMMISSIONER NEWSOM: There are subsequent -- are
19 there annual appropriations opening up?

20 ASSISTANT EXECUTIVE OFFICER BROWN: It's
21 exhausted. This was back in 19 -- or 2008 we started,
22 so --

23 COMMISSIONER NEWSOM: Okay. Got it.

24 ASSISTANT EXECUTIVE OFFICER BROWN: It's old
25 federal money.

1 COMMISSIONER NEWSOM: Thank you.

2 CHAIRPERSON YEE: Thank you.

3 EXECUTIVE OFFICER LUCCHESI: All right.

4 --o0o--

5 EXECUTIVE OFFICER LUCCHESI: The next update I
6 want to provide is some watershed public access signs
7 efforts that we are involved in. Commission staff has
8 purchased signage on 50 large signs to be installed in
9 various publicly accessed areas throughout the Sacramento
10 watershed. Other sponsors so far include California Fish
11 and Wildlife, California State Parks Boating Program,
12 California Department of Water Resources, Lake County,
13 Sacramento Regional County Sanitation District, and
14 Regional Vector Control District, among others.

15 --o0o--

16 EXECUTIVE OFFICER LUCCHESI: The Commission's
17 logo will be on these signs and it looks --

18 --o0o--

19 EXECUTIVE OFFICER LUCCHESI: -- like this.
20 The -- even though it looks a little washed out, that was
21 the design of the entity sponsoring this effort. But the
22 key is the message that we're conveying about the public's
23 right to access and navigate on these rivers and these
24 watershed areas, but also recognizing and acknowledging
25 private property rights at the same time.

1 the use and development of state lands and minerals by
2 maintaining a timely schedule of audits and royalty
3 verification reviews.

4 This most recent audit was conducted for a
5 36-month period from July 1st, 2011 through June 30th,
6 2014. During this audit, staff identified three point
7 million[sic] dollars of cost overcharges to the unit, of
8 which 1.3 million is allocated to the West Wilmington
9 operation, and the remaining amount is associated with
10 other CRC operations.

11 Because of the profit-sharing mechanism related
12 to this unit, the net benefit to the State is estimated at
13 approximately \$771,000. As a result of these audit
14 efforts, staff continues to work diligently with the City
15 of Long Beach and CRC staff on implementing additional
16 controls in the allocation of shared expenses, invoice
17 approval, and vendor approval processes. The three groups
18 meet regularly to make sure all audit requirements are
19 met, and to make the review and follow-up process more
20 efficient.

21 We expect to continue to see more efficient
22 processes and enhanced internal controls, which should
23 result in fewer changes in the future.

24 --o0o--

25 EXECUTIVE OFFICER LUCCHESI: Next, I want to

1 update the Commission on the Port of San Diego's planning
2 effort and our MOA development with them. Since the
3 February meeting, State Lands Commission staff has had a
4 series of planning meetings and calls with Port staff to
5 discuss the overall planning effort concept, as well as
6 the MOA specifically directed by the Commission.

7 These calls have included logistics, like how to
8 identify stakeholders and share information, as well as
9 staffing resources and available in-house expertise.
10 Staff has also conducted initial outreach to key partners,
11 including the Coastal Commission, Fish and Wildlife, Ocean
12 Protection Council, the Natural Resources Defense Council,
13 and the Governor's Office of the Tribal Advisor.

14 In the upcoming weeks, staff will continue early
15 outreach and will hold another planning meeting with
16 representatives from NOAA and the Department of the Navy
17 to be focused on the interface between the subregional
18 pilot effort and the efforts of the larger west coast
19 regional planning body, which is part of National Ocean
20 Policy Implementation.

21 --o0o--

22 EXECUTIVE OFFICER LUCCHESI: Next, just a very
23 quick update on Martin's Beach. On February 3rd,
24 Commission staff received a letter from Martin's Beach,
25 LLC counsel representing, among other things, that their

1 opinion of value of the access easement the Commission is
2 looking to acquire, pursuant to SB 968, is approaching \$30
3 million. Staff is currently working with the Martin's
4 Beach, LLC representatives to schedule a time to discuss
5 their methodologies and the data used to determine that
6 value. And I will continue to update the Commission as
7 those meetings progress.

8 Next, I wanted to talk about a couple of
9 personnel things that have happened.

10 --o0o--

11 EXECUTIVE OFFICER LUCCHESI: The first is --

12 CHAIRPERSON YEE: Jennifer, before you move on.

13 EXECUTIVE OFFICER LUCCHESI: Oh, yes.

14 CHAIRPERSON YEE: Can I ask you a couple
15 questions on the items you just mentioned?

16 EXECUTIVE OFFICER LUCCHESI: Yeah, of course.

17 CHAIRPERSON YEE: So the work that you've been
18 doing in San Diego, when do you anticipate that we'll be
19 able to have broader stakeholder discussions.

20 EXECUTIVE OFFICER LUCCHESI: Well, we are
21 currently conducting that broader outreach right now --

22 CHAIRPERSON YEE: Yeah, the outreach

23 EXECUTIVE OFFICER LUCCHESI: -- but fairly
24 informally.

25 CHAIRPERSON YEE: Yes.

1 EXECUTIVE OFFICER LUCCHESI: We anticipate
2 bringing to the Commission a proposed Memorandum of
3 Agreement as directed by the Commission in February at our
4 October meeting. That will also layout the groundwork for
5 more formal outreach activities to make sure that we
6 include all the appropriate local, State, regional, and
7 federal entities and stakeholders that need to be a part
8 of this process.

9 CHAIRPERSON YEE: Okay. Good. And then on the
10 Long Beach Unit audit, is that something that's a regular
11 course of examination or did something precipitate that
12 particular review?

13 EXECUTIVE OFFICER LUCCHESI: No, it's our regular
14 due diligence and activity in our oversight role of the
15 Long Beach Unit.

16 CHAIRPERSON YEE: Okay. Yes.

17 COMMISSIONER NEWSOM: Just further on that
18 through the Chair. Was there -- I mean, was that an
19 unusual variance in terms of the audit findings?

20 EXECUTIVE OFFICER LUCCHESI: No.

21 COMMISSIONER NEWSOM: It didn't seem anything
22 exceptional?

23 EXECUTIVE OFFICER LUCCHESI: No, not exceptional,
24 no.

25 COMMISSIONER NEWSOM: So all well within the

1 margin.

2 EXECUTIVE OFFICER LUCCHESI: Yes.

3 CHAIRPERSON YEE: Okay. And then something that
4 you didn't bring up, but I know there's this tribal policy
5 development that's been going on.

6 EXECUTIVE OFFICER LUCCHESI: Yes.

7 CHAIRPERSON YEE: Can you provide any update on
8 any new developments since the public comment period has
9 closed and --

10 EXECUTIVE OFFICER LUCCHESI: Yes, we've
11 received -- oh.

12 CHAIRPERSON YEE: And maybe some background on
13 that just for the audience.

14 EXECUTIVE OFFICER LUCCHESI: Yes. Well, we have
15 been consistent with the Governor's Executive Order and
16 current law - we've been developing a draft tribal policy
17 for the Commission. That tribal policy went out for
18 public review and comment not too long ago. We have
19 received a handful of comment letters, and we're currently
20 scheduling a hearing meeting with tribal representatives
21 for May 19th. And we're doing so in consultation with the
22 Governor's Office Tribal Advisor.

23 After that meeting with tribal representatives,
24 we will hopefully put the finishing touches on the tribal
25 consultation policy with the goal of bringing it to the

1 Commission at its October meeting.

2 CHAIRPERSON YEE: Terrific. Thank you.

3 Any questions?

4 Okay.

5 EXECUTIVE OFFICER LUCCHESI: All right. And
6 unfortunately, I just got word that our webcast is not
7 working.

8 MR. LLOYD: It is working.

9 EXECUTIVE OFFICER LUCCHESI: It's working now.
10 Great. Good.

11 So like I mentioned, I wanted to just briefly
12 mention a couple of personnel items that affect the State
13 Lands Commission.

14 The first is it is with great sadness I report
15 the passing of Mr. William Northrop, one of the
16 Commission's most dedicated Executive Officer. William F.
17 Northrop, the 10th Executive Officer of the State Lands
18 Commission, died on March 16th, 2016 at his home in La
19 Quinta, California. He was 87 years old.

20 He was born and raised in Ohio and moved to
21 Southern California as a teenager. He served in the
22 marines, attended Long Beach State University and received
23 a degree from Blackstone School of Law. Mr. Northrop
24 learned the oil business from the ground up, from
25 production to refining, sales, and managing an oil

1 terminal mainly in the Long Beach area.

2 His knowledge of the oil industry came to the
3 attention of the California legislature in Sacramento,
4 where we became chief consultant to the Joint Committee on
5 the Public Domain and led an extensive investigation of
6 the pricing of sales from State oil leases. He was
7 appointed Executive Officer of the California State Lands
8 Commission in 1975 where he spearheaded a highly
9 successful antitrust action against major oil companies
10 holding oil leases on State-owned lands, resulting in
11 great financial benefit to California.

12 Mr. Northrop served as Executive Officer until
13 1982. While I did not have the honor of knowing Mr.
14 Northrop personally, from all accounts from staff who did
15 know him, and are even currently still working for the
16 Commission, he was well loved and highly respected by all
17 who worked with him, except, of course, the oil companies
18 at the wrong end of his antitrust litigation.

19 (Laughter.)

20 EXECUTIVE OFFICER LUCCHESI: Our thoughts are
21 with Mr. Northrop's family.

22 CHAIRPERSON YEE: Thank you.

23 --o0o--

24 EXECUTIVE OFFICER LUCCHESI: Next, I wanted to
25 report that I recently hired Mr. Chris Beckwith as the

1 Commission's new Chief of the Marine Facilities Division.

2 Chris, can you stand up, please?

3 Chris has significant experience and superior
4 leadership and management skills that make him an
5 excellent choice for this position. He was a member of
6 the U.S. Air Force working as a fuel specialist and worked
7 for marine oil terminals -- or marine terminals in
8 California and Oregon. He also worked for the Commission
9 for many years before joining OSPR.

10 He has excellent relationships with the U.S.
11 Coast Guard, our sister marine pollution prevention
12 agencies, and the regulated community. His hiring also
13 starts the beginning of a rebranding effort for this
14 Division.

15 As you know, many of the Division's -- this
16 Division's programs are nationally and internationally
17 recognized for its marine protection and pollution
18 prevention work. Consistent with the Commission's
19 strategic goals we are working to reorganize and rebrand
20 this Division to highlight the importance of our staff's
21 work in this area, and to ensure public health and safety
22 and environmental protection of California's marine
23 waters.

24 And finally --

25 --o0o--

1 CHAIRPERSON YEE: Welcome, Chris.

2 EXECUTIVE OFFICER LUCCHESI: Finally, I want to
3 announce that our Assistant Executive Officer, Dave Brown,
4 will be retiring --

5 ASSISTANT EXECUTIVE OFFICER BROWN: Where did you
6 get those pictures?

7 EXECUTIVE OFFICER LUCCHESI: Jeanne -- will be
8 retiring on May 31st from Stat Lands Commission. It is
9 with very mixed feelings that I announce his retirement.
10 We are -- as a staff, we are incredibly happy for Dave and
11 his wife Judy, and the adventure that they're about to
12 embark on, but extremely sad for the Commission, its
13 staff, and the people of California for losing this very
14 dedicated and passionate public servant.

15 Dave has dedicated 41 years of his life to a
16 career to public service in California. He first started
17 out with CHP, and then moved to the State Lands Commission
18 in 1979 as a budget analyst. He became Chief of our
19 Administrative and Information Services in 2003, and
20 Assistant Executive Officer in 2014.

21 He is the staff member behind the Commission's
22 recently adopted strategic plan, all of our success and
23 efforts at Bolsa Chica, in order to protect and enhance
24 that very important wetlands. He has been the key
25 instrumental force behind all of our staff fund-raising

1 efforts, our team building efforts, which him barbecuing
2 is one of those.

3 (Laughter.)

4 EXECUTIVE OFFICER LUCCHESI: He has not only been
5 an incredible member of this staff that has helped the
6 Commission and the executive office move through very
7 challenging issues, including budgets, administrative
8 issues, as well as policy issues, but he is the staff
9 member that all the other staff go to as their mentor, and
10 because he is the holder of all things State Lands
11 Commission.

12 (Laughter.)

13 EXECUTIVE OFFICER LUCCHESI: For me personally, I
14 like to call him our wizard behind the curtain. Anything
15 that the Commission wants to do or the executive office --
16 any of executive office's efforts, you just tell him what
17 they are and he will figure out a way to get you there.
18 And it's an incredible asset the Commission has had in him
19 over the 35-plus years, and it's going to be a very great
20 loss to the Commission to see him retire, but we're
21 extremely excited for him as well.

22 CHAIRPERSON YEE: Great. Thank you.

23 Comments, members?

24 Let me just --

25 EXECUTIVE OFFICER LUCCHESI: Yes, we do. We have

1 a resolution for him.

2 CHAIRPERSON YEE: Yes, please, yes.

3 EXECUTIVE OFFICER LUCCHESI: I'm not going to
4 read it all, but I what I do want to say is that we will
5 miss Dave's dedication, his sound judgment, integrity, and
6 service to the State Lands Commission, the people of
7 California, and the Public Trust. And that this
8 resolution from the Commissioners recognizes all of his
9 contributions to the many aspects of State service and the
10 State Lands Commission, and also wishes him and his wife
11 Judy, and their son Tyler all the best wishes ahead of
12 them.

13 COMMISSIONER NEWSOM: Hear, hear.

14 CHAIRPERSON YEE: Yes, congratulations, Dave.

15 (Applause.)

16 EXECUTIVE OFFICER LUCCHESI: As is tradition,
17 we're going to take a picture of this with the
18 Commissioners.

19 (Thereupon photos were taken.)

20 CHAIRPERSON YEE: Congratulations, Dave. And we,
21 at the Controller's office, also wanted to extend very
22 best wishes for your retirement and have a resolution for
23 you as well. But I will personally commit to you that we
24 will do our best to uphold the great work of the strategic
25 plan guiding this organization, but more importantly to

1 sustain the life of the Bolsa Chica restoration project.
2 So thank you for your efforts on both of those.

3 ASSISTANT EXECUTIVE OFFICER BROWN: I just wanted
4 to say my appreciation. One of the goals that I had when
5 I became Assistant Executive Officer was to get that
6 stupid strategic plan finished.

7 (Laughter.)

8 ASSISTANT EXECUTIVE OFFICER BROWN: I've been
9 working on that literally since 1996, and -- no kidding.
10 And the dedication that the Commission put into this was
11 incomparable. I really appreciate it from being more
12 creative, to the stakeholders. I mean, we couldn't have
13 done it without you, and that's what it took to get us
14 over the top. We haven't had a Commission that dedicated
15 to our inner workings in my 37 years with the Commission,
16 and I really appreciate it. I'm looking forward to
17 retirement sort of.

18 (Laughter.)

19 ASSISTANT EXECUTIVE OFFICER BROWN: It's hard to
20 give this up, but thank you all for helping us get there.

21 (Applause.)

22 EXECUTIVE OFFICER LUCCHESI: And that concludes
23 my Executive Officer's report --

24 CHAIRPERSON YEE: Thank you.

25 EXECUTIVE OFFICER LUCCHESI: -- unless the

1 Commissioners have any questions.

2 CHAIRPERSON YEE: Thank you very much, Jennifer.

3 I'd like to propose, if there's no objection,
4 that we adjourn this meeting in the memory of William
5 Northrop, without objection.

6 EXECUTIVE OFFICER LUCCHESI: Thank you.

7 CHAIRPERSON YEE: Thank you.

8 Next order of business will be the adoption of
9 the consent calendar. Let's see, Commissioners Newsom or
10 Ortega, are there any items you wish to pull off the
11 consent calendar.

12 COMMISSIONER NEWSOM: Not me, but I know you've
13 got some.

14 EXECUTIVE OFFICER LUCCHESI: I do have some.

15 CHAIRPERSON YEE: Okay. All right. Ms.
16 Lucchesi, what do we have?

17 EXECUTIVE OFFICER LUCCHESI: All right. At this
18 point, I'd like to remove C 04, C 07, C 08, C 21, and C 32
19 from the consent agenda, and we remove it from the agenda
20 to be considered at a later time.

21 CHAIRPERSON YEE: All right. So removing
22 items --

23 EXECUTIVE OFFICER LUCCHESI: And I'm actually --
24 I just received another public comment for C 49. So I
25 would like to remove C 49 from the consent agenda to move

1 it to the regular agenda to allow for public comment on
2 that item.

3 CHAIRPERSON YEE: Alrighty. Good. So we have
4 five items removed from the consent calendar. C 04, C 07,
5 C 08, C 21, C 32 to be agendized at a later date, and C 49
6 as coming off the consent agenda onto the regular agenda.
7 With that, may I have a motion on the remainder of the
8 consent calendar?

9 COMMISSIONER NEWSOM: So moved.

10 CHAIRPERSON YEE: Moved by Commissioner Newsom.

11 ACTING COMMISSIONER ORTEGA: Second.

12 CHAIRPERSON YEE: Second by Commissioner Ortega.

13 Without objection, such will be the order.

14 Thank you.

15 Let's see, the next order of business will be the
16 regular calendar.

17 EXECUTIVE OFFICER LUCCHESI: Yes, I'm sorry.
18 Item 63 is the next item to consider on the regular
19 calendar. It's to consider granting authority to the
20 Executive Officer to solicit statements of interest for
21 consultant services for the proposed Santa Barbara Channel
22 offshore legacy well and hazard remediation program.
23 Colin Connor, our Chief of Administrative Services, will
24 be giving staff's presentation.

25 CHAIRPERSON YEE: Great. Good afternoon, Mr.

1 Connor.

2 ADMINISTRATIVE SERVICES DIVISION CHIEF CONNOR:
3 Good afternoon. Good afternoon, Commissioners.
4 And I have a PowerPoint, please, 63.

5 (Thereupon an overhead presentation was
6 Presented as follows.)

7 CHAIRPERSON YEE: And could you pull yourself
8 right up against that microphone so we can hear you?

9 ADMINISTRATIVE SERVICES DIVISION CHIEF CONNOR:
10 Alrighty. So good afternoon, Commissioners.

11 MR. LLOYD: Can you speak right into that mic,
12 please?

13 ADMINISTRATIVE SERVICES CHIEF CONNOR: I'm sorry.
14 Good afternoon, Commissioners. My name is Colin
15 Connor. I'm the Chief of Administrative Services
16 Division, and I'm here to present the staff report on
17 Calendar Item 63. This calendar item requests the
18 authority for the Executive Officer, or her designee, to
19 solicit proposals, negotiate a fair and reasonable price,
20 and award execute contracts for environmental
21 documentation and mitigation monitoring related
22 specifically to the Becker onshore well, but also for
23 other coastal hazards located along the Santa Barbara and
24 Ventura County coast lines.

25 --o0o--

1 ADMINISTRATIVE SERVICES DIVISION CHIEF CONNOR:

2 Let's start off with a little bit of background,
3 and I want to apologize in advance, because you've
4 probably seen -- this is a short slide presentation, but
5 you've probably seen most of them, but it's probably
6 better to have something to look at than to just listen to
7 me talk.

8 (Laughter.)

9 ADMINISTRATIVE SERVICES DIVISION CHIEF CONNOR:

10 So here we go. So the background. As a result
11 of historic oil and gas development activities in the
12 early 20th century, there's a high concentration a
13 abandoned legacy wells and remnants of man-made structures
14 along the coastline of the Santa Barbara channel. The
15 Commission has long maintained an ongoing program to deal
16 with the hazards on State Lands.

17 And inventory conducted in the mid-1980s
18 identified over 400 individual hazards on lands within the
19 Commission's jurisdiction statewide. Those hazards that
20 were identified as posing the very highest risk have been
21 removed. However, additional hazards are constantly
22 appearing as coastal conditions change. Highlights of the
23 Program's activities include the following:

24 In the early 1980s with funding from a Federal
25 Public Works Employment Act grant, the Commission removed

1 extensive offshore hazards and oil production debris.
2 Between August 1997 and March of 1998, through a program
3 called the Subsea Well Abandonment and Rig Sharing, or
4 SWARS, the Commission brought together a group of six oil
5 and gas companies to abandon a total of 23 subsea wells
6 and remove the associated wellheads and flow lines.

7 In a follow-up project, the oil companies paid to
8 remove ocean floor debris identified as associated with
9 those operations. In 2001, an additional 24 hazards were
10 exposed due to erosion and shifting beach sands. In 2002,
11 subsequent to receiving budgeted funds, Commission staff
12 procured all the permits for removal of the hazards at
13 those sites. However, the funding to remove the hazards
14 was reverted due to a general fund revenue shortfall.

15 With the approved permits and contractors
16 available, staff did successfully remove over \$1 million
17 in hazards funded by upland owners who agreed to pay for
18 removal of hazards on State tidelands in exchange for our
19 managing the removal of hazards from their adjacent upland
20 ownership. And that's -- a little bit of clarification.
21 That's because oftentimes, these hazards or debris span
22 the tidelands up onto the upland.

23 In 2008, Commission staff was successful in
24 securing its \$700,000 grant under the Coastal Impact
25 Assistant Program. This was previously mentioned in the

1 Executive Officer's report. The program was established
2 by the federal Energy Policy Act of 2005.

3 Several of the 24 previously-mentioned hazard
4 sites have since been removed with grant funding, and
5 through the participation of the upland landowners. From
6 2014 through 2015, the Commission completed additional
7 hazard removal operations, including removing 188 H-piles,
8 which are steel beams used as piles, 67 railroad irons, 85
9 steel tieback rods, 25 tons of wood debris, and various
10 other remnant steel, scrap metal, and wood materials.

11 Staff also notes that on October 4th, 2011 the
12 City Council of the City of Goleta proclaimed its
13 appreciation of the Commission for protecting the
14 environment and citizens of Goleta through implementation
15 of the Beach Hazard Removal Project. And now, as the
16 Executive Officer noted in her report, recent storms have
17 caused sand erosion and exposed several additional hazards
18 to become exposed. These represent an imminent threat to
19 public safety.

20 With the environmental documentation, permits,
21 and contractors readily available, Commission staff is
22 coordinating with various agency and local upland owners
23 for access permits and permissions to the sites. The
24 hazards removal activities will be conducted at these
25 sites during the next four to eight weeks during favorable

1 tidal conditions.

2 These activities will exhaust the last of the
3 residual funds remaining in the federal CIAP grant. There
4 are still many hazards that have not been removed from 15
5 of the 24 sites. Commission staff estimates an additional
6 \$1 million will be required to remove all the hazards from
7 the currently known locations in the Santa Barbara,
8 Ventura County area.

9 So now I'll move on to the Becker onshore well
10 and the request before you.

11 --o0o--

12 ADMINISTRATIVE SERVICES DIVISION CHIEF CONNOR:

13 Get some new slides here. So this is the
14 Summerland Beach at present. The slide before was back
15 when the oil operations were active. This slide dates
16 from 2009. That's a beautiful stretch of beach.

17 --o0o--

18 ADMINISTRATIVE SERVICES DIVISION CHIEF CONNOR:

19 And this is exactly where the Becker onshore well
20 is. I just would like to note that in the access to the
21 well has to come down from a very narrow private winding
22 road to the right of the wording there.

23 So, as you may recall, Commission staff -- or
24 Commission directed staff to excavate and assess the
25 condition of the Becker Well at its August 19, 2015 public

1 meeting. The Becker Well is what's known as a legacy type
2 well, meaning that it was drilled and probably abandoned
3 prior to enactment of the State Tidelands Act in 1921.
4 And prior to any kind of regulated abandonment procedures.
5 Furthermore, as a legacy well, there is no identifiable
6 owner or successor in interest to hold responsible for the
7 improper abandonment.

8 --o0o--

9 ADMINISTRATIVE SERVICES DIVISION CHIEF CONNOR:

10 This slide is kind of typical of what was there
11 right prior to and during the excavation of the Becker
12 Well in October of 2015. So the excavation and assessment
13 of the Becker Well was conducted on October -- in October
14 2015, by the firm InterAct with Commission staff in
15 attendance.

16 The excavation confirmed that oil was continuing
17 to escape from the well. InterAct has since developed
18 alternatives for the abandonment of the well. However,
19 prior to any abandonment activities happening,
20 environmental documentation, pursuant to the California
21 Environmental Quality Act, or CEQA, must be made. And
22 that is the subject of this request.

23 The Commission has included in its 2016-17
24 proposed budget funds for preparing the environmental
25 document and pursuing permitting for remediation of the

1 Becker Well. Due to the existence of other legacy wells
2 and man-made hazards in the Santa Barbara channel area,
3 staff envisions this environmental documentation and
4 mitigation monitoring as being scalable to a
5 programmable -- excuse me, programmatic level, meaning
6 that the environmental document could be used for future
7 remediation efforts in the area.

8 It is hoped that future remediation of other
9 legacy wells and coastal hazards will be funded through
10 proposed Senate Bill 900 being sponsored by State Senator
11 Hannah-Beth Jackson. This bill proposes that in fiscal
12 year 2017-18 an amount of \$2 million would be made
13 available to the Kapiloff Land Bank Fund for the purpose
14 of implementing a coastal hazard and remediation program

15 The proposed Santa Barbara Channel Offshore
16 Legacy Well and Hazard Remediation program noted in this
17 calendar item would be a subset of the proposed
18 legislation. The bill would also require that an amount
19 sufficient to bring the unspent balance back up to \$2
20 million, basically refilling the bucket, be transferred to
21 the fund and be made available for the purpose of
22 implementing the provisions of the bill.

23 The objective of the environmental
24 documentation -- excuse me, the objective of the
25 environmental documentation that is the subject of this

1 request is to provide for a broad spectrum of oil --
2 excuse me, of well and hazard remediation scenarios, so
3 that it can be used as a basis for future anticipated
4 remediation projects, reducing the time and cost of
5 preparing individual project-specific analyses.

6 By having these environmental entitlements in
7 hand, staff will be prepared to mobilize contractors
8 quickly should additional funds be made available through
9 legislation, grants, or other sources. Based on the
10 foregoing, staff recommends the Commission authorize the
11 Executive Officer, or her designee, to solicit proposals,
12 negotiate a fair and reasonable price, award and execute
13 contracts for the environmental documentation and
14 mitigation monitoring in accordance with State policies
15 and procedures.

16 This concludes my presentation, and staff is
17 available to answer any questions you may have.

18 CHAIRPERSON YEE: Great. Thank you, Mr. Connor.
19 Comments, Commissioners?

20 CHAIRPERSON YEE: Okay. Hearing none.
21 Is there a motion?

22 ACTING COMMISSIONER ORTEGA: I'll move approval
23 of the staff recommendation.

24 CHAIRPERSON YEE: Okay. A motion by Commissioner
25 Ortega to approve the staff recommendation.

1 COMMISSIONER NEWSOM: Second.

2 CHAIRPERSON YEE: Second by Commissioner Newsom.

3 Without objection, great, such will be the order.

4 I just want to commend the staff on this for
5 taking such a proactive approach. And this work that
6 we're embarking through with the consultant will be just
7 so foundational for what's to come, not only with respect
8 to future remediation, but certainly in an anticipation
9 hopefully of SB 900 being signed. Thank you.

10 All right. Our next item is, I believe, Item 64.

11 EXECUTIVE OFFICER LUCCHESI: Yes. This is an
12 informational update regarding an application by PG&E for
13 a general lease involving facilities associated with the
14 Diablo Canyon Nuclear Power Plant in San Luis Obispo
15 County.

16 The staff report -- staff presentation will be
17 provided by Cy Oggins, our Chief of our Environmental and
18 Planning Management Division.

19 CHAIRPERSON YEE: Great. Thank you. Good
20 afternoon. Let me just say this is not an action item,
21 but rather in response to a request that -- and pursuant
22 to discussions that our office had with staff about just
23 trying to clarify the potential processes going forward,
24 and the affected and involved parties, so -- and we have
25 some public speakers on this item, but let's here the

1 presentation.

2 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

3 CHIEF OGGINS: Thank you, Chair Yee and Commissioners.

4 (Thereupon an overhead presentation was
5 presented as follows.)

6 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

7 CHIEF OGGINS: Again, my name is Cy Oggins. I'm Chief of
8 the Environmental Planning and Management Division.

9 Calendar Item 64 is, as you said, an informational item.

10 You may recall staff presenting an earlier
11 informational item at the February meeting. And since
12 that February meeting, you've gotten numerous inquiries as
13 to what agencies are involved in the process. And my goal
14 today is to help you sort that out, to help the public
15 sort it out, and to help me sort it out, too.

16 (Laughter.)

17 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

18 CHIEF OGGINS: Just quickly some background. There are
19 two leases associated with the Diablo Canyon power plant.

20 There's -- and this is Exhibit A in your staff report.

21 There's PRC 4307, which is for the cooling water in -- or
22 for the intake, and breakwaters, and then PRC 4449, which
23 is for the cooling water discharge.

24 --o0o--

25 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

1 CHIEF OGGINS: A quick timeline. The Commission issued
2 the leases for Diablo Canyon in 1969/1970. They expire on
3 August 27th, 2018, and May 31, 2019 respectively. There
4 are also two federal licenses associated with Units 1 and
5 Units 2, and those expire in 2024 and 2025.

6 The goal here, PG&E has applied for an interim --
7 though there's no such thing as an interim lease, but a
8 10-year lease for that red period through there.

9 Now the agencies involved really depend on where
10 you are in the process, and what kind of actions occur
11 through the process. There may be one agency involved up
12 to a multitude of different agencies.

13 --o0o--

14 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

15 CHIEF OGGINS: So, for example the first action is the
16 expiration of the lease. There is only one agency
17 involved in that, and that's the State Lands Commission.

18 Between now and 2025, however, the State Water
19 Resources Control Board will be acting on their
20 once-through cooling policy. That is a process where PG&E
21 has submitted an application -- or has submitted
22 information to the State Water Resources Board on what to
23 do with once-through cooling. There are two tracks. The
24 first track basically is to establish something equivalent
25 to cooling towers to replace the cooling water intake.

1 And there's a track 2, if track 1 is not feasible.

2 So depending on what the State Water Resources
3 Board does, if they do nothing, no other agencies get
4 involved, other than the State Water Resources Control
5 Board. And if they require something as -- such as
6 cooling water intakes, multitudes of agencies will be
7 involved in siting those, and building those, and doing
8 the CEQA review for all of those.

9 --o0o--

10 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

11 CHIEF OGGINS: As for the NRC license renewal, there's
12 only five agencies involved, according to the NRC. That's
13 the NRC itself to issue the license, if it chooses to do
14 so. And there are four agencies that it will be
15 consulting with. Those include the U.S. Fish and Wildlife
16 Services, the California Coastal Commission, the Regional
17 Water Quality Control Board on the central coast, and the
18 State Office of Historic Preservation. So again,
19 according to the NRC, there's only five agencies involved.

20 However --

21 COMMISSIONER NEWSOM: Historic Preservation is
22 involved?

23 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

24 CHIEF OGGINS: That's Department of Parks and Recreation.
25 That's the cultural issues related to any action that a

1 federal agency takes.

2 COMMISSIONER NEWSOM: Period.

3 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

4 CHIEF OGGINS: Yes. Any major action that they take.

5 That does not mean there aren't other agencies involved,
6 other than those five. Again, multiple State agencies
7 will be involved, simply because PG&E needs to get permits
8 to continue beyond 2025. And I hope this next slide kind
9 of gives you --

10 --o0o--

11 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

12 CHIEF OGGINS: -- a sense of what PG&E already has for its
13 current operations, all of the permits that they would
14 need to continue past 2025. In other words, all the
15 permits that PG&E would need to obtain. There are over 15
16 different agencies involved. And then, because you've
17 asked too, what -- how many agencies would be involved if
18 there's a -- PG&E decides to decommission the facility.
19 Again, most of those agencies are also involved in that
20 process.

21 So as you see, it goes from -- depending on where
22 you are in the process, it could be just the State Lands
23 Commission in the next few years to over 15 different
24 agencies involved in the process.

25 --o0o--

ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

1 CHIEF OGGINS: And that concludes my staff report, and I'm
2 available for any questions you may have.
3

4 CHAIRPERSON YEE: Okay. Thank you very much.

5 Comments, Commissioners?

6 COMMISSIONER NEWSOM: Just a quick clarification.

7 CHAIRPERSON YEE: Yes.

8 COMMISSIONER NEWSOM: And I certainly understand
9 the Department of Historic Preservation, but is there any
10 specific issues with Historic Preservation issues that
11 have been identified in the past on this site, out of
12 curiosity, or is this just a perfunctory agency that has
13 to sign off based upon these kind of permitting requests?

14 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

15 CHIEF OGGINS: Yeah, this is a very culturally sensitive
16 area to many Native American tribes.

17 COMMISSIONER NEWSOM: Native American.

18 ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

19 CHIEF OGGINS: Correct. And PG&E went through an entire
20 process to site that facility originally when it was
21 built, so the question is if NRC is going to issue a
22 license.

23 COMMISSIONER NEWSOM: That helps. All right.

24 CHAIRPERSON YEE: Great. Thank you.

25 Okay. We have a number of public speakers on

1 this item. Let me call you up in order. You will have
2 three minutes to speak. Again, this is not an action
3 item, so let me have Adam Lyman come forward, followed by
4 Dayna Williams, Lynn Walter, David Weisman, and John
5 Geesman.

6 If you'll introduce yourself for the record and
7 you have three minutes.

8 MR. LYMAN: Good afternoon. My name is Adam
9 Lyman.

10 CHAIRPERSON YEE: Could you pull that microphone
11 right up --

12 MR. LYMAN: Much closer. Is that better?

13 CHAIRPERSON YEE: Thank you.

14 MR. LYMAN: My name is Adam Lyman. I'm here
15 today with about 50 of my union brothers and sisters from
16 IBEW 1245. I'd like to have them all stand up that are
17 here today just to show our support for this meeting this
18 day.

19 Our unions provided us all with the opportunity
20 today to present our support for keeping Diablo Canyon
21 open. I've been an operator at Diablo Canyon for 11
22 years. More importantly, and coincidentally I've been a
23 father for the same amount of time. I have two wonderful
24 children, James and Anna, who are here with me today at
25 this meeting. They're very dear and close to me.

1 This Commission is in the throes of determining
2 if renewing the leases on the structures that are key to
3 the continued operation of Diablo Canyon is a wise choice
4 for our local community and for the State of California on
5 a whole. Mr. Newsom, you said yourself in the December
6 2015 meeting of this Commission that the issue of renewing
7 the leases gives this body an enormous amount of influence
8 over the ultimate determination of the future of Diablo
9 Canyon power plant.

10 My two children, James and Annabelle, represent
11 that future. The continued safe and reliable operation of
12 Diablo Canyon is integral in providing them a future that
13 they can be proud of. The abundance of the clean and
14 reliable energy that Diablo Canyon produces, to which
15 currently there's no equivalent replacement, is essential
16 to California meeting its aggressive greenhouse emission
17 goals.

18 This Commission is considering the need of
19 Environmental Impact Reports as part of the lease renewal
20 process. I would ask you to please consider the huge
21 environmental impact to the State of not renewing these
22 leases. Shutting the production of clean energy by Diablo
23 Canyon and replacing it with the only current -- currently
24 available power sources, fossil fuels, would be the
25 equivalent of placing two million new cars on the road.

1 James and Anna's future is not only threatened by
2 the problem of greenhouse gas emissions, but also by
3 drought. Presently, plans are moving forward by
4 this -- by San Luis Obispo County to expand the already
5 operating desalinization plant at Diablo Canyon.

6 Once the expansion is completed, this
7 desalinization plant will provide water to 4,000 homes in
8 southern San Luis Obispo County. Without the renewed
9 leases provided by this Commission, the pumps that provide
10 seawater to desalinization plant will have to be shut
11 down.

12 Part of James and Anna's future is in your hands.
13 Please consider this carefully and help them with a future
14 that they can be proud of by renewing the requisite
15 leases, and please do your part to keep Diablo Canyon
16 open.

17 Thank you.

18 CHAIRPERSON YEE: Thank you, Mr. Lyman, and
19 welcome to your colleagues who are here today.

20 MR. LYMAN: Thank you.

21 CHAIRPERSON YEE: Next, we will hear from Dayna
22 Williams.

23 MS. WILLIAMS: Good afternoon. My name is Dayna
24 Williams I'm currently an operator at Diablo Canyon and
25 have been for the last 16 months. Previously, I worked at

1 Columbia Generating Station, also as an operator of nearly
2 five years. And previous to that, I served in the United
3 States Navy as a Nuclear Machinist Mate aboard an aircraft
4 carrier.

5 In my over 11 years of nuclear industry
6 experience, I can honestly say that Diablo Canyon has been
7 the most family friendly and safest in my entire career,
8 two points that are very near and dear to me, and to our
9 communities also.

10 Not only did I go into nuclear power for a great
11 career, but because I believe in nuclear power, as a
12 person and as an individual. The clean zero emission
13 electrical power is what's needed and what Diablo
14 provides. I believe it's what's best for the environment,
15 our communities and future generations. As you can see, I
16 have a very vested interest in our future generations.
17 I'll be bringing my third child into this world in a
18 matter of weeks. And all three of my children have been
19 born as I have had a career as an operator in nuclear
20 power. All happy, healthy children.

21 I believe in nuclear power so much so, that I'm
22 standing here in front of you today, not as a paid
23 employee PG&E our Diablo Canyon, but as member of IBEW
24 1245 with all 50-plus members, all my brothers and
25 sisters.

1 And I continue to go to work every day, even
2 though I'm beyond the point that the State of California
3 would consider me disabled due to pregnancy. I believe in
4 and feel very safe in my job every day. Diablo Canyon
5 also plays a very integral role in our community. They
6 support our local economy and not only that, but they
7 sponsor local events, and several community programs, and
8 they fund our local schools, of which all three of my
9 children will attend.

10 After completing their education, I hope that
11 they will have the same opportunity that I have had to
12 work at PG&E to go to Diablo Canyon and be an employee, if
13 they so choose. Unfortunately, this opportunity may or
14 may not be there. And these leases are part of that
15 decision. I ask, as a mom and an employee at Diablo
16 Canyon, that you consider this very, very carefully, and
17 thank you.

18 CHAIRPERSON YEE: Thank you, Ms. Williams.

19 (Applause.)

20 CHAIRPERSON YEE: May we hear from Lynn Walter
21 next.

22 MS. WALTER: Hi. My name is Lynn Walter, and I'm
23 speaking. I'm a native Californian, grew up right here in
24 the East Bay. And the last two decades I've lived in San
25 Luis Obispo county, specifically I live in Avila Beach,

1 and specifically I live 10 miles from the nuclear plant.

2 So, yes, I live within 10 miles of the Diablo
3 Canyon power plant, and, yes, I live within 10 miles of
4 all that nuclear waste that is stored at that facility.
5 And, yes, I am okay with that, and you should be also with
6 nuclear waste, because the dry nuclear waste is stored in
7 containers. They're impermeable, they're impenetrable,
8 and they're all located in one place.

9 Unlike nuclear waste, which has no impact on
10 humans, the waste from California's many gas plants is
11 killing us slowly and surely. That waste isn't contained.
12 It's acidifying our ocean and polluting our atmosphere.
13 If Diablo shuts down before 2024 and 2025, that power will
14 be replaced with natural gas. That happened at Santa
15 Onofre. This will happen if it shuts down prematurely.

16 Yeah, I live within 10 miles of Diablo Canyon
17 power plant, and I live in that same region of seismicity
18 that has been studied a lot. And, yes, I'm aware that
19 they've come up with new earthquakes, and they've better
20 characterized the fault lines, and the characteristics of
21 that seismicity, and I'm okay with that. I'm okay living
22 near that power plant in that seismic area. And you
23 should be also, because all of the work that has been done
24 by those very esteemed seismologists, and peer reviewed,
25 and checked, and argued, bottom line is that it has

1 confirmed that the plant does not need any modifications
2 to survive that seismicity, if an event were to happen.
3 So, yes, I live within 10 miles of the plant, and I'm okay
4 with that.

5 But this is what I'm not okay with. I am, number
6 one -- and you should not be okay with this either. I am
7 not okay with holding hostage the operation of a safe,
8 clean energy source to an intake discharge breakwater
9 permit that is not aligned to the full operational dates
10 of the nuclear plant federal license.

11 I am, number two, and you should be, unwilling to
12 accept any increase in pollution if Diablo Canyon were to
13 shut down. This is what happened at San Onofre. And I do
14 not want to subject myself, other native Californians,
15 other residents of California, future generations of
16 California to that same pollution increase.

17 Californians and future Californians deserve
18 options, and you should want options also. Preserve the
19 option to operate Diablo Canyon. It's a greenhouse gas
20 free non-polluting energy resource. And until renewables,
21 modern nuclear power and battery technology reaches the
22 ability to put solar and wind on to our grid at a capacity
23 that equals that power produced by Diablo Canyon, we
24 should preserve that option.

25 So please extend the permits for the breakwater,

1 the discharge, and the intake for Diablo Canyon for the
2 full license of the plant.

3 Thank you.

4 CHAIRPERSON YEE: Thank you, Ms. Walter.

5 (Applause.)

6 CHAIRPERSON YEE: Next we have Mr. Weisman, if
7 you'll come forward.

8 MR. WEISMAN: Good afternoon, Commissioners.

9 David Weisman, outreach coordinator of the Alliance for
10 Nuclear Responsibility. And the words I'd like to share
11 with you today are not my own, but to just appraise you of
12 words from just a week ago at the California State Senate
13 Energy, Utilities, and Communications hearing for Senate
14 Bill 968 of Senator William Monning of the coastal
15 district from Santa Cruz to -- and Carmel to San Luis
16 Obispo.

17 At the hearing for Senate Bill 968, which would
18 require PG&E to perform an economic evaluation of the
19 consequences of a shutdown of the plant to either --
20 whether it be premature or in due course, the following
21 comments were made before calling for the vote by the
22 Chairman of the Energy Commission -- Committee, Senator
23 Ben Hueso. So please here are Senator Hueso's words at
24 that Committee hearing.

25 Quote, "In my experience working here in

1 California, I can tell you that I don't think nuclear
2 power is in California's future. I don't think it is in
3 the horizon. I see just all these different new sources
4 of power coming on that are much more environmentally
5 friendly, more productive. They're producing more power.
6 I can go into detail, but I think generally the consensus
7 I think of the legislature and of the leaders is that we
8 want to move in a new direction".

9 And those were the words of Utilities and Energy
10 Committee Chairman Ben Hueso before calling for the vote
11 on SB 968, which indeed passed out of that House on a 9 to
12 nothing bipartisan vote line. So thank you very much.

13 CHAIRPERSON YEE: Thank you very much Mr.
14 Weisman.

15 Next we have Mr. Geesman, please.

16 MR. GEESMAN: Thank you. I'm John Geesman, an
17 attorney for the Alliance for Nuclear Responsibility. I
18 take my hat off to Tom Dalzell and the rest of the
19 leadership at Local 1245. They are walking the extra mile
20 on behalf of the workers at the plant, despite the fact
21 that they only make up about three percent of Local 1245's
22 membership.

23 It raises a very important concern though. The
24 buzzards are circling this plant, and the workforce there
25 deserves protection. We ought to all attempt to find

1 legally enforceable rights that will entitle those
2 existing men and women working at the plant to lateral
3 placement within PG&E should this plant shut down. And I
4 think that's an important priority that we all share.

5 You're not going to be making a decision on the
6 merits of extending the lease for some period of time.
7 And the decision that you'll make at your June meeting
8 will be whether or not your ultimate decision is a
9 well-informed one. The law requires that you do a CEQA
10 assessment and a public trust's evaluation of the merits
11 of going forward with a new lease at the facility.

12 PG&E's suggestion elsewhere that a Negative Dec
13 might suffice or that the plant qualifies for a
14 categorical exemption under CEQA, would throw this
15 question into the courts for an extended period of time.
16 That is the operational equivalent of stepping in front of
17 a train.

18 That brings up my first point, which is we need
19 to strive to find a way in which to provide better,
20 legally enforceable protections for the good men and women
21 who work at the plant.

22 Thank you very much.

23 CHAIRPERSON YEE: Thank you, Mr. Geesman.

24 Any other public comment?

25 Okay. Comments by Commissioners?

1 Yes, Commissioner Newsom.

2 COMMISSIONER NEWSOM: Well, I'll listen to
3 Jennifer first. I know what I think. I haven't heard
4 what you think.

5 (Laughter.)

6 EXECUTIVE OFFICER LUCCHESI: I was just getting
7 ready for a question to answer one of your questions. The
8 only thing I want to add is that -- I mentioned this in my
9 Executive Officer's report -- June 28th is our next
10 scheduled State Lands Commission meeting, where we do
11 anticipate having an agenda item addressing PG&E's
12 application, and the appropriate CEQA treatment, and the
13 appropriate Public Trust analysis moving forward on
14 considering their application.

15 And importantly, we will be having a satellite
16 location in San Luis Obispo County, so that local
17 stakeholders and interested citizens have the opportunity
18 to comment and testify during that Commission meeting live
19 through a webcast in that satellite location.

20 CHAIRPERSON YEE: All right. Thank you.

21 Commissioner Newsom.

22 COMMISSIONER NEWSOM: Let me -- a couple
23 comments. Thank you all for taking the time to be here,
24 particularly those of you that didn't get a chance to
25 speak. Anyone who talks about their kids, you already got

1 me right there.

2 If you did that with intention, I love it,
3 because I just had one. So maybe someone decided to
4 purposely go there quickly. I appreciated that.

5 Everything I heard I -- you know, I align myself
6 with. The reason we're leaning into this is we don't want
7 to see what happened to the workforce at San Onofre. We
8 don't want to see the alternative energy sources be dirty
9 energy sources. We don't want to make those same
10 mistakes. If we haven't learned that lesson, shame on us.
11 I mean, that's why we're here, and we want to protect the
12 workers in this room. We want to secure and guarantee
13 their fate and their future.

14 We don't know what PG&E is going to do, and I say
15 that quite learnedly. I've spent a good deal of time
16 trying to understand what PG&E's intent is. I think they,
17 as an organization, are trying to figure it out. That's
18 what gives me pause. That's what's given us, I think,
19 this forum is that in the absence of clarity there, in the
20 absence of clarity elsewhere, and the purpose of this
21 informational item today is to understand the complexity
22 of what I mean by elsewhere, meaning all of these other
23 agencies that will play an outsize role as well.

24 There's a lot of questions about the fate and
25 future of this plant. And I think all of us, regardless

1 of one's position, I think would agree with that. So we
2 have to be stewards of certain facts. All of us share a
3 fate -- common fate, as it relates to clean air and clean
4 environment. We all can subscribe to a point of view that
5 we need to preserve and protect and enhance our efforts to
6 reduce or greenhouse gas emissions. I'm not going to
7 disavow the importance of nuclear in that context. I'm
8 not ideologically opposed to nuclear, just for what it's
9 worth, nor am I going to deny though that we've made
10 tremendous progress on alternative energy sources beyond
11 natural gas.

12 We have, and IBEW has been a beneficiary -- or
13 rather, not a beneficiary, IBEW has been driving those
14 reforms. You've been a big part of the policymaking as it
15 relates to large-scale alternatives and you should be
16 complimented as a Union for that work. I am more worried
17 frankly than the one speaker about some of the seismic
18 questions, but maybe that's because I'm fifth generation
19 San Franciscan. Maybe that's because we're standing not
20 very far away from two major fault lines ourselves as we
21 speak here today, Hayward and San Andreas, and it keeps me
22 up at night, that issue. So that's something that I think
23 we need to legitimately consider.

24 But look, everything that was said today was spot
25 on. Let's take care of the workers. Let's take care of

1 our environment. Let's take care of our kids. And let's
2 be honest that we don't know where this thing is going to
3 end up. And that means all of us have a responsibility
4 today I think to start asking the tough questions, so that
5 we don't wake up, after some other agency makes a
6 statement, and PG&E decides to make a counter-statement
7 saying we're out of here, and all of us are looking
8 around, pointing fingers, and wondering what we could have
9 done to protect and preserve all those things we value and
10 care about.

11 So we're on the same page, I think. And I'm
12 grateful for this agency taking a hard look at this, and
13 starting this conversation anew. And that's our
14 responsibility. Start it now, not wait. And I'm grateful
15 to the Chair that we continue to have this public dialogue
16 as well, so we're not just having it amongst ourselves,
17 and this is the beginning of a process, not the end of a
18 process.

19 CHAIRPERSON YEE: Thank you, Commissioner
20 Newsome. Let me echo your sentiments. Probably the
21 statement that rings particularly strong for me is that we
22 are the stewards of facts. And, you know, unlike San
23 Onofre, which I guess the blessing in that is that we have
24 lots of lessons learned that will hopefully inform this
25 process as we consider the future of Diablo Canyon, but

1 what I -- regardless of the decision by PG&E, we have some
2 time. We actually have time on our side. And so I want
3 to -- I want this to be a thoughtful process, and I think
4 this Commission's commitment to the process is that it
5 will be open and transparent every step of the way, and I
6 very much appreciate all the members of IBEW 1245 who are
7 here today.

8 Clearly, there are going to be economic impacts,
9 regardless of which way the decision goes by PG&E, and
10 also very much the energy needs for the future of
11 California will be taken into consideration as well.

12 But the fact that we're starting early and having
13 this conversation there will be transition leading up to
14 the eventual implementation of whatever decision. So I
15 think we're very -- on very good footing with respect to
16 that.

17 But I am looking forward, frankly, to the
18 conversations coming up, because these are not easy
19 questions to answer, and frankly, there are a lot of
20 moving parts to this that I think we'll continue to try to
21 put our arms around as we go through this process.

22 With respect to the June process, I just want to
23 thank the staff for continuing to work through the CEQA
24 issues, and as well as the Public Trust issues. Those are
25 first and foremost that will come back to us in June. And

1 we will again, let me reiterate, have capability for those
2 interests in San Luis Obispo to join the meeting. It will
3 be a video conference, so we welcome that opportunity.

4 Okay. Other comments by Commissioners?

5 Okay. Hearing none. Thank you all very much.

6 The next item is Item 65 relating to amending the
7 price based sliding scale royalty for State oil and gas
8 leases.

9 Let me just allow a couple minutes for the room
10 to clear.

11 Well, perhaps, let me suggest we take a five
12 minute recess. Okay. Why don't we do that.

13 (Off record: 2:02 PM)

14 (Thereupon a recess was taken.)

15 (On record: 2:09 PM)

16 CHAIRPERSON YEE: Okay. Let's reconvene the
17 meeting. We are on Item 65. And let me ask the staff to
18 present the item.

19 EXECUTIVE OFFICER LUCCHESI: Joe Fabel, our staff
20 attorney, will be presenting Item 65.

21 (Thereupon an overhead presentation was
22 presented as follows.)

23 CHAIRPERSON YEE: Okay. Great. Good afternoon.

24 STAFF ATTORNEY FABEL: Good afternoon. Madam
25 Chair, Commissioners, again my name is Joseph Fabel. I'm

1 an attorney here with the Lands Commission. Today, I am
2 presenting calendar Item 65, a proposal to amend the
3 royalty provisions for five offshore State leases in
4 Huntington Beach operated by California Resources
5 Corporation, and held by a subsidiary, SoCal Holdings,
6 Incorporated.

7 --o0o--

8 STAFF ATTORNEY FABEL: For reference, the five
9 leases affected by the proposal are indicated in red and
10 are located offshore of Huntington Beach. A majority of
11 wells accessing leases have been drilled from onshore.

12 --o0o--

13 STAFF ATTORNEY FABEL: Currently, the royalties
14 for all five leases are calculated on a sliding scale,
15 based off the monthly price of oil. The original scale
16 was developed in 1995 with monthly adjustments based on
17 the Producer Price Index to account for inflation.

18 The chart on the right is the scale as it looked
19 for the January 2016 production month. It's based
20 entirely on the 1995 scale on the left, but with 20 years
21 of inflation added.

22 --o0o--

23 STAFF ATTORNEY FABEL: In early March, CRC
24 approached Commission staff with a proposal for royalty
25 relief due to economic hardship. Namely, CRC cited the

1 general downturn in oil commodity prices, a program of
2 cost cutting that has led to a large reduction in its
3 workforce, a sales price for Huntington Beach crude that
4 is lower than their stated economic break-even point, and
5 a concern that the Producer Price Index adjustments under
6 the royalty provisions have not kept track with actually
7 industry inflation.

8 --o0o--

9 STAFF ATTORNEY FABEL: Now, this chart
10 illustrates those inflationary trends. The solid red line
11 at the bottom represents the PPI, or Producer Price Index,
12 used for the current royalty scale. Whereas, the blue and
13 orange lines track the PPI for oil drilling and oil
14 services.

15 CRC's proposal was to add 100 points to the
16 royalty PPI each month, that dotted line shown in red.
17 The effect would be to decrease the royalty rates for the
18 value of oil when compared to the current scale.

19 Commission staff, after analyzing market trends
20 prior to the massive oil price volatility starting in
21 2007, and the inflation in similar industries, proposed a
22 lower adjustment of 65 points. And that's the line shown
23 in green.

24 --o0o--

25 STAFF ATTORNEY FABEL: Now, these charts show the

1 practical effect of adjusting the PPI. CRC's and staff
2 proposals are compared and highlighted to the current
3 scale to illustrate the relative values. Whereas today,
4 \$15 a barrel is the price of oil at which the royalty rate
5 is at its minimum of four percent. The minimum rate would
6 be reached at \$25 a barrel under staff's proposal and \$29
7 a barrel under CRC's proposal. The standard 16 and
8 two-thirds royalty is reached at \$25 a barrel, whereas it
9 would be \$30 and \$35 under CRC -- sorry staff and CRC's
10 respective proposals. Finally, where the royalty maxes
11 out today at \$40, it is \$50 under staff's proposal and \$56
12 under CRC's proposal.

13 --o0o--

14 STAFF ATTORNEY FABEL: Now, this next slide
15 illustrates the relative changes in revenue generated to
16 the State assuming, of course, constant production at
17 consistent oil prices over a two-year period. Now,
18 because oil prices and production numbers do vary from
19 month to month, this slide is intended for comparing the
20 proposals and not for forecasting revenue.

21 Of note, both the staff proposal and the current
22 royalty framework reach revenue parity at \$50 a barrel
23 when the royalty rates reach 25 percent. Now, this slide
24 is also exhibited as Exhibit B in the staff report.

25 --o0o--

1 STAFF ATTORNEY FABEL: Now, in late March, CRC
2 was presented with staff's proposal to adjust the PPI by
3 65 points for a temporary period of two years, after which
4 the royalty scale would revert to the current system of
5 using the as-reported PPI without adjustment.

6 Now, CRC agreed to this, and Exhibit C, as part
7 of the staff report, was developed as amending language to
8 the leases. However, in order for the Commission to
9 approve a change to the royalty structure, under Public
10 Resources Code Section 6827.2, you must find that the
11 continued production from the leases is in the best
12 interests of the people of California, and that such
13 production is economically unfeasible under the current
14 thesis.

15 --o0o--

16 STAFF ATTORNEY FABEL: Now, as to the first
17 element, the California legislature has found a direct and
18 primary interest in assuring optimum production of oil and
19 gas from State leases, and in addition, minimizing the
20 amount of oil and gas that remains in the ground
21 unrecovered. Because oil field production naturally
22 declines without continued well work, maintaining and
23 optimizing production requires continued investment to
24 prevent leaving recoverable oil in the ground.

25 And finally in 1995, economic studies performed

1 at the direction of the Commission at the time, indicated
2 that continued production at Huntington Beach produced
3 hundreds of jobs that benefited both the local and State
4 economies.

5 As to the second element, and as discussed
6 earlier, the differential between CRC's reported
7 break-even point and the current price of oil appears to
8 support a finding that the leases are uneconomic at the
9 current oil prices, justifying some level of royalty
10 relief.

11 In addition, the current royalty structure was
12 developed in 1995, and does not appear to account for the
13 historic volatility of the oil markets over the past
14 decade.

15 --o0o--

16 STAFF ATTORNEY FABEL: Therefore, the
17 Commission's -- for the Commission's consideration, staff
18 proposes an amendment to the leases adding 65 points to
19 the monthly reported PPI for a period of two years,
20 commencing April 1st 2016 through March 31st, 2018. Staff
21 also proposes that the Commission direct it to commence
22 negotiations with CRC and the long-term royalty
23 arrangement that will benefit both parties and account for
24 the entire range of oil volatility seen over the last
25 decade.

1 In negotiating, staff would consider alternative
2 rate structures that may provide added benefit to the
3 people of this State, during periods of high oil prices
4 and/or other forms of consideration, such as contribution
5 to environmental enhancement.

6 And that concludes my presentation. I'm here for
7 questions. Also, a representative from CRC is here
8 available today as well.

9 CHAIRPERSON YEE: Yes. Okay. Let me entertain
10 comments from the Commissioners first, if I may.

11 Commissioner Ortega.

12 ACTING COMMISSIONER ORTEGA: I think I might want
13 to hear from the representative first.

14 CHAIRPERSON YEE: The representative first.
15 Okay. Commission Newsom, shall we --

16 COMMISSIONER NEWSOM: Yeah, I'll wait. I'll
17 wait.

18 CHAIRPERSON YEE: Okay. All right. Let me have
19 David Mercier come forward please.

20 Good afternoon.

21 MR. MERCIER: Good afternoon, Executive Officer
22 of the State Lands Commission, and the Honorable
23 Commissioners. My name is David Mercier, and I'm a senior
24 engineering advisor working for the California Resources
25 Company. CRC is exclusively a California company

1 providing energy for Californians by Californians. We're
2 committed to excellence in safety and environmental
3 performance, and have earned a strong reputation among --
4 as operator of choice in urban settings across the State,
5 and including the Huntington Beach lease.

6 In 1995, the State Lands Commission determined
7 that it should amend the royalty rate to encourage
8 production from the Huntington Beach leases. It approved
9 an innovative oil price based sliding scale royalty
10 schedule. The royalty schedule inflation was tied to a
11 Producer Price Indices. As was mentioned in the
12 presentation, from the beginning, that Producer Prices
13 Indices averaged about 2.2 percent over the course of the
14 20-year period, from 1995, whereas, the oil field
15 inflation averaged about 10 percent. And so the royalty
16 schedule just became broken, so to speak.

17 Clearly, not adequately tracking oil field
18 inflation over the last 20 years, and it hasn't been
19 reevaluated since that time, since the beginning. Over
20 the last six months, under the Huntington Beach leases,
21 CRC has incurred a negative cash flow equal to \$6.1
22 million, while at the time, paying the State \$6.5 million
23 in royalty revenue. The proposed royalty rate adjustment
24 is intended to help correct this disparity.

25 The original intent of the price-based sliding

1 scale was to -- when the lessee was losing money, like
2 we're currently losing money, that it would be at its
3 lowest point. And when the lessee was making more and
4 prices were higher, the State would have a higher
5 participation in the royalty. And, on average, it would
6 average one-sixth royalty.

7 Soon after this price-based sliding scale was
8 adopted in 1995, it was actually 15.5 percent before that.
9 It went up to 25 percent, and then just kind of stayed
10 there until the collapse in 2014. Since 2014, the
11 industry has experienced the most severe and persistent
12 commodity downturn in decades. As a result, CRC has
13 reduced costs across the company, including staff and
14 contractors of more than 50 percent of the combined
15 workforce. CRC is committed to conducting operations in
16 the most cost effective way possible, ensuring the safety,
17 and protecting the environment.

18 Pursuant to Public Resources Code 6827.2, which
19 is intended to ensure the continued production of these
20 leases, the proposed royalty modification is respectfully
21 requested.

22 This adjustment will bring the royalty schedule
23 more in line with the original intent, and could
24 immediately impact wells that are down. Right now, we've
25 got about 500 barrels a day on the platform that are down,

1 that are not being repaired, because it's just not
2 economic for us to repair that production.

3 There's 150 barrels a day that certainly at a \$40
4 Brent price, we would move on immediately and get that
5 back on production. So there's significant upside. And I
6 think during this -- you know, the two-year period, the
7 short-term period, certainly wells will fail. And we want
8 to have the economic incentive to move in and fix those
9 wells and make sure certainly the State participates in
10 its royalty revenue.

11 And when we start the long-term plan -- right
12 now, we're producing about 4,000 barrels a day. You know,
13 we're not -- we haven't -- you're not -- the production
14 hasn't fallen such that it makes the long-term plan more
15 uneconomical.

16 So it allows us to move forward on the long-term
17 solution and increase revenue, put more of our labor force
18 to work, provide community benefits, and provide more
19 revenue for the State of California. This is similar to
20 what was done for the West Wilmington for our labor
21 contracts, as well as the State of California.

22 Thank you very much.

23 CHAIRPERSON YEE: Thank you very much, Mr.
24 Mercier.

25 Commissioner Ortega.

1 ACTING COMMISSIONER ORTEGA: So I think what
2 concerns me about the proposal is that on the State side,
3 the State's royalty share is always capped, even at the
4 highest oil price. And there isn't a mechanism for the
5 State saying the oil prices are high and so we should
6 share at a higher amount. We stay at that capped amount.
7 So having a proposal before us that only considers this
8 snapshot in time when oil prices are low, and asking for a
9 reduction in the royalty price doesn't to me seem like
10 good fiscal stewardship in terms of where my -- you know,
11 the Director of Finance being on the Commission.

12 So I would propose an alternative to the staff
13 recommendation, which would provide some temporary relief,
14 given that I think you have documented the negative cash
15 flow situation, and the immediate concerns of the
16 operation, but that the staff would actually be directed
17 to monitor and tally and actually calculate the amount of
18 relief that's provided over the period of time, so that
19 that amount could be repaid at a later time when the
20 prices return, assuming that they will.

21 I mean, I think what we've always known is that
22 the prices of oil are volatile and the State and CRC reach
23 an agreement on what an appropriate royalty share is,
24 knowing that those prices are going to go up and down, and
25 we shouldn't amend those agreements based on just the

1 moments in time when the prices are down.

2 I think I would certainly still encourage
3 everyone to work on a longer term restructuring. I
4 think -- I don't want to say that we're close-minded to
5 what a new royalty structure might look like going
6 forward, but in this interim period, we would not want to
7 support a permanent relief. We would want to see it as
8 more of a temporary relief that's proposed and that the
9 staff would be able to monitor.

10 MR. MERCIER: I understand your concerns. One of
11 the things to take into consideration, I think though, is
12 as the oil price goes up, this royalty schedule goes up to
13 25 percent, and it's capped at 25 percent. When you look
14 at the other State leases in Huntington Beach, in Santa
15 Barbara, all of those -- the two platforms on State lands,
16 they're capped at 1/6th 16.7 percent. So as the price of
17 oil, the State will participate more in the royalty
18 revenue on this lease than on other State leases.

19 And what we're looking at is something that --
20 you know, I mean, we're incentivized to increase the value
21 of this. What we want to do is certainly have the
22 incentive to fix these wells, keep the production up, work
23 on a long-term plan, which I'm sure will entail a
24 commitment by CRC -- an economic commitment that will
25 increase the value of this resource, provide additional

1 jobs, increase revenue to the State -- I mean, our goal is
2 to increase the revenue of this lease, and we -- and this
3 proposal provides us the incentive to fix these wells
4 sooner, and to make sure that the platform production has
5 not fallen so much by the time we get down to the
6 long-term agreement we just don't have the economies.

7 You know, it's just such -- at such a low level,
8 that it's just going to be very difficult. So that's why
9 we need -- we request, you know, this to incentivize that
10 we get this fixed.

11 Certainly, you know, there are a lot of jobs. In
12 the long-term agreement, you know, we're talking about,
13 you know, we've got over 200 people working on this. We
14 could add, you know, 50 or more jobs. So there are a lot
15 of jobs associated, you know, with these project. And
16 certainly, you know, there are a lot of jobs currently
17 working on the Huntington Beach list leases.

18 CHAIRPERSON YEE: So may I just ask staff maybe,
19 I'm intrigued by Ms. Ortega's proposal, but given the
20 arrangement that's before us where we're looking at
21 providing temporary relief, and then also the opportunity
22 to look at a longer term royalty restructuring, what's --
23 aren't we able to accommodate what Ms. Ortega is looking
24 for?

25 EXECUTIVE OFFICER LUCCHESI: Oh, certainly. We

1 can certainly accommodate that. So what I heard
2 Commissioner Ortega talk about is authorizing staff to
3 monitor and keep track of the difference between this --
4 the current royalty structure and staff's proposed
5 two-year modification, so that we could tally up the
6 difference at the end of that two-year relief.

7 CHAIRPERSON YEE: Right.

8 EXECUTIVE OFFICER LUCCHESI: And that I also
9 heard that that difference be included in the negotiation
10 conversations revolving around any long-term royalty
11 modification changes. So that would be -- the way I hear
12 that, and correct me if I'm wrong, is that would be adding
13 to authorization number five in the Commission's -- in the
14 staff report and the recommended action.

15 CHAIRPERSON YEE: Thank you.

16 Commissioner Newsom.

17 COMMISSIONER NEWSOM: Just through the Chair, so
18 I understand, I mean, in essence, what you're saying is --
19 well, a couple things. If -- so you'll proceed --
20 presumably, we'll make a two-year agreement to amend the
21 1995 schedule. In the interim, we'll engage in
22 negotiations, even in the absence of that last discussion,
23 or your previous discussion. We're going to engage in
24 that. Are we going to wait until the expiration of this
25 two-year deal to make a presentation to the Commission

1 about a permanent new schedule? Do you believe it will
2 take two years. And give me a sense of what those
3 negotiations will look like in the interim.

4 EXECUTIVE OFFICER LUCCHESI: Yeah. I certainly
5 hope it doesn't take us two years. That was to give us
6 enough time, so that we could have substantive
7 negotiations and come with a complete and comprehensive
8 proposal to the Commission that both CRC and Commission
9 staff could endorse, ideally that we will start working on
10 those long-term negotiations -- or, excuse me, the
11 long-term royalty modification negotiations tomorrow. And
12 we'll start working on what that might look like, what are
13 the options.

14 And in accordance with staff's recommendation, if
15 the Commission authorizes it, is in addition to a longer
16 term royalty modification, we'd also look to other
17 environmental or public benefit considerations that would
18 be made a part of that.

19 COMMISSIONER NEWSOM: And the default is if
20 you're at impasse, we go back to the '95 schedule after a
21 24-month period.

22 EXECUTIVE OFFICER LUCCHESI: Yes.

23 COMMISSIONER NEWSOM: So the amendment that we're
24 hearing here really is just an additional accounting
25 amendment, meaning you're just going to assess the actual

1 delta, and you were going to negotiate anyway more broadly
2 benefits that mutually would be agreeable --

3 EXECUTIVE OFFICER LUCCHESI: Yes.

4 COMMISSIONER NEWSOM: -- is that what I'm
5 hearing?

6 COMMISSIONER ORTEGA: I think I would just want
7 to clarify that --

8 CHAIRPERSON YEE: Yes, Ms. Ortega.

9 COMMISSIONER ORTEGA: Yeah, sorry -- from -- it
10 would be an accounting mechanism, but it would be
11 accounting for the purpose of determining how that -- how
12 the State would be made whole when the permanent agreement
13 was put in place. So I am not thinking of this, just so
14 I'm clear as to what our thinking of the outcome is, that
15 it is just rolled into a negotiation and kind of the
16 State's share just disappears as part of a longer term
17 agreement.

18 I think we would still want to see it repaid.
19 And, you know, I think how it would be repaid, I would
20 be -- I think it would be premature to say how that would
21 happen. I think that the staff report contemplates having
22 the discussion about changing the rate structure at the
23 higher end. And there are -- I think, are -- there's
24 plenty of opportunities for everyone to talk about what
25 that would look like.

1 But I think our view is that there shouldn't be a
2 reduction -- a permanent reduction in the royalties paid
3 to the State at this point, again, because the contract --
4 the lease is what it is, the royalty agreement is what it
5 is, and we are capped at the high end, and we don't think
6 that the State should receive less when oil prices are
7 lower.

8 CHAIRPERSON YEE: Okay.

9 EXECUTIVE OFFICER LUCCHESI: So if I -- oh --

10 CHAIRPERSON YEE: Ms. Lucchesi, go ahead.

11 EXECUTIVE OFFICER LUCCHESI: Thank you. So if
12 I'm hearing Commissioner Ortega correctly, she is making a
13 motion to amend staff's recommendation to specifically
14 direct staff to keep track of that difference over this
15 next two-year period, less time if we're able to reach an
16 agreement that the Commission authorizes on the longer
17 term royalty structure, and that in that longer term
18 royalty structure modification, that as part of those
19 negotiations, that that difference that the -- between the
20 current modification and the temporary modification be
21 actually a line item in those negotiations to be accounted
22 for in however that royalty structure is developed through
23 our negotiations. So it's a specific line item in those
24 negotiations.

25 ACTING COMMISSIONER ORTEGA: Correct.

1 CHAIRPERSON YEE: Yes.

2 COMMISSIONER NEWSOM: If I may, through the
3 Chair.

4 CHAIRPERSON YEE: Yes.

5 COMMISSIONER NEWSOM: And I appreciate that. I'm
6 not even leaning into a point of view. I'm just trying to
7 understand what we're discussing right now. My
8 understanding, even with that, there's then no -- we're
9 not compelled, in that respect, to then receive the delta,
10 meaning it's just part of the broader conversation.
11 That's what I'm trying to understand. Meaning, are we
12 saying we're not going to allow an augmentation without
13 recouping the money period, or are we saying we're going
14 to negotiate, knowing what that money is, and we're going
15 to negotiate aggressively to get it back? That's what I'm
16 trying to understand.

17 EXECUTIVE OFFICER LUCCHESI: That's an excellent
18 distinction, and I think that's one for the Commissioners
19 to decide upon.

20 CHAIRPERSON YEE: Yeah. Ms. Ortega.

21 ACTING COMMISSIONER ORTEGA: Yeah, I think that I
22 am thinking of it as something that is owed to the State.
23 In our view, it is a temporary relief to deal with a cash
24 flow -- the negative cash flow situation that the company
25 is currently experiencing. It is not a permanent --

1 trying to think of the language of the staff report. In
2 my view, it is a deferred royalty. It will be paid. It
3 will be paid at a later date. It will not be paid during
4 this two-year period that a new negotiation is going on,
5 which provides the immediate relief in the current oil
6 price.

7 CHAIRPERSON YEE: Commissioner Ortega, I think I
8 heard a motion, but I want to second the motion, because I
9 do -- and I would agree here that under any such
10 arrangement of where we're providing this relief, the
11 State ought to be able to recoup that Delta. And to be
12 able to track that and really be able to identify what
13 that is going into the longer term arrangement, I think
14 makes sense, and now -- not making any distinction about
15 how that would be repaid. So it could be through
16 environmental benefit provisions or community benefit
17 provisions or any other way.

18 But there's going to be a lot of activity. I
19 mean, you want this temporary relief, so that you can
20 actually do some work to --

21 MR. MERCIER: Yeah, absolutely. And one thing
22 I'd like to point out too is, you know, right now,
23 under -- even under the proposal, I mean, we're losing
24 probably around \$800,000 a month on this offshore
25 facility. And so CRC, you know, certainly cannot continue

1 with these losses indefinitely. So it does pose a huge
2 burden, you know, on the company.

3 COMMISSIONER NEWSOM: And through the Chair --

4 CHAIRPERSON YEE: Yes.

5 COMMISSIONER NEWSOM: -- so from your perspective
6 then this amendment, what is your assessment of this
7 amendment? I mean, obviously, you've got an immediate
8 challenge, which is stop the bleeding, which you've
9 reinforced right there. So I imagine, you know, this is a
10 good back-up, if you didn't get the original staff
11 recommendation. So, you know, a bird in a hand. But that
12 said, I'm curious your broader assessment.

13 MR. MERCIER: Yeah, I think, you know, certainly
14 within the context of the longer term agreement, I think,
15 you know, the shortfall will -- I mean what we'll work out
16 will more than make up for any shortfall within the two
17 years.

18 I think the amount of money that CRC would be
19 willing to commit, you know, at certain price levels will
20 be a lot, you know, tens of millions of dollars. So any
21 kind of shortfall would certainly be covered by that. I
22 mean, our break-even point on this platform is about \$50 a
23 barrel even under this proposal, and we're at about
24 \$48 -- or \$38 Brent right now.

25 So, you know, we've got a significant deficit

1 that we're going to be incurring until we get to the \$50
2 price, so -- but, you know, we believe that, you know, as
3 prices rise, we're willing to commit a lot. We really
4 want to develop this resource, and get the revenue much
5 higher.

6 So, you know, our commitment, I believe, you
7 know, will certainly be more than offset any kind of
8 short-term for the State.

9 COMMISSIONER NEWSOM: Okay, so -- and Jennifer,
10 just a quick question. Out of curiosity, and I appreciate
11 the sentiment of my colleagues, with the Wilmington and
12 others when it came to relief, was there any consideration
13 along these lines that we had offered in the past. I know
14 there was investment requirements that we stipulated,
15 but --

16 EXECUTIVE OFFICER LUCCHESI: Yeah, the West
17 Wilmington, and frankly the Long Beach Unit, the Optimized
18 Waterflood Program and the deal that the State and the
19 city and the operator, or the contractor, agreed to really
20 was not specific to temporary relief like this is, within
21 that narrow scope. It was really how will the contractor
22 and the city be incentivized to increase investment into
23 that field in order to produce more. And that was really
24 the focus of that.

25 So it's a little bit like comparing apples to

1 oranges. And I think what Mr. -- why Mr. Mercier raised
2 that is because I think that's part of the longer term
3 royalty restructuring element in terms of not only trying
4 to reconcile this inflation issue that really sparked this
5 whole discussion, but also then how -- what kind of
6 incentives could be -- could be agreed to in order to
7 enhance production out there, but also at a great benefit
8 to the State in a number of ways, not only in increasing
9 revenues, but other public benefit and environmental
10 considerations along with that.

11 COMMISSIONER NEWSOM: Just a final point. So
12 it's an extraordinary moment in history for all of us, and
13 I certainly support the spirit of the conversation and the
14 direction the staff was moving. And I think we have some
15 clarity, at least two of my colleagues, as it relates to
16 recouping any of the losses up front. And what I'm
17 hearing from you is you have some confidence that in the
18 process of any negotiation we're going to create it
19 regardless as oil prices inevitably do what they do, and
20 that's go back up.

21 So I would certainly align myself, subject to
22 looking at some language here, because I'm not convinced
23 we're convinced of the specific language of the
24 amendments.

25 EXECUTIVE OFFICER LUCCHESI: Got it.

1 COMMISSIONER NEWSOM: But not to put you on the
2 spot now. Maybe we can --

3 EXECUTIVE OFFICER LUCCHESI: No, no. I'm happy
4 to be put on the spot here.

5 COMMISSIONER NEWSOM: -- defer. And I just want
6 to make sure everyone here is happy with what we're doing
7 and not making a mistake in terms of the spirit of what
8 we're offering.

9 EXECUTIVE OFFICER LUCCHESI: Yeah, I think I just
10 have a point of clarification, if I may. We've talked
11 about scenario where the State recoups the savings over
12 this temporary period. There's one track where the State
13 is successful in negotiating with CRC a longer term
14 royalty modification that accounts for that savings to be
15 repaid to the State.

16 But if there's under a second track where there
17 isn't a longer term agreement reached, for whatever
18 reason, is it the Commission -- or Commissioner Ortega, is
19 it your intention, through the amending motion, that
20 regardless of whether a longer term agreement can be
21 reached, that the State recoups those savings --

22 ACTING COMMISSIONER ORTEGA: Yes.

23 EXECUTIVE OFFICER LUCCHESI: -- realized by CRC?

24 ACTING COMMISSIONER ORTEGA: Yeah, that is my
25 thinking and my motion.

1 CHAIRPERSON YEE: Yeah, similar to the second.

2 EXECUTIVE OFFICER LUCCHESI: So let me see if I
3 can try and put some bookends around this amending motion.
4 The amending motion would be from Commissioner Ortega to
5 adopt staff's recommendation with basically three
6 modifications.

7 The first one, directing staff to include in the
8 amendment language the ability to track the difference
9 between the current royalty structure and the temporary
10 royalty structure. The second modification to staff's
11 recommendation would be that that difference, that savings
12 that CRC realizes over this temporary period, that in the
13 longer term royalty modification negotiation, that is --
14 that savings is captured and repaid to the State.

15 And in the event that a longer term royalty
16 modification agreement cannot be reached between the State
17 and CRC, that the CRC repays the State those -- that
18 savings that it realized during that temporary
19 modification.

20 It's a mouthful.

21 ACTING COMMISSIONER ORTEGA: Yes.

22 CHAIRPERSON YEE: Okay.

23 ACTING COMMISSIONER ORTEGA: That would be my
24 motion.

25 CHAIRPERSON YEE: That would reflect that --

1 good. We have a motion by Commissioner Ortega to that
2 effect then. And I will second that.

3 COMMISSIONER NEWSOM: I'm just curious, was there
4 any other public comment? I'm sorry. It's not --

5 CHAIRPERSON YEE: That's the only public comment.

6 COMMISSIONER NEWSOM: That's what happens when
7 you're no longer Chair and you long for those days --

8 (Laughter.)

9 COMMISSIONER NEWSOM: -- when you had power and
10 influence.

11 CHAIRPERSON YEE: I don't believe there's any
12 other public comment.

13 COMMISSIONER NEWSOM: I was just wondering if
14 anyone else is out here. Good. I'm great. We'll move
15 forward.

16 (Laughter.)

17 CHAIRPERSON YEE: Okay. And I would be remiss if
18 I didn't just add in here that I would like serious
19 consideration to be given to, in the longer term
20 discussion, contributions to the continued operation and
21 maintenance of the Bolsa Chica Restoration Project.

22 CHAIRPERSON YEE: So we have a motion and a
23 second.

24 Without objection, such will be the order. Thank
25 you very much. Thank you, Mr. Mercier.

1 All right. Our next item is Item 66. It's
2 relating to the City of Redwood City and Docktown. Let me
3 have staff introduce the issue, and we have a number of
4 speakers on this, but let's hear from Ms. Pemberton.

5 Good afternoon.

6 EXTERNAL AFFAIRS DIVISION CHIEF PEMBERTON: Thank
7 you, Commissioners and Chair. Sheri Pemberton with the
8 State Lands Commission. Calendar Item 66 addresses the
9 Docktown marina at Redwood City. Docktown is on sovereign
10 tide and submerged lands that are impressed with the
11 public trust doctrine protections, which means the lands
12 are dedicated to public use.

13 The principle, just for a little background of
14 the Public Trust Doctrine is that California holds its
15 sovereign lands in trust for the statewide public's
16 benefit and enjoyment. This principle was enshrined at
17 State-hood but it goes back to Roman law. And the
18 principle under -- or the rationale underlying this
19 principle is that the waterways belong to the public and
20 they are set aside for public water-dependent uses.

21 The lands underlying Docktown marina are tide and
22 submerged lands that the State legislature conveyed to
23 Redwood City and trust. Redwood City owns and manages the
24 lands at Docktown, and the Commission has oversight
25 authority, and we provide advice to ensure that the

1 waterfront continues to be available for the statewide
2 public, and that the revenues generated from these lands
3 are reinvested back into improving the land.

4 As trustee, Redwood City holds the lands under
5 the terms of its various granting statutes and the
6 principles of the Public Trust Doctrine. And the lands
7 and the revenues generated from these lands can only be
8 used for the benefit of the statewide public, not for sole
9 individual citizens.

10 Currently, Docktown Marina is a floating home
11 community. It has approximately 135 berths and
12 approximately 103 are occupied by 86 slips, most of which
13 are leased to tenants on a month-to-month basis.

14 The city has been managing Docktown directly
15 since the previous operator terminated its lease in 2012.
16 And they're currently looking for a harbor master to
17 manage the marina.

18 When the city took over managing the marina in
19 2012 -- late 2012, it contacted Commission staff for
20 advice. And the city let staff know that it was
21 endeavoring to redevelop its waterfront and surrounding
22 area and Docktown. And they were looking at the existing
23 uses and trying to determine whether these should remain
24 or be located elsewhere.

25 So the city also named the Commission as a member

1 of the inner harbor task force that was developing a
2 broader land-use plan for Docketown and the surrounding
3 area. Redwood City has the day-to-day management
4 authority as the owner of the lands. The Commission
5 doesn't usually substitute its judgment for the trustee,
6 but it is required to protect the public's interest in
7 grant lands. And it does collaborate with grantees when
8 requested.

9 In response, to the city's queries, the
10 Commission did some research, and based on advice from the
11 Attorney General's office and previous case law, let the
12 city know that the private residential uses are
13 inconsistent with the Public Trust and the granting
14 statutes.

15 Just for context, it's not a new interpretation
16 on the part of Commission staff, nor is it unusual for
17 staff to communicate with trustees about inconsistent
18 trust uses, particularly at their request.

19 Over the past few decades, Commission staff has
20 consistently advised grantees and others that private
21 residential use of Trust lands is inconsistent with the
22 Public Trust Doctrine.

23 Unfortunately, from time to time, scenarios such
24 as Docketown happen. And it's really challenging to find a
25 path forward that takes all the perspectives into account.

1 As staff, we really just despair at the thought of people
2 losing their homes. And that's the last thing we would
3 ever want to see happen, but these are Public Trust Lands,
4 and we have a professional duty to uphold. So these
5 situations are a real challenge for everybody involved.

6 Redwood City has come up with a compromise that
7 would require legislation. It would protect the existing
8 residents from being immediately relocated from their
9 homes, while also acknowledging the city's duty to keep
10 the Docktown waterfront publicly accessible, honoring the
11 trust that has been bestowed upon them and allowing the
12 city to move forward with their vision for improving the
13 inner harbor.

14 So the City's proposed concept is legislation
15 that would permit existing tenants to stay for up to 15
16 years without transferring or renting or subleasing their
17 slips.

18 So staff recommends that the Commission direct
19 staff to work with the city and its legislative
20 representatives on this legislative concept, consistent
21 with the conditions requested by the city.

22 Thank you.

23 CHAIRPERSON YEE: Thank you, Ms. Pemberton.

24 Comments by Commissioners?

25 Okay. We have a number of speakers on this item.

1 Let me call you up in groups. First, let's hear from
2 Redwood City Vice Mayor Ian Bain, followed by Redwood City
3 City Manager Melissa Stevenson Diaz. Why don't we start
4 there and then we'll call others up.

5 Good afternoon.

6 REDWOOD CITY VICE MAYOR BAIN: Thank you. Thank
7 you Commission Chair Yee, Commissioner Ortega.
8 Hopefully Commissioner Newsom will return soon.

9 I wanted to congratulate him on his baby.

10 (Laughter.)

11 CHAIRPERSON YEE: Yes.

12 REDWOOD CITY VICE MAYOR BAIN: But I'm here --
13 I'm the Vice Mayor of Redwood City. I'm here to talk
14 about the City's interest in this. So first and foremost,
15 our interest is to serve our residents. Docktown is a
16 community of approximately 100 people who are very active
17 in Redwood City. They serve on our commissions. They
18 clean the waterways. They're key members of our
19 community.

20 And our interest here is to keep this community
21 together and to keep the community in Redwood City. Our
22 interest, to be very clear, is not to close Docktown. The
23 reason why we've made the proposal today is because we
24 realize the need to be consistent with State law and State
25 Lands Commission policy. So we're hoping that if you

1 approve this proposal, we can give the residents and
2 additional 15 years, which gives the city time to come up
3 with an alternative plan. It would give us time to permit
4 and build a new marina, look at other options for that, or
5 relocate them to other areas, if needed.

6 We ask this because I know that you're all aware
7 of the terrible housing crunch that we face in California,
8 the Bay Area in particular, and the peninsula in
9 particular. We recognize that you may be asked to explore
10 other alternatives, including allowing liveaboards as a
11 permitted use, and allowing rental units.

12 We know that that will take time. Those are
13 important questions that you should explore. But in the
14 meantime, we hope you will support our proposal as
15 written, and that we can get this extra time to serve our
16 residents. And I apologize. I'm going to have to catch a
17 plane, but my colleagues are here. My colleague, Council
18 Member Janet Borgens is here, our City Manager, Melissa
19 Stevenson Diaz, who I believe will speak next, and our
20 Assistant City Manager, Aaron Akin. They can answer any
21 questions for you, but I appreciate your consideration.

22 CHAIRPERSON YEE: Thank you, Vice Mayor Bain.
23 Thank you.

24 All right. Why don't we hear from the City
25 Manager.

1 REDWOOD CITY MANAGER STEVENSON DIAZ: Good
2 afternoon.

3 CHAIRPERSON YEE: Good afternoon.

4 REDWOOD CITY MANAGER STEVENSON DIAZ: I'm Melissa
5 Stevenson Diaz. I'm the City Manager for Redwood City.
6 And, as noted, I'm joining council members and our other
7 senior staff, our Assistant City Manager, Aaron Aknin,
8 who's been very active on this issue in support of the
9 city.

10 So first, we did want to thank the Commission for
11 hearing this item and for hearing it in a timely manner.
12 We're very aware, and we think you may be as well, that
13 the residents of Docketown have been living with some
14 uncertainty for a fair amount of time. And so your
15 consideration of this item today, and hopefully your
16 support for it, will really help this community move to a
17 better path.

18 We also really want to thank the Commission staff
19 who were active in the planning process that Ms. Pemberton
20 mentioned. That's been an important effort for our
21 community to start to reenvision what is now an industrial
22 area primarily, and to think about what that could include
23 for the future. It is certainly the city's intent that
24 over time there will be much more public access, hopefully
25 more open space as well, in the entire inner harbor

1 region. And so we're excited about moving toward that.
2 And we've appreciated the involvement of the Commission
3 staff during that time frame.

4 It is also clear to the city as the Vice Mayor
5 just mentioned that the current policies of the Commission
6 don't allow for the Docktown Marina to remain in
7 perpetuity. And so we have been struggling to find a path
8 that might properly balance the needs of those residents
9 who do not have many options in terms of either affordable
10 housing or specifically marina living in Redwood City or
11 even in other places in the State, and with regarding the
12 trust that has been granted to the city.

13 And as we've been looking at those issues, we
14 were sort of pleased actually to find that we think
15 there's a really reasonable solution that the Commission
16 and the State legislature has approved in the past. And
17 so in the staff report and in the letter from the city, we
18 reference a case of De Anza Point in Southern California,
19 where an extended period of time was allowed for residents
20 who lived in a mobile home park on State granted lands.

21 So we feel this is very similar, and so we've
22 modeled our proposal based on that situation, thinking
23 that it would be hopefully a smoother process for both the
24 Commission to consider, and for the State legislature to
25 support, in terms of balancing both the Public Trust

1 obligations, and then certainly our concerns for the
2 residents of Redwood City.

3 So we're happy to answer questions about the
4 particular proposal, but primarily we wanted to thank you
5 for your consideration, and encourage your support of the
6 city's request and the staff's recommendation.

7 CHAIRPERSON YEE: Great. Thank you, Ms. Diaz. I
8 do have a couple questions. One is the period of 15
9 years. I was just curious how you arrived at that, and
10 whether that's consistent with other planning efforts that
11 the city has underway?

12 REDWOOD CITY MANAGER STEVENSON DIAZ: So as we've
13 been thinking through the inner harbor process, there is a
14 potential for development of another marina in a different
15 part of the inner harbor that's not on State granted
16 lands. And we understand it would take a number of years
17 for the owner to receive the permits that would be needed
18 in order to create that marina and a liveaboard space.

19 And so we were trying to provide a scope of time
20 that could allow for that process to occur. And so the
21 best alternative in our minds, and we think for many
22 residents, would be able to stay in the inner harbor area,
23 to be able to live on boats, and to remain in Redwood
24 City. And so we wanted to allow the amount of time that
25 could make that possible.

1 CHAIRPERSON YEE: Okay. Great. And then the
2 public access improvements that would be made would be
3 made -- it's being contemplated those would start within
4 the 15-year period.

5 REDWOOD CITY MANAGER STEVENSON DIAZ: We would
6 hope so. Certainly, the general plan calls for the land
7 adjacent to Docktown to have greater recreational and
8 public access. As we go through the process of evaluating
9 the proposed inner harbor plan, we'll have a better
10 understanding of how quickly we might have funding and the
11 availability to actually produce that access, but that is
12 the policy now, and we think that would be furthered in
13 the future.

14 CHAIRPERSON YEE: Very well. Other Commission --
15 Commissioner comments, at this point?

16 Okay. Very well. Thank you, Ms. Diaz.

17 REDWOOD CITY MANAGER STEVENSON DIAZ: Thank you.

18 CHAIRPERSON YEE: Let me call up the next group
19 of speakers. Joan Bernier, JoAnn McDonnell, and Robert --
20 let me see. Is it Robert Hellier[sic]? Hiller[sic]?

21 MR. HEFLIN: Heflin.

22 MS. JOAN BERNIER: Hi.

23 CHAIRPERSON YEE: Good afternoon. Introduce
24 yourself for the record. You have three minutes.

25 MS. JOAN BERNIER: Hi. My official title is

1 sister.

2 Madam Chair --

3 CHAIRPERSON YEE: Oh, I'm sorry.

4 MS. JOAN BERNIER: No, my name is Joan. Sorry,
5 not of the religious order. I'm Mary's sister. And she's
6 one of the residents of Docktown. I'm here to show you my
7 very quick visual aid. I'll only take a moment of your
8 time, because I know you have a lot to cover.

9 So this is for my sister, my two five-year old
10 kids and I made it this morning. This is her dream
11 houseboat. She's been living at Docktown for quite a long
12 time. It's a wonderful community. She's very happy.
13 She's worked in volunteer work all her life, and she's low
14 income, and so are many of her friends and community at
15 Docktown.

16 And I hope that you would consider -- we created
17 this dream boat. She's saving up money so she can buy a
18 boat at Docktown. She's very active in the community and
19 has done harbor clean-ups, and been at many different
20 council meetings. We created this because I'm a fourth
21 generation Bay Area resident. My folks are from San
22 Francisco. This is designed with a map of the Bay Area.
23 And it's a call for all of us who would like to have
24 places in this beautiful Bay Area that is available for
25 people with low income and not to be able to be squeezed

1 out. And so we chose to make the map of the Bay Area the
2 wallpaper for her houseboat.

3 And that's it. Thank you for your time.

4 CHAIRPERSON YEE: Thank you.

5 Next, JoAnn McDonnell.

6 MS. McDONNELL: Hello. My name is JoAnn
7 McDonnell. And thank you for seeing us and talking about
8 Docktown on the agenda.

9 I'm a retired critical care nurse with a Master's
10 in psychology. My husband and I own one of the large
11 floating homes. My husband is a Special Forces veteran, a
12 general contractor, and owns two small businesses. I
13 would like to support the Redwood City and State Lands
14 proposal to give our community 15 years to stay on the
15 creek. I'm a little concerned about the no -- not being
16 able to rent or sell. There are some options that we
17 might be able to do that would bring people down to the
18 water, such as short-term leases, Airbnb type leases -- or
19 not leases, but rentals, that would bring people down to
20 enjoy the water. Perhaps someone could have a kayak
21 rental or even the Muddy Bottoms Coffee Shop.

22 But there would -- none of that would be allowed,
23 because we can't run a business down there. And so we see
24 ourselves as being squeezed into oblivion really is our
25 concern.

1 There is already quite a bit of Public Trust use.
2 The yacht club brings boats from other sailing clubs from
3 all over into the area. They have parties and gatherings
4 for the community. People already come down and launch
5 their kayaks from the docks. They couldn't launch them
6 from the creek very well. Before the condos across from
7 where we live were built, people used to come and eat
8 their lunch on the shore and look at the floating homes.
9 It was a big draw. People liked that. It was a little
10 strange at first, people are staying at your home, but
11 they liked to see it.

12 Then they built some condos over there, and now
13 the only people over there are the condo owners walking
14 their dogs. It doesn't allow -- it doesn't encourage the
15 public to come down and enjoy creek. And now they'll be
16 doing that on our side of the creek. So we could really
17 open up some areas among the boats and floating homes for
18 the public to come down.

19 My husband and I lived on a boat for five years
20 watching some of these floating homes being built. There
21 was some stop -- a couple of stop orders placed on the
22 floating home being built. And then they were rescinded,
23 and they were told they could go ahead and build. And we
24 thought, well, that's just great. And after that, we
25 bought a floating home.

1 That would have been a really good time for them
2 to bring up this State Lands issue. We'd never heard of
3 it until just a few years ago.

4 And I'm glad that we're looking forward to
5 finding a better outcome, and a little bit more security
6 for our homes. Thank you.

7 CHAIRPERSON YEE: Thank you very much.

8 Ms. Lucchesi, on the issue of any commercial
9 enterprises or the like in this area, can you comment on
10 that?

11 EXECUTIVE OFFICER LUCCHESI: Well, in terms of
12 consistency with the city's trust grant and the common law
13 Public Trust Doctrine, commercial activities that are
14 either water dependent or bring visitors down to the
15 water, so that visitors can enjoy the waterfront, are
16 certainly allowed.

17 Now -- but I think the question is more geared
18 towards the city. What's important to remember here is
19 that the State Lands Commission does not have any direct
20 leasing jurisdiction here. The city actually owns these
21 lands in fee and manages them under their trust grant.
22 The legislature granted these lands to the city.

23 So typically, you know, there are 70 plus grants
24 of these kind throughout the State, including where we're
25 sitting right here. This is a grant to the City of

1 Berkeley. Those grantees manage these lands and their
2 assets on a day-to-day basis. And they make the decision
3 about what's appropriate and not appropriate.

4 Typically, on occasion, grantees will ask this
5 Commission staff or the Attorney General's office for
6 advice on what is or is not consistent, and that's how we
7 find ourselves here. So in terms of your question about
8 commercial activities, the Port of Redwood City sits on a
9 trust grant. There are lots of commercial activities
10 within the city's trust grant that are consistent with the
11 Public Trust, and their legislative mandates.

12 CHAIRPERSON YEE: Okay. Ms. Diaz, do you mind
13 coming back up and just providing a response?

14 REDWOOD CITY MANAGER STEVENSON DIAZ: So again,
15 in thinking about a path forward, we were really just
16 trying to model on what had been seen as acceptable in the
17 past. So the city hasn't actually extensively discussed
18 the possibility of commercial activity in the forms that
19 were mentioned.

20 I would say that, you know, there's certainly a
21 very clear understanding and concern about the need for
22 people to have affordable housing. I would say the
23 thought of the Trust lands being used to generate personal
24 profit would be something that would need to be discussed.
25 The city isn't currently party to any of the kinds of

1 activities, subleases, or other things are happening now,
2 And so we don't really have any knowledge over at what
3 rates those are charged or we're not party to those. So
4 that would be something that would need more dialogue and
5 policy for the city.

6 EXECUTIVE OFFICER LUCCHESI: I would just add --
7 thank you for that. I would just add that I think that
8 the -- and correct me if I'm wrong, that the city is
9 engaging in a planning effort to determine what are the
10 appropriate uses, both recreational and commercial,
11 throughout their inner harbor, and that that planning
12 effort will help inform what the city ultimately allows.

13 I was reacting to one of the previous speakers
14 talk about turning maybe their facility into a kayak
15 rental. We see those all the time along waterfronts. And
16 using that kind of commercial activity, making use of
17 Trust lands for that type of commercial activity, but
18 that's a contract or a business deal that's between the
19 commercial operator and the city. And so that's something
20 the city would engage in as appropriate and consistent
21 with their planning efforts.

22 CHAIRPERSON YEE: Thank you both for the
23 clarification.

24 Okay. Our next group of speakers, Robert Heflin,
25 William Sloan, and Steve Kroninger.

1 MR. HEFLIN: Hello, Commission. I'm Robert
2 Heflin, one of the property owners in one of the large
3 floating homes, and JoAnn McDonnell's husband. And it's
4 been a long time coming. It looks like with this we
5 finally would be able to work with the city. It's been a
6 very contentious time for everybody. I think people are
7 worried sick about the outcome. I think this would give
8 some relief to that pressure. We're all anxious to comply
9 with State Lands.

10 In my own case, if we would have known that we
11 were out of compliance with something, we probably
12 wouldn't have bought the house, but nobody bothered to
13 tell us at that time, but so here we are.

14 But I think this is a good medium solution to get
15 to a solution of the problem that we all find ourself in.
16 And thank you very much.

17 CHAIRPERSON YEE: Thank you, Mr. Heflin.

18 MR. SLOAN: Good afternoon, members of the
19 Commission. And we do have a PowerPoint. My name is
20 William Sloan. I'm a partner at Morrison & Foerster, and
21 we are counsel appearing pro bono on behalf of the Redwood
22 Creek Association.

23 CHAIRPERSON YEE: Let me just have you hold up
24 for just one moment while we --

25 (Thereupon an overhead presentation was

1 could also start creating issues for other communities.
2 Now, I've put this up here. This is a map of the grant to
3 Redwood City -- the granted lands. And if you take a
4 close look at it, you'll see that the Docketown community,
5 which is just down in that far left corner where the star
6 is, it was part of a much larger grant. And many lands
7 that were ultimately granted to Redwood City.

8 Now, you may or may not be familiar with how BCDC
9 has handled houseboat communities and marinas. But they,
10 for the most part, have a policy where they allow about 10
11 percent of marinas to go to houseboats.

12 And I thought it was important to show the
13 context here. This is not a situation where the entire
14 granted lands are being used for houseboats. Quite the
15 opposite. This is mostly industrial area. And having
16 this community here, I would suggest provides the same
17 types of benefits that BCDC looks to have for keeping an
18 overnight presence, a community of people that actually
19 have a stake and an interest in keeping that area safe.

20 --o0o--

21 MR. SLOAN: So I've provided a number of slides
22 that I can go through quite quickly. We have here the
23 BCDC staff report on houseboats from 1985. You'll see --
24 it's kind of hard to see there, but if you have the
25 handout, there are 444 houseboat berths just in -- and

1 they were listing Sausalito and Mission Creek.

2 --o0o--

3 MR. SLOAN: Here's a picture of Mission Creek
4 where you can see houseboats currently exist. The
5 Commission has certainly known about these. These have
6 been authorized by BCDC.

7 --o0o--

8 MR. SLOAN: Sausalito and Richardson Bay you're
9 probably all familiar with. It's certainly a well known
10 situation up there with houseboats.

11 --o0o--

12 MR. SLOAN: The Berkeley Marina right outside.
13 Perhaps when you came in today, you may have seen the
14 houseboats that are located out there.

15 --o0o--

16 MR. SLOAN: The Barnhill Marina in Alameda, more
17 than 40 houseboats authorized by BCDC there.

18 --o0o--

19 MR. SLOAN: Sandy Beach in Vallejo. And actually
20 this one is particularly interesting. Actually, one of
21 the residents of the community here pointed out to me, if
22 you look at your consent calendar, Item C 30, you actually
23 by consent approved a general lease for recreational and
24 residential use on sovereign land. It did include
25 residential use.

1 So there are situations where the Commission in
2 its discretion determines that it is appropriate to permit
3 residential use. I'm only asking here that you keep that
4 option open. I'm not here today to have you somehow
5 decree that residential use is okay in Docktown. I'm just
6 asking that you not foreclose that discussion.

7 I think that you can pursue this legislation
8 without a broad pronouncement on residential use and
9 whether or not it's consistent or not with the Public
10 Trust.

11 --o0o--

12 MR. SLOAN: This is an excerpt from the staff
13 report in approving one of the leases at Sandy Beach, and
14 you'll see that the report stated that the uses at Sandy
15 Beach do not substantially interfere with the Trust.

16 --o0o--

17 MR. SLOAN: The same with Black Point in Novato.
18 Again, so long as the State's lands are not needed for
19 Public Trust purposes, residential uses were permitted.

20 --o0o--

21 MS. SLOAN: If you go back to that map that I
22 showed you of the granted lands, you'll see Redwood Creek
23 abuts right up to the highway. It is not a situation
24 where you have masses of boats going back and forth. It's
25 not surrounded by other commercial uses. It's just a

1 small portion of a much larger grant, where there are many
2 Public Trust uses ongoing.

3 --o0o--

4 MR. SLOAN: Former Pete's Harbor actually had a
5 legislative solution, which permitted residential uses.
6 Now, it's the case that Pete's Harbor now is no longer
7 there, and that's actually part of the problem with this
8 community having nowhere else to go, but that can be done
9 even in legislation.

10 --o0o--

11 MR. SLOAN: So ultimately, the path forward, we
12 very much support what the staff has proposed, what the
13 city has proposed. We think that this is exactly the kind
14 of collaborative effort that leads to good solutions. I
15 would just ask that you not foreclose the option of
16 considering whether or not there are situations where a
17 houseboat may be consistent with the Public Trust.

18 I don't think that that would prevent us from
19 achieving the solution that the city has proposed and that
20 the staff is recommending. I'm happy to answer any
21 questions.

22 CHAIRPERSON YEE: Thank you very much.

23 Let me turn to the staff on that question of the
24 precluding -- well, actually, whether what's being
25 contemplated with the proposal before us would resolve

1 that question about whether houseboats are inconsistent
2 with the Public Trust.

3 EXECUTIVE OFFICER LUCCHESI: Yeah. So I'd like
4 to respond to a number of points that were just made.
5 First, in terms of the legislation and the city's request
6 to include that provision, that is similar to the De Anza
7 legislation that the city referenced earlier, the mobile
8 home park on filled Public Trust Lands. That legislation
9 did state that residential uses were inconsistent with the
10 Public Trust, and the city's trust grant.

11 And so that's, I think, where that concept to
12 include it in the proposed concept came from. And that is
13 also consistent with the advice that we'd been given for
14 decades by the Attorney General's office on this issue.

15 I do want to respond to a number of points that
16 were made about different circumstances throughout the San
17 Francisco Bay, including Sandy Beach. So I think one of
18 the first items is the 10 percent rule, if you will, that
19 BCDC implements for certain marinas in the Bay Area. That
20 was actually as a result of advice and collaboration that
21 included the Attorney General's office for marinas that
22 included liveaboards. And the policy reasons behind that
23 was to allow 10 percent of the marina to be allowed for
24 liveaboard use to provide security for the marina to
25 provide that security of overnight.

1 So it's not 10 percent of the entire Trust Grant,
2 it's 10 percent of a certain marina that is typically
3 allowed by BCDC to be used as liveaboards for security
4 purposes that furthers the Trust assets and uses in that
5 area.

6 There were identified a number of different areas
7 in San Francisco Bay that showed other houseboats similar
8 to what we see at Docktown. The majority of those are
9 located in granted lands, if not all of them, similar to
10 Docktown, with some caveats and nuances.

11 What you saw in Richardson Bay and what you saw
12 in Sausalito, those are on what we call BTLC lots. Back
13 in the late 1800s, California created a board of Tideland
14 Lot Commissioners, which basically subdivided the Bay and
15 sold off lots to private homeowners. Based on a number of
16 different court actions and which culminated in a
17 California Supreme Court decision in 1981, those lots that
18 were subdivided and validly sold are -- the underlying fee
19 ownership is in private hands. That is different than
20 what we see at Docktown.

21 The ownership of the land and the different
22 layers of that ownership makes a difference in terms of
23 how we, as staff, approach some of these things. And
24 again, those are all in granted lands. I can't
25 over-emphasize enough that the State Lands Commission does

1 not have direct leasing jurisdiction over those facilities
2 or those lands similar to Docketown.

3 What that means for the Commission is that the
4 Commission typically does not substitute its judgment in
5 competing uses for that of the grantee. In this
6 situation, we were specifically asked during the inner
7 harbor task force effort for advice on consistency of uses
8 with their trust grant. We gave that advice. If we were
9 asked for that in other grants, we would certainly give
10 the same advice.

11 I want to highlight Sandy Beach, because that is
12 an area that we do have direct leasing jurisdiction over.
13 And the Commission did just authorize approximately 35
14 leases. Again, ownership of the land is a key element to
15 this. In Sandy Beach, there are tideland patents there.
16 Those are somewhat similar to the BTLC lots that I just
17 mentioned. Tideland patents basically sold the underlying
18 fee title to private landowners -- upland owners. And
19 there is a retained Public Trust easement interest, but
20 the underlying fee is not owned by the State of
21 California.

22 So at Sandy Beach, you have the majority of, all
23 of those homes, actual homes, are located on private
24 upland fee ownership land. Some of those decks do
25 encroach onto what we believe are Public Trust Lands, but

1 the title and the ownership is not certain. We have been
2 challenged, not legally yet, but by certain individuals
3 that the State Lands Commission, on behalf of the State,
4 does not actually own some of those lands.

5 So when we came to the Commission with those
6 proposed leases, it was for a small portion of decks that
7 are considered residential in our world because of that's
8 how we assess rent. We assess a higher rent for
9 residential types of facilities. And they are on
10 basically disputed ownership lands. And we did a Public
11 Trust assessment of what the Trust -- public's Trust needs
12 are in that small area and made the recommendation that
13 these leases do not interfere with those needs.

14 In the same finding, we did talk about the fact
15 that residential uses are generally not consistent with
16 the Trust. And that is the balance that a trustee, such
17 as the State Lands Commission in its ownership -- for its
18 ownership lands has. That's the type of discretion that
19 the city has as a trustee of granted lands. They are to
20 look at what are the competing needs, and how do those fit
21 within the Trust grant dictated by the legislature, and by
22 the common law Public Trust Doctrine.

23 Now, the proposed legislation that the city has
24 offered up really puts that competing needs question in
25 front of the legislature, who is the ultimate trustor of

1 these lands on behalf of the entire State.

2 And so the legislature, through this concept, is
3 going to be weighing what are the Trust needs, what are
4 the needs of the residents, and can we find a compromise
5 that allows for the sensitive and responsible transition,
6 while maintaining these common law principles that these
7 lands are public and they belong to the entire State.

8 CHAIRPERSON YEE: Thank you.

9 EXECUTIVE OFFICER LUCCHESI: Yes, I'm done.

10 MR. SLOAN: I'll just finish saying I agree with
11 everything the Executive Officer said. I certainly don't
12 want to, in any way, give the impression we're at odds on
13 this.

14 And ultimately, I just would like to have the
15 legislature be given the opportunity to make that weighing
16 and make the ultimate decision as opposed to coming in
17 with a predetermination.

18 So thank you.

19 CHAIRPERSON YEE: Thank you very much.

20 Comments, Commissioners?

21 Okay. We'll move to our next group of speakers.

22 Lee Callister, Diana Reddy, and Tania Soté[sic].

23 MR. CALLISTER: So I do have some slides. We'll
24 probably skip some of them.

25 My name is Lee Callister. I want to, first of

1 all, thank the Commission for hearing us. And I want to
2 thank the staff and the city staff in working together,
3 having a dialogue, and coming up with a proposed solution,
4 which is something that I've been long asking for.

5 (Thereupon an overhead presentation was
6 presented as follows.)

7 MR. CALLISTER: And we support further
8 discussions leading to an agreement between all interested
9 parties, including the residents of Docktown, who are the
10 ones that are most affected here.

11 I'd like to give the proposal my wholehearted
12 support, but I do have a few concerns about some of the
13 points that have already been made, which will allow me to
14 go a little -- skip over them a little bit faster.

15 It's -- what I'm hearing from you is that it's
16 really an issue primarily to be held with the city, but I
17 do want to call your attention to just a couple of these
18 points. Under this proposal, Docktown residents would be
19 unable to buy, sell, rent, or transfer our properties,
20 leaving the community to slowly stagnate and wither.

21 I don't understand the justification for
22 restricting our economic well-being and access to
23 affordable housing during this period. Residents who have
24 invested hundreds of thousands of dollars and pay
25 commensurate property taxes, cannot consider job offers

1 that would further advances their careers because they
2 can't sell their homes and move on.

3 A professional woman with an autistic son, who is
4 now 20 years old, will be unable to acquire a second
5 household for her son, even though the owner of a suitable
6 property that is currently sitting empty would like to
7 transfer title to her. And much needed affordable housing
8 will be shuttered or destroyed and residents displaced
9 because they can no longer be a resident.

10 Why don't you go ahead and let me see where I've
11 ended up here so far.

12 This is just a picture of some of the nice
13 floating homes at Docktown, which I know you've all seen,
14 because I've been sending you pictures.

15 Can you move on to the next slide?

16 --o0o--

17 MR. CALLISTER: All right. So what I want to
18 show here, a little bit out of order, but let me go
19 through anyway, is in this slide and in the next slide,
20 you'll see that we don't interfere with navigation and
21 fishing and commerce. There's plenty of room here. And
22 we also have boats and canoes and kayaks constantly going
23 up and down the creek. So the notion that we have to be
24 removed to provide public space for navigation and
25 recreation is not true. It just doesn't work.

1 What else have I got here?

2 Go ahead and move on.

3 --o0o--

4 MR. CALLISTER: Okay. That's just to show that
5 we have -- that we're protectors of the environment and
6 that we're concerned quite honestly that if we're not here
7 that those birds will disappear. I'm seeing fewer of them
8 as more development in the area takes place. These are
9 taken just right outside my place. Where the tide is
10 there, they come up and eat.

11 Next slide, please.

12 --o0o--

13 CHAIRPERSON YEE: Mr. Callister, if you could,
14 your time has expired, but let's have you expedite the
15 presentation.

16 MR. CALLISTER: I will try to expedite it. I
17 also ask the forbearance of the Chair that I do have a
18 resident here who would be willing to concede me with his
19 time. Is that acceptable to you?

20 CHAIRPERSON YEE: If he signed up, we're happy to
21 hear from him.

22 MR. CALLISTER: He did sign up.

23 CHAIRPERSON YEE: Okay.

24 MR. CALLISTER: I want to say that nor do we
25 inhibit public access. In another way, there's a public

1 launch ramp at the bottom of Docketown where people can
2 launch their watercraft for extended tours of Redwood
3 Creek's many sloughs and wetlands, which just needs some
4 maintenance work.

5 --o0o--

6 MR. CALLISTER: I'm in favor of new amenities,
7 including canoe and kayak rentals. The key point is at
8 Docketown visitors have access to go out onto the water,
9 which is not true -- can you go back one more where you
10 just were, please?

11 That one -- which is not true across the creek
12 where a new condo development is coming in, and the public
13 access is that concrete slab, that sidewalk, that goes
14 along the levy there. People can look down on the water,
15 but they can't interact with the water. They can't go out
16 on the water. That's what I call public access.

17 The justification for this policy as I understand
18 it, is that no one should be allowed to profit from public
19 lands. I may be interpreting that wrong, but I have to
20 point out that grants specifically as commerce as an
21 acceptable use that marina operators who lease granted
22 land generate income from renting out slips. And, of
23 course, we know about hotels, convention centers,
24 restaurants, and oil and gas interests that make millions
25 of dollars every year.

1 Moving on, please.

2 --o0o--

3 MR. CALLISTER: I'll come back to that one.

4 --o0o--

5 MR. CALLISTER: Okay. You've heard by now how we
6 clean the creek every month on a regular basis. I won't
7 dwell on it. Keep going.

8 --o0o--

9 MR. CALLISTER: All right. So renting out
10 affordable housing in this tight housing market provides
11 income for our Redwood City renters who cannot afford to
12 pay three to four thousand dollars a month for an
13 apartment elsewhere. That's the thing that's often
14 overlooked in this discussion about affordable housing and
15 who's profiting. We are providing low interest -- low
16 cost rentals for Redwood City residents.

17 One more, please.

18 --o0o--

19 MR. CALLISTER: We've got two or three of them
20 here. These are -- these particular units rent for about
21 15 or 16 hundred dollars a month. That's not dirt cheap,
22 but compared to what the going rate is in Redwood City
23 right now, that's a real bargain.

24 --o0o--

25 MR. CALLISTER: Most people -- if we're not

1 allowed to rent, most people will have to go somewhere
2 else. And where are they going to find anything
3 comparable for that amount of money? I was going to talk
4 about Sandy Beach, but I think that's pretty much been
5 covered.

6 I would just like to say that as stakeholders
7 affected by the decisions in this case, we look forward to
8 work with the State and city and the legislature to draft
9 new legislation acceptable to all parties, asking only
10 that you do not require the inclusion of the disruptive
11 conditions during the outlying time frame.

12 Thank you very much for your time.

13 CHAIRPERSON YEE: Thank you, Mr. Callister.

14 Okay. Diana Reddy, followed by Tania Soté.

15 MS. REDDY: Solé.

16 CHAIRPERSON YEE: Oh, Solé. I'm sorry. There's
17 a cross right in the middle of it.

18 Okay. Thank you.

19 MS. REDDY: I'm Diana Reddy. I'm a frustrated
20 affordable housing advocate. In my -- in Redwood City,
21 we -- in recent years, we have lost literally thousands of
22 low income workers and families. And more recently, those
23 workers are including now teachers, nurses, and other
24 professionals that are critical to our community.

25 In the last 10 years, Redwood City has lost 400

1 units of affordable housing, 300 units in Peninsula
2 Marina, that was the marina what was closed, and Pete's
3 Harbor was about 100 units of affordable housing. So it's
4 really -- Docktown has been a blessing to me personally
5 and to the community. And I'm just very eager to see them
6 remain where they are and the genuine asset they are to
7 our community.

8 Communities all over the world are embracing the
9 idea of floating communities. They are embracing the idea
10 of floating communities because they are given the
11 opportunity to create affordable housing, they are able to
12 address sea level rise, and these communities are
13 building. They're huge and they keep adding to their
14 floating communities, including creating commercial
15 businesses, start-up businesses, and others, not just
16 residential.

17 So when we're talking about personal profit, I
18 was thinking about Redwood City's recent use of accessory
19 dwelling units as being counted for affordable housing in
20 our city. And I was so grateful to them for reducing some
21 of the restrictions for secondary units. And I liken the
22 renting of floating homes to this opportunity to create
23 affordable housing for some of our renters who are not
24 able to rent in Redwood City.

25 I, too -- I'm kind of skipping through as well.

1 I, too, support the staff recommendation, but I do ask
2 that that support include and not exclude things such as
3 people being able to buy and sell their boats and rent and
4 have a functioning marina at Docktown.

5 Thank you so much.

6 CHAIRPERSON YEE: Thank you, Ms. Reddy.

7 Good afternoon.

8 MS. SOLÉ: Good afternoon, Commissioners. I am
9 Tania Solé, a former Pete's Harbor resident, now a
10 resident Docktown. I am also a member of the Peninsula
11 Yacht club, and the nonprofit San Francisco Bay Marinas
12 For All that seeks to preserve and expand marinas
13 throughout the Bay.

14 I am here today to advocate for a solution in
15 support of a legislative solution that would allow
16 Docktown to stay for at least 30 years without any
17 unnecessary limiting conditions.

18 The reality is that there's a very low likelihood
19 that another marina will be built in the area, not in 15
20 years, not in 30. The fact is that marinas are being
21 closed all around the Bay Area. As the city manager has
22 just acknowledged, Docktown is a floating home marina,
23 more similar to floating homes such as Alameda, Mission
24 Creek and Sausalito.

25 Those communities enjoy the benefits of long-term

1 leases. So why, if we are discussing a legislative
2 solution, aren't we also discussing that type of a
3 solution for Docktown. A 30-year lease similar to what
4 communities have is what is appropriate. I strongly urge
5 you to consider that there are a lot of national, State,
6 and local development block grants and pools of money
7 like, for example, the San Francisco Bay Water Trail that
8 require at least a 30-year lease or plan of existence for
9 them to participate and contribute.

10 Infrastructure such as new docks and sewers, most
11 importantly sewers, could then easily be installed at
12 Docktown and make Docktown the state of the art,
13 environmentally sensitive, commercial, residential,
14 mixed-use marina that continues and further enhances the
15 Public Trust and the enjoyment of the Bay and Redwood
16 Creek by all the residents of California.

17 Thank you.

18 CHAIRPERSON YEE: Thank you very much.

19 Up next we have Kevin Germano followed by James
20 Jonas, and Edward Stancil.

21 MR. GERMANO: Hi. My name is Kevin Germano. And
22 most of what I was going to say has already been covered,
23 but I would just like to reiterate one thing that -- I've
24 been one of the longest members in Docktown. I've been
25 there over 25 years. And now I want to retire and I want

1 to move up to the wine country, and leave. And so I think
2 that by not being able to sell or rent out my property,
3 I'm really being harmed in this situation. So I just want
4 to say that I don't think in any way did we, the people of
5 Docketown, you know, cause this situation, start this
6 problem. And I don't think, in any way, that we should be
7 harmed by the resolution of this problem.

8 This won't be an easy one for you to decide, and
9 you should consider it with great care. I know that if
10 you use your head and your heart, you will come to the
11 right choice and one that we can live with a win-win for
12 everybody.

13 CHAIRPERSON YEE: Thank you very much.

14 MR. JONAS: Hello, Commissioners, Madam Chair My
15 name is James Jonas. I've been in Docketown about 14
16 years. First of all, 15 years, I think that's a little
17 short. There was a tool that was used in Mission Bay in
18 San Francisco, in which they did a tiered or stepped type
19 of process in which they started out with a short period
20 of time, like 15 years, and then they added to it. So
21 perhaps, one alternative to look at is a 15, 15, of
22 course, with your consent.

23 In terms of the parts of it, I would encourage
24 you to be very, very flexible with regard to how we can
25 solve this problem. We might want to look at swaps, for

1 example, or look at how we can work with non-grant
2 properties that are under fee ownership, for example, like
3 Sandy Beach, so we can use the Sandy Beach model in order
4 to create leases.

5 And by the way, not all of Docktown is on grant
6 property. My property -- I believe my house is not on the
7 grant property, and we can actually start on that process
8 today. And I've actually presented to Aaron a copy of
9 those leases, so again, we can start that process right
10 now. And that could be a potential way of starting the
11 way of transitioning this community toward something that
12 could be stable over time.

13 I'd like to talk about an article very briefly.
14 And it just came out two weeks ago. It says millions
15 projected to be at risk from sea level rise in continental
16 United States. Now, this article was very interesting,
17 because it did something different. I mean, we've heard
18 those projections before, but it accounted for how we
19 actually will increase in population along our coastline.

20 Now, the earlier estimates were in sometimes the
21 hundreds of thousands or half a million. And what it did,
22 it said, if we go ahead and grow the population, as we
23 normally will across the next, you know, till 2100, and we
24 may very well see displacement under six feet of sea level
25 rise of one million Californians.

1 They estimate the cost, for example, in Alaska,
2 using a model that was done there for the relocation of a
3 community of \$1 million per resident. That means we're
4 looking at relocation of the cost -- economic cost of \$1
5 trillion.

6 Now, how does that relate to the situation at
7 Docktown? Well, if you take a look at what we're
8 discussing here, when they talk about recognizing that
9 residential use of granted and sovereign lands is
10 inconsistent with the city's Trust grant, and -- but the
11 and part -- common law Public Trust Doctrine.

12 You see, there's a tension between grant
13 properties an non-grant properties. Many of the grant
14 properties are actually, what we call, sovereign lands.
15 And this is where that tension comes to be. So I would be
16 very careful about putting this into black letter law. It
17 may very well have a massive economic impact on all of
18 Californian, both the government as well as private
19 parties, in the future.

20 And also, at the same time, if what we're looking
21 at here is such an impact -- I'm sorry -- those
22 communities should very well be alerted with regard to the
23 fact that there will be an impact and included in this
24 conversation here. I would think we would have probably a
25 need for a much larger venue, because this consists of

1 every single coastal community within California.

2 Now, the thing is, is that, this is -- I think
3 what we have is an opportunity. And I am actually pretty
4 excited, and I'd like to acknowledge the work of this
5 gentleman to my left here, in the strategic plan, which is
6 there are three items in that strategic plan, which I wish
7 to bring to your attention.

8 CHAIRPERSON YEE: Mr. Jonas, I'm going to ask you
9 to wrap it up. Your time has expired.

10 MR. STANCIL: I'll give him some of my time.

11 CHAIRPERSON YEE: All right. What is your name,
12 sir?

13 MR. STANCIL: Edward Stancil.

14 CHAIRPERSON YEE: Thank you.

15 MR. JONAS: Thank you, Ed.

16 The three items are this, is on 1.4.3 of the
17 strategic plan, we talk about adopt flexible, adaptive
18 approaches to address sea level rise that protect
19 vulnerable populations and give priority to natural
20 infrastructure.

21 Also, there's a reference to Executive Order by
22 Brown of B-3015, and that states essentially the same
23 thing, in which they're discussing flexible and adaptive
24 approaches in protecting vulnerable populations, as well
25 as natural infrastructure solutions.

1 The thing is part of their strategy is we're
2 going to see how we can start to address this issue of sea
3 level rise. And I think Docktown once again is the
4 opportunity for us to do that. And one way to do it is
5 the tool which is the Sandy Beach leach -- lease -- excuse
6 me, the Sandy Beach lease, in which, what we do, is we
7 look at how we may be able to utilize non-grant
8 properties.

9 And in that case, what we have is an opportunity
10 perhaps to swap properties for Docktown. I would
11 encourage you to be very flexible with regard to this
12 legislation, to not necessarily over constrain it. And I
13 would also encourage you to give us more time. Fifteen
14 years is a little bit short. And many of the members
15 believe that we do have to go and invest in some
16 infrastructure. We've been lacking infrastructure for
17 many, many decades. And 15 years is a little hard to
18 amortize that cost.

19 Thank you very much.

20 CHAIRPERSON YEE: Thank you.

21 Next, we have Mr. Emelio Diaz.

22 How about -- Mr. Diaz, please.

23 MR. DIAZ: Hello. My name is Emelio Diaz, and
24 thanks for everybody's attention, I guess. I've been
25 there since '98. I was in Alviso -- probably the last

1 boat at Alviso, back in '98. When I got there, there was
2 400 boats living across the peninsula. Then we had about
3 300 boats up at Pete's Harbor.

4 Now, there's just us left. And we do have access
5 to the water. I mean, our docks are not locked. People
6 walk out onto the water. People fish on our docks. We
7 are open. People use the area. Not like up in the
8 commercial areas -- I mean, the municipal marina where
9 everything is locked up. All the gates you have to have a
10 code to get through them. Even the docks across the way.
11 That private little lake -- peninsula lake there, there's
12 a little dock there. You have -- that's locked up too.
13 So there no way, other than to get to the water freely as
14 there is at Docktown. So I think as far as access, we're
15 number one.

16 I like living on the peninsula. I like the
17 location. And I think most people do, but it's getting to
18 the point where, unless you have some extremely unique
19 situation like Docktown, you can't live there any more.
20 You'll have to move on. People -- my son, he's 20 years
21 old. He can't afford to live there, unless he's living
22 with me on my boat. So please make it easier for us.

23 Thank you.

24 CHAIRPERSON YEE: Thank you very much.

25 Let me have Captain Aimee Groce, Alison Madden,

1 followed by Greg Miller and Mary Bernier.

2 And while you're coming up, Ms. Lucchesi, just a
3 clarification. All of Docketown is not on granted lands?

4 EXECUTIVE OFFICER LUCCHESI: No, it's my
5 understanding that all of Docketown is on granted Public
6 Trust Lands. Now, I would -- we would be happy to review
7 any information submitted to us that shows portions of
8 these house -- floating homes, excuse me, may be located
9 on private property or private uplands. But as far as we
10 know, these floating homes are located on Public Trust
11 Lands that have been granted to the city of Redwood City.

12 CHAIRPERSON YEE: Okay. Thank you. Good
13 afternoon.

14 MS. GROCE: I'd like to give Ed Stancil some of
15 my time.

16 CHAIRPERSON YEE: Okay.

17 MR. STANCIL: I gave mine to Jonas -- James
18 Jonas, but he didn't bring up what I really wanted to talk
19 about --

20 CHAIRPERSON YEE: Okay.

21 MR. STANCIL: -- and that's Docketown history.
22 Okay. So people wonder where did Docketown come from?

23 Okay. Docketown, Station South Bay, U.S. Coast
24 Guard, 1942. What happened in 1942? They put a submarine
25 net across the Golden Gate. They closed down Station

1 South Bay in Docktown, Redwood City. Okay. The city took
2 over that land, and that's a place where James Jonas
3 Francesca Fambrough, Edward Stancil, and four other people
4 live on that property. It's the Old Coast Guard docks.

5 And then in 40 -- whenever the '54 -- whatever it
6 was, they added to it, and made the Docktown along State
7 Lands. We're on the right side of the ramp, State Lands
8 is on the left side of the ramp. You'd have to look at
9 the map.

10 Okay. The people -- we'd like to invite you
11 there. Obviously, nobody has come there to see me,
12 because they never knocked on my boat, but we have water
13 access. There's no gates anywhere in Docktown, except on
14 the ramp now, because the city took it over and they
15 locked it off. So bass fisherman after bass fisherman,
16 striper fisherman turn around and have to go, oh, you
17 can't launch here, but there's another ramp up five miles
18 away. So they're automatically not helping us.

19 But what I'd like to say is 16 years looks great,
20 30 years looks better, but at least it's -- the problem
21 has been for myself and my wife is every week a lawsuit, a
22 this, a that. We're going to do this. You've got to do
23 that. And for the last four years, we're just holding on
24 by our things, but, you know, if you're late on your rent,
25 you're out of there. There's all this stuff. We -- one

1 of our residents sunk. We had to work on it in two months
2 to get it going again, but the liveaboard fees had to be
3 paid. There's no harbor master. There's no conscience at
4 all in Redwood City.

5 Thank you.

6 CHAIRPERSON YEE: Thank you very much.

7 Alison Madden, followed by Greg Miller and Mary
8 Bernier.

9 MS. MADDEN: Hi. Before we start my time, I was
10 wondering if we could load the maps. There was one called
11 Redwood One, which shows before the development, and then
12 there's an Inner Harbor file name that shows the
13 development with the marinas gone, or I could start
14 speaking, but I just wanted to ask for that and not have
15 that be on my time.

16 No, that's Mary's. There's one called Redwood
17 One, and there's one called Inner Harbor.

18 Right there, Redwood One shows the old Pete's
19 Harbor and the 400-slip peninsula marina. The big empty
20 marina is the Ferrari pond. And the creek that goes in
21 there with Docktown down the middle, it splits off and
22 there's a Bair Island Aquatic Center Rowing Club that's
23 there.

24 If we could show the other one. It has Inner
25 Harbor in the file name. Here is the various

1 developments. The yellow is Pete's Harbor, which is going
2 to be 400 condos owned by did Pauls Corp, and 300 boaters
3 were kicked out of there. That is where legislation in
4 1983 gave two 50-year leases, and specifically stated that
5 the liveboards -- the usage was consistent with the
6 Public Trust. So that's right on point and not
7 distinguishable.

8 Then you have the big 400 boats in peninsula
9 marina are gone. The green and the yellow development are
10 together owned by the Pauls Corp. And those two
11 developments are responsible for the two marinas lost, 700
12 slips lost.

13 And the reason I show this is because I believe
14 that Docketown is inherently commercial. It's a mixed-use
15 commercial marina, and it does support statewide boating.
16 I think that there is -- first of all, I expect, on
17 balance, that you'll hear almost all of us today here say
18 on this specific agenda item that we don't disagree and we
19 agree with directing staff to commence discussions on
20 legislation. So at the highest order, I think we're all
21 in agreement. It's what is in that legislation. What are
22 the baseline statements about what is permissible with the
23 Public Trust, and I agree wholeheartedly with our Morrison
24 & Foerster partner.

25 I happen to be an attorney. I'm a tech attorney

1 right now, but I invested a lot of time in Pete's Harbor
2 and really understand the Public Trust and the multi-use
3 aspect. So I think we're all on board with that -- with
4 the approach.

5 I want to say that there's an assumption here
6 that public access means an empty creek with the public
7 walking on the uplands. And I'm really concerned about
8 that, because that's not Public Trust law. The Public
9 Resources Code expressly prefers economic commercial use
10 over land being returned to its natural state, whether
11 that's a private marina or a marina run by the city. It
12 is not preferable to have an empty creek versus a
13 mixed-use marina.

14 And right here in the Mayor's letter you have
15 statements, and you have statements by the city manager
16 saying that there's plans for more public access, but
17 there aren't. The inner harbor specific plan is already
18 on the table. It's already been given to the city. The
19 task force wanted to keep Docketown where it is. The
20 proposed plan has us moving to Ferrari Pond, but there are
21 no other amenities for public access to this space.
22 They've closed the public launch ramp. They've closed the
23 public guest docks.

24 And if you read the Mayor's letter, you'll see
25 expressly in the very immediate short-term they're going

1 to stop all recreational, commercial, and residential
2 rental activity. That's half the marina gone. And we
3 have put a letter in front of you. I'm a member of the
4 nonprofit San Francisco Bay Marinas For All. We believe
5 that no court ever through all time, international,
6 national, federal, or State has ever held that a
7 proportion of residential use in a mixed-use commercial
8 recreational marina is against the Public Trust.

9 This is really a matter of federal law. It's for
10 the legislature and the judge to decide. And I don't
11 quarrel with the fact that the deputy attorney generals
12 have given advice in letters, advice of counsel letters,
13 for a few decades, but that's not how law is made in
14 America. This is not for the Attorney General to decide.
15 It's a legislative and a judicial issue.

16 And I'm the mom with the autistic son. When I
17 moved in he was 17, not yet graduated from high school.
18 We didn't know if he would graduate. He did graduate.
19 He's 20 now. He's on SSI, and he would have to live with
20 his mom for 15 years, if I'm not able to buy this darling
21 little floating home that the woman wants to sell to me.

22 For two years, the city has been saying no, no
23 lease, no transfer, no sale. So this isn't new in the
24 Mayor's letter to you. It's been going on for two years.
25 So I really, you know, appeal to your discretion and your

1 judgment to state that grandfather is on the table, and
2 that renters should be protected, and people like Mary
3 should be able to buy their home.

4 Thank you.

5 CHAIRPERSON YEE: Thank you very much.

6 Mr. Miller.

7 MR. MILLER: Yeah. My name is Greg Miller. I'm
8 a retired registered nurse, and a member of California
9 Nurses Association. And I'm here just mainly as a
10 concerned citizen. I'm not a Docktown resident, but I
11 think that -- I know that this area faces a critical
12 affordable housing shortage, and Docktown Marina fulfills
13 a lot of the needs for affordable housing in this area.

14 And so I support the measure -- I support a
15 measure that allows the current residents to stay, all the
16 current residents, and also allows flexibility for
17 possible, you know, transfer and sales of -- and renting
18 of their boats, so that -- because we have such a crisis
19 right now in affordable housing.

20 And this Docktown marina really is an example of
21 some housing that we can't afford to lose. So I support
22 the measure that -- the measure with some of the -- with
23 more flexibility that has been proposed.

24 Thank you.

25 CHAIRPERSON YEE: Thank you.

1 Mary Bernier.

2 MS. MARY BERNIER: Hello. Thank you very much.
3 I just want to say hi to everybody. I can never remember
4 everyone's names, but -- I especially Janet Borgens thank
5 you for coming here.

6 So I'm wanting to show, and it might not happen,
7 the area that we actually take up in the Docketown greater
8 area. So maybe it won't. So I have some photos here, but
9 I'm just going to hand them.

10 CHAIRPERSON YEE: Are we able to pull that slide?

11 MR. LLOYD: Working on it.

12 MS. MARY BERNIER: So the idea is just that you
13 will know that Docketown is on a little tiny creek that's
14 really skinny when it's low tide. And when it's high
15 tide, the satellite will show you, if we don't so it
16 there, it doesn't take up a lot of space at all. And that
17 little creek goes out and gets larger and larger and
18 larger.

19 And I have some photos that show these two
20 different parks that Redwood City has that unfortunately
21 are not utilized hardly at all, even though a lot of
22 people know they're there. But I'll be sending you these
23 photos, because that's how come I was late, there was just
24 a big problem with the USB.

25 It's like you're in Hawaii. The great immense

1 amount of water gives -- when the sun goes down, the sun
2 is just shining everywhere. Our creek is gorgeous, but
3 you nothing on the creek except, you know, a mud bank on
4 the other side. This is just real huge.

5 Wait. Maybe, we do. But I don't have the
6 photos, but I'll be sending them to you. But you'll get
7 an idea, we're not hogging for people. So where you see
8 that little red -- or kind of orange balloon -- thank
9 you -- so that is -- this is the first shot of there's
10 Highway 101, and that's the little tiny creek that goes
11 under the highway and then goes under town. And that's
12 our Redwood Creek.

13 The next one will show a bigger picture, more
14 detail, not showing how that bay is out there and how deep
15 the color is before it hits the Bay.

16 The next one is -- oh, no, that's -- oh, holy
17 cow. That was a shock.

18 (Laughter.)

19 MS. MARY BERNIER: Okay. So this one, once
20 again, is the orange little balloon. And that was --
21 that's the Docktown's Redwood Creek. You can barely,
22 barely see from the balloon down towards the left -- thank
23 you -- the little boats. We're so tiny. And then there's
24 the creek getting bigger and bigger, and then so much
25 bigger there.

1 See where it says Potter Drilling? In between
2 Wharf 4 and Potter Drilling is an unnamed park, and that's
3 one of the photos I'm going to send you. It's gorgeous.
4 All the water has sail boats, and people kayaking, and
5 even people swimming out to the buoys sometimes. So you
6 can sit there on those little benches and watch just a lot
7 of stuff going on.

8 If you don't mind maybe pushing it up a little.
9 That's all right, because there's another park, and
10 Redwood City has paid \$519,000 to increase the public
11 access. So if we go south down lower -- and I'm really
12 not quite sure exactly where it is. I think where it says
13 Sequoia Yacht Club. And too bad Arlene is not here.
14 There's a place called the Seaport Center, but it was
15 mislabeled on this one. It's up where Spinnaker Sailing
16 is, I think.

17 And that park again not many people use, though
18 it's got this great, immense, beautiful, immense amount of
19 water to look at. There's some guys who go out there and
20 fish every day. There's a lot of Canadian geese that go
21 there, and so people say they won't use the park because
22 of the geese. You know, that's -- I'm sure I'm out of my
23 time.

24 I just wanted to let you know we're not being
25 selfish in trying to take it away from people who could

1 otherwise use it. And our proposal has been we can help
2 publicize those parks, so more people know that they're
3 there, you know, and not just email, but putting leaflets
4 up in laundromats and at the churches and stuff like that

5 Thanks a lot.

6 CHAIRPERSON YEE: Thank you, Mary.

7 All right. Comments from Commissioners?

8 COMMISSIONER NEWSOM: Well, let me see where you
9 guys end up. I'm going to have some comments.

10 CHAIRPERSON YEE: Ms. Ortega.

11 ACTING COMMISSIONER ORTEGA: We will say that we
12 don't typically -- the Director of Finance doesn't
13 typically weigh in on legislative matters. I have no
14 objection to the recommendation that folks work together
15 on a legislative proposal, but if the -- if an actual
16 proposal were to come back, I would probably abstain from
17 it. But I'm still happy to support the notion of everyone
18 working together on a proposal that could work.

19 CHAIRPERSON YEE: All right. Good. Well, let me
20 start. First of all, let me thank all of the Dockettown
21 residents and interests for being here today. And I also
22 want to thank the city for giving us a framework to work
23 with. You know, there are issues that are certainly
24 within the jurisdiction of the State Lands Commission to
25 weigh-in on. But frankly, I think there are a lot more

1 issues with respect to the city and the Docktown residents
2 to try to resolve.

3 What I do appreciate with respect to the proposal
4 is that it is probably the first time that we've seen a
5 time frame associated with at least giving some certainty
6 to the residents of Docktown. So I appreciate that.

7 I think given that, and I wholeheartedly agree
8 this is going to require a legislative solution, but I
9 think the State Lands Commission is a party to the
10 legislation rather than really the answer to all of these
11 issues.

12 And so what I was prepared to do was to really
13 direct our staff to work with the city and our -- the
14 city's legislative delegation, as well as other
15 stakeholders, the Docktown residents, to develop a
16 legislative solution, and really using the city's request
17 as the framework for moving forward.

18 For me, the main piece of that framework is
19 really the certainty of the 15 years. I think the other
20 conditions are ones where we don't necessarily have the
21 opportunity to weigh-in, appropriately not in our
22 jurisdiction. I do think there will be some legal issues
23 with respect to residential use that we will want to weigh
24 in on, but that all will happen in the legislative arena
25 and will get resolved there.

1 So I guess given that framework, I'd love to hear
2 from the staff and my colleagues to see if that's a
3 direction we can pursue.

4 EXECUTIVE OFFICER LUCCHESI: Certainly. I think
5 that is very consistent with staff's recommendation, and
6 how we've been proceeding on this issue so far. I just
7 wanted to reiterate what Sheri Pemberton said in her
8 presentation, that this is obviously a very challenging
9 situation. I can tell for the Commissioners obviously,
10 but also for staff.

11 As a staff, we have a fairly narrow view in terms
12 of the Public Trust Doctrine, and interpreting what the
13 legislature intended through their Trust grants, looking
14 at history, and looking at all of those facts. But
15 there's no doubt that there is, especially in the Bay Area
16 and the Commissioners know this, much more so than the
17 Commission staff about the affordable housing crisis going
18 on there. And we are extremely sensitive to that. And I
19 think that at the foundation is where this concept came
20 from that was proposed by the city.

21 I think equally important, and this is where, you
22 know, Commission staff is coming from, and Sheri
23 highlighted this in her presentation, is the fundamental
24 principle that these are public lands, and they're owned
25 by the entire State of California all the people of the

1 State. And what we're actually looking at is the
2 privatization of these public lands through residential
3 use.

4 Now, there's a lot of nuances associated with
5 Docketown, along with some of the other communities that
6 are analogous to this. And that's why a legislative
7 solution along the lines that the City has proposed is
8 appropriate.

9 But I think that in moving forward, an
10 appreciation of those big policy considerations about
11 broad public access to these State-owned public lands, and
12 also the sensitivities and the challenges associated with
13 affordable housing and residential use that has existed
14 for so long, under the umbrella of our statutory and
15 constitutional framework, including the prohibition on the
16 gift of public funds that includes how State Lands are
17 being leased, all goes into the mix here, and trying to
18 figure out a way through that -- that -- those challenges
19 is what we're trying to do here, and -- but be respectful
20 to all perspectives, both legal perspectives and the
21 multiple statewide policy considerations on all levels.

22 CHAIRPERSON YEE: Thank you, Ms. Lucchesi.

23 Mr. Newsom.

24 COMMISSIONER NEWSOM: Well, let me thank
25 everybody for coming back. I was thinking to myself I was

1 ready to give some of your testimony. I've heard from
2 some of you three times, I think, in the last few years.

3 (Laughter.)

4 COMMISSIONER NEWSOM: So very familiar. But I
5 appreciate the new meme is a little bit more collaborative
6 and appreciative and responsive to those previous public
7 comments, meaning we're making some progress here. And
8 there was a lot of finger pointing in the past, and
9 there's a little less so now. And that's not an
10 indictment of the critique. It was an expression of
11 appreciation that there was a lot frustration out there,
12 because there weren't a lot of answers being provided, and
13 a lot of uncertainty.

14 Of course, there's still a lot of uncertainty.
15 You know, I sit here and I wonder just -- I was --
16 successfully avoided law school --

17 (Laughter.)

18 COMMISSIONER NEWSOM: So I'm able to ignorantly
19 sort of reflect on the fact I don't -- I'm not aware of
20 one's inability to sell an asset that is in their
21 possession and the questions of the -- the legal questions
22 of one's right to determine the fate of their own property
23 as it relates to whether or not you can sell a piece of
24 property is a curious one for me. And I appreciate those
25 are open-ended questions. And those are policy questions

1 that go to the broader issue of a legislative track and
2 goes to our jurisdiction, et cetera. And so, you know,
3 those remain outstanding in my mind. And I appreciate
4 they remain a point of concern in your minds, as it
5 relates to being able to lease your property, rent your
6 property, et cetera.

7 And I understand your desire to go beyond 15
8 years. And it would certainly be mine if I were sitting
9 in your shoes. But I appreciate the moment and the
10 consensus at least as it relates to our respective
11 staff's. And I appreciate that we've gotten here, because
12 candidly when we're up in Sacramento, I wasn't convinced
13 we would get this far at least. So I'm pleased at this
14 moment, but I recognize the work to be done.

15 So it's in that spirit of gratitude to all
16 parties. But more importantly gratitude to all of you
17 that are out there working hard every day, struggling,
18 trying to raise your family, and are dealing with a
19 macroeconomic environment that puts extraordinary pressure
20 on you and your lives and your friends and family.

21 And there's nothing more precious than a place to
22 put your head at night. And so I'm very sensitive to
23 that, and sensitive to the magnitude of the moment and the
24 decision making that you have endeavored for some time to
25 hear.

1 And so anyway, a long-winded point. Thank you,
2 Jennifer, for taking this seriously for as long as you
3 have and getting us to this point, but I know that we've
4 got more work to do, grateful to the Chair, and look
5 forward to working, as a former local city official, with
6 you guys and trying to figure this out, and these final
7 critical points.

8 Thanks.

9 CHAIRPERSON YEE: Okay. And --

10 COMMISSIONER NEWSOM: I guess we need a motion
11 the support the direction, so I'd certainly move that.

12 CHAIRPERSON YEE: Okay. We have a motion by
13 Commissioner Newsom to adopt staff recommendation.

14 Is there a second?

15 ACTING COMMISSIONER ORTEGA: I'll second.

16 CHAIRPERSON YEE: Second by Commissioner Ortega.

17 And I know we've -- and I really appreciate all
18 the testimony today. And I want to be sure that as we
19 move forward that as we talk about the 15 years that we
20 are looking at all Docket residents whether owner
21 occupants or tenants. So I will state that for the
22 record.

23 Okay. We have a motion and a second. Without
24 objection, such will be the order.

25 Thank you. Thank you, everyone, for

1 participating.

2 (Applause.)

3 CHAIRPERSON YEE: Okay. Our next item.

4 EXECUTIVE OFFICER LUCCHESI: Yes. As you may
5 recall, we did have a request to pull C 49 --

6 CHAIRPERSON YEE: Yes.

7 EXECUTIVE OFFICER LUCCHESI: -- from the consent
8 agenda to be moved to the regular agenda.

9 CHAIRPERSON YEE: Yes, and we do have --

10 EXECUTIVE OFFICER LUCCHESI: And so we will have
11 just a very brief staff presentation of this item by our
12 Chief of our Land Management Division, Brian Bugsch.

13 MR. LLOYD: I'm sorry, what item is this?

14 CHAIRPERSON YEE: C 49.

15 LAND MANAGEMENT DIVISION CHIEF BUGSCH: We don't
16 have a presentation or anything for it.

17 Good afternoon, Commissioners, Brian Bugsch,
18 Chief of Land Management. I'm here to present on C 49.

19 The item is for a proposed sublease that will
20 allow the University of California, on behalf of the
21 Wrigley Institute for Environmental Studies to complete
22 lifecycle and multi-generational research on marine shell
23 fish.

24 That's a mouthful.

25 (Laughter.)

1 LAND MANAGEMENT DIVISION CHIEF BUGSCH: The
2 proposed research facilities will be deployed west of the
3 existing Hubbs Sea World Research Institute fish pens, all
4 of which are located on the west side of Catalina Island
5 in outer Catalina Harbor away from existing moorings and
6 vessel traffic. The proposed sublease is for a little
7 more than five years, and terminates at the same time as
8 the lease at the end of 2021.

9 The sublease is part of a larger lease to the
10 Catalina Island Company and Conservancy for moorings and
11 string lines. The sublease itself consists of 2.43 acres
12 of a total lease area of 335 acres.

13 On February 21st, 2014, two years ago, the
14 Commission authorized an amendment to the lease
15 authorizing the experimental stock enhancement facilities,
16 including two finfish pens and one future shelf fish
17 culture research facility. This shell fish facility will
18 be installed and operated by USC --

19 (Laughter.)

20 LAND MANAGEMENT DIVISION CHIEF BUGSCH: --
21 although -- sorry, I'm getting tongue tide on this.

22 (Laughter.)

23 LAND MANAGEMENT DIVISION CHIEF BUGSCH: Say that
24 five times fast.

25 Although, the February 2014 authorization

1 included the shell fish facility, it did not authorize the
2 sublease to USC. Staff is now recommending that the
3 Commission authorize the sublease to USC for installation
4 and operation of the shell fish culture research facility.
5 That concludes my presentation. We're available for
6 questions but not repeating those phrases.

7 (Laughter.)

8 CHAIRPERSON YEE: Thank you, Brian.

9 Comments by Commissioners?

10 We have a public speaker on this item. Jennifer
11 Savage, please come forward.

12 MS. SAVAGE: Hi. Thank you. Jennifer Savage,
13 California policy manager for the Surfrider Foundation.

14 Good afternoon. I'd flagged this item, because
15 when it came in front of the Coastal Commission, our
16 organization, along with NRDC and Heal the Bay had opposed
17 it, because the project is located in a Marine Protected
18 Area.

19 We understand the importance of research
20 informing aquaculture and ocean acidification. I live on
21 Humboldt Bay, so oysters and things that affect them are
22 very important to me. But this project unfortunately is
23 inappropriately sited. As you know, in 2012, California
24 became the first State to approve a science based
25 statewide network of Marine Protected Areas to help

1 protect and restore marine life habitat and iconic ocean
2 places.

3 We very much appreciate that impacts to MPAs are
4 increasingly considered during agency project evaluations,
5 as a wide variety of projects that affect them come
6 forward, such as seismic surveys, desalination facilities,
7 coastal development, dredging, sand mining offshore
8 renewable energy and more, including offshore aquaculture,
9 which is why the Cat Harbor Research Project is
10 problematic. The goal of the project is to improve
11 sustainable shell fish production, which may be a worthy
12 goal, but it's not to advance understanding of Marine
13 Protected Area performance or monitoring. It's not
14 consistent with the regulations or intent of this Cat
15 Harbor State Marine Conservation Area, which do not allow
16 for shelf fish aquaculture culture.

17 We do understand the Coastal Commission has
18 already approved the project, and we appreciate that their
19 staff strengthen the monitoring requirements before
20 recommending the project for approval. Nonetheless, as
21 the first project of its kind in a California Marine
22 Protected Area, we remain concerned about the precedent
23 being set to potentially allow development in other Marin
24 protected areas throughout the State.

25 That's why I wanted to just emphasize today, the

1 need to take Marine Protected Areas into consideration as
2 projects affecting them come forward, including ensuring
3 that aquaculture projects in California be designed
4 carefully to protect marine ecosystems, as well as Marine
5 Protected Areas.

6 So thank you for that.

7 CHAIRPERSON YEE: Thank you, Ms. Savage.

8 Staff, you want to respond on the concerns?

9 EXECUTIVE OFFICER LUCCHESI: Frankly, can you
10 answer some of those?

11 LAND MANAGEMENT DIVISION CHIEF BUGSCH: Yeah, I
12 can try. First, our understanding is that Catalina Harbor
13 is a marine -- State Marine Conservation Area. And this
14 designation allows for research, education, and
15 recreational activities, as well as certain commercial and
16 marine harvests. The Coastal Commission considered these
17 arguments when they considered the CDP. They approved the
18 CDP. We used that CDP as our CEQA equivalent.

19 Our MFD staff also reviewed the conditions in the
20 CDP, and felt that the proposed -- the proposal minimized
21 the risk of introducing the oysters in the environment.
22 And it's my understanding that this species is also used
23 by commercial fisherman all over the state, and it's also
24 on the DFW's approved species list, so...

25 CHAIRPERSON YEE: Thank you. Comments by

1 Commissioners.

2 COMMISSIONER NEWSOM: Jennifer, what were you
3 going to say?

4 EXECUTIVE OFFICER LUCCHESI: Oh, I was just going
5 to sum that up to say what I understood Brian to say is
6 that the -- any impacts from the sublease to the Marine
7 Protected Area of the State Reserve Area would be
8 minimized to a great extent.

9 LAND MANAGEMENT DIVISION CHIEF BUGSCH: Just one
10 other note. I mean, if Coastal --

11 (Laughter.)

12 COMMISSIONER NEWSOM: Clarify what each other is
13 saying.

14 (Laughter.)

15 LAND MANAGEMENT DIVISION CHIEF BUGSCH: I'm
16 sorry, shell fish facility. If the Coastal does revisit
17 this or anything, again, this is an existing lease that's
18 going on. We've already approved the shell fish facility
19 two years ago. This is to clarify who that sublease is
20 to.

21 So that action is just for the amendment to add
22 the sublease. If the Coastal Commission were to revisit
23 this at a future time and do that, we would look at what
24 that affected, if it affected our lease or not, and if it
25 needed to come back to the Commission, we would bring it

1 back to the Commission at that time.

2 CHAIRPERSON YEE: Okay. Very well. Hearing no
3 other comments, is there a motion?

4 ACTING COMMISSIONER ORTEGA: I'll move approval.

5 CHAIRPERSON YEE: Okay. Very well.

6 COMMISSIONER NEWSOM: Second.

7 CHAIRPERSON YEE: Commissioner Ortega moves
8 approval, second by Commissioner Newsom.

9 Without objection, such will be the order.

10 Thank you.

11 Okay. Now, we come to public comment, and I
12 believe we have one. Jennifer, are you back up here?

13 MS. SAVAGE: It's like I was just here.

14 CHAIRPERSON YEE: That's okay.

15 MS. SAVAGE: Thank you again. I just wanted to
16 take a moment to update you on where surfrider is with our
17 four years and counting court battle against the illegal
18 closure of Martin's Beach. I know it's --

19 CHAIRPERSON YEE: Would you just state your name
20 for the record?

21 MS. SAVAGE: Oh, yes. I'm sorry. Jennifer
22 Savage, Surfrider Foundation.

23 CHAIRPERSON YEE: Great.

24 MS. SAVAGE: So the litigation that we are
25 underway with has entered the appellate court phase with

1 the briefing fully underway. But despite this and the
2 other efforts and process, including Friends of Martin's
3 Beach litigation and the Coastal Commission's prescriptive
4 rights study, nothing yet promises to yield open access in
5 the near term.

6 So in the meantime, we've been getting reports
7 about people who visit the beach by going over or walking
8 around the gate. Notably, local authorities have said
9 that they won't prosecute over these actions. Other
10 members of the public, however, are discouraged by the
11 presence of the gate, and not everyone has the physical
12 ability to go around the gate or climb over it and walk
13 down to the beach.

14 So without action to acquire an easement, it
15 could be years still until the public can rightfully and
16 without hindrance access this public beach, which means
17 that all those generational visitors may be illegally
18 barred from visiting Martin's Beach for the remainder of
19 their lifetime.

20 We greatly appreciate the work that your staff
21 has done, and is doing, and commend the State Lands
22 Commission's efforts to reach out to the Coastal
23 Conservancy and Coastal Commission. We encourage you to
24 continue seeking funding that might exist through those
25 channels as well as others. Perhaps, a working group

1 could be formed comprised of members of the State Lands
2 Commission, the Coastal Commission, the Coastal
3 Conservancy, legislature, supervisors, other interested
4 parties to further explore opportunities.

5 In short, we wanted to thank you for your
6 attention to this vital access issue, and support your
7 efforts to creatively ceaselessly exercise your authority
8 to the greatest extent possible to restore and protect
9 public access at Martin's Beach.

10 CHAIRPERSON YEE: Thank you.

11 COMMISSIONER NEWSOM: A quick question.

12 CHAIRPERSON YEE: Yes, please.

13 COMMISSIONER NEWSOM: It's interesting. I mean,
14 Jennifer, that's -- I mean, is there a -- have we -- we
15 don't really have any formal organized collaborative,
16 right?

17 EXECUTIVE OFFICER LUCCHESI: No.

18 COMMISSIONER NEWSOM: I mean, it's more of these
19 one-off conversations and our relationships with different
20 agencies, right?

21 EXECUTIVE OFFICER LUCCHESI: Certainly, and with
22 interested stakeholders. Yeah, but we don't have anything
23 formalized.

24 COMMISSIONER NEWSOM: I mean, it's just -- it's
25 an interesting recommendation in the context of just

1 making sure -- you know, just to move this thing along.

2 EXECUTIVE OFFICER LUCCHESI: I certainly agree
3 with that. A couple of different aspects to add on to
4 that thought. Surfrider's has really taken a lead on --
5 in a number of ways, but as it relates to our efforts to
6 acquire and access easement, they held a public workshop
7 that allowed for interested members of the public to
8 express what they would like to see, in terms of access
9 and amenities, which is extremely helpful for us, for
10 staff, to then work that into our negotiation with the
11 Martin's Beach representatives.

12 And we do interact with both legislative offices,
13 other agencies, Surfrider's and others to -- you know, on
14 this issue. In terms of a working group formed that would
15 have, as a primary purpose, goals of looking for funding
16 to help fund the acquisition, if the State Lands
17 Commission couldn't do that on its own through the
18 Kapiloff Land Bank Fund, or if the price was too great, I
19 think that has -- is definitely of interest.

20 Before we get there, I'd like to continue
21 negotiating with Martin's Beach, LLC, because we don't
22 have a firm handle on what that acquisition price would
23 mean -- or is, so --

24 COMMISSIONER NEWSOM: Got it.

25 EXECUTIVE OFFICER LUCCHESI: But that's something

1 to keep in mind as we move forward definitely.

2 COMMISSIONER NEWSOM: Thank you. Thank you.

3 CHAIRPERSON YEE: Great. Thank you.

4 All right. Any other public comment?

5 EXECUTIVE OFFICER LUCCHESI: The only -- excuse
6 me, Chair.

7 CHAIRPERSON YEE: Yes, please.

8 EXECUTIVE OFFICER LUCCHESI: The only other thing
9 I would add is I -- we did receive -- I think it got
10 jumbled up in the Docktown comment speaker slips from Mr.
11 James Jonas, who also spoke on Docktown. But one of
12 his -- he submitted two, and one was on public comment,
13 but I'm looking around the room, and I think he might have
14 already left.

15 CHAIRPERSON YEE: Yeah, he left.

16 EXECUTIVE OFFICER LUCCHESI: So I just wanted to
17 formally recognize that he submitted a public comment
18 slip, but it doesn't look like he's in the audience still.

19 CHAIRPERSON YEE: Yes, thank you.

20 Okay. All right. Thank you.

21 So our next item is closed session.

22 EXECUTIVE OFFICER LUCCHESI: Yes. Yes.

23 CHAIRPERSON YEE: Okay. Great. We will ask the
24 members of the public to exit the room, so that the
25 Commission may meet in closed session.

1 (Off record: 4:15 PM)

2 (Thereupon the meeting recessed

3 into closed session.)

4 (Thereupon the meeting reconvened

5 open session.)

6 (On record: 4:32 PM)

7 CHAIRPERSON YEE: Okay. Great. Okay. We are

8 back in open session. The Commission met in closed

9 session to discuss pending litigation.

10 And with that, we are now adjourned.

11 Thank you very much.

12 (Thereupon the California State Lands

13 Commission meeting adjourned at 4:32 PM)

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1 C E R T I F I C A T E O F R E P O R T E R

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, 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 10th day of April, 2016.

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