

MEETING
STATE OF CALIFORNIA
LANDS COMMISSION

ELIHU HARRIS STATE BUILDING
AUDITORIUM
1515 CLAY STREET
OAKLAND, CALIFORNIA

POINT VICENTE INTERPRETIVE CENTER
31501 PALOS VERDES DRIVE WEST
RANCHO PALOS VERDES, CALIFORNIA

TUESDAY, FEBRUARY 27, 2018
2:00 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, also represented by
Mr. Rhys Williams

Mr. Michael Cohen, Director of Department of Finance,
represented by Ms. Jacqueline Wong-Hernandez

STAFF:

Ms. Jennifer Lucchesi, Executive Officer

Mr. Brian Bugsch, Chief, Land Management Division

Mr. Colin Connor, Assistant Executive Officer

Mr. Mark Meier, Chief Counsel

Mr. Joe Fabel, Staff Attorney, Legal Division

Mr Ken Foster, Public Land Manager, Land Management
Division(via teleconference)

Mr. Cheryl Hudson, Public Land Management Specialist, Land
Management Division

Mr. Ben Johnson, Staff Attorney, Legal Office(via
teleconference)

Ms. Kelly Keen, Environmental Scientist

Mr. Nicholas Lavoie, Public Land Manager, Land Management
Division

Ms. Kim Lunetta, Administrative Assistant

Ms. Sarah Mongano, Senior Environmental Scientist(via
teleconference)

Ms. Sheri Pemberton, Chief, External Affairs and
Legislative Liaison

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

ATTORNEY GENERAL:

Mr. Andrew Vogel, Deputy Attorney General

ALSO PRESENT:

Ms. Paloma Aguirre, WILDCOAST

Ms. Lili Amini, Trump National Golf Club, Los Angeles
(via teleconference)

Mr. Armand Barilotti, The Bay Foundation
(via teleconference)

Mr. David Blau, League to Save Lake Tahoe

Ms. Erica Brand, The Nature Conservancy

Ms. Jan Brisco, Tahoe Lakefront Owners' Association

Ms. Susan Brooks, City of Rancho Palos Verdes
(via teleconference)

Mr. Michael Brownrigg, Mayor, City of Burlingame

Ms. Heather Burdick, The Bay Foundation

Ms. June Burlingame Smith(via teleconference)

Mr. Craig Cadwallader, Surfrider Foundation South Bay
Chapter (via teleconference)

Mr. Dup Crosson, California Wilderness Coalition

Mr. Neal Desai, National Parks Conservation Association

Ms. Jocelyn Enevoldsen, Health the Bay

Ms. Esther Essoudry, California Coastal Commission

Mr. A.C. Evans, Meeks Bay Vista Property Owners
Association

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

ALSO PRESENT:

Mr. Bill Foster(via teleconference)

Mr. Mark Friedman(via teleconference)

Mr. Matt Garland(via teleconference)

Ms. Cynthia Gomez, UNITE HERE, Local 2

Mr. Joe Guerra, Dublin Crossing

Ms. Janet Gunter, San Pedro Peninsula Homeowners United
(via teleconference)

Ms. Marcela Gutierrez-Graudins, AZUL

Mr. Chuck Hart, San Pedro Peninsula Homeowners United
(via teleconference)

Mr. Jed Humphries, Redwood Creek Association

Mr. Jon Jenkins(via teleconference)

Mr. John Jensen(via teleconference)

Mr. Bill Lyons, Meeks Bay Vista Property Owners'
Association

Mr. Jesse Marquez, Coalition For A Safe Environment
(via teleconference)

Ms. Stanley Mosler(via teleconference)

Mr. Anthony Patchett, San Pedro Peninsula Homeowners
United(via teleconference)

Dr. Dan Pondella, Southern California Marine Institute,
Vantuna Research Group at Occidental College

Mr. Tom Raftican, The Sportsfishing Conservancy

Mr. Gary Randall(via teleconference)

Mr. Jim Randall(via teleconference)

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

ALSO PRESENT:

Ms. Karen Rasmussen, Tahoe Cedars Property Owners Association

Mr. Jim Reese(via teleconference)

Ms. Analise Rivero, Defenders of Wildlife

Ms. Connie Rutter, San Pedro Peninsula Homeowners United (via teleconference)

Ms. Jennifer Savage, Surfrider Foundation

Mr. Bill Schurmer(via teleconference)

Mr. Monte Short, Tahoe Lakefront Owners' Association

Mr. Dan Slanker, Redwood Creek Association

Ms. Nikki Szeto, Burlingame Bay Associates

Ms. Mari Rose Taruc, Environmental Justice Working Group

Mr. Arnold Townsend, Burlingame Bay Associates

Mr. Peter Warren, San Pedro Peninsula Homeowners United (via teleconference)

Mr. Noel Weiss(via teleconference)

Ms. Linda West(via teleconference)

Mr. Robert West(via teleconference)

Mr. Bill White, SPHERE Institute

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

- Bobby Boyce Godsey and Marianne Godsey (Lessee): Continuation of annual rent at \$132 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the Colorado River, adjacent to 1158 Beach Drive, city of Needles, San Bernardino County. (PRC 9051.1)
- Michael Shutt and Christine D. Shutt, as Trustees, or any successor Trustee, under that certain declaration of trust named Michael Shutt and Christine D. Shutt Family Trust, created by Michael Shutt and Christine D. Shutt, as Trustors, dated September 8, 2006 (Lessee): Continuation of annual rent at \$470 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the Colorado River, city of Needles, San Bernardino County. (PRC 9039.1)
- Randy A. Baker, Trustee or his Successor(s), for the benefit of the TCOB Trust under declaration of trust dated December 29, 1999 (Lessee): Continuation of annual rent at \$225 per year for a General Lease - Recreational and Protective Structure Use located on

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sovereign land in the Colorado River, city of Needles, San Bernardino County.
(PRC 8968.1)

- Trans Bay Cable, LLC (Lessee): Continuation of annual rent at \$431,979 per year for a General Lease - Right-of-Way Use located on sovereign land in in the Carquinez Strait and the San Francisco, San Pablo, and Suisun Bays between the San Francisco County line to the city of Pittsburg, in Marin, Solano, and Contra Costa Counties. (PRC 8736.1).

- Terence Robert Bunton and Pauline Elizabeth Bunton, Trustees of the Terence and Pauline Bunton Revocable Trust Dated September 11, 2001 (Lessee): Continuation of annual rent at \$371 per year for a General Lease - Recreational Use located on sovereign land in the Petaluma River, adjacent to 39 Bridge Road, near the city of Novato, Marin County.(PRC 5274.1)

- Bobbie J. Collier (Lessee): Continuation of annual rent at \$188 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the Sacramento River, adjacent to 17484 Grand Island Road, near Walnut Grove, Sacramento County.(PRC 3231.1)

- Gregory E. Whitten and Carol C. Whitten (Lessee): Continuation of annual rent at \$442 per year for a General Lease - Recreational Use located on sovereign land in the Sacramento River, adjacent to 6951 Garden Highway, near Sacramento, Sacramento County.(PRC 8078.1)

- Paul D. Pion and Carla L. Pion, as Trustees of the Paul D. Pion and Carla L. Pion Revocable Trust dated November 8, 2006 (Lessee): Continuation of annual rent at \$367 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the Sacramento River, adjacent to 4537 Garden Highway, near Sacramento, Sacramento County.
(PRC 7197.1)

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- Jerry D. Hicks and Kathy Hicks aka Kathleen Schneider (Lessee): Continuation of annual rent at \$182 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the Sacramento River, adjacent 1851 Garden Highway near Sacramento, Sacramento County. (PRC 4593.1)
- Barry N. Finkel and Marla L. McClaren (Lessee): Continuation of annual rent at \$255 per year for a General Lease - Recreational Use located on sovereign land in the Sacramento River, adjacent to 973 Piedmont Drive, near Sacramento, Sacramento County. (PRC 5084.1)
- Jill Steinbacher and Michael Steinbacher (Lessee): Continuation of annual rent at \$310 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the Sacramento River, adjacent to 13201 River Road, near Walnut Grove, Sacramento County. (PRC 9035.1)
- Kenneth D. Vandeventer and Judith M. Vandeventer, Trustees of the Kenneth and Judith Vandeventer Family Trust, under trust dated April 11, 2006 (Lessee): Continuation of annual rent at \$346 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the San Joaquin River, adjacent to 491 W. Brannan Island Road, near Isleton, Sacramento County. (PRC 8331.1)
- Joey N. Carter and Renee M. Carter, Trustees of the Joey N. Carter and Renee M. Carter Family Revocable Trust of 1997 (Lessee): Continuation of annual rent at \$301 per year for a General Lease - Recreational and Protective Structure Use located on sovereign land in the Sacramento River, near Sacramento, Sacramento County. (PRC 9034.1)
- Chris R. Johnson and Heidi Lynn Kellis-Johnson (Lessee): Continuation of annual rent at \$147 per year for a General Lease - Recreational and Protective Structure Use located on sovereign

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land in the Sacramento River, adjacent to 6601 Garden Highway, near Sacramento, Sacramento County. (PRC 7916.1)

- Eric Stuart Merrill and Michele Maguire Merrill, Trustees of the Merrill Trust, dated July 1, 2005 (Lessee): Continuation of annual rent at \$956 per year for a General Lease - Recreational Use located on sovereign land in the Sacramento River, adjacent to 11779 State Highway 160, near Courtland, Sacramento County. (PRC 6382.1)

V. CONSENT CALENDAR C01-C86

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

LAND MANAGEMENT DIVISION

NORTHERN REGION - LAKE TAHOE BENCHMARK (C01-C25)

C01 DAN E. LITTRELL AND NANCY E. LITTRELL, TRUSTEES OF THE LITTRELL FAMILY TRUST DATED NOVEMBER 7, 1990 (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5428 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing pier, sundeck with stairs, boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 3538.1; RA# 29016) (A 1; S 1)(Staff: S. Avila)

C02 ARTHUR L. ANDERSON AND DONNA S. ANDERSON, CO-TRUSTEES OF THE ANDERSON FAMILY REVOCABLE TRUST DATED 11-07-05 (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8655 Beach Lane, near Meeks Bay, El Dorado County; for an existing pier, boathouse, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 4486.1; RA# 05017) (A 5; S 1)(Staff: S. Avila)

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- C03 KURT A. LATTA, AS TRUSTEE OF THE LATTA TRUST UNDER INSTRUMENT DATED MARCH 21, 1990 (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3338 Edgewater Drive, near Tahoe City, Placer County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 5469.1; RA# 31716) (A 1; S 1) (Staff: S. Avila)
- C04 KJELL H. QVALE, TRUSTEE OF THE KJELL H. QVALE SURVIVOR'S TRUST AND KJELL H. QVALE, AS TRUSTEE OF THE KATHRYN C. QVALE NONEXEMPT MARITAL TRUST DATED JANUARY 31, 2000 (LESSEE); EARL L. SKIDMORE, TRUSTEE OF THE EARL L. SKIDMORE SURVIVOR TRUST (APPLICANT): Consider termination of Lease No. PRC 4317.1, a General Lease - Recreational Use; and an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4410 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing pier, boat lift, and one mooring buoy. CEQA Consideration: categorical exemption. (PRC 4317.1; RA# 06117) (A 1; S 1) (Staff: S. Avila)
- C05 SHIRLEY KEARN, ROBERT LOUIS KEARN, AND JANET JEAN KEARN (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 2210 North Lake Boulevard, near Tahoe City, Placer County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 7139.1; RA# 27016) (A 1; S 1) (Staff: S. Avila)
- C06 NEWPORT FEDERAL, A CALIFORNIA CORPORATION (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 741 Lakeview Avenue, city of South Lake Tahoe, El Dorado County; for one existing mooring buoy. CEQA Consideration: categorical exemption. (PRC 5013.1; RA# 07317) (A 5; S 1) (Staff: S. Avila)

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- C07 RONALD D. STEPHENS AND KATHLEEN W. STEPHENS (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8539 Meeks Bay Avenue, near Meeks Bay, El Dorado County; for an existing pier and one mooring buoy previously authorized by the Commission and two existing mooring buoys not previously authorized by the Commission. CEQA Consideration: categorical exemption. (PRC 837.1, RA# 02817) (A 5; S 1) (Staff: M.J. Columbus)
- C08 FRED GELLERT, JR. AND ANNETTE GELLERT, AS TRUSTEES OF THE GELLERT FAMILY TRUST DATED NOVEMBER 8, 1991 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 6300 West Lake Boulevard, near Homewood, Placer County; for an existing pier, two tandem boat lifts, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 3019.1, RA# 01717) (A 1; S 1)(Staff: M.J. Columbus)
- C09 FRED GELLERT, JR. AND ANNETTE GELLERT, TRUSTEES OF THE RYAN BRADLEY GELLERT GST TRUST DATED MAY 30, 2012; FRED GELLERT, JR. AND ANNETTE GELLERT, TRUSTEES OF THE LANDON TYLER GELLERT GST TRUST DATED OCTOBER 19, 2012; AND FRED GELLERT, JR. AND ANNETTE GELLERT, TRUSTEES OF THE HEATHER GIGI GELLERT GST DATED OCTOBER 19, 2012 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 6330 West Lake Boulevard, near Homewood, Placer County; for two existing mooring buoys not previously authorized by the Commission. CEQA Consideration: categorical exemption. (W 27129, RA# 01617) (A 1; S 1) (Staff: M.J. Columbus)
- C10 DAVID M. DEVOE AND SUSAN M. DEVOE, CO-TRUSTEES OF THE DEVOE FAMILY TRUST; JAY J. DEVOE; JANISE J. DEVOE; STEVEN C. CORNELIUSEN AND GEORGIA F. CORNELIUSEN, TRUSTEES OF THE CORNELIUSEN FAMILY TRUST DATED DECEMBER 7, 1989; ADA M. TORRIGINO, TRUSTEE OF THE ADA M. TORRIGINO TRUST DATED JUNE

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5, 1985; AND MICHAEL C. DERMODY AND TAMARA DERMODY, TRUSTEES OF THE TAHOE WATER WORLD FAMILY TRUST (U/D/T: AUGUST 8, 2007) (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8732, 8734, and 8740 Brockway Vista Avenue, Kings Beach, Placer County; for an existing joint-use pier, three boat lifts, and three mooring buoys. CEQA Consideration: categorical exemption. (PRC 6428.1, RA# 00317) (A 1; S 1) (Staff: M.J. Columbus)

C11 LACHLAN M. RICHARDS, TRUSTEE OF THE LSR TRUST DATED DECEMBER 11, 2012; STEPHEN F. MCCARL AND KIM S. MCCARL, AS TRUSTEES OF THE MCCARL FAMILY TRUST (SPW), UNDER DECLARATION OF TRUST DATED NOVEMBER 1, 2001; AND WAYNE R. ROWLANDS, AS TRUSTEE OF THE SEPARATE SHARE TRUST F/B/O COURTNEY E. ROWLANDS, CREATED UNDER THE 1997 ROWLANDS FAMILY TRUST U/T/A DATED APRIL 24, 1997 (APPLICANT): Consider rescission of approval, waiver of rent, penalty, and interest, and application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3071 Jameson Beach Road, city of South Lake Tahoe, El Dorado County; for an existing pier and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 3241.1; RA# 30316) (A 5; S 1) (Staff: K. Connor)

C12 KAREN KATHERINE OLIN AND ROBERT LAWRENCE OLIN, TRUSTEES OF THE 1992 L. OLIN FAMILY TRUST DATED 3/23/1992; AND MARCUS MONTE, TRUSTEE OF THE MARCUS MONTE LIVING TRUST DATED APRIL 23, 2002 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 6085 and 6100 North Lake Boulevard, near Tahoe Vista, Placer County; for an existing joint-use pier with boat lift, boathouse with boat lift, and one mooring buoy. CEQA Consideration: categorical exemption. (PRC 4286.1; RA# 26916) (A 1; S 1) (Staff: K. Connor)

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- C13 BOW BAY, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 281 Paradise Flat Lane, near Rubicon Bay, El Dorado County; for two existing mooring buoys not previously authorized by the Commission; and denial for one existing mooring buoy not previously authorized by the Commission. CEQA Consideration: lease - categorical exemption; denial - statutory exemption. (W 24815; RA# 35915) (A 5; S 1) (Staff: M. Schroeder)
- C14 ALLEN L. CAPURRO AND CAROL J. CAPURRO, TRUSTEES OF THE ALLEN CAPURRO FAMILY 1996 TRUST, DATED AUGUST 30, 1996, AND BRIAN D. MURPHY AND SUZANNE M. MURPHY, TRUSTEES OF THE MURPHY FAMILY TRUST, DATED DECEMBER 17, 2003 (LESSEE); BEARSLIDE LAKE TAHOE, LLC, A NEVADA LIMITED LIABILITY COMPANY (APPLICANT): Consider acceptance of a quitclaim deed for Lease No. PRC 4857.1, a General Lease - Recreational Use; and an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4480 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing pier, boathouse, boat hoist, sundeck with stairs, and one mooring buoy previously authorized by the Commission, and one mooring buoy not previously authorized by the Commission. CEQA Consideration: categorical exemption. (PRC 4857.1; RA# 15313) (A 1; S 1) (Staff: M. Schroeder)
- C15 400 CONVENTION WAY, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4886 North Lake Boulevard, near Carnelian Bay, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (PRC 8586.1; RA# 01111) (A 1; S 1) (Staff: M. Schroeder)
- C16 LARRY A. ABRAMSON AND JULIE C. ABRAMSON, TRUSTEES OF THE ABRAMSON TRUST DATED FEBRUARY 9, 1999 (APPLICANT): Consider application for a General

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Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4540 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing pier previously authorized by the Commission and two existing mooring buoys not previously authorized by the Commission. CEQA Consideration: categorical exemption. (PRC 4169.1; RA# 13413) (A 1; S 1) (Staff: M. Schroeder)

C17 LAWRENCE B. LEVY AND HILLARY B. LEVY, TRUSTEES OF THE H&L TRUST UDT DATED APRIL 8, 1996 (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 2796 Aqua Drive, near Tahoe City, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (PRC 8311.1; RA# 04417) (A 1; S 1)(Staff: J. Toy)

C18 PATRICIA BORHANI, TRUSTEE OF THE PATRICIA BORHANI 1997 TRUST DATED JUNE 18, 1997 (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4070 North Lake Boulevard, near Carnelian Bay, Placer County; for one existing mooring buoy. CEQA Consideration: categorical exemption. (PRC 4114.1; RA# 07217) (A 1; S 1) (Staff: J. Toy)

C19 HARRY BOYAJIAN, JR. (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4720 West Lake Boulevard, near Homewood, Placer County; for an existing pier, boathouse, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 6387.1; RA# 25416) (A 1; S 1) (Staff: J. Toy)

C20 ROBERT DEVALL MAY AND JUDITH THOMPSON MAY, TRUSTEES OF THE MAY FAMILY TRUST AS AMENDED AND RESTATED IN 2001, U/A DATED NOVEMBER 5, 2001 (LESSEE): Consider revision of rent to Lease No. PRC 8332.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 1406 West Lake Boulevard, near Tahoe City,

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Placer County; for one existing mooring buoy.
 CEQA Consideration: not a project. (PRC 8332.1)
 (A 1; S 1) (Staff: J. Toy)

- C21 DENIZ TUNCER AS TRUSTEE, OR ANY SUCCESSOR TRUSTEE(S), OF THE CRESSMAN/TUNCER FAMILY TRUST, UNDER DECLARATION OF TRUST DATED JANUARY 25, 2006; AND AYSHE TUNCER, AS TRUSTEE, OR ANY SUCCESSOR TRUSTEE(S) OF THE TUNCER ANDERSON REVOCABLE TRUST, UNDER DECLARATION OF TRUST DATED MAY 20, 2011 (LESSEE): Consider revision of rent to Lease No. PRC 8979.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3170 Edgewater Drive, near Tahoe City, Placer County; for two mooring buoys. CEQA Consideration: not a project. (PRC 8979.1) (A 1; S 1) (Staff: J. Toy)
- C22 SCANDIA REALTY GROUP, LLLP, A NEVADA LIMITED LIABILITY PARTNERSHIP (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8399 Meeks Bay Avenue, near Meeks Bay, El Dorado County; for one existing mooring buoy previously authorized by the Commission and one existing mooring buoy not previously authorized by the Commission. CEQA Consideration: categorical exemption. (PRC 5553.1; RA# 12217) (A 5; S 1) (Staff: J. Toy)
- C23 PHILIP GROSSO AND GLORIA GROSSO (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8807 Rubicon Drive, near Rubicon Bay, El Dorado County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (PRC 8051.1; RA# 11617) (A 5; S 1) (Staff: J. Toy)
- C24 DAVID B. COWARD, TRUSTEE OF THE DAVID B. COWARD QUALIFIED PERSONAL RESIDENCE TRUST, DATED 03-19-2004, AND LINDA J. COWARD, TRUSTEE OF THE LINDA J. COWARD QUALIFIED PERSONAL RESIDENCE TRUST, DATED 03-19-2004 (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe,

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adjacent to 8189 Meeks Bay Avenue, near Meeks Bay, El Dorado County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (PRC 8027.1; RA# 05217) (A 5; S 1) (Staff: J. Toy)

- C25 MARIE C. STRAUBE FORMERLY KNOWN AS MARIE ANTOINETTE CLOUGH, AS TRUSTEE OF THE MARIE ANTOINETTE CLOUGH REVOCABLE LIVING TRUST, DATED JANUARY 11, 1989; ADAM J. LANDSDORF, TRUSTEE OF THE ADAM JAY LANDSDORF REVOCABLE LIVING TRUST, DATED JULY 29, 2004; DANA R. STONE, TRUSTEE OF THE DANA RAE STONE REVOCABLE TRUST, DATED JULY 30, 2004 (LESSEE); ADAM J. LANDSDORF, TRUSTEE OF THE ADAM JAY LANDSDORF REVOCABLE TRUST, DATED JULY 29, 2004; AND DANA R. STONE, TRUSTEE OF THE DANA R. STONE REVOCABLE TRUST, DATED JUNE 20, 2013 (APPLICANT): Consider acceptance of a lease quitclaim deed for Lease No. PRC 8164.1, a General Lease - Recreational Use, and an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8765 Rubicon Drive, near Rubicon Bay, El Dorado County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 8164.1; RA# 07817) (A 5; S 1) (Staff: J. Toy)

NORTHERN REGION

- C26 TAHOE SIERRA ESTATES ASSOCIATION (LESSEE): Consider amendment of Lease No. PRC 9167.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 624 Olympic Drive, Tahoe City, Placer County; for an existing pier. CEQA Consideration: not a project. (PRC 9167.1; RA# 24316)(A 1; S 1) (Staff: K. Connor)
- C27 STEPHEN L. SIMARD, AS TRUSTEE OF THE STEPHEN SIMARD REVOCABLE TRUST OF 2003 AMENDED AND RESTATED ON APRIL 6, 2007 (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 7901 Garden Highway, near Sacramento, Sutter County;

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for an existing boat dock, appurtenant facilities, and bank protection. CEQA Consideration: categorical exemption. (PRC 7184.1; RA# 03517) (A 3; S 4) (Staff: K. Connor)

- C28 U.S. DEPARTMENT OF AGRICULTURE, FOREST SERVICE, LASSEN NATIONAL FOREST (LESSEE): Consider revision of minimum rent to Lease No. PRC 2376.1, a General Lease - Commercial Use, of sovereign land located in Eagle Lake, adjacent to Assessor's Parcel Number 89-030-11, near Susanville, Lassen County; for an existing public marina facility. CEQA Consideration: not a project. (PRC 2376.1) (A 1; S 1) (Staff: N. Lee)
- C29 RONALD M. NAESS AND ANN J. NAESS, TRUSTEES OF THE RONALD M. NAESS AND ANN J. NAESS REVOCABLE TRUST DATED JANUARY 15, 1999; RANDALL C. NAESS AND SUSAN E. NAESS, TRUSTEES OF THE RANDALL AND SUSAN NAESS TRUST DATED NOVEMBER 30, 1998; CHRIS L. STEVENS AND KRISTIN N. STEVENS, TRUSTEES OF THE CHRIS AND KRISTIN STEVENS TRUST DATED JUNE 13, 2007; JEFFREY R. NAESS AND ADRIANE NAESS, TRUSTEES OF THE JEFF AND ADRIANE NAESS TRUST DATED JANUARY 5, 1995; DAVID L. RICHMOND; ROBERT E. RICHMOND AND KAREN L. RICHMOND, TRUSTEES OF THE RKR TRUST, DATED JUNE 29, 2000; I. ELIZABETH RICHMOND, TRUSTEE OF THE ROBERT L. RICHMOND EXEMPTION TRUST OF AUGUST 11, 2004; DE ETTE R. SIPOS, TRUSTEE OF THE DE ETTE R. SIPOS TRUST UNDER THE EHR QPRT TRUST DATED MARCH 26, 2003; GREGORY B. RICHMOND, TRUSTEE OF THE GREGORY B. RICHMOND TRUST UNDER THE EHR QPRT TRUST DATED MARCH 26, 2003; DE ETTE R. SIPOS, TRUSTEE OF THE DE ETTE R. SIPOS TRUST UNDER THE ENR II QPRT TRUST DATED MARCH 26, 2003; AND GREGORY B. RICHMOND, TRUSTEE OF THE GREGORY B. RICHMOND TRUST UNDER THE ENR II QPRT TRUST DATED MARCH 26, 2003 (ASSIGNOR); HOLLY HEATH FULLER, TRUSTEE OF THE HEATH FAMILY 2011 IRREVOCABLE TRUST FBO HOLLY HEATH FULLER UTA DATED AUGUST 17, 2011; MICHAEL R. PIRO AND SHANNON T. PIRO, TRUSTEES OF THE PIRO FAMILY TRUST, DATED SEPTEMBER 21, 2016 (ASSIGNEE): Consider application for the assignment of Lease No. PRC 8842.9, a General

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Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4812 and 4826 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing joint-use pier with a boat lift, a boathouse with two boat lifts, and four mooring buoys. CEQA Consideration: not a project. (PRC 8842.9) (A 1; S 1) (Staff: M. Schroeder)

- C30 U.S. FISH AND WILDLIFE SERVICE (APPLICANT): Consider rescission of approval and issuance of a General Lease - Public Agency Use, of sovereign land located in the Yuba River, adjacent to Assessor's Parcel Numbers 005-300-010, 005-300-014, 006-320-007, 50-010-13 and 50-010-79, near the town of Smartsville, Nevada and Yuba Counties; for the placement and maintenance of gravel for the rehabilitation and restoration of Central Valley spring-run Chinook salmon and Central Valley steelhead spawning and rearing habitat, dredging as needed to create side channels, grading and riparian revegetation. CEQA Consideration: Environmental Assessment/Initial Study/Mitigated Negative Declaration, adopted by Yuba County, State Clearinghouse No. 2016122042, and adoption of a Mitigation Monitoring Program. (PRC 9415.9; RA# 25216) (A 1, 3; S 1, 4) (Staff: M. Schroeder)
- C31 CHARLES M. WEAKLEY AND LAURA KELLEY-WEAKLEY (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Napa River, adjacent to 1532 Milton Road, city of Napa, Napa County; for an existing floating boat dock and appurtenant facilities previously authorized by the Commission and an existing deck and retaining wall not previously authorized by the Commission. CEQA Consideration: categorical exemption. (PRC 7855.1; RA# 00616) (A 4; S 3) (Staff: M. Schroeder)
- C32 NATASHA V. SUMNER AND NICOLE DEL PRADO (ASSIGNOR); DALE W. DAVIS AND SHERE R. DAVIS (ASSIGNEE): Consider application for the assignment of Lease No. PRC 8361.1, a General

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Lease - Recreational and Protective Structure Use, of sovereign land located in the Napa River, adjacent to 1300 Milton Road, city of Napa, Napa County; for two existing boat docks, appurtenant facilities, and bank protection. CEQA Consideration: not a project. (PRC 8361.1; RA# 11117) (A 4; S 3) (Staff: M. Schroeder)

- C33 WILD GOOSE STORAGE, INC. (LESSEE): Consider revision of rent to Lease No. PRC 8443.1, a General Lease - Right-of-Way Use, of sovereign land in the Sacramento River, near Delevan, Colusa County; for an existing natural gas pipeline and two fiber optic cables. CEQA Consideration: not a project. (PRC 8443.1) (A 3; S 4) (Staff: D. Simpkin)

BAY/DELTA REGION

- C34 PAUL R. SCOTT AND KEITH J. HOBERT (LESSEE): Consider revision of rent to Lease No. PRC 4761.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 17404 Grand Island Road, near Walnut Grove, Sacramento County; for an existing boat dock, deck, appurtenant facilities, and bank protection. CEQA Consideration: not a project. (PRC 4761.1) (A 11; S 3) (Staff: G. Asimakopoulos)
- C35 BRUCE C. CLINE AND JULIE D. CLINE, CO-TRUSTEES OF THE CLINE FAMILY TRUST DATED APRIL 11, 2012 (LESSEE): Consider revision of rent to Lease No. PRC 4765.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 17360 Grand Island Road, near Walnut Grove, Sacramento County; for an existing boat dock, appurtenant facilities, and bank protection. CEQA Consideration: not a project. (PRC 4765.1) (A 11; S 3) (Staff: G. Asimakopoulos)
- C36 BRADFORD D. PAPPALARDO AND KATHERINE L. PAPPALARDO (LESSEE): Consider revision of rent to

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Lease No. PRC 3885.1, a General Lease - Commercial Use, of sovereign land located in Steamboat Slough, adjacent to 12530 Grand Island Road, near Walnut Grove, Sacramento County; for an existing accommodation dock, appurtenant facilities, and debris diverter for a private boat club known as Steamboat Resort Club. CEQA Consideration: not a project. (PRC 3885.1) (A 11; S 3)(Staff: G. Asimakopoulos)

C37 DIABLO WATER SKI CLUB, A CALIFORNIA CORPORATION (LESSEE): Consider revision of rent to Lease No. PRC 6184.1, a General Lease - Recreational Use, of sovereign land located in Old River and Berm "N," adjacent to Assessor's Parcel Number 129-050-59, near Bacon Island, San Joaquin County; for two existing club buildings, one water ski jump, five boat docks, two decks, a storage room, covered patio, and 10 slalom marker buoys with anchors. CEQA Consideration: not a project. (PRC 6184.1) (A 13; S 5) (Staff: G. Asimakopoulos)

C38 GOLDEN GATE WATER SKI CLUB (LESSEE): Consider revision of rent to Lease No. PRC 5297.1, a General Lease - Recreational Use, of sovereign land located in Middle River between Victoria Island and Upper Jones Tract, near Stockton, San Joaquin County, Assessor's Parcel Number 129-200-40; for an existing two-story deck, walkway, two boat docks, two ramps, and a slalom course with 22 marker buoys and anchors. CEQA Consideration: not a project. (PRC 5297.1) (A 13; S 5)(Staff: G. Asimakopoulos)

C39 CPN PIPELINE COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 5107.1, a General Lease - Right-of-Way Use, of sovereign land located in Honker Bay, Suisun Bay, Roaring River, Grizzly Slough, Montezuma Slough and the Sacramento River, from the city of Martinez to the city of Sacramento, in Solano, Contra Costa, Sacramento, and Yolo counties; for six existing natural gas pipeline crossings. CEQA Consideration: not a project. (PRC 5107.1) (A 11, 14; S 3, 7) (Staff: G. Asimakopoulos)

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- C40 WENDY L. DORCHESTER (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to 13890 State Highway 160, near Walnut Grove, Sacramento County; for an existing boat dock and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 6956.1; RA# 06917) (A 11; S 3) (Staff: G. Asimakopoulos)
- C41 GEOFFREY L. FLAVELL AND LIMAY H. FLAVELL, TRUSTEES OF THE G. AND L. FLAVELL TRUST, DATED JUNE 16, 2004 (APPLICANT): Consider application for a General Lease - Protective Structure Use, of sovereign tide and submerged land located in the Pacific Ocean, adjacent to 2970 Pleasure Point Drive, city of Santa Cruz, Santa Cruz County; for an existing rock revetment not previously authorized by the Commission. CEQA Consideration: categorical exemption. (W 27120; RA# 30216) (A 29; S 17) (Staff: G. Asimakopoulos)
- C42 DALE E. DORN AND WILLA DEAN DORN, TRUSTEES OF THE DALE E. DORN 1983 REVOCABLE TRUST (ASSIGNOR); KO-KET RESORT LLC (ASSIGNEE): Consider application for an assignment of Lease No. PRC 2049.1, General Lease - Commercial Use, of sovereign land located in the Sacramento River, adjacent to 14174 Isleton Road, near Walnut Grove, Sacramento County; for an existing commercial marina known as Ko-Ket Resort. CEQA Consideration: not a project. (PRC 2049.1; RA# 14417) (A 11; S 3) (Staff: V. Caldwell)
- C43 MAREK M. KUROWSKI AND JOLANTA ANDERSON KUROWSKI (ASSIGNOR); EMMANUEL ANDRE BRIDONNEAU AND CLAIR MORGAN WHITMER (ASSIGNEE): Consider application for the assignment of Lease No. PRC 9314.1, General Lease - Recreational and Residential Use, of sovereign land located in Mare Island Strait, adjacent to 22 Sandy Beach Road, near Vallejo, Solano County; for a portion of an existing residence, deck, and appurtenant facilities. CEQA Consideration: not a project. (PRC 9314.1; RA# 08817) (A 14; S 3)(Staff: V. Caldwell)

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- C44 CPN PIPELINE COMPANY (APPLICANT): Consider application for a General Lease - Right-of-Way Use, of sovereign land located in the Sacramento River, San Joaquin River, and New York Slough, near Pittsburgh, Contra Costa, Sacramento, and Solano counties; for an existing natural gas pipeline. CEQA Consideration: categorical exemption. (PRC 4699.1; RA# 15316) (A 11, 14; S 3, 7) (Staff: V. Caldwell)
- C45 BURLINGAME BAY ASSOCIATES (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 4687.1, a General Lease - Commercial Use, of filled and unfilled sovereign land located in San Francisco Bay, near Burlingame, San Mateo County; for a restaurant, parking lot, lagoon, footbridge, pedestrian paths, landscaping, and shoreline protection. CEQA Consideration: not projects. (PRC 4687.1) (A 22; S 13) (Staff: A. Franzoia) 191
- C46 CHE SHENG CHAO AND WEI YUAN CHAO; KEITH KAI TSU AND CARMELITA KO; BURK H. CHUNG AND MARY A.L. CHUNG; CHARLES NIP AND PATRICIA NIP; RAYMOND K. LI AND CHI F. LI; AND KWOK HUNG SZETO AND NIKKI SZETO (LESSEE): Consider amendment and revision of rent to Lease No. PRC 4683.1, a General Lease - Commercial Use, of sovereign land located in San Francisco Bay, near Burlingame, San Mateo County; for a commercial parking lot. CEQA Consideration: not projects. (PRC 4683.1) (A 22; S 13) (Staff: A. Franzoia)
- C47 ZACKRY T. ALBER (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 3025 Garden Highway, near Sacramento, Sacramento County; for an existing boat dock, appurtenant facilities, and bank protection. CEQA Consideration: categorical exemption. (PRC 8758.1; RA# 04817) (A 7; S 6) (Staff: J. Holt)

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- C48 RICKY L. PAPPAN AND CAROL K. PAPPAN (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 2315 Garden Highway, near Sacramento, Sacramento County; for an existing boat dock, appurtenant facilities, and bank protection previously authorized by the Commission and a personal watercraft landing not previously authorized by the Commission CEQA Consideration: categorical exemption. (PRC 8759.1; RA# 03117) (A 7; S 6)(Staff: J. Holt)
- C49 RICHARD T. STEPHENS AND DONNA S. STEPHENS, CO-TRUSTEES OF THE RICHARD AND DONNA STEPHENS FAMILY TRUST, (A REVOCABLE INTER VIVOS TRUST), UNDER AGREEMENT DATED JANUARY 31, 1992 (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Calaveras River, adjacent to 4439 Yacht Harbor Drive, near Stockton, San Joaquin County; for an existing boat dock, appurtenant facilities, and bank protection. CEQA Consideration: categorical exemption. (PRC 3937.1; RA# 32816) (A 13; S 5) (Staff: J. Holt)
- C50 PHILIP B. BENSON AND STACY A. BENSON, TRUSTEES OF THE BENSON TRUST UNDER AGREEMENT DATED 7-29-96 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to 13830 State Highway 160, near Walnut Grove, Sacramento County; for an existing boat dock and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 8766.1; RA# 05917) (A 11; S 3)(Staff: J. Holt)
- C51 GEORGE REED, INC. (APPLICANT): Consider application for a General Lease - Right-of-Way Use, of filled sovereign land located in the historic bed of the Tuolumne River, near Waterford, Stanislaus County; for an existing paved haul road. CEQA Consideration: categorical exemption. (PRC 7637.1; RA# 28616) (A 12; S 8) (Staff: J. Holt)

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- C52 CITY OF SAN MATEO (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the San Francisco Bay adjacent to the San Mateo Bridge, San Mateo County; for an existing outfall pipeline. CEQA Consideration: categorical exemption. (PRC 3947.9; RA# 17216) (A 22; S 13) (Staff: J. Holt)
- C53 RONALD J. GRAY AND SUSAN D. GRAY, TRUSTEES OF THE RONALD J. GRAY/SUSAN D. GRAY TRUST, DATED MAY 16, 1993 (LESSEE): Consider revision of rent to Lease No. PRC 4760.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 17408 Grand Island Road, at Long Island, near Walnut Grove, Sacramento County; for an existing fishing pier, walkway and bank protection. CEQA Consideration: not a project. (PRC 4760.1) (A 11; S 3) (Staff: N. Lavoie)
- C54 RICHARD H. NOVAK, TRUSTEE OF THE RICHARD H. NOVAK TRUST DATED DECEMBER 3, 1986 (LESSEE): Consider revision of rent to Lease No. PRC 9050.1, a General Lease - Protective Structure Use, of sovereign land in the Pacific Ocean, adjacent to 4460 Opal Cliff Drive, city of Santa Cruz, Santa Cruz County; for existing rock riprap. CEQA Consideration: not a project. (PRC 9050.1) (A 29; S 17)(Staff: D. Simpkin)
- C55 FRANK E. SILVA, JR. AND ANGELA SILVA (LESSEE): Consider revision of rent to Lease No. PRC 4809.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 17364 Grand Island Road, near Isleton, Sacramento County; for an existing boat dock, gangway, pier, and bank protection. CEQA Consideration: not a project. (PRC 4809.1)(A 11; S 3) (Staff: D. Simpkin)
- C56 SAN PAN BAY HOMEOWNERS ASSOCIATION (LESSEE): Consider an amendment of lease and revision of rent to Lease No. PRC 4867.1, a General Lease - Recreational Use, of sovereign land located in

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Corte Madera Creek, adjacent to 517-533 Larkspur Plaza Drive, city of Larkspur, Marin County; for an existing boat dock, walkway, and anchor lines. CEQA Consideration: not projects. (PRC 4867.1) (A 10; S 2) (Staff: D. Simpkin)

C57 PEDER E. JONES AND NANCY B. JONES, TRUSTEES OF THE PEDER AND NANCY JONES LIVING TRUST U/D MARCH 25, 2009 (LESSEE): Consider revision of rent to Lease No. PRC 4762.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 17436 Grand Island Road, near Isleton, Sacramento County; for an existing boat dock, appurtenant facilities, and bank protection. CEQA Consideration: not a project. (PRC 4762.1) (A 11; S 3) (Staff: J. Toy)

C58 AUBURN HAMER, LLC (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to 14050 Highway 160, near Walnut Grove, Sacramento County; for an existing boat dock and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 7630.1; RA# 05817) (A 11; S 3) (Staff: D. Tutov)

C59 PACIFIC GAS AND ELECTRIC COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 8677.1, a General Lease - Right-of-Way Use, of sovereign land in Old River, Middle River, and Latham Slough, near McDonald Island, Lower Jones Island, Bacon Island, and Palm Tract, San Joaquin and Contra Costa counties; for a natural gas pipeline. CEQA Consideration: not a project. (PRC 8677.1)(A 11, 13; S 5, 7) (Staff: D. Tutov)

C60 PACIFIC GAS AND ELECTRIC COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 8664.1, a General Lease - Right-of-Way Use, of sovereign land located in the Sacramento River, in the cities of Sacramento and West Sacramento, Sacramento and Yolo County; for a natural gas pipeline. CEQA Consideration: not a project. (PRC 8664.1) (A 7; S 6) (Staff: D. Tutov)

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- C61 TALBERT DENNEY AND BARBARA DENNEY (ASSIGNOR); NAI HIN SAECHAO (ASSIGNEE): Consider application for an assignment of Lease No. PRC 6053.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 2365 Garden Highway, near Sacramento, Sacramento County; for an existing boat dock, appurtenant facilities, and bank protection. CEQA Consideration: not a project. (PRC 6053.1; RA# 09517) (A 7; S 6) (Staff: D. Tutov)

CENTRAL/SOUTHERN REGION

- C62 CITY OF SEAL BEACH (APPLICANT/SUBLESSOR): Consider rescission of approval of Lease No. PRC 3792.1, a General Lease - Public Agency Use, and an application for a General Lease - Public Agency Use, of sovereign land located in the Pacific Ocean, in the City of Seal Beach, Orange County, including an endorsement of four subleases; for use and maintenance of an existing pier with a lifeguard tower, concrete sheet pile groin, a maintenance and a storage building, restaurant, public restroom, picnic area, raised planter areas with retaining walls, three parking lots, a tot lot with a perimeter wall; the construction, use, and maintenance of a seasonal flood control berm; and the seasonal placement, use, and maintenance of temporary lifeguard stations. CEQA Consideration: categorical exemption. (PRC 3792.1; RA# 11113) (A 72; S 34) (Staff: R. Collins)
- C63 NORTH COUNTY TRANSIT DISTRICT (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in Batiquitos Lagoon, City of Carlsbad, San Diego County; for the construction, use, and maintenance of buried armored revetment. CEQA Consideration: statutory exemption. (W 26644; RA# 30916) (A 76; S 36) (Staff: R. Collins)
- C64 MOUNTAINS RECREATION AND CONSERVATION AUTHORITY (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land

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located in the Pacific Ocean, located adjacent to 23000 Pacific Coast Highway, City of Malibu, Los Angeles County; for the construction, use, and maintenance of a public beach access stairway. CEQA Consideration: categorical exemption. (W 27116; RA# 08517) (A 50; S 27) (Staff: K. Connor)

- C65 DYNEGY MORRO BAY, LLC (APPLICANT): Consider adoption of a Mitigated Negative Declaration, State Clearinghouse No. 2018011013, adoption of a Mitigation Monitoring Program; an application for a General Lease - Industrial Use, of sovereign land located in the Pacific Ocean, Morro Bay, San Luis Obispo County; for the proposed Dynegy Morro Bay Power Plant Marine Terminal Decommissioning Project to remove the marine terminal components; and delegate to staff the authorization to accept a quitclaim deed for and termination of Lease No. PRC 1390.1 upon satisfactory completion of the removal of the marine terminal components within the Lease Premises. (PRC 1390.1; RA# 23815) (A 35; S 17) (Staff: C. Hudson)
- C66 COUNTY OF ORANGE (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the Pacific Ocean at Salt Creek Beach Park, Dana Point, Orange County; for an existing rock revetment and fill. CEQA Consideration: categorical exemption. (PRC 7253.9; RA# 07717) (A 73; S 36) (Staff: L. Pino)
- C67 SAN GABRIEL VALLEY BOY SCOUTS OF AMERICA (ASSIGNOR); GREATER LOS ANGELES AREA COUNCIL, BOY SCOUTS OF AMERICA (ASSIGNEE): Consider revision of rent and application for the assignment of Lease No. PRC 6441.1, General Lease - Recreational Use, of sovereign land located in the Pacific Ocean at Cherry Cove, Santa Catalina Island, Los Angeles County; for an existing pier, access ramp, floating dock, and swim areas. CEQA Consideration: not projects. (PRC 6441.1; RA# 07117) (A 70; S 26) (Staff: L. Pino)

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- C68 CITY OF LOS ANGELES, BUREAU OF SANITATION (APPLICANT): Consider application for a General Lease - Public Agency Use, of filled sovereign land located at Will Rogers State Beach, in Pacific Palisades, Los Angeles County; for portions of an existing force sewer line and gravity sewer line under the beach parking lot. CEQA Consideration: categorical exemption. (PRC 7970.9; RA# 08417) (A 50; S 26) (Staff: L. Pino)

SCHOOL LANDS

- C69 SOUTHERN CALIFORNIA EDISON COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 2378.2, a General Lease - Right-of-Way Use, of State-owned school land located within a portion of Section 36, Township 11 North, Range 8 East, SBM, southwest of Baker, San Bernardino County, for existing overhead transmission lines, appurtenant facilities, and an unpaved access road. CEQA Consideration: not a project. (PRC 2378.2) (A 33; S 16) (Staff: C. Hudson)

MINERAL RESOURCES MANAGEMENT

- C70 SUMMIT EXPLORATION (CALIFORNIA), LLC, AND STREAM ENERGY, INC. (LESSEES): Consider acknowledgement of receipt of the full Quitclaim Deed for Negotiated Subsurface (no surface use) State Oil and Gas Lease No. PRC 8618.1 on tide and submerged lands lying in the bed of Sacramento River and Georgiana Slough, Sacramento County. CEQA Consideration: not a project. (PRC 8618.1) (A 15; S 5) (Staff: N. Heda)
- C71 EGS AMERICAS, INC. (APPLICANT): Consider an application for a General Permit to conduct geophysical surveys on tide and submerged lands under the jurisdiction of the California State Lands Commission. CEQA Consideration: Mitigated Negative Declaration, Mitigation Monitoring Program, and Addendum, State Clearinghouse No. 2013072021. (PRC 9215; RA# 15715) (A & S: Statewide)(Staff: R. B. Greenwood)

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- C72 CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER (APPLICANT): Consider an application for a Non-Exclusive Geological Survey Permit on State-owned sovereign lands located in the northwestern portion of Owens Lake, Inyo County. CEQA Consideration: categorical exemption. (W 6005.186; RA# 07617) (A 34; S 18) (Staff: R. B. Greenwood)
- C73 BURLINGAME POINT, LLC (APPLICANT): Consider an application for a Non-Exclusive Geological Survey Permit on tide and submerged lands located in City of Burlingame, San Mateo County. CEQA Consideration: categorical exemption. (W 6005.187; RA# 10017) (A 22; S 13) (Staff: R. B. Greenwood)
- C74 ROBERT G. WETZEL (APPLICANT): Consider application for a mineral prospecting permit for minerals other than oil, gas, geothermal resources, or sand and gravel on Assessor's Parcel Number 0572-081-09, administered by the Commission, containing approximately 640 acres of State fee-owned school land, located within Section 16, Township 16 North, Range 13 East, SBM, approximately 2 miles south of Mountain Pass, and about 33 miles northeast of Baker, San Bernardino County. CEQA Consideration: categorical exemption. (W 40995; RA# 12617) (A 33; S 16) (Staff: V. Perez)

MARINE ENVIRONMENTAL PROTECTION - SEE ADMINISTRATION

ADMINISTRATION

- C75 CALIFORNIA STATE LANDS COMMISSION; CAL POLY CORPORATION (PARTIES): Consider granting authority to the Executive Officer to execute an interagency agreement with the California Polytechnic State University Affiliated Cal Poly Corporation, San Luis Obispo, to review and revise seismic design provisions in the Marine Oil Terminal Engineering and Maintenance Standards. CEQA Consideration: not a project. (A & S: Statewide) (Staff: C. Beckwith, A. Nafday, D. Cook, A. Abeleda)

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LEGAL

- C76 CALIFORNIA STATE LANDS COMMISSION; LITTLE BEAVER LAND COMPANY, INC. (PARTIES): Consider settlement of litigation between the State of California, acting by and through the State Lands Commission and Little Beaver Land Company, Inc., concerning lands adjacent to the San Joaquin River, near the city of Antioch, Sacramento County. CEQA Consideration: not a project. (W 503.2086) (A 11; S 3) (Staff: J. Fabel)
- C77 CALIFORNIA STATE LANDS COMMISSION; CITY OF SACRAMENTO, A MUNICIPAL CORPORATION (PARTIES): Consider a boundary line agreement between the California State Lands Commission and the City of Sacramento to establish a common boundary line between State-owned sovereign land and City-owned land at Miller Park in Sacramento, Sacramento County. CEQA consideration: statutory exemption. (W 26265; AD 666) (A 7; S 6) (Staff: J. Frey)
- C78 CALIFORNIA STATE LANDS COMMISSION; SILICON VALLEY CLUB LLC (PARTIES): Consider request for authorization for the relocation of an access easement and the enlargement of another easement located in the vicinity of the Guadalupe River in Alviso, Santa Clara County. CEQA Consideration: Environmental Impact Report certified by the City of San Jose, State Clearinghouse No. 1999082004, Addendum, and statutory exemption. (SLL 53; RA# 14817)(A 25; S 10) (Staff: J. Frey, D. Tutov)
- C79 CALIFORNIA STATE LANDS COMMISSION (PARTY): Consider approval of proposed repeal of California Code of Regulations, Title 2, Division 3, Chapter 1, Articles 7 and 8. CEQA Consideration: not a project. (A & S: Statewide) (Staff: P. Huber, J. Frey)
- C80 UNITED STATES DEPARTMENT OF THE ARMY (PARTY): Consider Cession of Concurrent Criminal Jurisdiction pursuant to California Government Code section 126 over lands at Fort Hunter Liggett, Monterey County. CEQA Consideration: not a project. (FJ 0127.3) (A 30; S 17) (Staff: P. Huber)

KAPILOFF LAND BANK TRUST ACTIONS

- C81 CALIFORNIA STATE LANDS COMMISSION, IN ITS CAPACITY AS THE KAPILOFF LAND BANK TRUSTEE: Consider reauthorization for the use of Kapiloff Land Bank Funds for any lawful purpose related to Owens Lake or adjacent real property, pursuant to the Kapiloff Land Bank Act, Public Resources Code section 8600 et seq. CEQA Consideration: not a project. (W 27162) (A 26; S 8)(Staff: D. Simpkin)

EXTERNAL AFFAIRS

GRANTED LANDS

- C82 CALIFORNIA STATE LANDS COMMISSION; THE CITY OF RICHMOND (PARTIES): Consider a record of survey depicting the location and extent of filled tidelands as they existed around February 22, 1980, within Terminal One in the city of Richmond, Contra Costa County. CEQA Consideration: not a project. (G 02-04) (A 14; S 5) (Staff: R. Boggiano, D. Frink)
- C83 CITY OF CARPINTERIA (GRANTEE): Consider a request to approve an assignment of a pier lease and an oil and gas pipeline lease and to amend certain terms of these leases involving legislatively granted sovereign lands in the city of Carpinteria. CEQA Consideration: not a project. (G 15-02) (A 37; S 19)(Staff: R. Boggiano)
- C84 CITY AND COUNTY OF SAN FRANCISCO; CALIFORNIA STATE LANDS COMMISSION (PARTIES): Consider approval of a record of survey and legal descriptions for the Pier 70 compromise title settlement and land exchange agreement, concerning lands within the Pier 70 area in the city and county of San Francisco. CEQA Consideration: not a project. (G 11-01; RA# 17125) (A 17; S 11) (Staff: R. Boggiano)
- C85 CITY OF LONG BEACH (GRANTEE): Review a proposed tideland oil revenue expenditure increase in an amount not to exceed \$400,000 by the City of Long Beach for a capital improvement project located

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adjacent to legislatively granted sovereign land in the city of Long Beach. CEQA Consideration: not a project. (G 05-03.10) (A 70; S 33) (Staff: M. Moser)

- C86 CALIFORNIA STATE LANDS COMMISSION: Exercise Right of First Refusal to consider acquisition of federal public lands or right to arrange for their transfer to another entity in the city of Dublin, Alameda County. CEQA Consideration: not a project; statutory exemption. (A 16; S 7) (Staff: S. Pemberton, P. Huber, E. Kennedy) 144

VI INFORMATIONAL

- 87 CALIFORNIA STATE LANDS COMMISSION: Legislative Report providing information and a status update concerning state and federal legislation relevant to the Commission. CEQA Consideration: not applicable. (A & S: Statewide) (Staff: S. Pemberton)

VII REGULAR CALENDAR 88-96

- 88 CALIFORNIA STATE LANDS COMMISSION (INFORMATIONAL): Informational update on the implementation of the California State Lands Commission's 2016-2020 Strategic Plan. CEQA Consideration: not a project. (A & S: Statewide)(Staff: J. Lucchesi, C. Connor) 30
- 89 SOUTHERN CALIFORNIA MARINE INSTITUTE (APPLICANT): Consider adoption of a Negative Declaration, State Clearinghouse No. 2017021066, and an application for a General Lease - Other Use, of sovereign land located approximately 0.3 miles offshore between Bunker Point and White Point on the Palos Verdes Peninsula in the Pacific Ocean, city of Rancho Palos Verdes, Los Angeles County, for the construction, restoration, and enhancement of the Palos Verdes Marine Artificial Reef. (W 26853; RA# X0102) (A 66; S 26) (Staff: C. Hudson) 64

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- 90 CALIFORNIA STATE LANDS COMMISSION: Consider approval of the 2018 Category 1 Lake Tahoe Berths, 2018 Category 1 Lake Tahoe Buoys, and 2018 Category 2 Lake Tahoe non-water dependent use benchmark rental rates for sovereign land in El Dorado, Placer, and Nevada counties. CEQA Consideration: not a project. (W 27088) (A 1, 5; S 1) (Staff: N. Lee) 106
- 91 CALIFORNIA STATE LANDS COMMISSION: Consider a Resolution " CEQA Consideration: not a project. (A 26, 33, 34, 36, 42, 56, 71; S 8, 16, 21, 23, 28, 38, 40) (Staff: S. Pemberton, J. Mattox) 146
- 92 CALIFORNIA STATE LANDS COMMISSION: Consider delegating authority to the Executive Officer to enter into agreements necessary for access and operations on former State Oil and Gas Lease Nos. PRC 1466.1, PRC 145.1, and PRC 410.1, related to Rincon Island; and provide an update on the status of oil and gas decommissioning projects undertaken by the Commission, including the Becker Well Abandonment and Remediation project and the decommission of facilities on former leases encompassing Platform Holly and Rincon Island, off Santa Barbara and Ventura Counties. CEQA Consideration: not a project. (W 40994, W 40996, W 30214) (A 37; S 19) (Staff: S. Blackmon, J. Fabel) 153
- 93 CALIFORNIA STATE LANDS COMMISSION: Consider a temporary moratorium on the consideration of lease applications on certain filled and unfilled sovereign public trust lands and authorize staff to conduct a public trust needs assessment for the approximate 8.8 acres of public trust lands, located adjacent to Airport Blvd. and San Francisco Bay, in the City of Burlingame, San Mateo County. CEQA Consideration: statutory exemption. (W 27160) (A 22; S 13) (Staff: A. Franzoia) 159

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94	CALIFORNIA STATE LANDS COMMISSION (INFORMATIONAL): Informational report providing a status update on renewable energy evaluation on lands under the Commission's jurisdiction and the Commission's participation in renewable energy task forces in California. CEQA Consideration: not applicable. (A & S: Statewide) (Staff: J. Mattox, M. Farnum, S. Meshkati)	
95	CALIFORNIA STATE LANDS COMMISSION (INFORMATIONAL): Informational update on efforts to overhaul the Commission's environmental justice policy. CEQA Consideration: not applicable. (A & S: Statewide) (Staff: S. Pemberton)	170
96	CALIFORNIA STATE LANDS COMMISSION (INFORMATIONAL): Informational presentation on the Commission staff's development of an interactive, user-friendly Geographical Information System (GIS)-based viewing tool that enhances staff's ability to evaluate the effects of sea-level rise on projects proposed to be located on the state-owned tidelands and submerged lands located in tidally-influenced areas. CEQA Consideration: not a project. (A & S: Statewide) (Staff: J. Lucchesi)	178
VIII	COMMISSIONERS' COMMENTS	209
IX	CLOSED SESSION: AT ANY TIME DURING THE MEETING THE COMMISSION MAY MEET IN A SESSION CLOSED TO THE PUBLIC TO CONSIDER THE MATTERS LISTED BELOW PURSUANT TO GOVERNMENT CODE SECTION 11126, PART OF THE BAGLEY-KEENE OPEN MEETING ACT:	208
A.	LITIGATION.	

The Commission may consider pending and possible litigation pursuant to the confidentiality of attorney-client communications and privileges provided under Government Code section 11126,

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subdivision (e).

1. The Commission may consider pending and possible matters that fall under Government Code section 11126, subdivision (e)(2)(A), concerning adjudicatory proceedings before a court, an administrative body exercising its adjudicatory authority, a hearing officer, or an arbitrator, to which the Commission is a party. Such matters currently include the following:

California Coastkeeper Alliance, California Coastal Protection v. California State Lands Commission

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

Center for Biological Diversity v. California State Lands Commission

City of Goleta v. California State Lands Commission

In re: Rincon Island Limited Partnership Chapter 11

In re: Venoco, LLC, Bankruptcy Chapter 11

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

Martins Beach 1, LLC and Martins Beach 2, LLC v. Effie Turnbull-Sanders, et al.

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

Redevelopment Agency of San Francisco v. John W. Lebolt, et al.

San Francisco Baykeeper v. California State Lands Commission

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San Francisco Baykeeper v. California State
Lands Commission II

San Joaquin River Exchange Contractors Water
Authority v. State of California; State Lands
Commission

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

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

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

SOS Donner Lake v. State of California, et
al.

United States v. 1.647 Acres

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

World Business Academy v. California State
Lands Commission

2. The Commission may consider matters that fall
under Government Code section 11126,
subdivision (e)(2)(b), under which;
 - a. A point has been reached where, in the
opinion of the Commission, on the advice
of its legal counsel, based on existing
facts and circumstances, there is a
significant exposure to litigation
against the Commission, or
 - b. Based on existing facts and
circumstances, the Commission is meeting
only to decide whether a closed session
is authorized because of a significant
exposure to litigation against the
Commission.

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3. The Commission may consider matters that fall under Government Code section 11126, subdivision (e)(2)(C), where, based on existing facts and circumstances, the state body has decided to initiate or is deciding whether to initiate litigation.

B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS.

The Commission may consider matters that fall under Government Code section 11126, subdivision (c)(7), under which, prior to the purchase sale, exchange, or lease of real property by or for the Commission, the directions may be given to its negotiators regarding price and terms of payment for the purchase, sale, exchange, or lease. At the time of publication of this Agenda, it is not anticipated that the Commission will discuss any such matters; however, at the time of the scheduled meeting, a discussion of any such matter may be necessary or appropriate.

Adjournment	209
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P R O C E E D I N G S

1
2 CHAIRPERSON YEE: Good afternoon. I'll call the
3 meeting of the State Lands Commission to order. All the
4 representatives of the Commission are present. I'm State
5 Controller Betty Yee. And I'm joined by -- today by Mr.
6 Rhys Williams, representing Lieutenant Governor Gavin
7 Newsom, and Jacqueline Wong-Hernandez representing the
8 Department of Finance.

9 For the benefit of those in the audience present
10 here today in Oakland and at our satellite location in
11 Rancho Palos Verdes, as well as those watching the
12 webcast, the State Lands Commission manages State property
13 interests in over five million acres of land including
14 mineral interests. The commission also has responsibility
15 for the prevention of oil spills, and marine oil
16 terminals, and off-shore platforms, and for preventing the
17 introduction of marine invasive species into California's
18 marine waters.

19 We recognize that the lands we manage have been
20 inhabited for tens of thousands of years by California's
21 native peoples represented today by over 150 tribal
22 entities, and takes seriously our trust relationship with
23 these sovereign governments.

24 Today, we will hear requests and presentations
25 involving the lands and resources within the Commission's

1 jurisdiction.

2 The first item of business will be public
3 comment. And I see that there are a number of people who
4 have signed up to address the Commission. Are there --
5 let me call you up in order and if --

6 MR. BAKER: You want to do L.A., first? The
7 folks in L.A. first?

8 CHAIRPERSON YEE: Shall we do L.A. first?

9 EXECUTIVE OFFICER LUCCHESI: It's up to you.

10 CHAIRPERSON YEE: Oh, let me see how many we
11 have.

12 EXECUTIVE OFFICER LUCCHESI: We have about 15
13 people in L.A. --

14 CHAIRPERSON YEE: Okay.

15 EXECUTIVE OFFICER LUCCHESI: -- in Rancho Palos
16 Verdes.

17 CHAIRPERSON YEE: In Rancho Palos Verdes. Okay.
18 Let's put over public comment until we have those who are
19 joining with us at the satellite location weigh in, if we
20 could.

21 Okay. Shall we skip right to that, Ms. Lucchesi.

22 EXECUTIVE OFFICER LUCCHESI: Yeah. So, Mr.
23 Foster, Mr. Johnson or Ms. Mongano in the Ranchos[SIC]
24 Palos Verdes location, if you can start calling up the
25 public commenters.

1 EXECUTIVE OFFICER LUCCHESI: Do we have them --
2 are we connected with them?

3 Why don't we -- Chair?

4 CHAIRPERSON YEE: Yes.

5 EXECUTIVE OFFICER LUCCHESI: Why don't we start
6 with the public comments here --

7 CHAIRPERSON YEE: Here, yes.

8 EXECUTIVE OFFICER LUCCHESI: -- while they get
9 the satellite location --

10 CHAIRPERSON YEE: The feed all up.

11 EXECUTIVE OFFICER LUCCHESI: -- A stronger
12 connection.

13 CHAIRPERSON YEE: Sure. Okay, very well.

14 So we do we have a number of people signed up for
15 public comment. When I call your name, please forward to
16 the front row. We have Jed Humphries, Anthony Evans,
17 Michael Brownrigg. Why don't we start with these three
18 and then we'll continue. Mr. Jed Humphries.

19 If you'll state your name for the record, and
20 you'll see the time clock right in front of you. So we'll
21 keep track of time there. Good afternoon.

22 MR. HUMPHRIES: I appreciate that very much.

23 I'm here from Dockettown. It's in Redwood City.
24 The area that Dockettown occupies is -- was given over to
25 city control there in the port. The port only occupies

1 the frontal part of the Redwood City Slough, and so the
2 rear part is simply administered by the city currently.

3 The city has decided that the -- they have
4 decided that they think that the rental and occupation of
5 Docktown is illegal. This was during an out-of-court
6 negotiation with another party. Then -- so they gave us
7 notice and I started, you know, really going through the
8 laws surrounding the rental property. And they did give
9 me a partial relocation benefit thing, but there's no
10 payment for temporary lodging. Docktown is slated to
11 close tomorrow, which means I'll be homeless.

12 There's also mobile home rent control ordinance
13 adopted in the San Mateo county. And part of rent control
14 is non-termination without just cause. If Docktown is
15 actually illegal, it's my understanding of laws and stuff
16 that you have to have a judge rule that something is or is
17 not illegal.

18 And so I was wondering if the Commission could
19 issue a stay -- like maybe a 90 day or something stay,
20 just to have this reviewed by a judge, just to make sure
21 that it is, in fact -- I don't feel like I'm doing
22 anything illegal.

23 Your -- right here in your staff report for
24 today's meeting, it mentions on page five -- staff report
25 90, page five commercial marinas. And, you know, there is

1 some commercial activity that is going in on Docktown
2 Marina. So we know that the commercial Marinas exist and,
3 you know, our part of State Lands. That's what you guys
4 do.

5 So, you know, I don't know if there's anything
6 else to be said. And, you know, like I remain -- I yield
7 the remainder of my time, 30 seconds, to give me like kind
8 of a yes or no, I guess.

9 CHAIRPERSON YEE: Okay. Would you state your
10 name for the record, please.

11 MR. HUMPHRIES: Jed Humphries. Okay. Thank you
12 very much. Ms. Lucchesi, do -- we've had -- Mr.
13 Humphries, I'm going to just have you please take a seat,
14 and just maybe review for you where this Commission has
15 been with respect to this issue, and the unfortunate
16 situation that you're under relative to Docktown closing.

17 MR. HUMPHRIES: Just have a judge look it over
18 and make sure it isn't illegal.

19 EXECUTIVE OFFICER LUCCHESI: Yeah, I understand
20 what you're asking from the Commission. And
21 unfortunately, we don't have that kind of authority or
22 jurisdiction to request that kind of action from a judge.
23 In this particular situation, these lands and resources
24 have been granted to the City of Redwood City, and the
25 Commission does not have leasing or direct jurisdiction

1 over these tidelands. And this was a decision that was
2 made by the city over the course of many years. And as
3 the Commissioners may remember, we did, at the direction
4 of the Commission, try to find a path forward that would
5 meet everybody's needs, and unfortunately -- including
6 special legislation, and unfortunately that did not get
7 accomplished.

8 MR. HUMPHRIES: You mean special legislation,
9 there was a line item in there that said that it would
10 make all --

11 CHAIRPERSON YEE: Would you go back up, please.

12 EXECUTIVE OFFICER LUCCHESI: Please come up.

13 MR. HUMPHRIES: In that special legislation,
14 there was a line item in there that made -- that was going
15 to outlaw all further use of basically sleeping on your
16 boat on a State Lands. Like, I mean, we couldn't do that.
17 You know, I mean, you can't -- you know, sure maybe we
18 could have gotten a few more years out of that. But, you
19 know, as people who enjoy boating, you know, are we going
20 to outlaw you all sleeping on of boats?

21 EXECUTIVE OFFICER LUCCHESI: No, I understand
22 what you're saying. And I don't -- I don't quite recall
23 that particular instance. But I think what I would
24 suggest is maybe Sheri Pemberton of our staff of our
25 External affairs Division, who has worked on the Docktown

1 issue for a number of years, including with the City,
2 maybe you guys can connect and she can hear more about the
3 concerns that you have.

4 MR. HUMPHRIES: So just five seconds, I guess.

5 EXECUTIVE OFFICER LUCCHESI: Right.

6 MR. HUMPHRIES: So the city has based this
7 opinion of whether -- of illegality based on a letter that
8 was sent from the State Lands Commission. And so if the
9 State Lands simply says while the opinion of the clerk
10 that originally sent that is their, you know, opinion, or
11 possibly the opinion of State Lands, you know, that we
12 require that the -- you know, a judge look over and, you
13 know, sign off on that opinion to make that, you know,
14 actually illegal, because I think that's required of laws,
15 you know, that like if somebody is breaking a law, that a
16 judge, or somebody that has to, you know, say hey, I'm
17 breaking the law.

18 I don't -- I feel like I'm innocent. I've been
19 paying my rent for years. And now today, they won't
20 accept my rent. That they sent me an invoice, a bill, and
21 then they just said no, you know what, forget it, we're
22 not going to accept that.

23 So I have -- I have the bill at home on my boat.
24 And yet, they won't accept my rent. Who would do I talk
25 to here.

1 CHAIRPERSON YEE: Ms. Lucchesi, let me make a
2 suggestion. Perhaps, Sheri can work with Mr. Humphries.
3 I don't know what resources were established for this
4 eventuality with respect to those who are residing in
5 Docketown, but I'm sure the city, and perhaps even the
6 county, but I would suggest also maybe contacting the
7 legislators who represent that area to see what resources
8 are available to help those who are going to be displaced.

9 Mr. Humphries, we --

10 MR. HUMPHRIES: I'm going to be out tomorrow, you
11 know.

12 CHAIRPERSON YEE: We understand that. And let's
13 see what we can do to help you find some resources. But,
14 you know, this Commission acted on the authority that
15 was -- that -- you know, statute governs all of this. And
16 so part of why we wanted to go back to the legislature was
17 to see whether there were some provisions that could be
18 enacted based on the concerns that we'd heard from the
19 residents. And unfortunately, those negotiations fell
20 apart.

21 But I do think that, as a constituent, a couple
22 of our legislators that -- and also I've got to think that
23 there were resources established to help with transition
24 and assistance for the residents there. So let us help
25 you try to locate some of those.

1 And I understand your frustration, and I am very
2 sympathetic, as I'm sure the rest of the Commissioners,
3 but our hands are tied with respect to the Commission can
4 do.

5 Sheri, do you want to just connect with Mr.
6 Humphries.

7 Okay. Ms. Pemberton will connect with you there.

8 Thank you.

9 Mr. Evans.

10 MR. EVANS: My name is Tony Evans. I'm an owner
11 of a pier and buoy in -- at lake Tahoe. I'm actually
12 noted to be a really fabulous negotiator in real estate.
13 I've been doing it since 1965, but I'm no match for staff.
14 They're to be complimented.

15 We had a buoy for \$35 a year in 2011, per year,
16 and \$50 a year for the piers. The new benchmark was
17 established, and I came in for a new pier lease, and I had
18 three years left on my Buoys. And I was paying \$35 a year
19 for those last three years. And they said, well, you need
20 a new pier lease, so we -- and we have to combine those.

21 So I signed up for the 2012 new benchmark and I
22 was paying \$1,780, but \$377 for the last three years of
23 those buoys, and that's little over \$1,100 extra that I
24 paid for that privilege of making a new lease.

25 And then, of course, if you add those up, and

1 then the impact area was changed, so I came in to be in
2 compliance with that, and be \$800 for that. So in the
3 first two years of my lease, I paid \$2,775 in fees, and
4 enjoyed the additional cost of the new benchmark formula,
5 which I think what staff has done, and over the years I
6 think you've done a marvelous job with the resources that
7 you had.

8 But I also want to thank you for all the time
9 that you've given us on revisiting this, and analyzing the
10 benchmark in a fairer way. Because your focus early on,
11 when you were proposing this, it was including the CPI --
12 in addition to CPI in 2014, with certainty, clarity,
13 transparency -- transparency of the policy, clarity of
14 understanding by the lessees and fairness to the lessees.

15 And I just want to thank you for all of that and
16 tell you, Commissioner Yee, and Commissioner's
17 representatives that your talented people way outweigh me
18 in terms of negotiating.

19 And I'll address the -- I do think for -- since
20 it's not on the agenda, to be totally fair, totally fair
21 to us, the Commission delegated the authority to the
22 Director to make changes and do things. I don't think
23 that you can do that with the CPI, but I know that you can
24 do it with the fees that you charge to bring the proposed
25 rental approved by the Commission to us the fees that you

1 charge, if you're just changing the rent. I truly hope
2 that that's able to be reduced to a reasonable level that
3 people can justify for that particular -- that's one
4 change in a lease. I've changed a lot of leases in my
5 time.

6 Thank you very much for your thoughts, and your
7 consideration.

8 CHAIRPERSON YEE: Thank you, Mr. Evans for the
9 input.

10 CHAIRPERSON YEE: Mr. Brownrigg.

11 BURLINGAME MAYOR BROWNRIGG: Thank you very much
12 Commissioners, and Madam Executive Officer, I appreciate
13 being here. I'm Michael Brownrigg. I'm the Mayor of
14 Burlingame. I'm not here for an agenda item, and I
15 recognize a big agenda when I see it, so I'll try to be
16 quick, but I did want to come here and speak personally.

17 And I'm here to thank staff and all of you for
18 your focus and energy on an opportunity in Burlingame that
19 I think can really make a difference for our city and for
20 our whole region, our city of 30,000 people, our county of
21 750,000 people. And that's an eight-acre parcel that's on
22 the bay side that the State Lands controls. Now, that's a
23 small piece of property in your universe. It is a huge
24 piece of property in our universe, and let me explain why.

25 Right now, that piece of property has been --

1 Is there feedback? You can hear?

2 CHAIRPERSON YEE: You're all right, yes.

3 BURLINGAME MAYOR BROWNRIGG: Right now that piece
4 of property has been ring fenced for about 40 years. It's
5 full of weeds, full of cats, full of broken bottles. Our
6 city is trying to embrace the bay. So right across the
7 street from your piece of land, at the end of next year
8 will be a \$400 million office park, 3,000 new workers
9 coming every day to our bayside, that complements the
10 3,500 people who live over there on our hotels every
11 night. It is a well-used and big part of our future.

12 Over the last 10 years, our city the population
13 of kids in our K-8 school district, kindergarten to 8th
14 Grade has grown by 40 percent over 10 years. That's
15 without adding hardly any new housing. That's because
16 people are being pulled into our city, and we welcome
17 them, but that creates a lot of additional struggle for
18 field space, for open space. And in addition to that,
19 we're heeding the Governor's request, and his really --
20 his demand that we all create more housing on the
21 peninsular.

22 So our little city is committed in our general
23 plan, which we hope to adopt this summer, to increase our
24 population by 20 percent over 15 years. That is a
25 significant lift for a city like ours. And let me tell

1 you, it is not a politically popular lift, but we're
2 willing to do that. But as we do those sorts of things,
3 we need more open space. We need more fields. We need
4 more parks. And that's why your land is so critical to
5 this effort.

6 Density is easier if it comes with open space.
7 So I'm here -- Assemblyman Mullin is supportive of this
8 project, Senator Jerry Hill is supportive of this project.
9 We are here to beg your partnership and to help us unlock
10 the value of this land. State Lands Commission staff has
11 recommended that we work in a public-private partnership
12 format. Our city is happy to do that. We're doing that
13 right now with a significant affordable housing project in
14 our downtown. We're doing that with creating a new town
15 square in the middle of our downtown. Both of those are
16 public-private partnerships, so we're used to that format.

17 We welcome you on March 22nd. I will be out of
18 town, one reason I wanted to be here today. It doesn't
19 reflect how I feel about this issue. So please, you know,
20 work with us, and be a hero for our county. Thanks very
21 much.

22 CHAIRPERSON YEE: Thank you, Mayor Brownrigg.

23 Up next we have a number of other speakers.

24 Mr. Dan Slanker, Jennifer Savage, and Neal Desai,
25 if you'll come forward.

1 MR. SLANKER: Good afternoon, Ms. Yee --

2 CHAIRPERSON YEE: Good afternoon.

3 MR. SLANKER: -- and council members.

4 I'm Dan Slanker. I'm the president of the
5 Redwood Creek Association at Docketown. I know Jed.

6 So I thought I'd like to begin with just a fact
7 that I ran across here. The largest growing segment of
8 the homeless population is, believe it or not, families.

9 So that kind of tells you the State of things.

10 So I -- actually, what I have is a question for the staff.
11 And you don't necessarily have to answer today. Maybe I
12 can have a follow-up here, but this would be in regards to
13 grandfathering of Docketown or any Public Trust use
14 question. And when you say that you are obligated to look
15 for all the 38 million populous of California's interests,
16 how do you know that you are, in fact, doing what the
17 Californians want you to do?

18 I'll say that with a -- that I don't really know
19 the insides and outs of the State Lands Commission's and
20 how these things are done, but I would be very interested
21 to know that. And there is a bit of an underlying
22 information there is that at the -- for the RCA, we have
23 been experimenting with some new technology democracy,
24 basically where we send things out on surveys and it's --
25 it works very well. So I'm wondering how much of that is

1 being embraced by the State Lands Commission?

2 And again, I can follow up with that question at
3 a later time. And also, I had asked for some information
4 about maps and so forth on the State Lands Commission's --
5 just on the website fill out more there. And I never got
6 any feedback from it, so I don't know who to talk to.

7 CHAIRPERSON YEE: Okay. We'll be sure to have
8 staff follow up with you.

9 MR. SLANKER: Pardon?

10 CHAIRPERSON YEE: We'll be sure to have staff
11 follow up with while you're here today.

12 MR. SLANKER: Thank you.

13 CHAIRPERSON YEE: Thank you, Mr. Slanker.
14 Jennifer.

15 MS. SAVAGE: Jennifer Savage, Surfrider
16 Foundation. I just wanted to thank the Commission and the
17 staff for your steadfast opposition to new offshore oil
18 drilling in our waters, and to Chair Yee for your powerful
19 statements at the February 8th rally in Sacramento.

20 We have not been under this kind of threat in a
21 long time. The bipartisan support for no new offshore oil
22 drilling is well documented. And I think frankly,
23 Californians became somewhat complacent, because there is
24 certainly no lack of other things to argue about.

25 But in these times that we live in with the

1 current federal administration, there are all matters of
2 health and safety and environment that are under threat,
3 and we need strong leadership in a way that we haven't
4 quite frankly in a very long time.

5 And it is reassuring that as people are
6 mobilizing all over this country to try to fight for
7 American ideals and the protection of the world that we
8 value to have such stronger leadership in our state. So I
9 just wanted to thank you for that.

10 CHAIRPERSON YEE: Thank you, Jennifer.
11 Neal.

12 (Thereupon an overhead presentation was
13 presented as follows.)

14 MR. DESAI: Good afternoon, Commissioners.

15 My name is Neal Desai with the National Parks
16 Conservation Association. And on n behalf of National
17 Park lovers across the state and tours and businesses in
18 the California desert, I'm here to say thank you. Thank
19 you for paying attention and caring about Mojave -- the
20 Mojave Desert.

21 --o0o--

22 MR. DESAI: Thank you for giving me this.

23 Thank you for supporting the creation of our
24 national monuments. In the California desert, we have
25 California's largest national monument, the 1.6 million

1 acre Mojave Trails National Monument, which has supported
2 all sorts of Public Trust resources and wildlife, and has
3 welcomed so many visitors from across California.

4 I also want to thank you for understanding the
5 value of our tourism economy. Your work to help protect
6 the California desert in 2016 alone has helped generate
7 over 155 million in visitor spending, and protecting more
8 than 2,100 local permanent jobs. This is critical
9 direction that we're going in.

10 --o0o--

11 MR. DESAI: Standing in the way of all this
12 progress, all of the work that people have been doing for
13 decades is a Cadiz Water Mining Project, which proposes to
14 drain 16 billion gallons of water, or 50,000 acre feet
15 annually from the Mojave Desert.

16 --o0o--

17 MR. DESAI: This project was dead until Trump
18 came into office. The Obama Administration had required
19 your standard federal review and the permit. Trump came
20 in and all this stuff got wiped away. This lists some of
21 the highlights of it. But just to give you a flavor of
22 what's been going on.

23 The Cadiz representative headed up the Trump
24 transition team. Somehow, Cadiz became a national and
25 emergency security project for the country. All of the

1 laws and legal opinions were tossed out. And last
2 October, the Trump Administration said we have no
3 oversight over this project, no reason for us to be here.

4 --o0o--

5 MR. DESAI: So why does the Trump-Cadiz
6 partnership want to silence the science? And it's
7 precisely because the independent scientists, some of the
8 most respected agencies in the country, the USGS and the
9 National Parks Service, has found that Cadiz wants to pump
10 50,000 acre feet a year. And less than 10 percent of that
11 is naturally recharged. It's called groundwater mining.
12 It's a direction that California has been moving away from
13 for a long time.

14 So I just wanted you to know that you guys are on
15 the right side in terms of paying attention to this area.
16 Hispanic Access Foundation poll from last week came out,
17 it showed that California voters strongly reject the type
18 of activities and actions that the Trump Administration
19 has taken on national monuments including the Cadiz
20 project by -- you know, voters were given the Cadiz
21 talking points by jobs and water supply. And they, by
22 more than a three to one margin said we don't want this
23 project.

24 And for Democrats it was by more than a five to
25 one margin. And for independents, it was by more than six

1 to one margin. This is widely opposed in the desert.

2 --o0o--

3 MR. DESAI: And it's bad water policy. This is
4 what LADWP, our nation's largest utility has said when
5 rejecting the project as well. So thank you for looking
6 out for California. Thank you for not shilling for this
7 project. This is an important issue to be paying
8 attention to. Thank you.

9 CHAIRPERSON YEE: Thank you, Mr. Desai.

10 Are there any other members of the public here in
11 Oakland who wish to come forward?

12 Okay. One other speaker. Good afternoon.
13 Please introduce yourself for the record.

14 MS. GOMEZ: First of all, for clarification, the
15 item I'm speaking on is Item number 93, so I'm not sure
16 if -- if there is a separate time for public comment on
17 this item.

18 CHAIRPERSON YEE: Yes, there is. Yes, when that
19 item is called, we'll --

20 MS. GOMEZ: Okay. Got it. Thank you.

21 CHAIRPERSON YEE: -- we will have you come up.
22 Thank you.

23 All right. Seeing no other members of the -- are
24 there members in the audience?

25 Are you speaking on a specific item, ma'am?

1 MS. RASMUSSEN: I put in a letter in from the
2 Tahoe Cedars Property Owners Association. The President
3 just had a surgery. And I wanted to make sure you
4 received that. I'm happy to read it, but I want to make
5 sure you received the copy.

6 CHAIRPERSON YEE: We'd be happy to accept -- we'd
7 be happy to accept a copy to incorporate into the record.
8 It's already been submitted?

9 Okay.

10 I'm sure we have it, if it's been submitted.

11 EXECUTIVE OFFICER LUCCHESI: And I believe that's
12 being submitted under Item 90.

13 CHAIRPERSON YEE: Ninety, right, when that item
14 comes up. Okay.

15 MR. TOWNSEND: Thank you, Madam Chair. I wanted
16 to make comment on an item on the consent agenda.

17 CHAIRPERSON YEE: Okay. What item is that, sir?

18 MR. TOWNSEND: It was Item 45.

19 CHAIRPERSON YEE: Okay.

20 MR. TOWNSEND: Is this the appropriate time?

21 CHAIRPERSON YEE: I'm going to -- I'm going to
22 have you hold tight for just one moment.

23 MR. TOWNSEND: Oh, yeah, that's fine. I'm
24 just --

25 CHAIRPERSON YEE: Okay. We will call you up.

1 MR. TOWNSEND: Okay. Thank you.

2 CHAIRPERSON YEE: Yes. Thank you.

3 All right. Seeing no other general public
4 comment from the audience in Oakland, we will now go to
5 our audience in Rancho Palos Verdes. Do we have speakers
6 ready to comment?

7 EXECUTIVE OFFICER LUCCHESI: Ben, Ken, or Sarah,
8 if you guys could start calling up members of the public
9 that wish to speak.

10 CHAIRPERSON YEE: Let us just get the volume
11 adjusted. We cannot hear you.

12 All right. Shall we return to the agenda, Ms.
13 Lucchesi?

14 EXECUTIVE OFFICER LUCCHESI: Yes.

15 CHAIRPERSON YEE: Let's do that.

16 All right. While we are getting the feed
17 adjusted so we can hear members down there. Why don't we
18 go back to the agenda. And I think the next item of
19 business was the adoption of the minutes.

20 Item number 3, the minutes from October 19th,
21 2017 and November 29th, 2017.

22 May I have a motion to approve the minutes.

23 COMMISSIONER NEWSOM: So moved

24 CHAIRPERSON YEE: Okay. Motion by Commissioner
25 Newsom

1 Do you want to second.

2 ACTING COMMISSIONER WONG-HERNANDEZ: I can
3 second, but I'll be abstaining from the minutes, because I
4 wasn't here.

5 CHAIRPERSON YEE: Okay. All right. I'll second
6 the motion.

7 All right. Without objection, I think
8 Commissioner Wong-Hernandez you'll abstain?

9 ACTING COMMISSIONER WONG-HERNANDEZ: I'll
10 abstain.

11 CHAIRPERSON YEE: Those minutes are approved on
12 a two to -- 2-0 vote.

13 EXECUTIVE OFFICER LUCCHESI: Yep.

14 CHAIRPERSON YEE: Okay. Thank you.

15 Next order of business is Ms. Lucchesi, your
16 Executive Report.

17 EXECUTIVE OFFICER LUCCHESI: Yes.

18 CHAIRPERSON YEE: Please.

19 EXECUTIVE OFFICER LUCCHESI: Thank you very much.
20 I have a number of items I'd like to update the Commission
21 and the public on.

22 The first item is a short update on our San Diego
23 Ocean Planning Partnership Pilot Project. The San Diego
24 Ocean Planning Partnership made significant progress in
25 2017, engaging with stakeholders and collecting data to

1 support the creation of an interactive spatial tool that
2 will help inform ocean resource management and planning.

3 Now, in 2018, we are wrapping up our initial
4 stakeholder engagement meetings, planning, upcoming
5 community meetings, and drafting our preliminary
6 assessment report of our findings with recommendations for
7 the next phase of the planning. And this is all in
8 partnership with the Port of San Diego.

9 At the same time, we are moving forward with the
10 development of the interactive spatial tool, which we will
11 preview at the end of 2018. Our staff will be traveling
12 to San Diego at the end of March for a work session with
13 port staff and to meet with key stakeholders, including
14 the Navy and the Maritime Alliance.

15 I also wanted to update the Commission on BOEM's
16 OCS oil and gas lease sale program. As you know, the
17 Bureau of Ocean Energy Management Released their 2019-2024
18 Oil and Gas Leasing Draft Proposed Program in January of
19 this year. And it calls for all outer continental shelf
20 waters to be opened for oil and gas exploration and
21 drilling.

22 This has sent a ripple of alarm throughout not
23 only California, but all coastal states concerned about
24 the catastrophic impacts of offshore oil and gas
25 development.

1 Here, in California, many of our State leaders,
2 including our Commissioners, as well as the Governor have
3 already acted swiftly to publicly urge the Bureau and the
4 Department of the Interior to withdraw the State of
5 California from consideration of new leases.

6 We know that offshore oil and gas development
7 could irreparably harm our abundant natural resources that
8 are at the foundation of the Public Trust, and
9 inextricably linked to our strong coastal economy that
10 accounts for 85 percent of the state's GDP.

11 Commission staff is coordinating with our sister
12 agencies, including the Ocean Protection Council and the
13 Coastal Commission to submit additional comment letters in
14 opposition to the draft proposed program that will in
15 greater detail explain our objections and concerns based
16 on our unique jurisdictions, but also speak to our common
17 vision for sustainable and vibrant California coast.

18 So the Commissioners signed and sent a letter to
19 BOEM a couple of weeks ago expressing the State Lands
20 Commission's opposition. Staff is following up with a
21 more detailed technical letter really analyzing the
22 proposed program and our concerns with it from a technical
23 perspective.

24 We have a -- the Commission, along with its
25 sister agencies, has worked diligently over the last few

1 years to transition the state away from conventional
2 energy sources and to embrace renewable energy, like wind
3 and solar. We believe renewable energy sources have to be
4 prioritized to stem the tide of climate change and ensure
5 a strong and healthy environment.

6 And we are not alone, our Commission staff is
7 also collaborating with Washington and Oregon, and as well
8 as many other coastal states in the North East and
9 Mid-Atlantic. On behalf of the public, we will stand
10 together in opposition to any new oil and gas development
11 in the federal OCS.

12 I also wanted to mention a personnel change at
13 the Commission. We have recently hired a new Chief for
14 our Administrative Services Division. Her name is Denise
15 Cook. She has been with the Commission for many years,
16 and she has a comprehensive budget and fiscal skills,
17 knowledge, and experience and incredible leadership
18 ability. She will be in charge of our human resources
19 division, as well as our accounting and our budgetary
20 division. And we're really looking forward to working
21 with Denise in her new role. And I'm sure you will get to
22 know her, especially as it relates to budgets,
23 particularly in the next couple months as we start
24 participating in our budget subcommittees in front of the
25 legislature.

1 Speaking of budgets, I did want to update the
2 Commission on the Commission's budget in the 2018-19
3 Governor's budget proposal. We -- our Commission
4 proposes -- or, excuse me, the Governor's budget proposals
5 a total -- proposes a total expenditure of \$103 million
6 for the Commission. This expenditure total is more than
7 double the current year estimated expenditure level. This
8 is -- there is a significant expenditure increase due to
9 the decommissioning activities associated with Rincon
10 Island and Platform Holly.

11 Of the total proposed expenditures, 77 million,
12 or 79 percent, is from the general fund, 14 million, or 14
13 percent, is from the Oil Spill Prevention and
14 Administration Fund, and the remainder is from various
15 other special funds.

16 The majority of the new funding request, 64
17 million, is within the general fund, along with 2.3
18 million from the new fund source Environmental License
19 Plate Fund. And the Commission's proposed budget also
20 includes an annual transfer of tideland oil and gas
21 revenues of \$2 million to the Kapiloff Land Bank Fund.
22 This funding is related to the Commission's leadership in
23 receiving statutory authorization to support our coastal
24 hazards and legacy well removal program. This was SB 43
25 -- 44, excuse me, by Senator Hannah-Beth Jackson.

1 And finally, our Legislative Budget and Fiscal
2 Committee hearings are scheduled for late April 2018. Our
3 Assembly hearing is scheduled for April 25th and our
4 Senate hearing is scheduled for April 26th.

5 The Legislative Analyst's review of the
6 Commission's budget supports the plugging and abandonment
7 funding and suggests that the Commission provide a status
8 update on the work and funding to the legislature in early
9 2019, which should not be a problem. We update the
10 Commission almost at every Commission meeting and will
11 continue to do so this year.

12 And then finally, I do just have one technical
13 correction to make to the continuation of rent items under
14 the Executive report -- Executive Officer's report on the
15 agenda. The third to the last bullet it relates to lease
16 number 9034.1, the continuation of rent should be \$201 not
17 \$301.

18 And that concludes my Executive Officer's report.

19 Thank you.

20 CHAIRPERSON YEE: Great. Thanks, Jennifer.

21 Questions or comments, Commissioners?

22 Okay. Very well. Thank you.

23 Our next order business will be the adoption of
24 the consent calendar. And I believe Ms. Lucchesi, we have
25 a number of items that we'd like pulled?

1 EXECUTIVE OFFICER LUCCHESI: Yes. I do want to
2 be very clear about what we're doing --

3 CHAIRPERSON YEE: Yes.

4 EXECUTIVE OFFICER LUCCHESI: -- for the consent
5 agenda. This is a little different than how we normally
6 approach this. For this meeting, I ask that the
7 Commission to vote on consent items C 26 through C 85, and
8 I'd like to remove C 44, C 52, C 63, and 78 and 79
9 completely from the agenda to be considered at a later
10 date.

11 CHAIRPERSON YEE: Okay.

12 EXECUTIVE OFFICER LUCCHESI: Items C 45 and C 86
13 I would like to move to the regular agenda, because we do
14 have members of the public that would like to speak on
15 those items.

16 CHAIRPERSON YEE: Okay. And that will be placed
17 at the end of the agenda then.

18 EXECUTIVE OFFICER LUCCHESI: Okay. And then
19 consent items C 01, through C 25 will -- I propose to be
20 taken up after the Commission considers regular item
21 number 90 --

22 CHAIRPERSON YEE: Okay

23 EXECUTIVE OFFICER LUCCHESI: -- because those are
24 directly impacted by the Commission's consideration of
25 that item.

1 CHAIRPERSON YEE: All right. Very well.

2 So we have before us, Commissioners, the consent
3 calendar Items C 26 through C 85 properly before us.

4 May I have a motion?

5 COMMISSIONER NEWSOM: So moved.

6 CHAIRPERSON YEE: We have a motion by
7 Commissioner Newsom.

8 ACTING COMMISSIONER WONG-HERNANDEZ: Second.

9 CHAIRPERSON YEE: Second by Commissioner
10 Wong-Hernandez.

11 Without action, those items are adopted.

12 We have moved C 45 and C 86 to the end of the
13 agenda. Item C 01 through C 25 we will hear after C 90 in
14 a consolidated fashion related to the --

15 EXECUTIVE OFFICER LUCCHESI: Correct.

16 CHAIRPERSON YEE: -- with -- in coordination with
17 a related item.

18 Okay. And all other items being removed to a
19 later agenda.

20 EXECUTIVE OFFICER LUCCHESI: Yes.

21 CHAIRPERSON YEE: Okay. Very well. All right.
22 Thank you.

23 Okay. Our next order of business is then the
24 regular calendar.

25 EXECUTIVE OFFICER LUCCHESI: Yes.

1 CHAIRPERSON YEE: And we have Item 88, which is
2 an informational update on the Commission's 2016 to 2020
3 strategic plan implementation.

4 Why don't we have a presentation.

5 Good afternoon.

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

8 ASSISTANT EXECUTIVE OFFICER CONNOR: Good
9 afternoon, Commissioners. My name is Colin Connor. I'm
10 the Assistant Executive Officer. And I'm here to provide
11 and update on the Commission's 2016-2020 strategic plan.

12 This is our second update on the strategic plan,
13 but because we have a new Commission member, I'd like to
14 back up a little bit and provide some background. In
15 December 2015, the Commission adopted the 2016 to 2020
16 strategic plan. The plan was a result of extensive
17 stakeholder input and collaboration. It was designed to
18 enable the Commission to adapt to emerging challenges,
19 such as climate change and sea level rise, while creating
20 a framework to effectuate the Commission's mission and
21 vision.

22 --o0o--

23 ASSISTANT EXECUTIVE OFFICER CONNOR: This is
24 the -- on the slide here is the Commission's mission and
25 vision. I'll spell -- or spare you my PowerPoint reading

1 skills and just hold it there for a moment. I would like
2 to highlight a part under the vision statement about the
3 Commission being a recognized leader. This is especially
4 tru when it comes to our Marine Invasive Program, our oil
5 spill prevention and sea level rise efforts -- awareness
6 efforts to name just a few.

7 --o0o--

8 ASSISTANT EXECUTIVE OFFICER CONNOR: The
9 strategic plan contains four goals. They are: Lead
10 innovative and responsive -- responsible land and resource
11 management; meet the challenges of our future; engage
12 Californians to help safeguard their Trust lands and
13 resources; and lastly as the foundation, cultivate
14 operational excellence by integrating technology.

15 Staff then developed an internal implementation
16 plan that identifies the lead division and staff champion,
17 as well as the participating divisions for all key actions
18 and targeted outcomes.

19 The plan identifies the approximate timeframe
20 during the 2016-2020 planning period for implementation of
21 each targeted outcome. Some Targeted outcomes may be
22 completed in a specific year, while others are
23 anticipate -- anticipated to take multiple years where it
24 will be implemented over the course of the entire planning
25 period.

1 --o0o--

2 ASSISTANT EXECUTIVE OFFICER CONNOR: Staff
3 monitors progress through the use of tracking sheets for
4 each of the targeted outcomes. And this is an example of
5 one the tracking sheets.

6 Of the 146 targeted outcomes, 30 are now
7 complete, which is 23 more than were completed in 2016,
8 106 are in progress, and six have not yet started.

9 Now, I'd like to go over some of the notable
10 accomplishments in 2017.

11 --o0o--

12 ASSISTANT EXECUTIVE OFFICER CONNOR: While the
13 staff report contains many additional accomplishments,
14 these are our top 10.

15 (Laughter.)

16 --o0o--

17 ASSISTANT EXECUTIVE OFFICER CONNOR: Before I get
18 into that though, I'd like to note that the Commission
19 held six regular meetings and one special meeting in 2017.
20 The Commission considered 473 action items at those
21 meetings. Some of those actions will show up in these top
22 10 I'm about to show you, but others were achieved behind
23 the scenes as part of our everyday operations.

24 --o0o--

25 ASSISTANT EXECUTIVE OFFICER CONNOR: Starting at

1 number 10, the Commission generated over \$123 million in
2 revenue and net profits in 2017, almost double the 69
3 million generated in 2016. This is due largely to an
4 increase in oil prices. 2017 saw oil prices climb from
5 below \$40 a barrel to over 60. Most of the revenue, 83.7
6 million, is from oil and gas royalties and net profits.

7 Approximately 5.3 million of the revenue is from
8 geothermal leases, while another 1.9 million is from other
9 mineral leases. Surface leasing accounted for \$20.3
10 million, of which over one million went to Lake Tahoe
11 Science and Lake Improvement Accounted as mandated under
12 SB 630, Pavley.

13 Overall, the Commission's leasing activities
14 resulted in 103 million to the general fund and 6.3
15 million to California State Teachers' Retirement System,
16 also known as CalSTRS.

17 --o0o--

18 ASSISTANT EXECUTIVE OFFICER CONNOR: And I did
19 that. Let's go on to the next slide here.

20 THE COURT REPORTER: Could you get closer to the
21 microphone.

22 ASSISTANT EXECUTIVE OFFICER CONNOR: Absolutely.
23 And I am not getting the next slide up.

24 There we go.

25 The next one coming in at number nine is oil

1 spill prevention. During 2017, staff monitored 2,447 of
2 the 5,625 oil transfers conducted at marine oil terminals
3 in California, that's 44 percent of the total. During the
4 same period, over 729 million barrels of product were
5 transferred at the marine oil terminals. Each barrel is
6 42 gallons. Spills directly resulting from oil transfers
7 during this time were 32 gallons. That's less than one
8 barrel. This is way down from the 55.1 barrels spilled in
9 2016.

10 --o0o--

11 ASSISTANT EXECUTIVE OFFICER CONNOR: Next up,
12 Environmental Justice Policy. During the past year, the
13 Commission embarked on path to overhaul its environmental
14 justice policy anchored on statewide outreach with the
15 goal of understanding the different issues Californian's
16 face related to the public lands and resources the
17 Commission manages.

18 The staff anticipates completing its new
19 Environmental Justice Policy in 2018 and bring it before
20 the Commission for consideration at a regularly scheduled
21 public meeting. We'll have an informational presentation,
22 staff report number 95, on the subject a little bit later.

23 Related to this, the Commission remains
24 supportive of the efforts by the Cities of Imperial Beach
25 and Chula Vista and the Port of San Diego to address

1 Tijuana River pollution that has caused human health
2 problems, threatened local economies, and damaged the
3 environment.

4 --o0o--

5 ASSISTANT EXECUTIVE OFFICER CONNOR: Now, this
6 next one is the Port of San Diego Partnership. And I'm
7 not going to go into much -- a lot of detail. Jennifer
8 already summarized that in her Executive Officer's report.

9 --o0o--

10 ASSISTANT EXECUTIVE OFFICER CONNOR: A major
11 highlight of 2017 was the Commission's adoption of the
12 Legal Guide to the Public's Right to Access and Use
13 California's Navigable Waters, and the accompanying
14 Public's Rights to Access and use California's Navigable
15 Waters Brochure at it's November 2017 public hearing.

16 Both the legal guide and the brochure are
17 intended to aid in understanding the rights of the public
18 as well as their limitations. During the development of
19 the legal guide, staff received input from government
20 agencies, environmental, and river recreation groups, home
21 owners associations, private property rights advocates,
22 and others interested -- other interested members of the
23 public.

24 Some of the contributors included the American
25 Whitewater Association, Tahoe Lakefront Owners

1 Association, San Francisco Baykeeper, and the Pacific
2 Legal Foundation. The brochure is available in Spanish
3 and English.

4 --o0o--

5 ASSISTANT EXECUTIVE OFFICER CONNOR: During 2017,
6 staff initiated an evaluation of the potential for various
7 types of renewable energy resources on the lands under its
8 jurisdiction. The primary goal of the study is to gain a
9 better understanding of the lands and resources under the
10 Commission's jurisdiction and how they may fit within the
11 framework of local, state, and national renewable energy
12 trends.

13 Commission staff has begun to evaluate the
14 potential for selected renewable energy production types,
15 such as wind, solar, photovoltaic, geothermal energy, and
16 biomass, focusing primarily on the Commission's school
17 lands. Staff also initiated an evaluation effort for the
18 Commission's offshore lands, including onshore wind, wave,
19 and tidal renewable energy production.

20 Initially, Commission staff conducted a
21 comprehensive literature survey to become familiar with
22 the technology and operational aspects of the various
23 types of renewable energy projects. Staff then developed
24 a series of screening criteria for each type of renewable
25 energy resource, and land type, focusing on site

1 characteristics, as well as environmental considerations
2 such as Marine Protected Areas, National Marine
3 Sanctuaries, offshore and federal wilderness, conservation
4 and recreation areas, and national parks.

5 These screening criteria were then used to
6 identify parcels under the Commission's jurisdiction with
7 the highest potential for development. For all evaluated
8 parcels, the characteristics, and their associated
9 potential will be compiled in a database that will
10 eventually become a comprehensive list of lands, and their
11 respective renewable resource potentials.

12 Moving into 2018 and beyond, staff will continue
13 to build on this initial effort by collaborating with
14 various stakeholders, industry, environmental advocates,
15 local governments, and another agencies, such as the
16 California Energy Commission, and Public Utilities
17 Commission. Staff will be making a presentation on its
18 progress at a future commission meeting.

19 --o0o--

20 ASSISTANT EXECUTIVE OFFICER CONNOR: All right.
21 As I'm sure you know, we'll have a presentation on the
22 staff report 92 that will provide an update on the Becker
23 Well, but I'll give you a little background information on
24 this just to set the table for that presentation.

25 The Becker Onshore Well is a legacy well located

1 in the surf a zone Summerland Beach in Santa Barbara
2 County. Due to the presence of oil sheens in the ocean
3 and oil on Summerland Beach, remediation of the well is a
4 priority.

5 The first phase of the project involving
6 preliminary excavation and assessment of the well, and
7 preparation of an engineering feasibility study on how to
8 abandon the well was completed in 2015.

9 The Commission certified the Final EIR for the
10 project at its August 2017 public meeting. And the actual
11 plugging and abandonment of the well is underway right
12 now.

13 At the direction of Commission staff -- excuse
14 me. At the direction of the Commission, staff also
15 initiated a comprehensive study to assess the number and
16 status of other offshore old wells -- oil wells that may
17 not have been properly abandoned. To date, staff has
18 identified a total of 200 legacy wells. Of these, 192 are
19 located in the Summerland Oil Field offshore or Santa
20 Barbara County.

21 The remaining eight are in the Ellwood and Rincon
22 Fields, which were developed after sum -- after Summerland
23 some time around 1929.

24 Staff also created a GIS layer of these legacy
25 wells to assist in the further analysis of the exact

1 location and condition of these wells.

2 --o0o--

3 ASSISTANT EXECUTIVE OFFICER CONNOR: And like the
4 prior accomplishment, this one Rincon Island -- I'm not
5 going to go into a lot of detail, because it's also going
6 to be involved in the presentation on staff report 92.

7 But for background purposes, Rincon Island is an
8 artificial island in Santa Barbara Channel. The lessee
9 went into bankruptcy in August of 2016. The bankruptcy
10 trustee quitclaimed the leases back to the State in
11 December 2017. The Commission has secured facilities and
12 is now in the early stages of contracting for the plugging
13 and abandonment of the wells.

14 Through the Commission's actions, these offshore
15 oil and gas, leases involving approximately 1,551 acres of
16 tide and submerged land, have been added to the California
17 Coastal Sanctuary.

18 --o0o--

19 ASSISTANT EXECUTIVE OFFICER CONNOR: And next,
20 the Venoco and Platform Holly. This topic will also be
21 discussed as part of the presentation for 92.

22 But briefly, Venoco, LLC quitclaimed its
23 leasehold interest in three offshore oil and gas leases
24 back to the State, and filed for bankruptcy in April 2017.
25 The Commission subsequently secured the facilities, which

1 included offshore oil production at Platform Holly, and
2 two production piers, and con -- then contracted for crews
3 to manage the platform to prevent oil spills and discharge
4 of harmful hydrogen sulfide gas. Plugging and abandonment
5 activities will commence later this year.

6 Through these actions, three offshore oil and gas
7 leases, including the last oil platform within Santa
8 Barbara Channel have ceased operations in approximately
9 7,600 acres of tide and submerged land have been added
10 back to the California Coastal Sanctuary.

11 And coming in at number one --

12 --o0o--

13 ASSISTANT EXECUTIVE OFFICER CONNOR: -- on our
14 top 10 list of accomplishments:

15 In August 2017, the Commission in partnership
16 with the California Coastal Commission and the City of
17 Marina ratified an agreement with CEMEX relating to its
18 sand mining operation in Monterey County.

19 The agreement calls for the closure of the plant,
20 the last coastal sand mining operation in the continental
21 United States, by December 2020 with limits on how much
22 sand can be removed in the interim.

23 The timing of the closure allows for the
24 Responsible transition of the employees at the site to
25 other operations or other opportunities. The agreement

1 also calls for the site to be restored and sold to an
2 entity that will conserve the land and provide public
3 access.

4 Further, the agreement will conserve and protect
5 important public trust resources in the area, and reduce
6 the amount of coastal erosion down coast of the plant.
7 Commission staff is now working with Coastal Commission
8 staff and interested stakeholder groups on the acquisition
9 and transition of the property.

10 --o0o--

11 ASSISTANT EXECUTIVE OFFICER CONNOR: And that's
12 our top 10.

13 So, in addition to the top 10, there are other
14 notable accomplishments. I'm just going to call out a few
15 very quickly. So here's what they are. First of all,
16 staff, with assistance from one of its Sea Grant Fellows,
17 created a GIS base sea level rise viewer tool that enables
18 staff to view multiple data sets over zoomable aerial
19 imagery.

20 More information on this will be provided in the
21 presentation for staff report number 96.

22 Next, the GIS portal was implemented in 2017 with
23 multiple Commission map applications and layers, including
24 leases, school lands, mineral interests, geothermal, oil
25 and gas wells, abandoned mines, and marine oil terminals.

1 The GIS portal also utilizes external data sets,
2 including wildfire tracker, and NOAA's sea level rise.
3 Information on the portal provides spatial information to
4 assist staff in evaluating applications, making
5 assessments, and formulating recommendations.

6 And the next one is the Commission's Marine
7 Invasive Species rule that an on-line reporting system
8 that improved a labor-intensive air prone manual reporting
9 system with a secure air-checking web entry form, and work
10 flow for offshore ballast water exchange reporting.

11 And the last bullet up there is that the
12 Commission formalized a Public Trust coordination team
13 with the California Coastal Commission.

14 And these next slides, I'm going to go through
15 fairly quickly in the interests of time, but these are
16 what our plans are for 2018.

17 --o0o--

18 ASSISTANT EXECUTIVE OFFICER CONNOR: Just maybe
19 highlight a few of them.

20 So Becker Well should be -- it's underway right
21 now, and hopefully that will be done in the next few days.
22 Platform Holly and Pier 41 will be discussed in an
23 upcoming presentation.

24 Jennifer already mentioned the San Diego Ocean
25 Planning Partnership.

1 And the last bullet we've talked about as well.

2 --o0o--

3 ASSISTANT EXECUTIVE OFFICER CONNOR: And again,
4 these are all organized by strategic goal shown up in the
5 upper right-hand corner. And I'm going to go through
6 those.

7 One of note I am going to cite -- the second
8 bullet here is an RFP for a consultant developed school
9 lands investment plan. That is something so that we can
10 generate more revenue to contribute to CalSTRS.

11 And these things are currently underway and, as
12 mentioned earlier, complete the Environmental Justice
13 Policy. We've started the governmental alliance on race
14 and equity training. And we anticipate that being
15 completed this year.

16 Prevention First in September. And we're looking
17 to hold our Commission meetings in more diverse locations
18 starting with November we're in Fresno, and proceeding to
19 Indio in April, and I believe Lake Tahoe in June.

20 --o0o--

21 ASSISTANT EXECUTIVE OFFICER CONNOR: A few of
22 some of the technological plans: Implement FI\$Cal which a
23 statewide system, spatially index record management
24 system, which is a GIS based workflow tool, electronic
25 timekeeping, and I think that's just about it.

1 --o0o--

2 ASSISTANT EXECUTIVE OFFICER CONNOR: So I will
3 wrap it up there, and I'm available for questions.

4 CHAIRPERSON YEE: Great. Thank you very much,
5 Colin. Obviously, a very productive year. And I just
6 want to thank the Commission staff. This has just been
7 really taken to heart since the adoption of the strategic
8 plan. And this is -- just for members of the audience to
9 know, the plan was developed through the -- with the input
10 of multiple stakeholders, and continues to be really
11 refined each year with a look at what's been accomplished
12 in the prior year, identifying priorities for the year to
13 come, but also where there should be areas of more
14 emphasis, as the Commission looks at how it's going to
15 allocate its resources.

16 I want to thank Ms. Lucchesi, certainly Colin and
17 the staff. We had a stakeholder meeting on January 30th
18 to just look at providing -- seeking that kind of input
19 from members -- representatives from the ports, the
20 environmental community, oil interests, and public access
21 advocates.

22 And if you think that this is a group of people
23 who normally would be in a room without kind of hurting
24 each other --

25 (Laughter.)

1 CHAIRPERSON YEE: -- it was quite actually
2 productive. And I just want to thank each of the
3 stakeholder representatives for continuing to be a part of
4 this overarching work that really does guide the work of
5 the Commission going forward.

6 In that vein, I just want to take a moment of
7 personal privilege. We -- in our office, in the
8 Controller's office this year, have the great fortune of
9 having a Sea Grant Fellow help us with the Commission's
10 work. And her emphasis will be largely focused on the
11 partnership with the San Diego Port. And so I want to
12 just introduce Flower Moye who's in the audience, if
13 you'll stand up. And we are very thrilled to have her
14 join us for the year.

15 Thank you.

16 (Applause.)

17 CHAIRPERSON YEE: Okay. And Commissioners, other
18 comments?

19 Okay. Ms. Lucchesi, any other --

20 EXECUTIVE OFFICER LUCCHESI: No.

21 CHAIRPERSON YEE: Okay. Very well. Thank you
22 for the report, Colin.

23 All right. Our next item, Item 89. Let me just
24 check in and see how we're doing down in Rancho Palos
25 Verdes.

1 STAFF ATTORNEY JOHNSON: Can you hear us?

2 CHAIRPERSON YEE: We can hear you.

3 STAFF ATTORNEY JOHNSON: Wonderful.

4 CHAIRPERSON YEE: All right.

5 STAFF ATTORNEY JOHNSON: Okay. All right --

6 CHAIRPERSON YEE: Let me do this, let -- do you
7 want to do the public --

8 EXECUTIVE OFFICER LUCCHESI: We can. We can do
9 public comment.

10 CHAIRPERSON YEE: Why don't we do that first.

11 So now that we have our stream working, let me
12 invite members of the public down in Rancho Palos Verdes
13 in the audience to come forward for general public comment
14 first, before we go into the specific item of Item 89.

15 STAFF ATTORNEY JOHNSON: Okay. Hello, everyone.
16 I'm Ben Johnson. I'm a staff attorney with the
17 Commission. I'm joined by Ken Foster, a Public Land
18 Manager, and Sarah Mongano, Senior Environmental
19 Scientist.

20 We'll be calling up the public comments for the
21 general comments. And as Chairperson Yee mentioned,
22 comments on the proposed reef project will be heard at the
23 -- when that item is considered.

24 So, the first speaker I have is Linda West.

25 PUBLIC LAND MANAGEMENT SPECIALIST FOSTER: I will

1 remind everyone here that we don't have a three minute
2 timer on the podium, so we'll be keeping track of that.
3 Please keep your comments to three minutes.

4 MS. WEST: Okay. My name is Linda West. I'm
5 speaking in support of releasing the Attorney General's
6 opinion on who has authority over the highly explosive
7 rail transport of propane gases over Public Trust Lands.

8 The public has a right to know due to many
9 reasons. One of them is due to the fact that this
10 facility is the largest above-ground propane facility in
11 the United States, and was -- and was built closest to a
12 heavily populated area in the United States.

13 It would never have been allowed to be built, if
14 we had the rules we have today. But for some reason no
15 one thinks it's unsafe to be around.

16 The storage tanks are over their life expectancy.
17 The Harbor Department promised the neighbors that they
18 would move this facility to the offshore islands. But due
19 to concerns of shipping companies that their products
20 might be blown up, they refuse to do -- to move it. And
21 it's okay if the schools and the people in that
22 neighborhood have dire consequences.

23 The public has a need to know and a right to know
24 the opinion of the Attorney General. And if he says we
25 cannot get the responses, we want to know why. And don't

1 tell us it's for national security.

2 (Applause.)

3 STAFF ATTORNEY JOHNSON: The next speaker is
4 Robert West.

5 MR. WEST: My name is Robert West. That's a hard
6 act to follow.

7 Anyway, I can't believe I'm still here about 45
8 years later. My hair is a lot dark -- it used to be a lot
9 darker when I got involved in the situation. My wife and
10 I lived in that neighborhood when those tanks were being
11 built illegally, by the way, permitted as oil tanks rather
12 than propane gas tanks.

13 But when Larry Pryor of the Los Angeles Times
14 wrote a nice exposé, I got involved. I was homeowners
15 president at that time, and eventually got a hold of over
16 Assemblyman Vincent Thomas, who they named the bridge off
17 in San -- named the bridge in San Pedro. I'm sure you're
18 all familiar with.

19 And I actually came up to Sacramento - my wife
20 and I flew up there - at the behest of Assemblyman Vincent
21 Thomas, and spoke before people -- Assembly people and
22 everything. And we thought something would be done even
23 then.

24 So for 40 years I've been involved in this and my
25 wife. We used to live real close to the tanks, but we now

1 live in the City of Rancho Palos Verdes, which is adjacent
2 to the -- San Pedro.

3 And I agree with what my wife said, I don't want
4 to go on -- belabor in this anymore. But I am just
5 surprised that anybody would not tell us what the AG
6 said -- Becerra said in his report. We know what Homeland
7 Security said, and -- several years ago. And so we -- the
8 neighborhood and the people in the area need to know, you
9 know, what this report says.

10 So thank you for -- if you would release it for
11 us.

12 (Applause.)

13 STAFF ATTORNEY JOHNSON: Chuck Hart.

14 MR. HART: This is the time in the order of
15 things I'm the successor to Robert West, the homeowners
16 association.

17 Innovation, preserve the trust. I love those
18 words. I love it, and I'm all for it.

19 Thank you for making it possible for us to
20 participate once again this very important issue. We were
21 extremely gratified to hear that -- to hear the comments
22 of Lieutenant Governor Newsom and Executive Officer
23 Lucchesi at the August hearing.

24 Finally, our concerns regarding this ticking time
25 bomb have been acknowledged by someone in a position of

1 responsibility that truly understands the collateral
2 impacts related to this so vulnerable business partnership
3 between the Port and Rancho LPG.

4 But we have had our flame of hope extinguished
5 before by many in positions of authority that are
6 appointed or elected, who turnout to be second-string
7 players or satisfied when they walk to first base, rather
8 than hitting the home necessary to win the game. And we
9 are in this game to win, make no mistake about it.

10 Rancho LPG has lots of bucks, and a player's
11 roster stacked with heavy hitters, while all we have had
12 going for us is a home team advantage. There will be no
13 winners if this game plays out to its predictable outcome,
14 and we are already into extra innings.

15 Willy nilly or not, the State Lands Commission
16 has become a partner of our team when you acknowledge the
17 reality of our concerns for this Public Trust entity that
18 is in such jeopardy. You have the legitimacy necessary to
19 generate the influence of our elected officials to make
20 the necessary regulatory changes to protect the public,
21 its trust, rather than its donors.

22 There have been many instances lately of our
23 government failure to act when alerted to obvious concerns
24 to the public welfare, many of which were kept secret to
25 the public until the predictable happened and resulted in

1 devastating circumstances.

2 Please, make the Attorney General's decision
3 statement public. Acknowledging a problem and doing
4 nothing to correct it is inexcusable.

5 If you are serious about your concerns, welcome
6 to our team. And thank you for acknowledging them.

7 STAFF ATTORNEY JOHNSON: And next we'll have
8 Anthony Patchett followed by Stanley Mosler.

9 Anthony Patchett.

10 MR. PATCHETT: Good afternoon. My name is
11 Anthony Patchett, retired Assistant Head Deputy of the Los
12 Angeles County Environmental Crimes Division.

13 I've sat here and listened to you talk about
14 environment justice. I've looked at your website that
15 have draft principles to develop plan for identifying when
16 environment justice communities may be adversely impacted
17 by Commission decisions. Assure meaningful community
18 representation in the Commission's decision-making process
19 beginning at the earliest possible time.

20 Explore new ideas and seek guidance and
21 information from local, State, and federal agencies who
22 have environmental justice expertise, and identify
23 effective strategies to integrate environmental justice
24 concepts into the Commission's decisions, and to resolve
25 environmental justice issues.

1 Build on environmental available resources and
2 technology to develop an environmental justice action plan
3 to aid the Commission in putting these principles into
4 practice.

5 Stay apprised of the latest technology and tools
6 to increase and maximize public participation, and
7 accessibility.

8 Explore opportunities to promote environmental
9 justice and forge relationships with traditionally
10 marginalized communities and others that typically have
11 not participated in the Commission's decision-making
12 process.

13 I ask you to make available to the public the
14 report by the Attorney General's office. You have a
15 letter that was submitted by Sierra Club, Earthjustice,
16 and other environmental agencies that are asking for that
17 release. I believe that is environmental justice.

18 Thank you.

19 (Applause.)

20 STAFF ATTORNEY JOHNSON: Stanley -- Stanley
21 Mosler. And Stanley will be followed by Peter Warren.

22 MR. MOSLER: I am Stanley Mosler.

23 There's an old adage that the only way to escape
24 contamination liability is to sell the property to the
25 government.

1 In 1994, the City of Long Beach, as trustee of
2 the tidelands trust, purchased 725 acres of property based
3 in the Port of Long Beach from Union Pacific Railroad.
4 Much of the property has now been developed into Pier A.

5 The property was highly contaminated from use of
6 a toxic waste dump (inaudible) as the place where
7 chemical -- chemical companies dumped hard-to-dispose-of
8 toxic waste often at night when the dump was unattended.

9 The purchase price \$405 million was over twice
10 the appraised value. The appraiser was instructed not to
11 consider contamination in determining the value.

12 Although all owners of the chain of title are
13 equally liable for clean up, the Trust assumed Union
14 Pacific's contamination liability and agreed to indemnify
15 it from any liability, a guarantee normally given by the
16 seller or the buyer.

17 The title insurance policy excluded coverage of
18 claims related to contamination. Union Pacific gave no
19 consideration for the assumption in the (inaudible). The
20 trustees' artifice was equated it's cap and seal with
21 remediation to obtain a permit to construct a container
22 terminal on the 725 acres without the cleanup. The toxic
23 waste was merely reburied in one of the (inaudible)
24 contamination remains.

25 The trustee doubled down on the (inaudible)

1 public trust property. (Inaudible.) after the close of
2 escrow to rebury the contamination and restrict the use
3 the property and did not eliminate liability. (Inaudible)
4 which would condemn the \$2 billion cost to remediate the
5 contamination in 1994.

6 (Inaudible)

7 CHAIRPERSON YEE: I think we're having some audio
8 difficulties.

9 MR. MOSLER: Based on the cost of remediating the
10 damage, (inaudible) would be four and a half billion
11 dollars. This is the amount that the beneficiaries
12 entrust to the people of the State of California were
13 defrauded by a trustee (inaudible) to the assumption
14 (inaudible) Clean up of the aquifers will cost billions
15 more.

16 The State Lands Commission said (inaudible) of
17 the issue be the purchase, but expressed (inaudible) when
18 I called it to the (inaudible) attention.

19 (Inaudible) I explained all of this in January
20 2018 letter (inaudible) requested that (inaudible).

21 CHAIRPERSON YEE: I think your --

22 MR. MOSLER: (Inaudible) to refute the document
23 (inaudible) the statute of limitations will preclude any
24 recovery (inaudible).

25 CHAIRPERSON YEE: I think the speaker's time has

1 expired. But why don't we see whether we can make some
2 audio adjustments before the next speaker.

3 STAFF ATTORNEY JOHNSON: Okay. Apparently
4 they're some -- we're having some audio difficulties. So
5 we're going to pause for a bit.

6 CHAIRPERSON YEE: Okay. Why don't we --

7 STAFF ATTORNEY JOHNSON: Okay. We'll have Janet
8 Gunter and then Peter Warren.

9 MS. GUNTER: Good afternoon, Controller Yee,
10 Commissioners, Jennifer Lucchesi and staff. It's good to
11 see you again or to be here, I hope.

12 I'm speaking on the issue of the Attorney General
13 opinion, which is to be discussed in the closed agenda we
14 understand today, and your vote to make that decision
15 public.

16 President Richard Nixon obstructed justice from
17 Oval Office. He launched an illegal war in Cambodia,
18 finally ended the Vietnam War with neither peace nor
19 honor, was impeached by Congress, resigned the Presidency,
20 and left a permanent stain on America democracy.

21 It was, in fact, Nixon's policy on energy that
22 was instrumental in driving the introduction of a massive
23 and highly explosive liquefied petroleum gas storage
24 facility into the L.A. harbor area. This was done with
25 total disregard with danger to adjacent preexisting homes

1 and schools, the seismic vulnerabilities, and exempting it
2 from proper environmental notice, review, and regulation
3 in 1973. And so that is why we are here today.

4 In my view, the elected officials preceding Nixon
5 are equally reprehensible -- reprehensible for not intervening
6 since that time in the interests of public safety. There
7 are officials like you who have all acknowledged that the
8 facility's high threat to the public, which includes its
9 rail operation, but you've done nothing.

10 Instead, you have witnessed a continual political
11 will to seek any reason to avoid taking responsible
12 action. It is critical that the public be allowed to view
13 the Attorney General's opinion on this matter. Without
14 the use of our Public Trust land for rail transport, and
15 underground pipeline transfers to distant refineries, this
16 private property enterprise could not function.
17 Revocation of those uses would instantly resolve this
18 issue.

19 This action would offer the State Lands and the
20 Port and opportunity to assess for the very first time all
21 of associated risks and make a cogent decision on whether
22 this use of public land truly serves the best interests of
23 the people of this state.

24 Please vote today to make that AG opinion public.
25 Then we will be able to determine if justice remains

1 within our system or if that Nixon stain in this case is
2 deadly permanent.

3 Thank you.

4 (Applause.)

5 STAFF ATTORNEY JOHNSON: Peter Warren.

6 MR. WARREN: My name is Peter Warren. I'm
7 representing several national, State, regional
8 environmental justice groups, as well a Long Beach, San
9 Pedro, Wil -- and Wilmington state residential homeowners
10 groups.

11 We submitted a letter, which was previously
12 mentioned, to the Commission asking that the opinions of
13 the Attorney General be made public. The intervention of
14 the State Lands Commission is desperately needed. We
15 believe you already understand the nature of these risks,
16 because (inaudible) associated large, LPG storage and
17 transport (inaudible). Lieutenant Governor Newsom, also a
18 Commissioner, stated at the August meeting these are tough
19 issues, life and death issues. I hear that. I get it.

20 The Commission Executive Officer Jennifer
21 Lucchesi stated, "the risks are real, and the concerns are
22 real".

23 We need your help to break up years of inaction.

24 (Inaudible) public step. Make the Attorney
25 General's opinion part (inaudible) public. (Inaudible)

1 Since the Commission requested the Attorney General's
2 opinion on whether the Port of L.A. (inaudible) over the
3 contracts and interests (inaudible) public utilities.

4 (inaudible) But I asked this -- it's not the
5 consent calendar, it's on the litigation calendar. It's
6 not the closed calendar. My understanding (inaudible).
7 It's not listed (inaudible) it's listed must (inaudible)
8 proposed vote. We think those things should be
9 acknowledged (inaudible) the group's representative --

10 STAFF ATTORNEY JOHNSON: I'm sorry(inaudible).
11 That's a good question. (inaudible)

12 MR. WARREN: Can I ask you, shouldn't items
13 appear even if they get considered in closed session?

14 CHAIRPERSON YEE: Do you want to just submit your
15 testimony.

16 STAFF ATTORNEY JOHNSON: Okay. What we're
17 hearing is it looks like we're good on our end, but there
18 maybe some internet interference with the signal so it
19 might be getting garbled on the way.

20 CHAIRPERSON YEE: Yes.

21 STAFF ATTORNEY JOHNSON: It sounds like if you
22 have written testimony, you can submit that and I will
23 make sure that it will get to the Commissioners.

24 MR. WARREN: Well, once you're restored, I'd like
25 to finish my remarks. I don't need to repeat the letter,

1 but I would like to make clear our concerns about why
2 there's no item on the agenda acknowledging this.

3 STAFF ATTORNEY JOHNSON: Okay. Please continue.
4 It sound like I hope it will get better.

5 MR. WARREN: Okay. I'm not -- you have the
6 letter. I'm not going to -- I don't know how much of this
7 you've already heard. (inaudible) but I would like to ask
8 and hopefully get a response while we're here, and came
9 down here. We understood from communication with the
10 Executive Director that this item was to be considered
11 today, Commission. Yet, it does not appear on the agenda
12 in a consent item, a litigation item, a closed session
13 item. My understanding of the Brown Act is that it should
14 be listed. And that if you do discuss it in private, you
15 must report out the vote. I think it's critical that you
16 do report out the vote. Several of you are publicly
17 elected officials, and this is a (inaudible). The Groups
18 who've signed this letter (inaudible) Sierra Club,
19 Earthjustice (inaudible)Communities for a Better
20 Environment, Coalition for a Safe Environment, (inaudible)
21 San Pedro(inaudible), church residents including
22 California (inaudible) --

23 CHAIRPERSON YEE: Let me interrupt the speaker.
24 I don't mean to be short, but we are really having a hard
25 time hearing and understanding what you're saying with the

1 video not being of quality. But on the question of the
2 reporting out of the item from closed session, let me have
3 Ms. Lucchesi speak on that point.

4 MR. WARREN: Thank you. I will listen.

5 EXECUTIVE OFFICER LUCCHESI: Yeah. All right.
6 So just to clarify that the State Lands Commission is
7 governed by the Bagley-Keene Open Meeting Act and not the
8 Brown Act. The Commission will be considering whether to
9 waive the confidentiality privilege based on
10 attorney-client communication over the advice letter
11 provided by the AG's office, and received by the
12 Commission last week relating to the Rancho LPG item.
13 They will be considering waiving that privilege in closed
14 session. That's why there isn't notice on this in -- on
15 the agenda.

16 Our intention is to report out the Commission's
17 decision at the close of closed session, and when we
18 resume in open session.

19 MR. WARREN: Will that include the vote?

20 EXECUTIVE OFFICER LUCCHESI: We -- at this point,
21 I can't get into the details of what that reporting out
22 will include, but we will be as detailed and clear as
23 possible without further waiving any confidentiality or
24 privileges.

25 MR. WARREN: All 16 of our groups would ask that

1 you report out the vote, and note that it includes that
2 Natural Resources Defense Council, Earthjustice, the
3 Sierra Club, and other national and regional
4 organizations, which you are familiar with and know --
5 have legal arms and will contest. Thank you.

6 CHAIRPERSON YEE: Thank you very much.
7 Next speaker.

8 STAFF ATTORNEY JOHNSON: Connie Rutter.

9 Is Connie Rutter here?

10 And Connie will be followed by June Smith after
11 Connie.

12 MS. RUTTER: I hope you can hear me.

13 CHAIRPERSON YEE: We can hear you.

14 MS. RUTTER: I really -- I really want to -- my
15 name is Connie Rutter. And I really want to endorse what
16 the -- Peter Warren, I think his name was, said. And I'm
17 happy to follow him, because I think he put it very well.

18 My own background is that I'm a chemistry -- I
19 have a Master's in chemistry, worked a long time as a
20 teacher, and also a long time as an environmental
21 consultant working for the oil industry and then in
22 private practice.

23 So I'm aware of how dangerous this stuff is.
24 Really, I cannot overstate how dangerous it is. Because
25 once that material is out, there is really nothing you can

1 do, nothing anybody can do, because of its properties.
2 And I don't want to go into all that, because I've done
3 this before.

4 But that stuff is so dangerous that if it -- if
5 you ever get near it, your only safety -- your only
6 personal safety is to get as high as you can, because this
7 stuff will immediately vaporize. And when it does, it
8 comes -- it's heavier than air. So it's not going to go
9 off into the air like methane does.

10 So -- and if there's any source of ignition, it
11 first gives a vapor explosion. And I want to say to you,
12 I was a teacher. If you think a vapor doesn't sound
13 dangerous, think of a hurricane. What knocks over
14 buildings and trees is air. Air is a vapor. So vapor
15 exposure is dangerous. A fiery explosion adds to that.

16 So this (inaudible) the EPA came out with
17 regulations what were very poor. But (inaudible) of the
18 danger from one of the large plants released its entire
19 contents, it would be a three-mile radius of destruction,
20 which would include something as (inaudible) as did one of
21 the earlier owners reported to the EPA of 28,000 people's
22 lives would be at stake. That's one tank.

23 So -- but there are two large tanks there and
24 five (inaudible) tanks.

25 If -- (inaudible) you know how (inaudible). It's

1 foolish to think that if one tank released its contents,
2 that the other tank would be safe. This (inaudible). And
3 so the other tank would be compromised.

4 So I (inaudible) in assuming that all the tanks
5 released all the contents, and then (inaudible) people
6 would be affected for 20 miles -- 20 miles in San Pedro.
7 That's far enough to take you up to the Los Angeles
8 Airport, LAX.

9 STAFF ATTORNEY JOHNSON: Ms. Rutter, your time is
10 up. Please conclude.

11 MS. RUTTER: Pardon?

12 STAFF ATTORNEY JOHNSON: Your time is up, so
13 please conclude.

14 MS. RUTTER: Any questions -- if you want to know
15 any of these details my email address is connie@
16 (inaudible).

17 STAFF ATTORNEY JOHNSON: Thank you. June Smith.

18 MS. SMITH: Good afternoon, Chairman. My name is
19 June Burlingame Smith. I'm here because (inaudible) and I
20 notice that most of you (inaudible) pretty gray
21 (inaudible) who are up here talking to you. (Inaudible)
22 And we would like (inaudible) --

23 CHAIRPERSON YEE: Let me stop this testimony for
24 a moment. We really cannot make out what you are saying.
25 So any suggestions from our audio team about how to --

1 AGP VIDEO: No. Break it off and try --

2 STAFF ATTORNEY JOHNSON: For everyone here, if
3 you comments prepared in writing, can you please give them
4 to us to make sure we can get them to the Commission.

5 CHAIRPERSON YEE: Okay. Let me ask you to start
6 your testimony over. If you would speak directly into the
7 microphone and if you --

8 Okay. How many speakers are left?

9 MS. SMITH: I don't think I can get much closer.

10 CHAIRPERSON YEE: Okay. Let me do this. Why
11 don't we take a 10-minute recess and see whether we can
12 refine the streaming, and we'll resume in 10 minutes with
13 you.

14 (Off record: 3:24 p.m.)

15 (Thereupon a recess was taken.)

16 (On record: 3:41 p.m.)

17 CHAIRPERSON YEE: All right. Let us reconvene
18 the State Lands Commission meeting.

19 At this point, Commissioners, why don't we direct
20 our attention to Item 89, which is consideration of
21 adopting negative declaration and an application for a
22 lease for the construction of the Palos Verdes marine
23 artificial reef. And we will start out with a staff
24 presentation, followed by testimony of those who have
25 signed up in Rancho Palos Verdes. And I'm going to ask

1 those who have signed up to speak to keep your comments to
 2 a minute, so that we hopefully can hear all of your
 3 thoughts before the audio begins to get muddled again.
 4 And then we will hear from those who have signed up to
 5 speak on this item here in Oakland.

6 Okay. Ms. Lucchesi, do you want to present the
 7 item?

8 EXECUTIVE OFFICER LUCCHESI: Yes. I'd actually
 9 like to call up staff Cheryl Hudson and Kelly Keen --

10 CHAIRPERSON YEE: Great.

11 EXECUTIVE OFFICER LUCCHESI: -- and Dr. Dan
 12 Pondella to give staff's presentation.

13 (Thereupon an overhead presentation was
 14 Presented as follows.)

15 PUBLIC LAND MANAGEMENT SPECIALIST HUDSON: Good
 16 afternoon, Madam Chair and members of the Commission. My
 17 name is Cheryl Hudson and I'm Public Land Management
 18 Specialist with the Commission's Land Management Division.

19 I'm here to present information on item --
 20 regular Item 89.

21 The first slide up here we have an outline of the
 22 staff's presentation.

23 --o0o--

24 PUBLIC LAND MANAGEMENT SPECIALIST HUDSON: Item
 25 89 is requesting that the Commission consider approval of

1 lease for the proposed Palos Verdes Restoration Project --
2 sorry -- located on sovereign land in the Pacific Ocean
3 approximately 0.3 miles offshore between bunker point and
4 white point, and the City of Rancho Palos Verdes, Los
5 Angeles County.

6 Southern California Marine Institute has
7 submitted an application requesting a general lease,
8 other, for the use of sovereign land for the Palos Verdes
9 Reef Restoration Project. The project was developed to
10 compensate for lost ecosystem benefits associated with the
11 loss of rocky reef habitat offshore of Rancho Palos
12 Verdes.

13 Rocky reef habitat in the area has been damaged
14 or lost as a result of toxic chemical discharge through
15 wastewater effluent, contaminated sediments from the Palos
16 Verdes Shelf Superfund Site, and reef burial from nearby
17 land slides.

18 The Institute is implementing the project with
19 technical support from the U.S. Department of Commerce,
20 the National Oceanic and Atmospheric -- I can't talk.
21 Sorry -- Administration, NOAA, and funding from the
22 Montrose Settlement Restoration Program.

23 --o0o--

24 PUBLIC LAND MANAGEMENT SPECIALIST HUDSON: The
25 rocky reef habitat will be created by placing

1 approximately 70,000 tons of quarried rock on 40 acres of
2 sandy ocean bottom within a 69-acre project site.

3 The quarry rock will be transported by site by
4 tug boat and barge from existing quarries at the Santa
5 Catalina Island. The proposed project is expected to
6 provide suitable habitat, substrate, and shelter for fish
7 and other marine organisms, such as kelp, bass, and
8 California sheephead.

9 The rock will be delivered to the project site
10 4,000 tons at a time, with a total of 18 trips to complete
11 the project. The rock will be cleaned and free of
12 contaminants, pursuant to California Department of Fish
13 and Wildlife guidelines. Construction is anticipated to
14 occur between May 1st and September 30th to avoid lobster
15 fishing season and to utilize the calm weather conditions
16 that are typical of this time of year.

17 Kelly Keen with the Commission's Environmental
18 Planning and Management Division will now discuss the
19 project's environmental setting.

20 Thank you.

21 --o0o--

22 ENVIRONMENTAL SCIENTIST KEEN: Thank you, Cheryl.
23 Good afternoon, Commissioners.

24 From the late 1940s to the early 1970s millions
25 of pounds of DDTs and PCBs were discharged into ocean

1 waters off the Southern California Coast. Most of these
2 contaminants originated from Montrose Chemical Corporation
3 Manufacturing Plant, who discharge contaminants onto the
4 Palos Verdes Shelf via White Point Outfall harming fish,
5 birds and other wildlife in the area.

6 In 2001, the Commission, NOAA, and other federal
7 and State agencies reached a settlement with the parties
8 responsible for the contamination, and established
9 Montrose Settlements Restoration Program, or MSRP, and
10 formed MSRP Trustee Council, which includes the
11 Commission, NOAA, United States Fish and Wildlife Service,
12 National Parks Service, California Department of Fish and
13 Wildlife, and the California Department of Parks and
14 Recreation.

15 The Trustee Council oversees the MSRP whose goal
16 is to restore, replace, rehabilitate, or otherwise
17 compensate for the natural resources destroyed by the DDT
18 and PCB contamination in the region.

19 To do this, the MSRP Trustee Council approved a
20 restoration plan in two phases, and phase 2 of the plan
21 included the proposed project.

22 --o0o--

23 ENVIRONMENTAL SCIENTIST KEEN: This phase 2 plan
24 underwent NOAA's environmental review process presented on
25 this slide, which included a 45-day public comment period,

1 and two public meetings. The final plan was published in
2 June 2012.

3 In this plan, the Trustees Council determined
4 that the project would effectively provide long-term
5 benefits to fish on the Palos Verdes Shelf by restoring
6 reef habitat buried by landslides and would compensate for
7 harm caused by DDT and PCB contamination.

8 Subsequent design adjustments based on extensive
9 biological, physical and chemical surveys resulted in the
10 current design of the restoration reef, which brings us to
11 the environmental document before the Commission today.

12 An environmental assessment and negative
13 declaration for the proposed project was prepared by NOAA
14 and the Commission respectively, and made available for a
15 30-day public comment period in early 2017. During that
16 time, staff received 46 comment letters. These comments
17 were compiled and summarized, and responses were drafted
18 by NOAA and Dr. Dan Pondella with input from Commission
19 staff.

20 Their responses to comments, two white papers on
21 DDT, and surfing, and reef design report were included as
22 Appendix D to the final environmental assessment and
23 Negative Declaration. Additionally, NOAA held two public
24 meetings. In March 2017, an informal public meeting was
25 held to provide an opportunity for stakeholders to ask

1 clarifying questions directly to MSRP staff regarding the
2 project. There was no formal presentation or Q&A session
3 at this meeting.

4 In October 2017, in response to public comments
5 received during the public comment period, a second public
6 meeting was held. This meeting included formal
7 presentations by Dr. Dave Witting from NOAA, and Dr.
8 Pondella about the project, as well as a Q&A session.

9 Approximately 17 members of the public attended
10 the meeting, as well as one representative from the
11 California Department of Fish and Wildlife. Many of the
12 prominent areas for concern raised during the public
13 comment period were also echoed during the Q&A session.

14 --o0o--

15 ENVIRONMENTAL SCIENTIST KEEN: And comments made
16 by the public throughout the environmental review process
17 were made on the following topics presented on this slide:

18 DDT and PCB concentrations in the sediment;
19 potential effects to Abalone Cove State Marine
20 Conservation Area; potential impacts on surf breaks and
21 conditions; potential impacts on of future landslides and
22 ongoing sedimentation; project funding; site selection;
23 stakeholder outreach and communication; and white croaker
24 migration and impacts to subsistence fishing.

25 With that, I would like to introduce Dr. Dan

1 Pondella, Director of the Southern California Marine
2 Institute and Director of the Vantuna Research Group at
3 Occidental College. He will diving deeper into these
4 topics as they relate to the proposed project.

5 --o0o--

6 DR. PONDELLA: Thank you, Kelly.

7 I really appreciate your time today. And please
8 stop me if you have any questions. The staff has asked me
9 to introduce the project and discuss some of the concerns
10 that came up with the public comment.

11 The Southern California Marine Institute is a
12 consortium of all the major universities in Los Angeles --
13 in the greater Los Angeles area. It's overseen by the
14 Ocean Studies Institute, which is based at -- through Cal
15 State Long Beach. And it also includes nine Cal State
16 campuses; University of California, Los Angeles; USC;
17 Occidental College, the nine L.A. community college
18 districts; the Bay Foundation; and NOAA.

19 --o0o--

20 DR. PONDELLA: And we were asked, I was asked, to
21 work on with MSRP staff to mitigate problems associated
22 with fish habitat that was injured due to the deposition
23 of these pollutants off the Palos Verdes Shelf.

24 Many of the plans and restoration projects that
25 have been enacted are shown here today in terms of

1 outreach to fishers, restoration, ecosystem level impacts
2 to Bald Eagles, Peregrine Falcons, and seabirds. However,
3 as -- and we'll show you data about the pollution on the
4 PV Shelf. As the pollution has decreased, the MSRP has
5 been interested in dedicated resources towards restoring
6 fish habitats associated with this injury.

7 --o0o--

8 DR. PONDELLA: The concentrations of these
9 pollutants are decreasing. The historic impacts are
10 approximately 102 square kilometers. Rocky reef and kelp
11 bed habitat is the highest performance habitat in terms of
12 production, diversity, and is extremely valuable
13 especially on this section of coastline. And the MSRP
14 Trustees identified two restoration project initiatives to
15 restore approximately 200 acres of this valuable kelp
16 habitat.

17 And the way we determined -- or the way that it
18 is determined, the kelp habitat on the Palos Verdes Shelf
19 is through kelp canopy, which can be -- which can be seen
20 through either aerial or satellite technology. And what
21 we know from the region is that the amount of kelp habitat
22 has decreased by approximately 50 percent over the last
23 hundred years.

24 And a number of amelioration steps have taken
25 place to restore this habitat mostly associated with the

1 White's Point Outfall moving it offshore.

2 --o0o--

3 DR. PONDELLA: However, as you can see in this
4 slide, we're still significantly lower than what we were
5 currently at prior to these human impacts.

6 --o0o--

7 DR. PONDELLA: So my program has worked with its
8 collaborators on three habitat based restoration projects.
9 The first is the establishment and monitoring of the
10 marine protected area, part of the MLPA process. And my
11 lab is the one that did the baseline survey for the Ocean
12 Science Trust, associated with the marine reserves. The
13 second is the removal of urchin barrens, which are shown
14 in red here by the Bay Foundation. To date, they have
15 restored 43 acres of kelp bed habitat.

16 And the final habitat restoration piece at this
17 level of the process is the loss of habitat associated
18 with burial from historic landslides. That area is shown
19 in the red circle below. We've identified 200 acres of
20 lost habitat along this stretch of the coastline. And the
21 goal of the MSRP was to restore habitat in-kind to where
22 the injury was.

23 So we evaluated a number of alternatives along
24 the coastline, focused on Palos Verdes, because that's
25 where the injury was. And then within that area had a few

1 criteria fore site selection that we used.

2 --o0o--

3 DR. PONDELLA: First off was an intensive
4 biological monitoring of the region. In the monitoring
5 plan for the evaluation of the proposed habitat are 38
6 natural reef sites in Palos Verdes, and that's shown here,
7 six rocky reef sites in Santa Monica Bay. Just to give
8 you a perspective, the Wheeler North Reef, which is a huge
9 mitigation project, has less than a handful of reference
10 sites associated with it. We've been studying these sites
11 for, some of them, up to 10 years. All of them over the
12 last six or seven years. And then have used the
13 biological data with the physical data to model the
14 restoration habitat.

15 Site selection included some general site
16 parameters. One was it needed to be significantly away
17 from the marine protected area, so as to not influence the
18 activities and the restoration of that habitat. It is
19 almost two miles away from the marine protected area, and
20 separated by a large habitat barrier associated with the
21 Portuguese Bend landslide, which I'll show you in a
22 second.

23 We also wanted to avoid the outfall structures.
24 From the L.A. County Sanitation Districts, which you'll
25 see in a moment. And then we use a variety of bathymetry

1 sedimentation and biological parameters to evaluate the
2 site criteria, which I'll discuss.

3 --o0o--

4 DR. PONDELLA: The project site is in red. One
5 concern is the Portuguese Bend -- the historic Portuguese
6 Bend Landslide, which still has sedimentation at its toe.
7 It's 1.3 miles north of the site.

8 One concern is sedimentation associated with the
9 landside. And I'll talk about the design criteria
10 that's -- that is used to ameliorate that problem. But
11 the sedimentation that comes from the Portuguese Bend
12 Landslide flows is published to flow immediately offshore
13 and then down coast of the site. It does not really flow
14 through our project site.

15 And you can see that White's Point Outfall here
16 as well. And we also evaluated a site on the -- between
17 White's Point and Point Fermin, which was not used for
18 this project due to the sediment depth.

19 --o0o--

20 DR. PONDELLA: So the project goals were to
21 restore -- this is a pure restoration project. It's not a
22 mitigation project, to restore lost habitat. This is a
23 unique project in the California coastline. It's really
24 never been done at this level. And we used models of
25 biological production, and ecosystem services to design

1 the habitat.

2 --o0o--

3 DR. PONDELLA: The proposal contains 24 modules
4 that are placed on the edge of the natural kelp bed. The
5 kelp bed is in green. And the modules are placed along
6 features that have been buried in less than a meter of
7 sediment by historic landslides. And they are designed to
8 mimic the natural features of the reef. In other words,
9 they're essentially being placed to restore what was lost
10 in this area.

11 Modules are in a scientific design with different
12 heights, and different orientations, to inform future
13 potential restoration projects in the State of California.
14 Some important notes about this is the modules are in 45
15 to 60 feet of water. They are modeled after the most
16 productive habitat on the Palos Verdes Shelf which is the
17 reef immediately adjacent down coast of them, which is a
18 large rocky reef.

19 There is also high relief habitats above and
20 inshore of these modules, which they're designed to mimic,
21 but are offshore of those structures.

22 --o0o--

23 DR. PONDELLA: One of the concerns that was
24 voiced public in comment, of course, is surfing, and the
25 surfing community asked us to do an analysis of wave

1 action, and to see if there would be any potential effects
2 on surfing. Surfing occurs five to six hundred meters
3 inshore of these reefs and all along the Southern
4 California coast, as you can imagine.

5 On average, the surf in the area is about is 1
6 meter and up to 1.5 meters 80 percent of the time. Larger
7 waves occur five to 10 days a year, depending upon the
8 year you look at. Some years have more wave action than
9 others. Maximum wave height for this area was reported
10 5.5 meters for 27 feet. Hurricane Linda in 1997.

11 Modeling the surfing waves, the waves do not
12 interact with the reef modules. They are too deep for
13 these waves.

14 --o0o--

15 DR. PONDELLA: One thing that's important to note
16 is these reef modules are not all designed like
17 breakwaters, which are designed to stop waves. They're
18 actually porous. Waves pass through them and that is a
19 key feature of the production design of the reefs.

20 Also, a simple way to think about the potential
21 impact of surfing and why we came to the conclusion that
22 it wouldn't be a problem, is that there are reefs as big
23 or larger than these modules upshore, and downshore, and
24 inshore of these habitat.

25 So essentially, the simple way to think about it

1 is, if a wave is coming in, like a sine wave, it's going
2 to interact -- if it's interacting with a shallow portion
3 of the reef to form the surfing breaks inside of it,
4 habitats that are below it are not going to interact with
5 that process.

6 --o0o--

7 DR. PONDELLA: Of course, one of the -- the
8 reason we're here today is because of DDT on the PV Shelf
9 and PCBs. And I just put up here information from surveys
10 on DDT. The habitat restoration area is in white. DDT's
11 sediment concentrations have decreased precipitously over
12 the last 15 years. And what has -- and when we analyze
13 the ha -- the DD -- the sediment concentrations of these
14 toxins where the restoration is, what we found is that the
15 sediment DDT and PCB concentrations are the -- are the
16 same as anywhere else in the Southern California bite. In
17 other words, they're in as clean sediment as you would
18 find any region in Southern California.

19 And if you look at the DDT concentrations in the
20 most current data set, which was 2009, you can see it's
21 basically put into the middle of the cleanest sediment on
22 that section of the PV Shelf. Well, what does this mean
23 for the organisms?

24 --o0o--

25 DR. PONDELLA: The decline in DDT and PCB

1 concentrations in the sediments has also corresponded to a
2 decline in DDT and PCB concentrations in white croaker
3 shown here. White croaker is the posterchild for polluted
4 fish in Southern California. And it is the indicator
5 species for the habitat -- muddy soft bottom habitat
6 offshore of this site. That is the problem that was
7 associated with the position of these chemicals.

8 This is claimed in their -- both DDT and PCBs
9 have declined over time. And we anticipate that that
10 would probably be the case into the future. One concern
11 that was voiced is whether or not this project would
12 influence the movement of these animals that are
13 associated with this polluted sediment, either they're in
14 their migrations or away or towards the site. White
15 croaker and the other animals that are associated with
16 that habitat aren't found in this site. This is soft
17 bottom sandy habitat, and that's a deeper bottom muddy
18 habitat that's also found in harbors and bays.

19 So we don't -- we -- literally I've done hundreds
20 of surveys there, and we just don't find these fish in
21 that site.

22 --o0o--

23 DR. PONDELLA: So this is what the current
24 habitat looks like, and our goal is to restore it. It's a
25 habitat project. This is one -- a very unique opportunity

1 for this State to restore almost 70 acres of prime
2 habitat. In the coordination with these other processes
3 we're doing a really innovative large scale restoration
4 project here.

5 We don't see any negative impacts to fish
6 populations. We only found positive impacts. We don't
7 find impacts of surfing. The movement of polluted fish.
8 Certainly not issue for the marine protected area.

9 And we just wanted to thank you for your time and
10 please let me know if you have any questions.

11 CHAIRPERSON YEE: Thank you very much.

12 Questions or comments Commissioners?

13 Okay. Seeing none at this time.

14 Let me just check in and see how we're doing with
15 streaming our speakers from Rancho Palos Verdes.

16 STAFF ATTORNEY JOHNSON: Can you hear us?

17 CHAIRPERSON YEE: We can hear you.

18 STAFF ATTORNEY JOHNSON: Okay. Looks like we're
19 good.

20 CHAIRPERSON YEE: Okay. I'm going to ask each of
21 the speakers when called to approach the podium and you
22 will have one minute to speak. If you could keep your
23 comments hopefully not repetitive of what's been mentioned
24 before. We want to get through each of the speakers. We
25 do have speakers here in Oakland as well, and then we will

1 open it up for discussion.

2 Okay. The first speaker in Rancho Palos Verdes.

3 STAFF ATTORNEY JOHNSON: Okay. The first speaker
4 is Susan Brooks, Mayor of Rancho Palos Verdes.

5 RANCHO PALOS VERDES MAYOR BROOKS: Good evening,
6 ladies and gentlemen. Good afternoon, I should say.
7 Thank you for giving us this opportunity to have a
8 satellite feed here. I guess I would request a few more
9 minutes as I'm representing the City of Rancho Palos
10 Verdes 43,000 individuals. And, if possible, I would like
11 to make this request.

12 I guess I would just point out a couple -- our
13 city continues to support the concept of this, but we are
14 opposed to this particular project in the way it has
15 been -- it has been brought forward to you. It came
16 forward to you in this presentation just now, somebody
17 just said that you passed it in 2012.

18 Well, you did not. You had eight out of 10
19 projects went through. So this was one that did not go
20 through. And there are good reasons for this. We have
21 the largest landslide in the western hemisphere, and that
22 was an experiment that happened. And I'm a little
23 concerned that's right next to the proposed project that
24 you're planning to do.

25 STAFF ATTORNEY JOHNSON: One minute is up.

1 RANCHO PALOS VERDES MAYOR BROOKS: Okay. Well --
2 so as your Mayor of Rancho Palos Verdes, our city is
3 concerned. We would like to see that this not happen.
4 And your staff report on page 12 states that, "Further
5 approval is required by the City of Rancho Palos Verdes.
6 So we are one of nine agencies where approval is needed.

7 There is no similar project next to this one.
8 There are two landslides. One was the 18th hole, which is
9 right next to this, and the other is the Portuguese Bend
10 Landslide, the largest landslide in the Western
11 Hemisphere.

12 So I respectfully ask you to reconsider this. Go
13 back to the drawing boards with advocacy groups and the
14 environmental groups to come up with something feasible
15 that is really more realistic at this point. And we do
16 want to thank you for the opportunity to create -- to
17 present this opportunity here with the satellite location.

18 So thank you very much, and we look forward to
19 hearing you in the future.

20 CHAIRPERSON YEE: Thank you very much.

21 STAFF ATTORNEY JOHNSON: John Jensen.

22 MR. JENSEN: Hi. My name is John Jensen. I'd
23 like to thank you for -- my name is John Jensen. I'd like
24 to thank you for the opportunity to speak. I'm a 50-year
25 resident of Rancho Palos Verdes, and I am opposed to this

1 project. No one's been able to show me how it could work.
2 As you yourself said, it's never been done before. And
3 it's in a very volatile area. It's going to be covered up
4 with silt. You're not going to be able to stop the
5 landslides. Why are we doing this?

6 To mitigate the DDT which is far, far away.

7 If your concern is truly environmental, increase
8 the size of the marine protected areas to encompass more
9 of the coast. That will help the environment and stop the
10 illegal fishing. It's constant.

11 Thank you.

12 (Applause.)

13 STAFF ATTORNEY JOHNSON: Lili Amini. And then
14 following Lili will be Jim Randall.

15 MS. AMINI: Good afternoon, and thank you for
16 this opportunity for us to speak today. On behalf of
17 Trump National Golf Club Los Angeles, please be advised we
18 strong oppose the proposed reef restoration project.
19 There are numerous unanswered questions about this
20 project, both short term and long term that make this
21 project unsupportable and detrimental to us, as well as
22 this community.

23 Importantly, in the beginning stages we still
24 believe not enough information about the true impact of
25 this project. Not (inaudible) demonstrate (inaudible) the

1 property located closest in proximity, and potentially
2 less impacted, but it implies the project applicant is
3 unable to address the concerns that many have brought up
4 throughout this process. The lack of communication about
5 the impact of the project can only be interpreted as a way
6 of -- to attempt to avoid (inaudible) criticism and
7 concerns that have been brought up by many members of the
8 community.

9 Aside from the lack of communication, we have
10 major concerns about issues such as safety, noise levels,
11 and potential impacts to our operation.

12 Thank you.

13 STAFF ATTORNEY JOHNSON: Jim Randall followed by
14 (inaudible)

15 MR. JIM RANDALL: My name is Jim Randall and I
16 live in (inaudible)

17 CHAIRPERSON YEE: We are losing the audio.

18 MR. JIM RANDALL: I would like to address the
19 facts you should consider. (Inaudible)replace the
20 equivalent of (inaudible). We ask(inaudible) to review
21 the (inaudible)

22 CHAIRPERSON YEE: Let me interrupt here. Sir,
23 we're not able to hear your testimony.

24 MR. JIM RANDALL: (Inaudible) And so we're
25 (inaudible) and on a (inaudible)

1 CHAIRPERSON YEE: Sir, do you have your testimony
2 in writing?

3 For the current public speaker, is your testimony
4 in writing?

5 MR. JIM RANDALL: Not all of it, but I'll submit
6 it for you.

7 CHAIRPERSON YEE: I'm wondering if it is in
8 writing, whether the staff perhaps could read it. We're
9 actually able to hear the staff rather than the speakers.

10 MR. JIM RANDALL: Okay. Let me just offer
11 conclusion. The recent Oroville Dam disaster is an
12 example of how things can go wrong in spite of the
13 pre-studies. There was no pressing need for this reef,
14 and it has a very real inherent risk.

15 Thank you for your time and your consideration.

16 STAFF ATTORNEY JOHNSON: Thank you. So is the --
17 have the audio problems been fixed? Should we continue?
18 Do we take a pause or continue?

19 Okay. Gary Randall. And for the audience here,
20 make sure you speak directly into the microphone. And if
21 you have written comments, that would help too.

22 Okay, Gary.

23 MR. GARY RANDALL: Hello. My name is Gary
24 Randall. And I'm a resident of Rancho Palos Verdes. I've
25 lived here for 45 years.

1 With all due respect to the staff recommendation,
2 in light of new information provided in appendix D of the
3 Negative Declaration cannot be adopted in its current
4 format of the CEQA guidelines. I call to your attention
5 two points.

6 With no presentation of any supporting scientific
7 evidence or data, there's a conclusion in the Negative
8 Declaration that there is no DDT contamination within the
9 project area itself. That's on page 38, line seven to
10 nine.

11 However, in the newly released appendix D2, page
12 three, table 1 shows total DDT levels and sediment samples
13 taken at five stations within project area to be above DDT
14 thresholds. It further defines DDT thresholds as
15 pollutant concentrations above which its affects can be
16 (inaudible). Based on these points, there's no question
17 the information in recently received appen -- released
18 appendix D identifies new avoidable significant affects
19 which mitigation measures be added per CEQA guidelines
20 section 15073.5 subsection (b), paragraph --

21 STAFF ATTORNEY JOHNSON: Mr. Randall.

22 MR. GARY RANDALL: Thank you.

23 (Applause.)

24 STAFF ATTORNEY JOHNSON: Jon Jenkins. Then
25 following Mr. Jenkins will be Bill Foster, I think.

1 MR. JENKINS: Good afternoon, Commissioners. My
2 name is Jon Jenkins. My family has lived in this area
3 since 1959, and I'm strongly opposed to this project.

4 Regarding (inaudible) study, I cannot be a reason
5 why that should not be (inaudible) Also an environmental
6 impact statement was deemed not necessary by the Army
7 Corps of Engineers, the same Army Corps of Engineers that
8 supposedly started the landslide.

9 So we would really like to see an EIS done.
10 There is no plans for test of this design. As stated by
11 the State's expert, this is unique, meaning it's an
12 experiment, experiment off of our delicate coast. We
13 would love to see a small scale test performed in the same
14 (inaudible)

15 Complete studies (inaudible) location would be
16 nice also. Heard about another potential alternative
17 location that was thrown out, no longer considered. A
18 large contingency (inaudible) that would (inaudible) in
19 case of a disaster.

20 Thank you.

21 STAFF ATTORNEY JOHNSON: Bill -- I think Bill
22 Foster. (inaudible)

23 MR. FOSTER: Hello. My name is Bill Foster. I'm
24 a resident of Rancho Palos Verdes for 40 years. We've
25 (inaudible) expert opinions of what's going to happen with

1 this project. I just want to reference the expert opinion
2 given to us about 40 years to 30 years ago. At Portuguese
3 Bend (inaudible) ocean advocate expert thankfully decided
4 to put in a break-fall to preclude all rocks from
5 destroying our reef. It did just the opposite, it
6 destroyed our reef. So a lot of times you see (inaudible)
7 a lot stress (inaudible) with some of these testimony that
8 was given in the expert opinions. And sometimes they just
9 don't -- they don't work out.

10 STAFF ATTORNEY JOHNSON: Bill Schurmer.

11 MR. SCHURMER: Thank you for the opportunity. My
12 name is Bill Schurmer. (inaudible) resident
13 neighborhood(inaudible) Trump National. And (inaudible)
14 look at this and I thought recently (inaudible) the
15 surface. And when I started to look into it (inaudible) I
16 have a little experience. In June 1999, (inaudible). I
17 look at this (inaudible) land where I live and I hear all
18 the testimony and I say maybe this isn't really a
19 (inaudible) study and DDT and land movement, and I say no
20 thank you.

21 (Applause.)

22 STAFF ATTORNEY JOHNSON: Jim Reese. Please get
23 as close to the mic as you can.

24 MR. REESE: Jim Reese(inaudible) resident.

25 The point is that this an experimental. The

1 proponents (inaudible) the purport that if (inaudible)
2 successful (inaudible) would be employed for such. This
3 test case, and as other speakers have stated, there is a
4 lot of (inaudible)

5 Thank you.

6 STAFF ATTORNEY JOHNSON: Matt Garland.

7 MR. GARLAND: Hello. My name is Matt Garland.
8 Thank you for the opportunity to speak on this issue.

9 I respectfully ask you to (inaudible). I'm a
10 stakeholder (inaudible) surfing recreation (inaudible)
11 speaking to the (inaudible) and dispute the project
12 conclusion be designed (inaudible). The selection
13 (inaudible) will affect the wave action (inaudible). The
14 reef modules that have been studied (inaudible) as
15 demonstrated (inaudible) The surfing (inaudible) surfing
16 zone. Thank you.

17 CHAIRPERSON YEE: Let me interrupt, we are unable
18 to hear the staff now clearly. And for any of those who
19 coming before -- to testify before the Commission, if you
20 do have testimony in writing, we will accept submission of
21 it.

22 So...

23 STAFF ATTORNEY JOHNSON: Armand Barilotti.

24 MR. BARILOTTI: Good afternoon. I represent the
25 Bay Foundation (inaudible) biologist with the Bay

1 Foundation.

2 I was here to talk about (inaudible) like most
3 residents are more concerned about the way the
4 (inaudible). That's not my field of expertise. However
5 at the Bay Foundation, we do do a lot of monitoring up and
6 down the coast line. We do aerial surveys of boats from
7 the Mexican-U.S. border (inaudible). So one thing that we
8 will be able to monitor (inaudible) of fishing vessels of
9 this area.

10 Thank You.

11 CHAIRPERSON YEE: Okay. Let me just break in
12 here. What I'd like to do now is we've heard from several
13 members of the public in Rancho Palos Verdes. I think we
14 have a good idea of the issues that have been raised,
15 certainly with respect to the issue around the
16 concentrations of DDT and PCBs in the sediment, negative
17 impacts to the white croaker migration and the fishing
18 issues. Also, just potential impacts of the proposed
19 reefs on landslides and ongoing sedimentation.

20 So those are concerns we've heard consistently
21 from Rancho Palos Verdes. We will come back to you. I
22 think what would be wise right now is to have those who
23 have public comment here in Oakland to come forward and to
24 present to the Commission.

25 Okay. Let me call your name. And as I do please

1 come forward.

2 MR. BARILOTTI: Madam Chairwoman, if I could
3 interrupt for one second. There have been 10 speakers
4 against this proposal and one for. Perhaps we could at
5 least a couple more who are for this proposal from this
6 area that is being impacted.

7 Thank you.

8 CHAIRPERSON YEE: I will come back to you. We
9 still are having audio problems. And so I will be back to
10 you after we hear the speakers here in Oakland.

11 Call. Let me call up Tom Raftican, Heather
12 Burdick and -- there's three speakers signed up here -
13 Jocelyn Enevoldsen.

14 MR. RAFTICAN: Commissioners, staff, my name is
15 Tom Raftican, The Sportfishing Conservancy. And I'm here
16 in support of the Neg Dec and moving forward with the
17 reef.

18 The first time I heard about this Montrose
19 settlement was in the early 2000s. It was the National
20 Marine Fisheries Headquarters for the Southwest Region on
21 Ocean Avenue in Long Beach. It was about restoring fish
22 and restoring seabirds in mitigation for Montrose.

23 They proposed -- the seabirds were on the way.
24 They proposed putting in an artificial reef. And the
25 target of this was restoring fish to the recreational

1 fishing and -- recreational fishing community and
2 subsistence fishing communities. And this is for San
3 Pedro and Long Beach. So it was really -- this is early
4 on environmental justice. This was before environmental
5 justice was a catch phrase, but it actually was looking
6 forward to do that.

7 It was interesting. They had got seabirds along
8 the way, but I was really discontent with the progress on
9 the reefs and this is way back 15 years ago. This is a
10 social justice/environmental justice issue. I might want
11 to say that the next time you have a remote location on
12 this, it probably would be better on the streets of San
13 Pedro or the streets of Long Beach instead of in the
14 shadow of the Trump Golf Course. You would get a
15 different response.

16 Environmental justice delayed is environmental
17 justice denied. Thank you very much for your time.

18 CHAIRPERSON YEE: Thank you very much.

19 MS. BURDICK: Good afternoon. My name is Heather
20 Burdick. I'm the Marine Programs Manager at the Bay
21 Foundation in Los Angeles. I am here in support of the
22 Palos Verdes Reef Restoration Project.

23 My responsibility to the Bay Foundation, we have
24 two projects off of Palos Verdes, one is the Kelp
25 Restoration Project, which Dr. Pondella had mentioned

1 before, that we've done 43 acres of kelp restoration. We
2 have been working on that project since 2013 in
3 partnership with commercial fisherman, researchers. And
4 through scientific monitoring, we have had increases in
5 biomass and diversity of fish on the restored reefs, as
6 well as 250 percent increase in kelp canopy.

7 The second project involves restoration of
8 abalone into these restored kelp forests following decades
9 of serial depletion, overharvesting, and disease.

10 The Reef Restoration Project, as proposed, would
11 in time deliver similar benefits that we've seen from the
12 kelp project. The newly restored reefs and the kelp
13 forests they would anchor will increase the amount of
14 habitat available to restore abalone, directly benefiting
15 the State and federal management goals for the abalone
16 while also returning these culturally and ecologically
17 important species to L.A.

18 The proposed reef project before you is an
19 opportunity to increase ecological function and resiliency
20 to Palos Verdes while informing marine and coastal
21 management throughout coastal California. For these
22 reasons, The Bay Foundation encourages your approval of
23 the project. And thank you for your consideration.

24 CHAIRPERSON YEE: Thank you.

25 MS. ENEVOLDSEN: Good afternoon, Commissioners.

1 My name is Jocelyn Enevoldsen, and I'm here representing
2 Heal the Bay where I work on ocean and coastal policy.

3 Thank you for the opportunity to speak today
4 about the proposed Palos Verdes Artificial Reef Project.
5 Heal the Bay supports and appreciates the stated project
6 goals, which aim to enhance marine resources, and
7 compensator for lost ecosystem benefits associated with
8 the PV Shelf Superfund Site, and the sediments
9 contaminated with DDT and PCBs found there.

10 However, we have some outstanding questions and
11 concerns about the project location and we want to ensure
12 that sufficient evaluations regarding impacts to human
13 health, and the nearby marine protected areas are properly
14 considered before a decision is made today about the
15 proposed lease. Specifically, we're concerned that this
16 project is located within the red zone for fish
17 consumption warnings, where contaminated are most densely
18 populated within the PV Shelf -- oh, sorry from PV Shelf
19 pollution.

20 Fishing is a popular activity along the Palos
21 Verdes Peninsula for both subsistence and sport anglers.
22 And fish that might be attracted to the man-made rocky
23 reef have had restricted consumption advisory since 2009,
24 according to the California's Office of Environmental
25 Health Hazard Assessment. These fish include kelp bass,

1 rockfish, surfperch, scorpionfish.

2 In the U.S. EPA's PV Shelf Seafood Consumption
3 Study, it was found that shoreline anglers in the vicinity
4 of this project site historically consist of higher
5 proportions of Latino, Black, and Asian communities
6 compared to white communities. This raises concerns about
7 environmental justice for those fishers who may catch more
8 contaminated fish, thereby disproportionately exposing
9 themselves and their families to this public health
10 threat.

11 Since State Lands Commission focuses on
12 environmental justice as a component of project review, we
13 hope that you will consider the potential human health
14 risks, and environmental justice concerns associated with
15 this project before issuing a lease.

16 We also have concerns about the proximity of this
17 project site to nearby marine protected areas. This is
18 the first artificial reef project adjacent to an MPA that
19 Heal the Bay is aware. So it's imperative that any
20 potential impacts to the Point Vicente and Abalone Cove
21 State Marine Conservation Areas are considered before
22 granting a lease.

23 Marine Protected areas are connected to nearby
24 fisheries through migration of adult and juvenile fish,
25 and through transport of eggs, and larvae on ocean

1 currents, including more than two mile away. It is
2 critical to understand the connections between the
3 proposed mand-made reef and the fairly new South Coast
4 MPAs, which were made effective just six years ago in
5 2012.

6 I'd like to ask the question, have interactions
7 between the adjacent MPAs and the proposed artificial reef
8 been evaluated? That's for the Commission.

9 And if the Commission decides to approve a lease
10 for the project, we urge you to include strong monitoring
11 provisions in the lease agreement to assess the potential
12 for the project to effect human health and MPA
13 effectiveness. Thank you very much for the opportunity to
14 comment.

15 CHAIRPERSON YEE: Thank you very much.

16 All right. Let me just ask staff perhaps if some
17 of the concerns that have been raised, whether we can hear
18 some responses to them.

19 EXECUTIVE OFFICER LUCCHESI: Yeah, I can ask
20 Kelly or Dr. Pondella to respond to some of the concerns.
21 He talked a little bit about it in his presentation, but
22 the impacts to the landslide, the DDT concentrations,
23 project location, and then also the location of the
24 project site adjacent to the MPA.

25 I know that was a long list.

1 DR. PONDELLA: Should I write that down?

2 EXECUTIVE OFFICER LUCCHESI: I think you can just
3 go over some of your presentation again.

4 DR. PONDELLA: So the first -- the first would be
5 the consideration of the landslide. The landslide at
6 Portuguese Bend is 1.3 miles north of the site, and it's
7 still -- from wave action, there's turbidity and
8 sedimentation that goes into the bend. It goes offshore
9 and into the deeper water.

10 Our -- the site that we have designed for
11 restoration has high relief, similar reefs above and below
12 it, and inside of it that are not impacted by the
13 sedimentation of the landslide. They're impacted by
14 turbidity, but the high relief reefs do not get buried.
15 They're very productive. And, in fact, the reef
16 immediately adjacent to the -- to the proposed restoration
17 site is the most productive reef on the Palos Verdes
18 Shelf. In entirety, one of the most productive reefs in
19 the Southern California Bight.

20 So the idea that the new habitat would get buried
21 from the current sediment transport is -- I don't think is
22 going to happen.

23 And the second question was?

24 EXECUTIVE OFFICER LUCCHESI: How about the
25 project location and the DDT levels -- DDT and PCB

1 DR. PONDELLA: Well, we --

2 EXECUTIVE OFFICER LUCCHESI: -- the project site.

3 DR. PONDELLA: Yeah, so we -- we analyze for DDT
4 exactly where the imprint of the potential restoration
5 project was. It was below the threshold limits used by
6 NOAA to evaluate these things. We've only found DDT in
7 one sample. And so then -- and it was at low level. And
8 that amount that is found in those sediments is ambient to
9 the Southern California Bight as a whole.

10 So if you were to go to 15 to 20 meters, to 45 to
11 60 feet, anywhere else in Souther California, you'd have
12 the same amount of const -- pollution in the sediments.
13 The reason for that is that DDT and PCBs didn't just come
14 from the Montrose sites, so that's background.

15 So the EPA maps of -- following those
16 constituents have shown that as well.

17 And then the next question was --

18 EXECUTIVE OFFICER LUCCHESI: How about -- oh, go
19 ahead. Do you have -- I'm sorry. I don't mean to speak
20 for you, Chair.

21 CHAIRPERSON YEE: No. That's all I had actually.

22 EXECUTIVE OFFICER LUCCHESI: Okay.

23 DR. PONDELLA: That's it?

24 CHAIRPERSON YEE: I think that's it. Yeah.

25 DR. PONDELLA: Oh, the MPAs, right, right. The

1 MPA. The MPA is 1.8 miles away from the proposed
2 restoration site. And it is -- that's linear distance,
3 not coastal distance. And there's a big habitat gap of
4 soft sediment between. The organisms that are being
5 protected in the MPA that we're monitoring - we have nine
6 monitoring stations in the MPA - are doing very well.

7 Their home range is on the order of tens of
8 meters to dozens of meters. It's certainly not -- the
9 organisms that are being protected by the MPA do not have
10 a home range of two miles that they're actually going to
11 go out and be accessed by fishers or some other process on
12 these reefs. So they're -- the -- all the data and all
13 the analyses on the animals that are being protected by
14 the MPA suggest that they would not be impacted by this
15 reef in any way. There's just -- they just don't mix.

16 So larval transport, which Jocelyn brought up, is
17 something -- I mean, those fish larvae are out in the
18 water column for 30 to 60 days. So larval transfer from
19 the MPA in Palos Verdes can essentially encircle the
20 entirety of the southern California Bight during that
21 period. That's just the way fish larvae are.

22 So if your hypothesis is that that kind of
23 transport negatively affects and MPA, you would say that
24 you could never build a restoration habitat anywhere in
25 Southern California without affecting negatively an MPA,

1 which is really not correct, so...

2 CHAIRPERSON YEE: So can I just follow up on
3 that. So given the existing monitoring, do you think
4 that's adequate with respect to what Jocelyn raised in her
5 testimony relative to --

6 DR. PONDELLA: Yeah, we have -- the monitoring
7 plan is 38 reef sites on the Palos Verdes peninsula. So
8 there's no -- there's no mitigation criteria like you have
9 to produce this amount fish or this much kelp like is
10 what's going on Wheeler North Reef in San Clemente.

11 The idea of the restoration project is to make
12 the reef look exactly like the natural reefs, not any
13 other -- anything else. So the monitoring plan is
14 essentially to intensively -- and you couldn't intensively
15 monitor these reefs anymore in terms of visual surveys.
16 The density distribution and diversity of fishes
17 invertebrates at 38 reefs in Palos Verdes and six more
18 reefs of quarry rock reefs that were constructed in Santa
19 Monica Bay. So that's 44 reefs, eight which would be in
20 the monitoring plan in the site, and then 36 outside of
21 it. So that's more intensively monitored than really
22 anything I've ever read about.

23 CHAIRPERSON YEE: So what more could we do -- I
24 mean, that speaks to the reef itself -- the reefs
25 themselves. So what more can we do to really ensure

1 the -- I guess, the effectiveness and the integrity of the
2 MPA, and then also some of the human health risks that
3 were identified relative to the fishery and other?

4 DR. PONDELLA: Well, the MPA -- the only thing --
5 you could look at movement of fishes in and out of the MPA
6 or on or around -- on or around the reef. I think what
7 you had -- what would be -- you would find out is the
8 interesting question isn't actually the MPA, it's how the
9 reefs interacts with the natural habitat around it. So
10 you could look at fish movement.

11 And the human health risk, I'm certainly not an
12 expert on that, but certainly the -- there's so much
13 information being generated about the constituents in what
14 people are eating, I would lend -- I would lean on my
15 fellow colleagues who work on human health risks to really
16 answer those questions, that's not -- that's not really
17 what I do.

18 CHAIRPERSON YEE: Yeah. Jennifer.

19 EXECUTIVE OFFICER LUCCHESI: Yeah. So I -- if
20 the question is about subsistence fishing --

21 CHAIRPERSON YEE: Fishing.

22 EXECUTIVE OFFICER LUCCHESI: -- and the potential
23 of this project to impact the health of those that do that
24 kind of fishing, then I'm not sure if, Kelly, you can
25 answer some of that -- those questions relating to the

1 presence of white croaker, or if Dr. Pondella can.

2 But the science tells us that white croaker are
3 not currently in that location, and the DDT and PCB
4 contamination of white croaker is not necessarily at this
5 site, and is just kind of in the background in the entire
6 Southern California Bight.

7 So we don't believe, and I'm looking to my
8 scientists, that the science and the data is telling us
9 that it's going to increase health risks. This project
10 won't increase health risks to those who subsistence fish.

11 However, to your question about monitoring, I
12 think that there are some additional terms that we can
13 include in the proposed lease to ensure a more robust
14 monitoring program, so that we can ensure that the project
15 is performing in the way that we all anticipate that it
16 will.

17 And that can -- that kind of monitoring
18 requirements could include collecting sediment samples to
19 anal -- from the reef site to analyze them for DDT and PCB
20 contamination, and reporting that out. We can also
21 require the lessee to provide -- to perform side-scan
22 sonar surveys of the reach -- reef each year for the first
23 five years after construction has been completed.

24 And then also, we could require that the lessee
25 provide the Commission with an annual summary of all

1 post-construction monitoring activities, again to be able
2 to monitor the performance of the project for a period of
3 time to ensure that -- that it's performing in the way
4 that the scientists have anticipated that it will.

5 CHAIRPERSON YEE: Okay. No. Thank you. And I
6 think given what we've heard thus far, I certainly would
7 want to support those additional elements of monitoring.

8 Questions, Commissioners?

9 Okay. I know we have further speakers down
10 south. Let me do this --

11 EXECUTIVE OFFICER LUCCHESI: I think we have
12 three.

13 CHAIRPERSON YEE: Yes, there are three more
14 speakers.

15 Let me call them at this point to come forward.
16 You've heard the testimony up here, in addition to
17 responses to some of the issues that have been raised. So
18 let me just ask you to -- if you'll come forward and
19 you'll have one minute to provide testimony to the
20 Commission.

21 STAFF ATTORNEY JOHNSON: Al Edridge.

22 Al is -- okay. Okay. We'll go to Mark Friedman.

23 MR. FRIEDMAN: Good day. I am a high school
24 marine science and health teacher, who has a marine
25 biology club that has been educating in Spanish in the

1 community on the Montrose Settlement and the impact of
2 PCBs, et cetera, on white croaker.

3 This proposal has nothing to do with mitigation.
4 It is an effort to do a little bit to reconstruct an area
5 that could be a greater habitat for fish.

6 We need to stick with the science. There are
7 some things that are bigger challenges, global climate
8 change, ocean acidification, invasive species, habitat
9 loss, et cetera. But this artificial reef proposes to
10 assist a little bit in changing that. Is it experimental?
11 Yes, but artificial reefs are not experiments.

12 I understand some of the public's distrust with
13 the APA -- with the EPA. I am involved with the battler
14 over the Torrance Refiner where the EPA has covered up
15 dangerous use of chemicals and contaminant.

16 STAFF ATTORNEY JOHNSON: Can you wrap up?

17 MR. FRIEDMAN: I will complete right now.

18 However, this initiative and more that force
19 corporations to pay for pollution that could be useful for
20 fishing, that establish more MPAs would be beneficial.

21 So I have been an educator for (inaudible) and I
22 know that my community (inaudible) would support this.

23 Thank you.

24 STAFF ATTORNEY JOHNSON: Craig Cadwallader.

25 MR. CADWALLADER: Good afternoon. My name is

1 Craig Cadwallader and I'm speaking on behalf of the
2 Surfrider Foundation South Bay Chapter. And while we
3 applaud the general concept to help restore fish stocks
4 and make a healthier environment, there seems to be a
5 number of unanswered questions, especially from our
6 constituents that concern not the possible impact on
7 certain (inaudible) that may not have been fully analyzed,
8 but also just some of the concerns with the contaminants
9 that might not fully (inaudible) especially the
10 (inaudible) of appendix D.

11 So while we overall applaud the good intentions
12 of this, it seems like there's questions remain that we'd
13 like to see answered and hopefully come up with something
14 that is acceptable more across the board. Right, it looks
15 a little (inaudible) to really support (inaudible).

16 Thanks.

17 STAFF ATTORNEY JOHNSON: And Al Edrdige, are you
18 here?

19 No. Is there anyone else here that would like to
20 speak on this item?

21 Thank you for your time down in Southern
22 California.

23 CHAIRPERSON YEE: Okay. Does that conclude.

24 EXECUTIVE OFFICER LUCCHESI: I think we're done.

25 CHAIRPERSON YEE: Okay. That concludes the

1 speakers on this item in Rancho Palos Verdes.

2 Further deliberation by Commissioners?

3 Okay.

4 Are we ready to entertain a motion?

5 COMMISSIONER NEWSOM: Move approval with the
6 amendments that Executive Director advanced.

7 CHAIRPERSON YEE: Okay, we will --

8 ACTING COMMISSIONER WONG-HERNANDEZ: I second
9 that.

10 CHAIRPERSON YEE: We have a motion by
11 Commissioner Newsom to adopt the Negative Declaration and
12 application for the lease with the conditions for
13 monitoring as specified by Executive Director Lucchesi,
14 seconded by Commissioner Wong-Hernandez.

15 Without objection, that motion carries.

16 Thank you, everyone, for your patience with the
17 testimony.

18 Thank you.

19 CHAIRPERSON YEE: All right. Our next item,
20 moving on -- we're on Item 90.

21 Okay. Relating to the 2018 Lake Tahoe benchmark
22 rental rates. Let me have the staff presentation.

23 Good afternoon.

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

1 LAND MANAGEMENT DIVISION CHIEF BUGSCH: Hopefully
2 have a PowerPoint here, but I'll get going.

3 Good afternoon, Commissioners. My name is Brian
4 Bugsch. I am Chief of the Commission's Land Management
5 Division, and I'm here to present on C 90, which regards
6 the updates to the Lake Tahoe benchmarks. I'm here to
7 recommend to the Commission approved updates to the
8 Category 1 Lake Tahoe benchmarks.

9 --o0o--

10 LAND MANAGEMENT DIVISION CHIEF BUGSCH: Berth's
11 benchmark, the Category 1 Lake Tahoe buoy benchmark and
12 the Category 2 Lake Tahoe benchmark. All three benchmarks
13 primarily apply to the recreational use leases at Lake
14 Tahoe, in El Dorado and Placer counties, and at Donner
15 Lake as well.

16 In May and December of last year, letter's were
17 sent to lessees at Lake Tahoe and Donner Lake, as well as
18 consultants and other interested parties to notify them of
19 these updates.

20 --o0o--

21 LAND MANAGEMENT DIVISION CHIEF BUGSCH: I can
22 come back to this later, if necessary, and cover it in
23 more detail, but this slide provides an overview of the
24 reasons why we use benchmarks. The key things to note
25 here are, first, it's a method that we have authority to

1 use under our regulations. And two, this method improves
2 consistency, transparency, predictability and efficiency
3 in establishing rents and saves time and money for both
4 staff and applicants.

5 --o0o--

6 LAND MANAGEMENT DIVISION CHIEF BUGSCH: This is a
7 map of our -- the benchmarks that we use throughout the
8 State.

9 --o0o--

10 LAND MANAGEMENT DIVISION CHIEF BUGSCH: This is a
11 list of our current benchmarks. These are all up on our
12 website at all times.

13 --o0o--

14 LAND MANAGEMENT DIVISION CHIEF BUGSCH: A little
15 bit of background. At the request of Commission staff,
16 staff reviewed the methodology for Lake Tahoe benchmarks
17 in 2012. Staff held a public meeting at Lake Tahoe with
18 stakeholders, and reviewed and analyzed numerous
19 alternative methods for determining rent for Tahoe piers
20 and buoys.

21 At that time, other methodologies were explored
22 especially those for buoys. And most of those resulted in
23 higher rental values. Ultimately, staff determined that
24 the existing benchmark methodology was the most reasonable
25 approach, and the best methodology to use going forward.

1 And in May 2012, the Commission concurred with staff's
2 recommendation and authorized staff to continue using the
3 existing methodology.

4 The result of that is what's up there are current
5 benchmark rates, which are \$0.79 for -- per square foot
6 for berths, and \$300 and -- or \$377 for buoys.

7 --o0o--

8 LAND MANAGEMENT DIVISION CHIEF BUGSCH: In -- at
9 May 2017, we sent out public outreach letters that advised
10 stakeholders of the proposed changes to the Tahoe
11 benchmark rates. Since that time, we received tons of
12 comments and input from various parties. In particular,
13 Meeks Bay Vista Property Owners Association and the Tahoe
14 Lakefront Owners Association have provided conference of
15 comments input and recommendations regarding the benchmark
16 methodologies.

17 Staff has also participated in a TLOA workshop at
18 Lake Tahoe in June where we discussed the benchmarks and
19 answered questions.

20 For the rest of 2017, we continued to review and
21 discuss the recommendations with representatives from
22 Meeks Bay and TLOA. And taking all the information into
23 consideration, we revised our initial proposals. This
24 table here kind of covers everything. It gives you our
25 existing benchmarks, what we initially proposed back in

1 April of 2017, and what we're currently proposing.

2 --o0o--

3 LAND MANAGEMENT DIVISION CHIEF BUGSCH: I won't
4 go into detail on this. We can always come back to it,
5 but this slide covers the calculations for our initial
6 proposed berth benchmarks using the existing methodology.
7 And using this, our benchmark for Tahoe berths would be
8 \$1.01 per square foot.

9 --o0o--

10 LAND MANAGEMENT DIVISION CHIEF BUGSCH: As I
11 mentioned, we received a lot of input and recommendations
12 on changing our methodology. One of the primary
13 recommendations was that the seasonal rate should not be
14 annualized. The argument here is that since there's
15 little or no boating outside the boating season, due to
16 inclement weather, rough water conditions and
17 temperatures, and no revenue is generated in the off
18 season, that the marine -- the annual average marina rate
19 for Tahoe is effectively the annual rate.

20 It was also recommended that we have apply
21 discounts for amenities and public benefit. An amenities
22 discount would involve discounts based on the idea that
23 private pier and buoy owners do not receive all the
24 amenities that you would at a commercial marina. For
25 example, boat repair, gas services, on-site security.

1 A public benefits discount would involve a
2 discount based on the idea that Tahoe lessees provide safe
3 harbor and utilization of private piers to rescue boaters,
4 kayakers, and others on the lake that are in distress.

5 And then, yet another one up there, is that we
6 create two separate benchmarks based on the counties, El
7 Dorado and Placer counties. And finally, it was
8 recommended that we simplify our benchmark methodology.

9 --o0o--

10 LAND MANAGEMENT DIVISION CHIEF BUGSCH: So I'd
11 like to respond to each of those. Based on these
12 recommendations, we agreed that the application for
13 seasonality is appropriate for Tahoe -- for the Tahoe
14 region, because it encompasses all the revenue generated,
15 and is still consistent with the Public Resources Code and
16 regulations that apply to and govern how we establish
17 rent.

18 We determined that an amenities discount is very
19 subjective and difficult to quantify, and that any such
20 discount is counterbalanced by a convenience factor of
21 having the improvements outside your back door, and not
22 having to expend the time, energy, or money to go to
23 marina every time you want to use your boat. There is
24 also the value that accrues to the lessee on their upland
25 land value by virtue of having the lease, and being able

1 the use sovereign lands.

2 Next, we also determined that we can not apply a
3 public benefit discount for safe harbor. In 2011, this
4 concept was thoroughly discussed by the legislature, when
5 PRC section 6503.5 was amended. And at that time, the
6 decision was made by the legislature to change -- to
7 charge full rent for private recreational piers and
8 mooring buoys.

9 After exploring the idea of establishing separate
10 benchmarks based on county, we decided that breaking it up
11 would be arbitrary, become complicated, especially if it
12 involved lakefront properties right near the county line,
13 because they have very similar characteristics and values.
14 And with regard simplification, we think we've
15 accomplished that with our proposed benchmark.

16 So to calculate the 2018 benchmark, you take the
17 average annual marina rate of \$5,880, you multiply it by a
18 five percent rate for return, and then convert that to the
19 price per square foot by dividing it by the average area
20 needed for a preferred a boat, or 705 square feet, which
21 results in the proposed benchmark of \$0.417 per square
22 foot.

23 While this is lower than the current benchmark,
24 it is still higher than -- or still the highest benchmark
25 in the state.

1 --o0o--

2 LAND MANAGEMENT DIVISION CHIEF BUGSCH: Moving on
3 to the buoy benchmark. Initial proposals for the 2018
4 buoy benchmark used the existing methodology. And this is
5 a different methodology in which we -- which is
6 adjusted -- rent is adjusted by the percentage increase in
7 buoy rates from the prior benchmark period. And as you
8 can see from this, if we use the existing methodology, it
9 would go from \$377 to \$516 per buoy.

10 --o0o--

11 LAND MANAGEMENT DIVISION CHIEF BUGSCH: The
12 recommendations we received for the buoy benchmark were
13 almost identical to those received for the berths
14 benchmark. However, they suggested switching from the
15 market rate increase to using the annual marina rental
16 rates as a way of determining the benchmark rental rate.

17 --o0o--

18 LAND MANAGEMENT DIVISION CHIEF BUGSCH: So that
19 is the one suggestion we did adopt. And using the average
20 annual buoy rate of \$3,880, and multiply it times the five
21 percent results in the proposed benchmark of \$194 per
22 buoy.

23 --o0o--

24 LAND MANAGEMENT DIVISION CHIEF BUGSCH: Moving on
25 to the third item, Category 2 benchmark. A Category 2

1 benchmark is necessary for improvements such as sundecks,
2 artificially-filled areas, or other nonwater-dependent
3 encroachments that represent an extension of the private
4 backyard of an upland residence, which is a purpose
5 unrelated to the docking and mooring of boats.

6 And in using the Category 2 Benchmarks, the
7 Commission's practice is to apply a discount of up to 75
8 percent in situations where the sovereign land being
9 leased may not have the same utility as the adjacent
10 upland property. The reduced utility can be due to
11 topography or other physical characteristics, the nature
12 or the use of the sovereign land, or legal -- certainly
13 legal constraints.

14 The Commission's practice kind of statewide has
15 been to apply a discount of 75 percent for sundecks, to
16 reflect the reduced utility. But the discount is not
17 applied to areas such as artificial fill, because these
18 areas have the full utility of the land.

19 --o0o--

20 LAND MANAGEMENT DIVISION CHIEF BUGSCH: This
21 slide shows how we calculated the Category 2 benchmark.
22 We can go again in any of these in more detail, if
23 necessary. But basically, performed a land appraisal
24 identifying 42 recent lakefront property sales, and
25 derived an average land value of \$120 per square foot.

1 The land value is then multiplied by the State's required
2 nine percent rate of return to arrive at the undiscounted
3 rate of \$10.80. And if you discount that 75 percent, you
4 could come up with the \$2.70 per square foot.

5 --o0o--

6 LAND MANAGEMENT DIVISION CHIEF BUGSCH: Again,
7 we -- as with the other ones, we received feedback on
8 this, criticisms to our methodology. And some of the
9 critiques were that we should use more vacant land sales -
10 we used the ones that we could find - that we should split
11 it into two benchmarks, and that we should apply a larger
12 discount rate to it.

13 And then finally it was recommended that there
14 should be a seasonal discount for -- applied on top of the
15 proposed utility discount for the seasonal use of those
16 things.

17 So based on the input received --

18 --o0o--

19 LAND MANAGEMENT DIVISION CHIEF BUGSCH: -- we
20 determined the methodology for the undiscounted rate would
21 not change. We did accept that the seasonal discount. So
22 we were recommending a discounted rate of \$1.13 per square
23 foot.

24 --o0o--

25 LAND MANAGEMENT DIVISION CHIEF BUGSCH: So we put

1 together an example using some of the different ones, the
2 rates for the pier, the impact area, and the mooring buoys
3 would use the Category 1, and then the sundeck and stairs
4 would be applied -- or the Category 2 benchmark.

5 So looking at this, you could see overall what
6 would happen to a kind of a typical lease up there. In
7 this example, it would be -- under the 2012 benchmark, it
8 would \$2,072 dollars. And then overall that would drop to
9 \$1,312 using the proposed benchmark.

10 --o0o--

11 LAND MANAGEMENT DIVISION CHIEF BUGSCH: So this
12 is just again showing what staff is recommending. As a
13 reminder, I'd like to say that none of the rent revenue
14 generated from the Commission's Lake Tahoe leases goes to
15 the State's general fund. All the revenue from the
16 Commission's Tahoe leases goes to the Lake Tahoe Science
17 and Lake Improvement Account. Funds from this account are
18 used for activities and projects on the lake that include,
19 but are not limited to, aquatic invasive species
20 prevention, projects to improve public access, and
21 nearshore water quality monitoring projects.

22 That concludes my presentation. Staff is
23 available to answer questions.

24 CHAIRPERSON YEE: Great. Thank you very much.

25 Commissioners, comments?

1 Commissioner Newsom.

2 COMMISSIONER NEWSOM: Well, no. I mean, the
3 complexity of the calculations aside, and I appreciate the
4 effort and the outreach. I mean this has been many, many
5 years in the making. And this -- it's interesting. Of
6 all the things we've dealt with in the seven years at
7 least I've been on this Commission, nothing has struck a
8 cord more. And individuals somehow finding my cell phone
9 or my residence to express their discontent in every way,
10 shape, or form with every proposal we've made to date.

11 I don't how this will necessarily square in terms
12 of the minds of those that may be here that wish to opine,
13 and offer an opinion, but I imagine there are many that
14 are not satisfied. So my question to you, is that an
15 accurate assessment, and wherein lies the remaining doubt
16 as it relates to the current proposal?

17 LAND MANAGEMENT DIVISION CHIEF BUGSCH: Yeah. I
18 would, first of all, let Jennifer respond, but I'd say,
19 yes, we have -- no matter what we've ever done in terms of
20 benchmarks at Tahoe. We did this back in 2012, we kind of
21 revisited it a little bit with the regulations in 2014.
22 And again, with these proposed ones, we got people on both
23 sides that think it's too high or think it's too low,
24 think other things aren't right, so...

25 COMMISSIONER NEWSOM: And where -- I mean, and so

1 is there a consensus too high, too low at this stage? What
2 are you hearing Jennifer?

3 (Laughter.)

4 COMMISSIONER NEWSOM: What am I going to hear?

5 EXECUTIVE OFFICER LUCCHESI: Well, I think you'll
6 hear from a number of people that want to speak during
7 public comment about that very issue. I will say that in
8 the comment letters that we've received on this meeting,
9 the majority of which are on the benchmark, both stating
10 positions that the staff recommendation is too high and
11 also that it's too low.

12 So I think that you have stakeholders on all
13 different sides of this that have strong opinions.

14 COMMISSIONER NEWSOM: So I'll keep an open mind.
15 I just want to though -- and I mean this sincerely, I just
16 applaud you and the staff for the sincerity, and the
17 outreach, and the effort, which I'm well aware of. I
18 mean, literally I think I got here and this was the first
19 item on the agenda. It's like why did I run for this
20 office?

21 (Laughter.)

22 COMMISSIONER NEWSOM: And so I -- you know, I do
23 appreciate the Herculean effort. And any time there's a
24 change, change has its enemies, and I get that, and
25 certainly appreciate. There is no such thing as sort of

1 having made it in terms of consensus perhaps on this.

2 But I do look forward to hearing from folks and
3 getting a better sense before I sort of lean in and --
4 again, grateful for the work and presentation.

5 CHAIRPERSON YEE: Great. Thank you.

6 Thank you, Commissioner Newsom.

7 Any other comment?

8 ACTING COMMISSIONER WONG-HERNANDEZ: I look
9 forward to hearing the rest of the public comment. We've
10 read letters on both sides as well, and met with
11 stakeholders. And I do have some concerns about the
12 methodology. And there -- while we recognize that there's
13 not going to be a perfect comparison, I'm not sure that a
14 commercial marina use is the right comparison for this.

15 But these are -- these are public lands,
16 State-owned lands with permanent structures affixed --

17 CHAIRPERSON YEE: Right.

18 ACTING COMMISSIONER WONG-HERNANDEZ: -- that
19 people have exclusive use of year-round.

20 CHAIRPERSON YEE: Right. Good. Thank you.

21 Well, let's turn to public testimony at this
22 time, and hopefully this can inform our direction going
23 forward.

24 Let me call up Jan Brisco, and then A.C. Evans,
25 Bill Lyons to follow and then David Blau.

1 Good afternoon. Thank you for your patience.

2 MS. BRISCO: Good afternoon and thank you,
3 Commissioners and staff for the opportunity to work
4 collaboratively on this project. And for years and years
5 and years we've been at the table. Thank you for hanging
6 in there with us, Commissioner Newsom.

7 Your attention today, I think we want to take a
8 look at this really as something -- while we've been
9 navigating the tide on the pier and buoy rents for years,
10 we engaged this time in a really comprehensive review,
11 which we had not done previously. Our consultant, a
12 forensic appraiser and expert at Tahoe and elsewhere in
13 the State of California, is here today to really address
14 and answer any of your questions.

15 And I had him on my comment card to come behind
16 me, because I think it's important to understand how very
17 complex the benchmark system is and will continue to be.
18 And what we found was that when we presented our
19 information to staff and we had this discussion started,
20 we saw that there were inconsistencies to the system. And
21 I think your comment about is the marina the right system?
22 Boy, we looked at a lot of different ways to do that to
23 draw that comparison what is the value of that.

24 And I think in working with staff and trying to
25 work with what has already been done, and we've been

1 living with since 2012, this was really a method we could
2 live with, and that the opportunity exists today to
3 correct the course and the inconsistency in flaws of the
4 system.

5 So the main thing we were looking at was really
6 to take a look at the enabling legislation, where the
7 legislature said make this fair and make it based on local
8 conditions. And that was sort of our mantra. At Tahoe,
9 we're a little different from everywhere else in the State
10 of California, because we're finally getting snow, I
11 understand. So we'd like to -- we'd like to really be
12 here today in support of this proposal.

13 Our association has worked long and hard. We
14 think the staff Herculean effort is a good way to put it,
15 has worked long and hard alongside of us to really come up
16 with what we think is an acceptable proposal today.

17 I would like to comment briefly on the SB 630
18 funding, where all the funds from pier and buoy rent come
19 back to Lake Tahoe.

20 I sit on that recommendation funding -- that
21 funding committee that makes recommendations. We still
22 have well over 600,000 of unencumbered funds this cycle --
23 this funding cycle. And so I think we're going to be
24 okay. I think in terms of how that funding -- you know,
25 we're going to be looking at long term for Lake Tahoe a

1 really good benefit environmental, public access, and
2 those kinds of projects.

3 So based on all of this collective and expert
4 review by your staff, and consultants, and all, we would
5 like you to please approve staff's proposal today.

6 Thank you. And may I ask my consultant to say a
7 few words?

8 CHAIRPERSON YEE: Please, yes.

9 Good afternoon. If you'll introduce yourself for
10 the record, please.

11 MR. SHORT: Hello. My name is Monte Short, and
12 I've been -- I was retained by Jan Brisco with TLOA to
13 consult on the pier and buoy leases at Tahoe. Just a very
14 quick summary, I've been appraising, and consulting, and
15 providing expert witness testimony for about approaching
16 38 years. Most of my work is Tahoe, Truckee and the
17 foothills. When we started in 2012, the assignment was to
18 analyze the rental rates for the piers and buoys. That
19 has sense gone through 2014, where we also had meetings,
20 and then 2016, and, of course, a lot in 2017.

21 The -- if I could cut to the chase, I agree with
22 most of the methodology used in the benchmark. One
23 method, the methodology -- there -- when you're faced with
24 something like this, it's submerged land, I researched
25 everything throughout the nation. There's just not --

1 there's different methods, but this was actually what
2 staff came up with. We agreed with.

3 There was some tweaks, and differences of
4 opinion, but I have to say that, you know, Colin Connor
5 and Brian Bugsch and other people on staff were absolutely
6 incredible with being transparent, and trying to -- I know
7 it sound corny, but they were trying to do the right
8 thing. Everybody was, TLOA, myself, and staff.

9 So my recommendations for the pier rent and the
10 buoy rent were in -- in the case of the buoy rent, I
11 agreed 100 percent. I was a little bit less on the pier
12 rent per square foot. But the -- where staff is at now, I
13 think is certainly reasonable. So Jan negotiated -- it's
14 a negotiated rate. I'm a little bit less, but that's
15 where we're -- excuse me -- where we're at now.

16 So if there's any questions from -- I don't know
17 how this works, whether you want to -- I'm used to
18 depositions and testimony.

19 (Laughter.)

20 MR. SHORT: So I don't know this works with this
21 setting. So I don't whether I take questions now or sit
22 down and shut up.

23 CHAIRPERSON YEE: No, let us hear from the
24 other --

25 MR. SHORT: Okay.

1 CHAIRPERSON YEE: -- people who have signed up to
2 testify. Thank you.

3 MR. SHORT: Thank you.

4 CHAIRPERSON YEE: Okay.

5 MR. LYONS: Thank you, Commissioners. My name is
6 Bill Lyons, and I'm the President of Meeks Bay Vista
7 Property Owners Association. We're a nonprofit volunteer
8 organization representing about 100 family-owned
9 properties at the Rubicon Bay Area. In fact, three of our
10 members were actually on the -- on the agenda today to
11 have their leases renewed.

12 Our Association would like to personally thank
13 staff, especially Colin and Brian. They maintain a very
14 professional and friendly attitude over the last 10 months
15 with our interaction with them.

16 You know, both the leasees, stakeholders, TLOA,
17 our association had to work for 10 months on this current
18 proposal. We're urging the Commission to actually support
19 staff's proposal regarding Category 1 Tahoe benchmark
20 Category 2, the benchmark.

21 However, we would respectfully request that the
22 Commission review Category 1 buoys at \$194 per buoy, which
23 was established by staff by averaging the rent paid by --
24 or paid by the for-profit commercial marinas. They have
25 an alternative proposal. And I asked staff to hand out a

1 little document. And if you would flip to the back page,
2 you know, the charges for your review. You know, staff is
3 proposing a fee of 194 per buoy for not-for-profit buoys.
4 That's, as illustrated, private not-for-profit buoy owners
5 will be paying more than six -- will be paying more than
6 six out of the ten for-profit commercial marinas.

7 We'd like to suggest an alternative to the
8 Commissioners to consider. Our alternative is to use the
9 lowest for-profit rental income for the for-profit
10 commercial marinas, \$104 in El Dorado Count, \$175 in
11 Placer County. Add those rents together, divide by 2, and
12 you come up with \$140 per buoy.

13 Meeks Bay Vista Property Owner and El Dorado
14 County family-owned buoys will still be paying more than
15 all the commercial marinas in El Dorado County that were
16 surveyed by the staff.

17 Meeks Bay believes the 140 rent would be much
18 more equitable buoy rent for family not-for-profit buoys.
19 Again, we encourage you to support and endorse the staff's
20 recommendation on two of the benchmarks.

21 Thank you for your consideration.

22 CHAIRPERSON YEE: Thank you. Mr. Lyons.

23 Is H.C.[SIC] Evans in the audience?

24 Please.

25 MR. EVANS: My name is Tony Evans. I'm a

1 property owner, and I'm also on the Board of Directors of
2 Meeks Bay Vista.

3 I'm a math major, graduated from Berkeley. None
4 of us honestly understood what the benchmark was in 2012.
5 We were not vocal. We weren't -- we weren't massed and we
6 weren't organized.

7 But to go from, as I was saying earlier, \$35 for
8 a buoy in 2011 to \$377, I don't know -- I don't know
9 anybody that would think that was fair, except the people
10 that were doing the benchmark the best they could. And I
11 take nothing away from these gentleman and Ninette Lee,
12 terrific staff. Really enjoyed working with them. And,
13 Jennifer, you've done a great job of overseeing what
14 they've been doing.

15 To make a long story short, when I went to 516 in
16 five years, which was the review period, and from \$0.79 a
17 square foot to the pier for 101 -- a dollar one for every
18 square inch of that pier that's for lease, uncovered the
19 lease, it just -- it was just more than we could fathom.
20 Just there were -- so bottom line is we became active, and
21 you're seeing the results of it.

22 Is it too high or too low? I think everybody has
23 worked so hard on this personally. I just think it's a
24 marvelous solution. We think it's a little too high. I'm
25 sure there are components that believe it's too low, but I

1 would recommend your approve of -- personally of the
2 benchmark. And I don't speak for our Board. I'm talking
3 personally, not to undermine my President, by the way,
4 either. So please, his sincere comments are resonating
5 with everybody.

6 You're going to hear comments from a lot of
7 people that are getting the money. And I think what
8 happened after the legislation passed and the benchmark
9 took effect, it was pretty much designated to going to the
10 general fund. I don't even know who worked on making sure
11 that it went to Lake Tahoe. And all I could do is go
12 hooray. I live there full time. I look at the lake. I
13 want that lake to be blue, and clear, and beautiful. I
14 live in Rubicon Bay.

15 There are people that had no money at all from
16 this. It was going into the -- going to go to the general
17 fund. And then the same person that carried the
18 legislation came in, and basically with -- however the
19 movement came, let's put it all in Lake Tahoe. Terrific.

20 Those agencies didn't get anything. The
21 benchmark was flawed, and they got a whole lot of money,
22 377, and -- but they still haven't seen, I don't even
23 think, half of the -- there's -- my next door neighbor has
24 never paid a dime in rent. His lease is on your desk for
25 approval today with all the other leases. And he'll be

1 paying a new fee. Over time, you're going to get back
2 whatever it's come down.

3 And I feel badly for those organizations that
4 have been getting the money, but we were overcharged. And
5 everybody -- nobody was doing anything badly. If the
6 intentions were bad, I would have taken exception to it
7 and I would have spoken and addressed it. So I've taken
8 over my time, but they will get that money, and it will
9 come back. And we can also let get -- as people that care
10 about the lake, you'll find that we contribute also to
11 those causes, and we do. So it's not just TLOA.

12 Thank you --

13 CHAIRPERSON YEE: Thank you.

14 MR. EVANS: -- very much for your time.

15 CHAIRPERSON YEE: Thank you very much. Are there
16 other members of the audience who wish to come forward to
17 speak on this?

18 Are there more? Okay.

19 MR. BLAU: Good afternoon, Commissioners and
20 staff. My name is Dave Blau, B-l-a-u. I'm a board member
21 of the League to Save Lake Tahoe. I want to offer a
22 little bit of a different slant or perspective on the
23 issue.

24 I'm speaking for the lake. The lake has no
25 voice. So I want to talk a little about the perspective

1 of how the funds are being used. It would -- in -- and
2 the prior speaker -- in 2013 with SB 630, that was the
3 legislation that required that the rental income from the
4 peers and buoys on the California side would go into the
5 Lake Tahoe science and lake improvement account.

6 And since that time, the last four plus years,
7 we've been very involved in the recommendations on how
8 that -- how these funds are used.

9 The funds -- I think Mr. Bugsch said this as his
10 last comment when he spoke. But the funds roughly break
11 down about two -- a little less than \$2 million we
12 estimate in the last four plus years.

13 About a third of it is going to Lahontan Regional
14 Water Quality Control Board for water quality monitoring
15 projects. About a third of it is going to the California
16 Tahoe Conservancy for aquatic invasive species management,
17 and the other third funds the science -- the newly formed
18 science council, which is focused on reviewing the
19 thresholds in the TRPA plan. And all of those, I want to
20 emphasize, come back and benefit that near shore -- the
21 near shore that we're all talking about here today.

22 We've supported the allocation in these funds.
23 There some innovative work being done on techniques like
24 UV light to control invasive plant species. And we're --
25 we're very enthused about some of those findings.

1 We're not here to oppose the staff 2018
2 recommendations. We would like to have, and I hesitate to
3 say this based on the years of debating this subject, but
4 we were not notified of this proposal until the last
5 month, and we did have a staff meeting and got up-to-date.
6 But it's been very difficult with the multiple meetings
7 that have occurred with the lakefront owners that the
8 League has not been invited, engaged in the subject
9 matter.

10 So I will ask kind of reluctantly for a month or
11 two postponement, so that we can assess the -- our own
12 assessment of whether the staff's -- in the staff report
13 it says that the reduction in the fees would be offset by
14 collecting fees from those people that haven't
15 historically paid. We would just like to have a little
16 time to take a hard look at that to form our own opinion
17 on whether -- whether the funding would remain stable with
18 that tradeoff, but we're not here to oppose.

19 So I would like to thank you for listening. And
20 hopefully if you could give us a month or two, we would do
21 our own independent analysis, and have a firmer position
22 on the staff recommendation.

23 Thank you.

24 CHAIRPERSON YEE: Thank you, Mr. Blau.

25 Other speakers?

1 Okay. Any comments or impression, Commissioners?

2 COMMISSIONER NEWSOM: That concludes my comments.

3 (Laughter.)

4 COMMISSIONER NEWSOM: No. I -- so I'm curious, I
5 mean -- I'm curious where everybody else is. I -- you
6 know, I -- interesting, I thought there'd be more folks.
7 Candidly, I thought there would be a little bit more
8 conflict in the room. I'm pleased there wasn't I
9 appreciate the last speaker almost in the spirit of, you
10 know, willingness to -- didn't go so far as to say no, but
11 wants a little more time.

12 Offered a point of view, which I thought was
13 interesting, about concern that the offset in terms of
14 actual revenue would actually be made up by those that
15 weren't previously participating. I'm curious staff's
16 perspective on that. But beyond that, I'm also very
17 interested in where the rest of the Commission is.

18 ACTING COMMISSIONER WONG-HERNANDEZ: Are we
19 answering that or --

20 COMMISSIONER NEWS: Oh, yeah -- you want to
21 answer that.

22 LAND MANAGEMENT DIVISION CHIEF BUGSCH: Can you
23 pull the PowerPoint back up, please?

24 CHAIRPERSON YEE: Hold on one second. Let me
25 hear from Commissioners first, and then we'll see about

1 staff responding.

2 Commissioner Wong-Hernandez.

3 ACTING COMMISSIONER WONG-HERNANDEZ: So I -- I
4 understand -- again coming back to the idea that the
5 commercial marina comparison is imperfect, but I can
6 possibly accept that it's sort of the best that we can do.
7 What I'm struggling with is the idea of taking an
8 imperfect methodology and then discounting it seasonally
9 over five months saying that you should only pay for
10 something that you have exclusive access to year-round for
11 a five-month period, because that's what the commercial
12 marina specifically use it in order to moor boats.

13 And so I -- it's that extra layer of an imperfect
14 system, and then layering a discount on this imperfect
15 system, in order to sort of make everybody happier or
16 instead of really thinking about, you know, these are
17 public lands, what do we owe Lake Tahoe, and what is -- is
18 the most appropriate way of assessing the value of these
19 piers -- the piers specifically on the lands?

20 So I, you know, am comfortable continuing the
21 existing rate that has been in place since 2012, while we
22 figure this out in some way. And I don't know if that's
23 commissioning a study on the methodology or doing it for a
24 certain number time and directing staff to look into the
25 issue further. Those are sort of my thoughts right now.

1 CHAIRPERSON YEE: Okay. No. Thank you,
2 Commissioner Wong-Hernandez. I think I share that
3 sentiment. I don't know that we've really gotten to that
4 point of developing, you know, what that fair methodology
5 looks like. And I'd hate to think that we're kind of
6 perpetuating this process, you know, just based on the
7 questionable methodology now.

8 And I guess a couple points that were raised that
9 just struck me. One is I don't think any of us are doing
10 this to -- you know, just to generate revenue. I mean, we
11 really do want to come out with a fair outcome. And, you
12 know, some of the -- I mean, obviously Lake Tahoe has a
13 lot of needs, and we want to be sure that we are
14 addressing them, and the Science and Land Improvement Act
15 are -- is, you know, guiding some of that work.

16 I do think there's still a lack of justification
17 for parts of this. And it speaks to my colleague's
18 concern about just how solid the existing methodology is.
19 And so I really would like to take that deeper dive, I
20 guess at this point, and continue the current rates, and
21 perhaps -- and I know there are lots of offers to look at
22 how we get to that fair methodology, but I would be
23 interested in even having the Commission staff develop
24 a -- I'm not sure about the urgency of it, but perhaps
25 even a spring Finance letter to just get some funding to

1 hire the consultant to do the deeper dive, because I think
2 we're going to be right back here, you know, without
3 really a whole lot more information as we move forward
4 with respect to, you know, how we set these rates going
5 forward.

6 And I know I'm putting Commissioner
7 Wong-Hernandez in a difficult position as it relates to a
8 Finance letter. But I would like a neutral party to come
9 in and actually do that deeper dive of how we really
10 develop the methodology that's fair. Obviously, given the
11 concerns that have been raised and to have the current
12 rate continue to apply until such time as that methodology
13 is developed.

14 No, I'll call you up in a moment, if there's any
15 further testimony.

16 But I would be curious about staff's sense about
17 that. I mean, this -- it's sensitive, and I think you --
18 we're hearing from a lot of different parties. And I'm not
19 exactly comfortable about just taking the lowest of rates
20 and adding them up and dividing them by two. It's -- just
21 doesn't seem like that gets to the heart of, you know,
22 what's truly fair.

23 EXECUTIVE OFFICER LUCCHESI: Right. So just -- I
24 just have a couple of comments, and then if, through the
25 Chair, I'd like to just reflect some of what I'm hearing.

1 CHAIRPERSON YEE: Yeah.

2 EXECUTIVE OFFICER LUCCHESI: The methodology that
3 staff and the data input that staff is recommending today
4 is not a perfect apples-to-apples comparison. And this is
5 a methodology that we recognize that imperfections of for
6 many, many years now.

7 With that said, we struggle as a staff and as a
8 Commission, because in setting these types of rents --
9 benchmark rents throughout the State, but particularly at
10 Lake Tahoe, because you -- we don't have direct comparable
11 sales to be able to really assess a fair market rental in
12 the kind of apples to apples that I think the Commission
13 and the various stakeholders are grappling with.

14 We're constitutionally prohibited from selling
15 sovereign public thrust lands. And so we have to think of
16 different substitute methodologies in order to assess rent
17 for these types of lands and for the uses that occupy
18 these lands.

19 We have reviewed and analyzed various
20 methodologies in the past going back to 2012, where the
21 Commission asked us to identify different options for
22 methodologies, because even at that time, the Commission
23 was recognizing the challenges associated with utilizing
24 marinas as the foundation for this benchmark.

25 And we quickly realized as a staff, even when

1 presenting those different options, that we were limited.
2 We only had so many resources and so much expertise. And
3 so this kind of goes to what I'm hearing from at least two
4 of the Commissioners is a desire to retain staff or
5 consultants to be able to do a deeper dive in analyzing
6 the most appropriate -- what methodologies exist out there
7 and what is the most appropriate for the use at Lake
8 Tahoe.

9 As I mentioned, in 2012, we tried to do that
10 ourselves. We are well aware of our own limitations. And
11 so I think if that was something the Commission wanted us
12 to do, we will need a specific appropriation to be able to
13 go and contract out.

14 And so this leads me to what I'm hearing --
15 before I get to that, I just want to add that some of the
16 differences now, in comparison of what occurred in 2012,
17 is SB 630 passed. So our -- essentially, the stakeholder
18 group has expanded. It's not just our lessees and our
19 applicants up at Lake Tahoe, but it is also the
20 beneficiaries of the SB 630 funds. And there's a greater
21 interest, because the money -- the monies that are
22 generated up there do go into very important and
23 significant projects.

24 And so with that said, what I'm hearing is that,
25 at least from two of the Commissioners, that to defer

1 action on any kind of revision to the existing benchmark,
2 which would essentially keep the existing benchmark for
3 the piers and buoys in place at \$0.79 a square foot, and
4 \$377 a buoy, and direct staff to pursue kind of the
5 details of what it would take to both fund hiring a
6 consultant in accordance with the direction that you're
7 asking for, and kind of assess the timeframe associated
8 with that.

9 CHAIRPERSON YEE: Yes, Commissioner.

10 ACTING COMMISSIONER WONG-HERNANDEZ: Jennifer,
11 thank you for the way that you said that. I appreciate
12 that, because, yes, I would be interested in having staff
13 kind of figure out what that cost would be, and what the
14 timeline would be, and sort of how it's appropriate to
15 find that. I want to be clear that while I am interested
16 in a revised methodology and figuring out a timeframe
17 where we can do that in a cost effective way, I am not
18 going to be in charge of this spring Finance letter.

19 And so while I can appreciate that everyone is
20 going to come to the Department of Finance for funding, it
21 will go through our regular process, and our staff may
22 suggest alternative funding for that.

23 CHAIRPERSON YEE: Okay. And there also may be a
24 possibility that there will be some coverage of this in
25 the budget subcommittee hearings, to the extent that we've

1 heard from both budget subcommittee chairs on this item.

2 ACTING COMMISSIONER WONG-HERNANDEZ: That make
3 sense.

4 CHAIRPERSON YEE: So it may emanate from the
5 legislature itself, but I think signaling the intent of
6 wanting to do this deeper examination may be helpful to at
7 least communicate to the legislature so that they know
8 this is something that is not ripe, we want to do further
9 study, and that hopefully they won't feel the appetite to
10 have to legislate the outcome.

11 Okay. Other thoughts, Commissioners, on that?
12 Commissioner Newsom.

13 COMMISSIONER NEWSOM: I see the prevailing winds
14 here so --

15 (Laughter.)

16 COMMISSIONER NEWSOM: -- I'll leave it at that.
17 I mean, I guess my only frustration is I wish we
18 did this years ago --

19 CHAIRPERSON YEE: Yeah.

20 COMMISSIONER NEWSOM: -- and didn't walk down
21 this path with all that extra effort. And -- you know,
22 and obviously, folks in this room will be left wanting,
23 and a bit frustrated, and obviously concerned about, you
24 know, consultant costs, time, more consternation, new
25 conditions, macroeconomic conditions, not just droughts,

1 floods, earthquakes, tectonic plates, political ruptures,
2 life, death.

3 (Laughter.)

4 COMMISSIONER NEWSOM: I guess I'm saying, you
5 know, what's the old line, end of tyranny or tyranny
6 without end. But I appreciate the sentiments expressed
7 and will support the majority in that respect.

8 CHAIRPERSON YEE: I also think when you --

9 COMMISSIONER NEWSOM: And you can discount
10 everything I said. That was -- that's an exhausted guy
11 just at the end of the day speaking.

12 Write that down too.

13 (Laughter.)

14 COMMISSIONER NEWSOM: Thank you.

15 (Laughter.)

16 CHAIRPERSON YEE: I also think there might be the
17 need for looking at, I guess the effect of SB 630 on top
18 of all this too. And so I'm not sure that with respect to
19 how the legislature needs this. And I think for some
20 maybe thinking that this is kind of a pure revenue issue
21 in terms of how much we raise from the fees, but that I
22 think there's got to be some kind of reconciliation or
23 squaring up about, you know, 630 and kind of the impact of
24 these fees on that.

25 EXECUTIVE OFFICER LUCCHESI: Yeah. I mean, I'm

1 happy to respond to some of these right now, and -- some
2 of those questions and concerns. We -- the State Lands
3 Commission staff is in a good place to kind of analyze the
4 trend of what we see happening to this annual deposit into
5 the Lake Tahoe Fund from the rental of State property in
6 Lake Tahoe.

7 And we do have a chart that shows, based on
8 staff's proposal today, what that trend looks like. But
9 just narratively, we are looking at probably approximately
10 a 30 percent drop over the next couple of years, if
11 staff's recommendation was adopted. And then it would
12 start to -- the annual deposits would start to increase
13 again. And this is for a number of reasons.

14 One, in 2012, legislation was passed that
15 required the Commission to charge rent for piers and
16 buoys, kind of regardless of the legal status of the
17 applicant, but it also allowed for a transition period.
18 So those that had 10-year rent-free leases did not have to
19 automatically start paying rent. Those leases could
20 continue along its lifetime. And then when they -- their
21 10-year lease term ended, they would apply for a new lease
22 and rent would be assessed at that time.

23 So we're still in that transition period. We
24 still have a number of current rent-free leases that as
25 the next couple of years go by will apply and have rent

1 charged. So that accounts for the eventual increase in
2 the amount of deposits into that fund.

3 In addition, it has been the Commission's
4 practice to include a Consumer Price Index, CPI, in --
5 annual index to rent that will increase rent accordingly
6 each year for the 10-year period. And so that annual
7 increase is also factored into the trend of that fund
8 going back up. So that's just kind of narratively what we
9 see the trend to be, and -- but we can certainly analyze
10 that in more detail, you know, depending on what the
11 Commission's direction is today.

12 And in addition to that, we have also committed
13 to both the Resources Agency and the Tahoe Conservancy and
14 others on the 630 Committee who manage the fund and are in
15 charge of projections to be able to budget what projects
16 will be funded by that to kind of walk through what we see
17 as that trend, and help them understand the data better so
18 that they can better manage the fund in their program.

19 CHAIRPERSON YEE: Okay. Thank you. All right.
20 In light of all that, is there a motion?

21 COMMISSIONER NEWSOM: I'll let you do it.

22 (Laughter.)

23 CHAIRPERSON YEE: Okay.

24 ACTING COMMISSIONER WONG-HERNANDEZ: So feel free
25 to jump in if I'm doing this wrong, Jennifer. But my --

1 the motion that I would propose is to continue the
2 current -- the existing benchmark as we look into -- as we
3 investigate the methodology or consider alternative
4 methodologies. Does there need to be a set time frame for
5 that or...

6 EXECUTIVE OFFICER LUCCHESI: What if -- I --

7 ACTING COMMISSIONER WONG-HERNANDEZ: Please.

8 EXECUTIVE OFFICER LUCCHESI: I'm happy to
9 recommend something.

10 CHAIRPERSON YEE: Yes.

11 EXECUTIVE OFFICER LUCCHESI: So I would recommend
12 that the motion be to defer action on revising the
13 existing benchmark that's before you today, and direct
14 staff to explore and identify funding options to conduct a
15 thorough evaluation of the various methodologies available
16 to the Commission to assess rent for piers and buoys
17 located on State property in Lake Tahoe. And to do this
18 for the next five years, so that gives us plenty of time
19 to be able to secure -- to identify funding options and go
20 through the State contracting process, and be able to
21 conduct that kind of study. That would be my
22 recommendation just to give us --

23 ACTING COMMISSIONER WONG-HERNANDEZ: That's
24 beautiful. That's my motion.

25 EXECUTIVE OFFICER LUCCHESI: -- a little bit of

1 flexibility.

2 (Laughter.)

3 CHAIRPERSON YEE: I will --

4 COMMISSIONER NEWSOM: Second.

5 CHAIRPERSON YEE: Okay. Seconded by Commissioner
6 Newsom

7 Without objection, such will be the order.

8 Okay. Thank you, everyone, for the input. And
9 we will stay tuned, but I think this is a wise route to
10 move forward in.

11 All right. Thank you very much. We're going to
12 go back to Item 86. We have a public speaker on this
13 item, but let me have -- oh, I'm sorry. Let me -- excuse
14 me. I relate it to the action we just took on Item 90.
15 Let me ask Jennifer to just describe to us. We put aside
16 Consent Item C 1 to C 25 related to this item.

17 EXECUTIVE OFFICER LUCCHESI: Yes. And I would,
18 at this point, given the Commission's action, I would like
19 to pull those items from the agenda and defer them to a
20 future meeting, consistent with the Commission's direction
21 today. And the reason for that is the staff reports for
22 those items are all very specific with specific annual
23 rents. And we need to go back and do some adjustments to
24 those. So we'll bring all of those C 1 through C 25 back
25 to the Commission at a future Commission meeting.

1 CHAIRPERSON YEE: All right. Very well. Thank
2 you. So those items will be dispensed with.

3 All right. We will now move back to Item 86
4 then. And let me have staff introduce the issue.

5 EXECUTIVE OFFICER LUCCHESI: Yes, Sheri Pemberton
6 will be giving staff's short presentation on this item.

7 CHAIRPERSON YEE: Great. Thank you. Good
8 afternoon, Sheri.

9 EXTERNAL AFFAIRS AND LEGISLATIVE LIAISON CHIEF
10 PEMBERTON: Thank you. Good afternoon.

11 Item 86 involves SB 50, which was signed into law
12 and took effect in January. And this bill would make
13 certain federal land conveyances void unless the
14 Commission is provided with the first right of refusal.
15 If the Commission opts not exercise that first right of
16 refusal to acquire the property or transfer it to another
17 entity, then it must issue a certificate of compliance
18 affirming -- affirming compliance with the law.

19 So this item involves about 80 acres, 78 acres,
20 in the City of Dublin. It's part of Parks Reserve Force
21 training area, an urban area where the Commission lacks
22 jurisdiction. It's part of a larger land exchange that
23 started in 2007, and involves about six different phases.
24 Most of those faces are either completed or nearing
25 completion.

1 Our staff has analyzed this particular land, and
2 determined that it doesn't have any cultural,
3 environmental, or other kind of natural resource values
4 that would compel the Commission to want to require -- or
5 acquire it or transfer it to another entity.

6 For this reason, and because of the project going
7 back to many, many, many years and already well underway
8 nearing completion, staff would recommend that the
9 Commission not recomm -- not exercise its right of first
10 refusal and issue a certificate of compliance with SB 50
11 for this particular land in the City of Dublin.

12 CHAIRPERSON YEE: Okay. Very good. Thank you
13 very much.

14 We do have a speaker on this item. Mr. Joe
15 Guerra, are you still here?

16 Thank you. And thank for your patience. Please
17 come forward.

18 MR. GUERRA: Thank you, Madam Chair, members of
19 the Commission and Executive Officer. My name is Joe
20 Guerra. I'm with Brookfield Residential Properties on
21 behalf of Dublin Crossing, LLC. We're only here tonight
22 to support the staff recommendation, and just came per
23 chance there were any corrections, because I know it's the
24 first SB 50 item you've ever heard. So I'm literally here
25 for no other reason than if the Commission had any

1 questions directly as us as the applicant.

2 CHAIRPERSON YEE: Okay. Very well. Thank you.
3 Questions, Commissioners, on this?

4 Okay. And this was specifically just to be
5 highlighted as you identified, Mr. Guerra, that this is
6 the first State Lands Commission action under SB 50. So
7 we wanted to highlight that. And I think with that, I'm
8 prepared to move the staff recommendation.

9 Is there a second?

10 ACTING COMMISSIONER WONG-HERNANDEZ: Second.

11 CHAIRPERSON YEE: Second by Commissioner
12 Wong-Hernandez

13 Without objection, such will be the order. Thank
14 you very much.

15 Okay. Now, we will go back to the agenda. And
16 we are on Item 91.

17 EXECUTIVE OFFICER LUCCHESI: Yes. That would be
18 me.

19 CHAIRPERSON YEE: Okay.

20 EXECUTIVE OFFICER LUCCHESI: I will be giving
21 staff's presentation on this. I'll -- I will make this
22 short.

23 In September of 2016, after more than a
24 eight-year stakeholder driven collaborative process, the
25 U.S. Department of Interior's Bureau of Land Management

1 approved the Desert Renewable Energy Conservation Plan in
2 the Mojave and Colorado regions of the California desert.
3 There is land use amend -- land use plan amendment
4 process.

5 The DRECP is landscape scale multi-species
6 conservation and energy development planning effort
7 covering approximately 10 million acres of federal public
8 lands and a 22.5 million acre planning area in Imperial,
9 Inyo, Kern, Los Angeles, Riverside, San Bernardino, and
10 San Diego counties.

11 The BLM, as the overall federal lead agency for
12 this DRECP effort consulted and coordinated with over 350
13 parties, including the Commission, and the State lead on
14 this, which was -- who was the Energy Commission, and
15 other federal, State and local agencies, Native American
16 tribes, museums and historical societies, industry and
17 private groups, and members of the public.

18 Although BLM's DRECP approval only directly
19 affects federal lands, the Commission has over 322,000
20 acres of school lands within the area that will be
21 indirectly affected.

22 In February of this year, ostensibly as part of
23 implementing the President's Promoting Energy Independence
24 and Economic Growth agenda, BLM published a Notice of
25 Intent in the federal register announcing its intent to

1 reopen the settled provisions of the DRECP by proposing
2 amendments to the California Desert Conservation Act, and
3 the Bishop and Bakersfield Resource Management Plans, all
4 of which were integral to the land-use plan amendments
5 that will implement the DRECP.

6 This proposal, while stated as a review of
7 actions under the DRECP that could burden development of
8 domestic energy production, including renewable energy
9 production, is misguided. And as the DRECP is already
10 balanced plan that examined and incorporated human and
11 ecological needs, incorporating mining, grazing,
12 recreational, historical, Native American, cultural and
13 many other values of the California desert.

14 Taking those needs into account, the DRECP
15 identified appropriate land on which sufficient renewable
16 energy facilities could be developed to meet the State's
17 ambitious renewable energy targets.

18 Staff believes that the federal government's
19 proposal would harm the Commission's ability to develop
20 and manage State school lands consistent with its
21 statutory fiduciary duties. We also don't believe that
22 there is any new information that would justify amending
23 the approved DRECP, and that in contrast the proposed
24 amendments in the would be a significant setback for the
25 public and the environment, a position staff believes is

1 widely held.

2 The staff's recommendation is for the Commission
3 to adopt the resolution that's attached to the staff
4 report before you today in substantially that form, and
5 then convey that to the federal government as an -- and as
6 part of their regulatory process.

7 I would also just conclude by noting that we have
8 been coordinating very closely with the California Energy
9 Commission on both the staff report and the resolution,
10 and will continue to coordinate closely with the Energy
11 Commission, the administration, and other stakeholders to
12 ensure that, at least from the Commission's perspective
13 and the lands and resources we manage, we're advancing
14 these goals and the concerns that the Commission has for
15 this new effort by the federal government.

16 CHAIRPERSON YEE: Great. Thank you, Jennifer.

17 We have three speakers on this item. Let me call
18 you forward. Analise Rivero, Erica Brand, and Dup
19 Crosson.

20 And as you're coming forward, Commissioners, any
21 comments on this item?

22 ACTING COMMISSIONER WILLIAMS: Yeah.

23 MS. RIVERO: Good evening, my name is Analise
24 Rivero. I'm with Defenders of Wildlife. And we strongly
25 recommend that the Commission adopt the resolution under

1 Agenda Item 91 that opposes the reopening of the Desert
2 Renewable Energy Conversation Plan. I know that Kim
3 Delfino with Defenders worked ver hard to get it approved
4 the first time around, so we're really eager to see it not
5 reopened. And we agree with the conclusion in the staff
6 report that there is no new information that warrants
7 amending the approved DRECP.

8 And we thank you all for your leadership in
9 protecting California's environment and climate goals.

10 Thank you.

11 CHAIRPERSON YEE: Thank you very much.

12 MS. BRAND: Good evening. My name is Erica
13 Brand. And I'm the California Energy Program Director at
14 The Nature Conservancy. Thank you for the opportunity to
15 provide comments on the proposed resolution.

16 The Nature Conservancy strongly supports it, and
17 we encourage the Commission to adopt it today.

18 I'd like to echo some of what Ms. Lucchesi said.
19 The DRECP was the result of eight years of collaboration
20 between State and federal agencies, and a number of
21 stakeholders, including renewable energy developers,
22 conservationists, local government. It's the product of
23 extensive scientific study, and was informed by 16,000
24 public comments.

25 We agree with the conclusion in the staff report

1 that there's not new information that would justify a
2 comprehensive reopening of the DRECP just one year into
3 implementation.

4 So thank you for the opportunity to provide
5 comment today, and we applaud your leadership in
6 protecting California's State Lands and implementing our
7 environmental and climate goals.

8 Thank you.

9 CHAIRPERSON YEE: Thank you.

10 MR. CROSSON: Hello. My name is Dup Crosson. I
11 represent the California Wilderness Coalition. CalWild
12 works to protect wild places on public lands throughout
13 California. We've been active in protecting wild places
14 on public lands in the California desert since our
15 inception since 1976.

16 We were intensely involved in the BLM's
17 development of the Desert Renewable Energy Conservation
18 Plan. I won't go over the details that my forebearers
19 already went over. But we do believe that the plan
20 balances reasonable renewable energy development in the
21 California desert with the conservation and protection of
22 ecologically significant lands in the desert, and the wise
23 management of public recreation.

24 The plan was more than eight years in the making,
25 and represents a compromise among all stakeholders in

1 California. The plan's balanced approach to resource
2 development, recreation, and conservation was so well
3 received no one responded with litigation, which is
4 something to be said, when it was adopted by the BLM. It
5 is truly a plan developed by locals by the Trump
6 Administration is interfering with it.

7 There's really no justification for amending a
8 plan that was only finalized 17 months ago. Amending the
9 plan could open up all desert lands to inappropriate
10 development, which has been strongly opposed by most
11 Californians, especially desert residents.

12 The plan's conservation and recreation components
13 attracts tourism dollars and a certainty provided by the
14 lands allocated to renewable energy development also
15 helped California achieve its renewable energy goals and
16 boosts local economies.

17 CalWild strongly supports the State Lands
18 Commission's proposed resolution supporting the existing
19 plan, and urges the Commission to approve the resolution
20 unanimously.

21 Thank you.

22 CHAIRPERSON YEE: Thank you very much.

23 Comments?

24 ACTING COMMISSIONER WILLIAMS: Yeah, please.

25 CHAIRPERSON YEE: Yes, Mr. Williams.

1 ACTING COMMISSIONER WILLIAMS: I think it's not
2 lost on anybody who's been following the Trump
3 Administration that anything that has the words "renewable
4 energy" and "conservation" in it which direction they
5 intend to take this with a Notice of Intent to amend the
6 plan. The state has set ambitious goals on energy policy,
7 and I've no doubt that the intent to amend this plan is to
8 throw a road block in those -- in those goals. And that's
9 the position of the Lieutenant Governor and this
10 Commission we believe should resolutely opposed.

11 CHAIRPERSON YEE: Very well. Yes. Thank you
12 very much.

13 Okay. No other comments.

14 May I have a motion?

15 ACTING COMMISSIONER WONG-HERNANDEZ: I'll move
16 the staff recommendation.

17 CHAIRPERSON YEE: Okay. A motion for -- move the
18 staff recommendation.

19 ACTING COMMISSIONER WILLIAMS: Second.

20 CHAIRPERSON YEE: There's a second.

21 Without objection, that motion carries. Thank
22 you very much.

23 Item 92, Jennifer.

24 EXECUTIVE OFFICER LUCCHESI: Yeah. Staff
25 Attorney Joe Fabel will be giving staff's presentation.

1 CHAIRPERSON YEE: Great. Thank you.

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

4 STAFF ATTORNEY FABEL: Yes, I had a presentation
5 up.

6 There we go. And good evening, Madam Chair,
7 Commissioners. Again, my name is Joseph Fabel. I'm an
8 attorney here with the State Lands Commission. This
9 evening I'm providing a quick briefing to you and the
10 public --

11 --o0o--

12 STAFF ATTORNEY FABEL: Sorry -- a quick briefing
13 to you and the public on the status of three oil and gas
14 decommissioning projects that the Commission is currently
15 managing.

16 The first is the Becker Well Abandonment and
17 Remediation Project. The Becker Well is a legacy well
18 drilled near the turn of the 20th century on Summerland
19 Beach. Although it's been plugged, to some extent, by the
20 last operator, it has continued to leak into the Marine
21 environment.

22 --o0o--

23 STAFF ATTORNEY FABEL: To fix this, the
24 Commission performed an abandonment assessment in 2015 and
25 certified and Environmental Impact Report for the

1 abandonment project in August of 2017.

2 The engineering firm InterAct was hired to design
3 and execute the project. Consistent with the program
4 permits we received, local residents and permitting
5 agencies received two weeks notice before the closing of
6 Lookout Park in Summerland Beach.

7 --o0o--

8 STAFF ATTORNEY FABEL: Now, just yesterday, the
9 barge DB Salta Verde came on-site, and crews commenced the
10 work of plugging the wells. Now, this is a picture taken
11 yesterday of the barge with a 40-foot tall, 8-foot in
12 diameter cofferdam being positioned in for installation.

13 This is a little bit later in the day with the
14 cofferdam actually in place.

15 --o0o--

16 STAFF ATTORNEY FABEL: Now, an oil spill response
17 team and marine wildlife monitors are on hand during key
18 parts of the process. Commission staff expect Becker Well
19 to be permanently plugged by March 1st.

20 --o0o--

21 STAFF ATTORNEY FABEL: The next project is the
22 South Ellwood Field and Platform Holly. Now, a lot has
23 happened in 2017 after Venoco quitclaimed its interest in
24 its oil and state -- sorry, State oil and gas leases.

25 --o0o--

1 STAFF ATTORNEY FABEL: And after addressing the
2 immediate need to secure the facilities, staff commenced a
3 public outreach program that involved a public workshop in
4 Goleta and monthly call-in updates to public agency
5 stakeholders.

6 In July, ExxonMobil, a prior lessee, committed to
7 planning the plug and abandonment work for all 32 wells on
8 the former leases.

9 In September, staff awarded Beacon West with a
10 contract to maintain operations on the leased facilities.
11 In December, the Commission received the full \$22 million
12 performance bond it was owed due to Venoco's insolvency
13 inability to decommission the facilities itself.

14 --o0o--

15 STAFF ATTORNEY FABEL: Now, for 2018, staff
16 expects Exxon to start actual plug and abandonment work.
17 And we can report that preliminary work is now underway.
18 Staff also expects to present for the Commission's
19 consideration an agreement to formalize Exxon's
20 participation in this plugging and abandonment process.
21 And staff is negotiating with Venoco's estate on the
22 future use of the Ellwood Onshore Facility.

23 Additionally, initial planning for the platform's
24 decommissioning and additional public meetings in Goleta
25 are expected.

1 --o0o--

2 STAFF ATTORNEY FABEL: Of note, Venoco also
3 quitclaimed its final State oil and gas lease. This one
4 located off Carpinteria. This lease has no facilities
5 that require decommissioning, luckily. And this quitclaim
6 combined with all the others we received in the last year
7 amounts to nearly 15,000 acres, or 23 square miles, of
8 land being added to California Coastal Sanctuary.

9 --o0o--

10 STAFF ATTORNEY FABEL: The final project involves
11 Rincon Island and its onshore facilities. Now, this is a
12 video taken on February 14th by the Commission's own
13 in-house drone pilot, Chris Packer, as part of a detailed
14 aerial survey conducted, again by our in-house group, our
15 GS -- sorry GIS and boundary teams.

16 --o0o--

17 STAFF ATTORNEY FABEL: In November 2017, the
18 Commission hired DrilTek to ensure safe operations on the
19 facilities. In December, Rincon Island Limited
20 Partnership, the prior lessee, quitclaimed all of its
21 interest to the Commission. Soon after, staff and DrilTek
22 depressurized three wells that were previously deemed
23 problematic. Those wells remained de-pressurized, and
24 staff is working to identify additional wells to address.

25 --o0o--

1 STAFF ATTORNEY FABEL: Now, in early March 2018,
2 staff expects to publish a solicitation to hire a plug and
3 abandonment -- sorry, a firm rather, to plug and abandon
4 the remaining 79 wells across the leases. Additional well
5 work has also been approved by staff to address an
6 outstanding DOGGR order that was issued to RILP in 2016.
7 We hope to have that resolved.

8 A process to start planning for decommissioning
9 is anticipated by the end of the year. And legal staff is
10 working with the Attorney General's office to develop a
11 litigation strategy to recover costs to the State from any
12 and all liable parties.

13 --o0o--

14 STAFF ATTORNEY FABEL: Finally, staff is
15 recommending that the Commission grant a delegation of
16 authority to the Executive Officer to enter into any
17 surface access agreement that may be necessary for
18 operations and abandonment of the Rincon facilities. Now,
19 staff only recently discovered that historically
20 operations on the State leases required access across
21 private uplands, and prior operators hold a variety of
22 surface use agreements.

23 Staff has talked with at least two upland owners
24 and is anticipated that a license or some sort of similar
25 agreement may be needed to maintain this access during

1 both operations and plug and abandonment process.

2 Staff believe granting this authority is
3 consistent with the November 29th, 2017 authority granted
4 to the Executive Officer to terminate the leases and
5 secure the facilities. We believe this is just a part of
6 that that was originally excluded.

7 Now, that concludes my presentation. I'm
8 available for any questions.

9 CHAIRPERSON YEE: Thank you very much.

10 Questions, Commissioners?

11 Okay. Hearing none.

12 May I have a motion?

13 ACTING COMMISSIONER WILLIAMS: Move the staff
14 recommendation

15 CHAIRPERSON YEE: Okay. Motion by Commissioner
16 Williams to move the staff recommendation.

17 ACTING COMMISSIONER WONG-HERNANDEZ: Second.

18 CHAIRPERSON YEE: Seconded by Commissioner
19 Wong-Hernandez.

20 Without objection, that recommendation is
21 approved.

22 All right. Item 93. This relates to the City of
23 Burlingame and the lease application consideration.

24 EXECUTIVE OFFICER LUCCHESI: Yes. Our Public
25 Land Manager, Nick Lavoie will be giving staff's

1 presentation.

2 CHAIRPERSON YEE: Great. Thank you.

3 PUBLIC LAND MANAGER LAVOIE: There is a
4 presentation on this.

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

7 PUBLIC LAND MANAGER LAVOIE: Good almost evening,
8 Commissioners and the public. I am Nicholas Lavoie, a
9 Public Land Manager in the Land Management Division. I am
10 presenting on Item 93.

11 This item concerns a vacant State-owned property
12 at 410 Airport Boulevard in the City of Burlingame and
13 adjacent to San Francisco Bay. Development of the site
14 has been a topic of interest to the Commission, the city,
15 and Burlingame residents for years. And a number of uses
16 have been proposed for this site. Some background on the
17 property and its unique history will provide context for
18 this discussion

19 --o0o--

20 PUBLIC LAND MANAGER LAVOIE: In 1968 the
21 Commission authorized staff and the Attorney General's
22 office to begin a study regarding the extent and nature of
23 the State's ownership in San Francisco Bay. The joint
24 study revealed some title and boundary problems in the
25 Bay, and one of those problems related to a 146-acre site

1 being developed in Burlingame called Anza Airport Park.

2 As you can see from the photos, a lot of fill was
3 being placed without the Commission's knowledge to allow
4 for future development.

5 In 1969, State Lands and the Attorney General's
6 office entered in negotiations with the developer
7 concerning the extent and nature of State ownership at
8 this location. After extended negotiations a compromised
9 title and settlement agreement to resolve all outstanding
10 title and boundary problems was reached and authorized by
11 the Commission in 1972.

12 Under the agreement, the developer conveyed all
13 of its right, title and interest in 46 acres, located
14 within the 146-acre tract, to the State in consideration
15 for the State recognizing the developer's title to the
16 remaining 100 acres, and terminating the Public Trust
17 easement over those lands.

18 The vacant property associated with this staff
19 report, known as 410 Airport Boulevard, was part of that
20 title settlement. It is depicted on the slide as the
21 parcel outlined in red and in the prior slides also --

22 --o0o--

23 PUBLIC LAND MANAGER LAVOIE: -- which was never
24 built -- sorry.

25 It is -- the Commission did lease the property in

1 1083 for a hotel development which was never built due to
2 the economic downturn of the early 1990s.

3 This 2001, the Commission solicited proposals for
4 a hotel development. However, the Commission rejected the
5 only proposal submitted because it failed to meet the
6 Commission's criteria. Since that time, the parcel has
7 continued to remain unleased and undeveloped. And this is
8 what Mayor Brownrigg was talking about earlier about the
9 condition of the site.

10 In recent years, staff has seen a steady increase
11 in the interest in the parcel starting with the City of
12 Burlingame submitting an application for the development
13 of the vacant property as a local park in 2013. Word of
14 the city's park project generated interest in the property
15 from others.

16 --o0o--

17 PUBLIC LAND MANAGER LAVOIE: On this slide is a
18 tally of the lease applications received and the long-term
19 projects processed. So the first one there is the park
20 proposed by the City of Burlingame. We received two
21 applications to develop the site as a hotel, two
22 additional applications to develop the site as a hotel and
23 park combination, and one application to develop the site
24 as wetland restoration and to keep it kind of as open
25 space.

1 Over time, some of the Applications were
2 withdrawn for different reasons, and the remaining
3 applications were withdrawn by the applicants pending the
4 outcome of the Commission's direction to staff today.

5 --o0o--

6 PUBLIC LAND MANAGER LAVOIE: As you are aware,
7 the Commission has the responsibility as trustee to manage
8 California's sovereign land on behalf of the public. That
9 trusteeship obligates the Commission to act as a fiduciary
10 in protecting the public's rights and needs associated
11 with sovereign land.

12 Traditionally, Public Trust uses were limited to
13 water-related commerce, navigation and fishing. In more
14 recent years, the courts have expanded trust-consistent
15 uses to include preservation of lands in their current
16 natural state, open space, wildlife habitat, and
17 water-dependent recreational uses such as swimming and
18 boating.

19 In addition, structures incidental to the
20 promotion of sovereign lands, like visitor serving
21 facilities such as restaurants, hotels, shops, parking
22 areas have been approved as appropriate uses. These
23 places of public accommodation attract the public to the
24 water, and allow broad public access to the lands set
25 aside for public benefit.

1 Since the land associated with this parcel is
2 filled, it cannot be easily used for some of the most
3 traditional Public Trust uses, indicative of submerged
4 lands. Due to the increased interest at the site, and
5 because the Commission must simultaneously consider such
6 divergent interests for uses of the property, staff thinks
7 a necessary first step is to conduct a Public Trust needs
8 assessment to prioritize competing interests for long-term
9 use of the property.

10 As part of this assessment, Commission staff
11 plans to work closely with the city staff -- City of
12 Burlingame staff to hold public meetings in the city to
13 solicit input from the city and regional residents. The
14 purpose of these meetings will be to educate the public on
15 what uses are both consistent with the Public Trust
16 Doctrine, and fit within the city's general and specific
17 plan designations and to solicit meaningful engagement on
18 current Public Trust needs and values at this specific
19 location.

20 The Public Trust needs assessment would be a
21 necessary component of any Commission consideration and a
22 valuable planning tool for any environmental analysis for
23 use of the property.

24 In addition, the assessment will incorporate
25 climate change and sea level rise data and analysis,

1 environmental justice considerations, and other factors
2 that may inform an analysis on what is in the State's best
3 interest.

4 As part of the public needs assessment, staff
5 will also develop recommended next steps including a
6 detailed plan for future action. This plan will include
7 providing as much information as possible about the
8 Commission's expectations for the use of the parcel, and
9 clearly describing a fair and equitable process, by which
10 parties can express their interest in the subject
11 property.

12 --o0o--

13 PUBLIC LAND MANAGER LAVOIE: At this time, staff
14 recommends -- recommendation is to, one, direct staff to
15 conduct a public trust needs assessment of the subject
16 property, and report to the -- back to the Commission on
17 Public Trust needs in the area, and authorize a temporary
18 moratorium on acceptance and consideration of lease
19 applications for the subject property for no longer than
20 12 months, unless the Commission directs otherwise.

21 That concludes my presentation. I am available
22 to answer any questions. I think there are some people
23 here to speak on it.

24 CHAIRPERSON YEE: Yeah. We do have some public
25 speakers on this item. Thank you very much for the

1 presentation.

2 Let me call up the speakers who have signed up on
3 this item. We have Bill White, as well as Cynthia Gomez.

4 MR. WHITE: Good evening, Commissioners. I'm
5 Bill White with the law firm Shute, Mihaly & Weinberger.
6 And I'm representing the SPHERE Institute. SPHERE
7 Institute is a non-profit organization that is a neighbor
8 to this property and knows the area very well.

9 And first I just want to say we strongly support
10 staff's recommendation. We think the idea of doing a
11 Public Trust needs study is the right way to go about
12 deciding how to use Public Trust property. It's a -- we
13 think is a -- they've laid out a fantastic process. It's
14 probably a model for how the State can do this analysis on
15 other State properties, rather than just being reactive to
16 lease applications as they come in.

17 We agree with what Mayor Brownrigg said about the
18 property being small but very big. It's -- it is only
19 nine acres, but it is very important to this part of the
20 waterfront. And the reason it's so important, as the
21 mayor said, is that there are just not enough parks along
22 the waterfront in this part of the Bay.

23 And one thing that the Mayor did say though that
24 was troubling was he referenced a public-private
25 partnership. I'm not so sure that this has to be a

1 public-private partnership in the way that he's thinking.
2 It was a little bit of an oblique reference, but it most
3 likely reflects the fact that there have been several
4 hotel proposals recently.

5 We want to let staff do their job and do the work
6 of looking at the Public Trust needs, but we can tell you
7 from being the neighbors of this property, we do not need
8 another hotel in this part of the waterfront. There are
9 14 hotels already between Coyote Point and SFO. And we
10 think that once staff takes a look at the facts, they'll
11 recognize that what we really need here is open space, and
12 particularly we need passive open space. We need habitat.
13 We need wetlands preservation. And there's virtually none
14 of that on the Burlingame waterfront today. The little
15 open space that's there is ball fields and golf courses.

16 We need a place where people can come and just
17 enjoy the Bay in a natural setting. And we need to be
18 planning for sea level rise and allowing for managed
19 retreat of the little open space lands that we have left.

20 So thank you, and we want to assure you that
21 SPHERE remains a partner -- potential partner in helping
22 to finance any open space plan. We don't want economic
23 feasibility to be seen as a constraint here in the needs
24 analysis. So thank you very much.

25 CHAIRPERSON YEE: Thank you.

1 MS. GOMEZ: I guess we can say good evening now.

2 CHAIRPERSON YEE: Good evening, yes.

3 MS. GOMEZ: Good evening, Commissioners. My name
4 is Cynthia Gomez. I am a research analyst with UNITE HERE
5 Local 2, and our union represents hotel and hospitality
6 workers. As such, I follow every project that has
7 anything to do with a hotel in San Francisco and San Mateo
8 counties.

9 Excuse me, I'm overcoming a cold.

10 So first, we're here to support Item 93 and to
11 agree with staff's recommendation on imposing a temporary
12 moratorium and also on conducting a Public Trust needs
13 assessment for this parcel. We believe that a process
14 that's led by the State Lands Commission is the best way
15 to determine the fate of this very important parcel.

16 And we also want to thank you for giving an
17 opportunity to stakeholders and the community to weigh in.
18 We've heard interest from other folks, including some who
19 couldn't be here, but they will definitely be interested
20 in participating in that conversation. We plan to
21 commit -- to comment ourselves on the March 22nd public
22 meeting and to work with allies to do so as well.

23 And if and when a hotel is considered an
24 appropriate use, if that does end up being the decision,
25 then we definitely have some ideas for how that process

1 might be handled, and we would love to speak with staff
2 and with members of the Commission when that becomes
3 appropriate.

4 I also wanted to pass on, on behalf of one of our
5 allies, Housing For All Burlingame, they were not able to
6 here, but wanted to add their voice. And in addition to
7 agreeing with the Public Trust needs assessment, they also
8 believe that one of the possible uses should be either
9 affordable housing and possibly, if there is a hotel, they
10 want to urge that there should be prevailing wage, and
11 that there should be union level wages for hotel workers.

12 So that's, of course, further on down the line,
13 but we look forward to discussing this with you further.
14 Thank you.

15 CHAIRPERSON YEE: Thank you.

16 All right. Comments by Commissioners?

17 Hearing none. A motion is in order.

18 ACTING COMMISSIONER WONG-HERNANDEZ: I'll move
19 the staff recommendation

20 CHAIRPERSON YEE: Okay. We have a motion by
21 Commissioner Wong-Hernandez --

22 ACTING COMMISSIONER WILLIAMS: Second.

23 CHAIRPERSON YEE: -- to move the staff
24 recommendation, second by Commissioner Williams.

25 Without objection, and such will be the order.

1 Thank you.

2 All right. The next item is Item 95. This is an
3 informational update on the staff's work to -- on the
4 Commission's Environmental Justice Policy.

5 Sheri.

6 EXTERNAL AFFAIRS AND LEGISLATIVE LIAISON CHIEF
7 PEMBERTON: Thank you. I'm very excited to be present
8 this update on our efforts to overhaul our Environmental
9 Justice Policy, and our -- also our participation in GARE
10 this year. We're continuing our outreach and doing our
11 internal and external education with those who are
12 unfamiliar with the Commission.

13 We really care about this issue, and we're fully
14 committed to its success. The draft policy revision is
15 still in its formative phase. We're wanting to wait
16 before we bring a draft policy to the Commission, so that
17 we have input from a working group of environmental
18 justice and equity organizations that we recently began
19 working with.

20 A couple of weeks ago, this group held their
21 first meeting, and it was a successful meeting with a lot
22 of good information and wisdom. Our ambition is to
23 present a revised policy to the Commission at our June
24 meeting.

25 And we're continuing to work toward that goal.

1 We're also, as a staff, participating in GARE this year
2 and looking forward to embedding what we're learning in
3 our -- in our work and in the components of the
4 Environmental Justice Policy.

5 And I'm happy to answer any questions. I could
6 go on and on, but I think that covers it.

7 CHAIRPERSON YEE: Okay. Great. Thanks, Sheri.
8 I know there are several speakers on this item. And if
9 they're still, I'd like to have them come forward. Paloma
10 Aguirre, Marcela Gutierrez and Mari Rose Taruc.

11 MS. ROSE TARUC: Good evening. If it's okay,
12 we -- we're presenting together.

13 CHAIRPERSON YEE: Of course.

14 MS. ROSE TARUC: Could we take that time
15 together?

16 CHAIRPERSON YEE: Sure.

17 MS. ROSE TARUC: Great. So I'm Mari Rose Taruc.
18 I'm the coordinator for the Environmental Justice Working
19 Group.

20 My colleagues.

21 MS. AGUIRRE: Hi. I'm Paloma Aguirre. I am the
22 coastal and marine director for WILDCOAST, which is an
23 international conservation team that works to conserve
24 coastal and marine ecosystems and wildlife.

25 MS. GUTIERREZ-GRAUDINS: Hi. Marcela

1 Gutierrez-Graudins with AZUL, and we work with Latino
2 communities to protect coasts and oceans.

3 MS. ROSE TARUC: So as the coordinator of this
4 newly formed Environmental Justice Working Group, we're
5 here to help usher in a stronger Environmental Justice
6 Policy at the Commission.

7 To achieve environmental justice, we must ensure
8 that all people have a right to clean and safe environment
9 where they live, work and play. But because, when we look
10 around, including in California, we see that black,
11 Latino, Asian-Pacific Islander, and indigenous communities
12 are disproportionately impacted by pollution.

13 So working for environmental justice means
14 actively working to dismantle environmental racism, and
15 meaningfully engaging low-income communities of color on
16 these decisions, so that they can speak for themselves.

17 The Environmental Justice Working Group members
18 span the state and are starting to map out where
19 environmental justice issues are as it relates to State
20 Lands and your jurisdiction. So we have members in
21 Southern California from the coast to the metropolis to
22 the desert. So we have groups like WILD Coast where Paloma
23 is -- who Paloma is with, Communities for a Better
24 Environment, East Yard Communities for Environmental
25 Justice, and the Sacred Places Institute.

1 In the central coast and Central Valley, we have
2 groups like CAUSE, the Coast Alliance United for a Stable
3 Economy, the Center on Race, Poverty and the Environment;
4 and Leadership Counsel for Justice and Accountability.

5 And up north, we have Azul, who Marcela is from,
6 and Communities for a Better Environment.

7 And so we -- the issue -- the environmental
8 justice issues that folks are starting to see in
9 relationship to State Lands are related to ports, and the
10 pollution that's coming from ports; oil drilling, and oil
11 operations as well as oil terminals; waste and wastewater,
12 including coming from oil and gas operations; ports,
13 climate change, and renewable energy as it relates to
14 energy equity, and making sure there's access and
15 inclusion of communities of color in these opportunities.

16 So the staff and Commission will also need to
17 understand these impacts of environmental justice as
18 related to your decisions and programs. And so we think
19 the overhaul of your Environmental Justice Policy will
20 have to include learning with -- with the groups to usher
21 in a successful program.

22 And so with that, I want to turn to members of
23 the Working Group to give you more of an idea of what
24 environmental justice issues and views you should be
25 considering as we help guide and make recommendations for

1 your EJ Policy update.

2 MS. AGUIRRE: So as you know, you guys gave a
3 very extensive inquiry into the issues that we suffer in
4 South San Diego related to the Tijuana River watershed.
5 South San Diego communities are predominantly in low
6 income communities of color that are just being pummeled
7 by hundreds of thousands of pounds of trash that come
8 across the border. They blanket recreational space --
9 open space areas where some of the youth in our
10 communities are -- it's the only greens spaces that they
11 have access to. So that poses a huge, huge issue.

12 It's also a public health issue, because a lot of
13 the California waste tires that we export into Mexico --
14 we export to Mexico, they end up washing back across the
15 border with the storm waters. And they collect sewage and
16 they fester when there's -- you know, over summer. They
17 breed mosquitoes, they can carry Zika, Dengue, Chikungunya
18 viruses. So that poses a huge public health threat to
19 folks wanting to recreate in the Tijuana River Valley
20 regional park, for example.

21 And wastewater is a huge issue. It's a huge
22 issue. We have had over 300 spills in the last three
23 years. And Imperial Beach alone, which is a working class
24 community, has been closed for three years of the last 10.

25 So just to tell you a really quick sorry, Chris

1 Schumacher was barely 17 years old when he went out
2 surfing and just forgot to -- failed to look at the beach
3 closure signs. He ended up having -- almost having to
4 have emergency brain surgery, because he contracted a
5 orbital socket infection from contact with the water. And
6 I can go on and on. We've had Navy Seals contract MRSA
7 infections, border patrol agents having chemical burns.
8 I, myself, have been spent time in urgent care having --
9 you know, fallen ill by contact with polluted water.

10 So I just wanted to really quickly recap what
11 impacts our communities down in South San Diego County.
12 But something that we see that the Commission could really
13 focus on, or take action on, are mitigation projects,
14 especially as they relate to coastal ecosystem
15 restoration. Particularly when it comes to ecosystems
16 that sequester carbon, like sea grass beds, those account
17 for about 0.2 percent of the entire ocean seafloor, but
18 they account for almost 10 percent of the entire annual
19 carbon sequestration that we have in our oceans.

20 So the Commission could really shepherd blue
21 carbon pilot projects to offset port emissions in that
22 context, especially as it relates to climate change, and
23 especially in communities adjacent to -- in areas adjacent
24 to EJ communities, such as the ones that we've had the
25 pleasure of working with. There are excellent EJ groups

1 that are working in San Diego, in Long Beach, and in
2 Ventura.

3 MS. GUTIERREZ-GRAUDINS: Good afternoon. So last
4 year ahead of when we knew that there was going to be
5 similar efforts, not just at this Commission, but others,
6 about environmental justice policies, we actually had a
7 couple of workshops in the Inland Empire, mostly around
8 Pomona and Ontario.

9 And what came to mind, or what came to us over
10 and over, and this is something that I brought up is,
11 people don't know how to engage or sometimes that certain
12 agencies even exist, let alone how to start to work with
13 them, where to contact people, what do they do, how to --
14 and the problem is, is that there's also problems in their
15 communities that could basically be, if not solved, at
16 least addressed through some of these agency. And there's
17 this disconnect in between with a lot of the public that
18 we work with. A lot of them are first generation
19 immigrants. But even second generation immigrants don't
20 know that there's these agencies have any here.

21 So one of the things that I would hope you would
22 really consider as you move forward to this is really
23 stress public participation and diversify public
24 participation and make it very easy for the public. And I
25 understand that there's probably something that you think

1 about already, but to stress that we really need to make
2 sure that we create more pathways for people to engage.

3 You know, we work with folks that are worried
4 about oil drilling, about coastal access, about the over
5 industrialization of certain parts of the California
6 coast, like Oxnard. And in the end there's -- outside of
7 places where folks are very organized, there's very few
8 ideas of how to engage or even that these agencies are
9 here to work with California.

10 So I would highlight this as you consider it.
11 Thank you.

12 CHAIRPERSON YEE: Thank you very much.

13 First, let me just say, I'm really struck by the
14 robustness of the participation. And just thank you for
15 coming forward and with your thoughts and ideas about
16 approaches for how we can certainly better involve your
17 communities.

18 And to, Jennifer, I just want to say to you, and
19 Sheri, and the team, this has just been really some good
20 developments with respect to how we hopefully will reach a
21 environmental justice policy that's truly reflective of
22 the diverse communities that we're trying to reach, and
23 certainly the myriad of issues that we're trying to
24 address in each of the regions, but also, you know, really
25 doing it from the standpoint of early engagement and

1 early, involvement and consistent engagement and
2 involvement that really I think is starting to formulate
3 into what I'm really sensing is a spirit of trust in terms
4 of how we're going to continue to work together. So I
5 just want to applaud you and the team for that.

6 Sheri, did you have any other comments?

7 EXTERNAL AFFAIRS AND LEGISLATIVE LIAISON CHIEF

8 PEMBERTON: No, I just thank you for your comments and I
9 agree, and I didn't have anything more to add.

10 CHAIRPERSON YEE: Okay. Commissioners, anything?

11 Great. Thank you very much. Really appreciate
12 the update.

13 Okay. We are now on Item 96.

14 EXECUTIVE OFFICER LUCCHESI: Yes. And we just
15 have two more items --

16 CHAIRPERSON YEE: Okay.

17 EXECUTIVE OFFICER LUCCHESI: -- 96 and 45.

18 CHAIRPERSON YEE: Okay.

19 EXECUTIVE OFFICER LUCCHESI: And then we'll move
20 to the remaining public comment and we'll move into
21 closed. I just wanted to kind of layout the next couple
22 steps.

23 CHAIRPERSON YEE: All right. Good. Thank you.

24 EXECUTIVE OFFICER LUCCHESI: So I am really
25 pleased to introduce Esther. She is a former Sea Grant

1 Fellow with the Commissioner from last year. And she is
2 now currently working for the California Coastal
3 Commission. She is going to be presenting on a sea level
4 rise GIS based analytical tool that she is created for our
5 staff. And I'll let her have the floor at this point, but
6 I'll have more to say after she's done.

7 (Thereupon an overhead presentation was
8 Presented as follows.)

9 MS. ESSOUDRY: Thank you. Thank you for the
10 introduction, Ms. Lucchesi. Good afternoon, or evening,
11 as I should say, Commissioners. My name is Esther
12 Essoudry. And as Ms. Lucchesi said, I was the 2017 Sea
13 Grant Fellow at the State Lands Commission. And today, I
14 am presenting on how the Commission is using GIS tools to
15 inform sea level rise planing and decision making.

16 I know we're in the homestretch, so I'll keep it
17 brief.

18 Here's a quick outline of what I'm going to
19 present. I'll give a little background on sea level rise
20 and current efforts to address it, and then introduce a
21 new tool we developed called the Sea Level Rise Viewer; go
22 over some of its key features and data sets, and then
23 discuss tool implementation.

24 --o0o--

25 MS. ESSOUDRY: So just a quick background. The

1 California coast has been experiencing slow incremental
2 sea level rise over long periods of time. However, recent
3 science tells us that sea levels are projected to rise
4 more rapidly throughout the State and throughout the
5 century, and we need to implement adaptation strategies to
6 minimize risks to Public Trust Lands and resources.

7 So the State of California has recognized the
8 need for sea level rise planning and adaptation through
9 key pieces of legislation. Therefore, the State Lands
10 Commission are working hard alongside other coastal
11 management agencies to fulfill their legal
12 responsibilities, as well as their role as responsible
13 land managers in protecting vulnerable Public Trust Lands
14 and coastal resources, because the consequences will be
15 catastrophic if left unaddressed.

16 --o0o--

17 MS. ESSOUDRY: So the State Lands Commission is
18 taking a comprehensive approach in addressing sea level
19 rise. They participate in a number of interagency efforts
20 that support research on sea level rise guidance and
21 adaptation strategies. Through education and outreach,
22 the sea level rise team provides staff with the best
23 available science on climate change impacts and impacts of
24 sea level rise, so they can better work with lessees on
25 sea level rise preparedness, as well as granted lands

1 partners.

2 And State Lands staff has integrated sea level
3 rise Commission -- or considerations into all planning and
4 decision-making processes, such as revisions to their
5 surface lease application. So now, Commission staff are
6 reviewing lease applications through the potential --
7 through the lens of potential sea level rise impacts to
8 help lessees recognize risks, not only to themselves and
9 their property, but also to Public Trust lands and
10 resources.

11 --o0o--

12 MS. ESSOUDRY: So in order to support the
13 Commission's efforts in addressing sea level rise, we
14 developed a web mapping application called the Sea Level
15 Rise Viewer. The Sea Level Rise Viewer is an interactive
16 visualization tool developed to assist agency staff in sea
17 level rise planning and lease area review.

18 The goals of the viewer are to make more informed
19 data-driven decisions about long-term planning and
20 management of critical resources along the coast, and to
21 increase staff efficiency and communication. There are
22 multiple areas the tool can be applied to at the
23 Commission, but this presentation is focused on using the
24 tool for lease application review.

25 --o0o--

1 MS. ESSOUDRY: The key objectives of the Sea
2 Level Rise Viewer are to provide staff with a better
3 understanding of sea level rise risk assessment and
4 adaptation at the local level; provide increased customer
5 support capabilities, which is important when working with
6 lessees; support sea level rise analyses of tidally
7 influenced lease areas; visualize potential impacts from
8 sea level rise; create and share maps; and the
9 centralization and integration of information.

10 This is one of the main objectives, providing
11 staff with a mapping viewer that allows them to see what's
12 going on on the ground, and then links them to data and
13 resources in one centralized location, will help them
14 answer questions more efficiently and quickly.

15 Another main objective was supporting sea level
16 rise analyses for tidally influenced lease areas. This
17 tool, it was specifically designed to assist staff in
18 analyzing a lease application for vulnerability to sea
19 level rise by complementing the sea level rise analysis
20 process, which consists of examining a site location and
21 project activity, gathering relevant existing information,
22 assessing vulnerability, helping lessees improve
23 resiliency and, in some cases, generating lease terms, if
24 necessary.

25 --o0o--

1 MS. ESSOUDRY: So in order to achieve those
2 objectives, the Sea Level Rise Viewer was developed as a
3 core information and communication tool with multiple
4 capabilities. You can display potential future sea level.
5 You can overlay sensitive habitats, critical
6 infrastructure, and Commission leases onto projected sea
7 level rise data. It provides a database of sea level rise
8 related planning documents across all coastal counties and
9 communities. And it provides an up-to-date inventory of
10 Commission leases.

11 So the real value in this tool is in the
12 customized data sets and spatial information integrated
13 with the Commission's original data, which I'll now
14 discuss.

15 --o0o--

16 MS. ESSOUDRY: So the Sea Level Rise Viewer
17 includes an up-to-date inventory of Commission leases, but
18 it also has an inventory of leases that have already been
19 analyzed for sea level rise, so staff can easily query
20 using the tool. The lease points contain information
21 about each lease, and links them to the calendar item for
22 further detail on lease terms.

23 Each data set integrated in the viewer is
24 configured with informational pop-up windows, so staff can
25 click on any object on the map and get more information

1 about that feature.

2 --o0o--

3 MS. ESSOUDRY: The viewer also includes multiple
4 data sets representing sensitive habitats and critical
5 infrastructure so staff can better examine what Public
6 Trust resources exist within proximity of a lease
7 location.

8 The data sets representing sensitive habitats
9 include marine protected areas, wetlands, critical habitat
10 designations, eelgrass, canopy forming kelp, and areas of
11 biological significance. So by knowing where these
12 sensitive habitats are relative to a lease location, staff
13 will have a better understanding if a project activity
14 will impact any nearby sensitive habitat, or if any of
15 these habitats or special status species may be
16 particularly vulnerable to sea level rise.

17 Critical infrastructure data sets include coastal
18 energy facilities, wastewater treatment plants, Superfund
19 sites, levees, and other shore-line protective structures.
20 So understanding where these sites exist in relation to a
21 lease area, and then overlaying them onto projected sea
22 level rise data will provide staff a more comprehensive
23 view and picture of vulnerability, because permanent
24 inundation of some of those sites can impact public health
25 and safety related to water quality a coastal hazards.

1 --o0o--

2 MS. ESSOUDRY: The viewer also provides a
3 database of all sea level rise related planning documents,
4 such as city and county local coastal programs
5 vulnerability assessment, adaptation plans, and local
6 hazard mitigation plans. So these plans provide more site
7 specific examples and details of planning efforts
8 happening at the local level that staff can use as
9 important sources of information.

10 So the purpose really of this addition was to
11 make the tool as comprehensive as possible, but also to
12 really encourage staff to make use of already existing
13 planning information.

14 --o0o--

15 MS. ESSOUDRY: Staff can also assess
16 vulnerability to sea level rise by visualizing and mapping
17 different inundation scenarios at various scales along the
18 California coast. They can take a preliminary look at the
19 extent of inundation for a given lease area, and then they
20 can use this feature called the slider bar to visualize
21 and compare different impacts of sea level rise side by
22 side to prioritize actions for different scenarios. And
23 they can assess low-lying areas subject to flooding, which
24 are the areas in green.

25 --o0o--

1 MS. ESSOUDRY: And some additional data sets in
2 the viewer include flood hazard information for the State,
3 and a social vulnerability index. So the social
4 vulnerability index shows areas of high human
5 vulnerability to hazards. And it is based on a social and
6 economic data, and the built environment.

7 So overlaying sea level rise data onto these
8 vulnerable block groups can help shed some light into what
9 populations may be most vulnerable and most impacted by
10 sea level rise, which is really important when we're
11 trying to assess what communities are most at risk, and
12 ensuring that those communities have the resources and
13 tools they need to minimize those risks.

14 --o0o--

15 MS. ESSOUDRY: So the big picture is with the
16 assistance of the Sea Level Rise Viewer, staff can now
17 better examine what Public Trust resources and assets
18 would be at risk of sea level rise and communicate those
19 risks to lessees and the public.

20 So my team and I worked closely with staff to
21 increase comfortably and fluency with the tool through
22 interactive training sessions, and one-on-one
23 consultations. We also see opportunities for interagency
24 collaboration on data sharing and expanding capabilities
25 of the tool. One of the great things about these kind of

1 mapping tools is that they're highly customizable. So
2 really the opportunities are endless.

3 And lastly, we'd like to see this integrated into
4 the public domain. We are one step closer. Recently NOAA
5 reached out to us to have our tool featured on their
6 digital coast website as a case study for how State
7 government -- how State governments use NOAA data products
8 to inform their planning and decision making.

9 --o0o--

10 MS. ESSOUDRY: And with that, I'd like to thank
11 everyone for listening.

12 CHAIRPERSON YEE: I just have one word, Wow.

13 (Laughter.)

14 CHAIRPERSON YEE: This is really spectacular.

15 And --

16 MS. ESSOUDRY: That means a lot. Thank you.

17 CHAIRPERSON YEE: No, it's -- it's just going to
18 be so helpful in terms of vetting our work, and to have
19 really a single place where we can have a lot of the --
20 particularly the back-up information and all the data
21 sources.

22 Comments or observations?

23 ACTING COMMISSIONER WONG-HERNANDEZ: Just thank
24 you. Thank you for doing this. It look like it was a ton
25 of work, and we're very lucky to be the beneficiaries of

1 this.

2 CHAIRPERSON YEE: Absolutely.

3 ACTING COMMISSIONER WILLIAMS: Just a quick
4 question. Just wondering what the stages/steps are to
5 integrate this into a public domain?

6 MS. ESSOUDRY: Well, I think -- I'm sure Jennifer
7 Lucchesi could speak on this a little better. But I think
8 really it started with increasing the comfortability with,
9 you know, using the tool with staff, before it gets, you
10 know, pushed into the public. I really see this being
11 integrated maybe with other coastal management agencies
12 even before it makes that sort of, you know, leap into the
13 public.

14 And it all is really contingent on some of the
15 data sets, like the Commission leases, so that's sort of
16 how I see it.

17 EXECUTIVE OFFICER LUCCHESI: And I don't know
18 disagree with that. I think we're taking this just a step
19 by step. But the ultimate goal is to make this a
20 public-facing tool that the public can learn and utilize,
21 both from a stakeholder perspective and also hopefully our
22 potential applicants and lessees.

23 I think just to add on to Esther's presentation,
24 one of the things that I think the State Lands Commission
25 brings to the table in terms of educating lessees and our

1 applicants as opposed to regulatory agencies who really
2 only touch an applicant based on projects -- development
3 projects that come through. The Commission is more
4 consistently and routinely interacting with our lessees
5 and our applicants as they renew leases, even when there
6 are no new actions or activities or developments.

7 And so we have a real opportunity for education,
8 particularly on sea level rise and climate change. And
9 that's what we hope to use this tool for, both just
10 internally in terms of being able to be a resource for our
11 applicants and our lessees, but then also when we can get
12 that to a public facing -- get to that goal being --
13 having them kind of do their own work and we can work
14 together to figure out, okay, what kinds of things can
15 they do within their leasehold and on their uplands to
16 adapt to or make more resilient in the face of sea level
17 rise.

18 So our goal is to get it publicly facing. I
19 think we just want to take it step by step. Ensure the
20 quality of the data, particularly as it relates to our
21 unique data sets, and then test it out with other
22 agencies.

23 ACTING COMMISSIONER WILLIAMS: Great. Super.
24 No, that's outstanding. Thank you.

25 MS. ESSOUDRY: Thank you.

1 EXECUTIVE OFFICER LUCCHESI: I think, if I may,
2 just add a couple more things.

3 CHAIRPERSON YEE: Yes.

4 EXECUTIVE OFFICER LUCCHESI: I think this is a
5 prime example of the benefits that our Sea Grant Fellows
6 bring to the -- when they come and work with us. They're
7 able to just jump right into things, based on their
8 experience and their education, and hit the ground
9 running. And Esther developed this within the year --
10 less than a year frankly of when she worked with us last
11 year. And I just think that's amazing. And from the
12 State Lands Commission staff perspective, a couple years
13 ago under the Commission's direction when we started
14 taking more seriously our responsibility to analyze
15 applications and projects and issues in the face of sea
16 level rise, our staff is -- the majority of our staff is
17 made up of staff with real estate backgrounds, engineering
18 backgrounds. We have a great group of scientists, but
19 that doesn't represent our entire workforce.

20 And so becoming fluent in the science of sea
21 level rise and climate change has been a journey that all
22 of our staff have been on. And it's things like this Sea
23 Level Rise Viewer that gives our staff just the tools
24 necessary to conduct this comprehensive analysis, along
25 with other things that our Sea Grant Fellows have

1 developed for our internal use, including a biweekly
2 science newsletter that brings all the most current
3 science and news relating to sea level rise and climate
4 change to our staff on -- every two weeks, so that we can
5 continuously educate ourselves and learn.

6 So I just can't say enough about our Sea Grant
7 Fellows, and I know the Lieutenant Governor's office has
8 benefited tremendously from their Sea Grant Fellows. And
9 I know the Controller now has her own Sea Grant Fellow.
10 And it's just -- it brings just a whole new element to the
11 work that we do much, and we're so grateful.

12 Thank you, Esther.

13 CHAIRPERSON YEE: Thank you so much.

14 Okay. We now are going to return back to -- I
15 believe to Item 45, is that correct.

16 EXECUTIVE OFFICER LUCCHESI: Yes. Oh, I was
17 actually earlier wondering where Nicholas had gone. There
18 he is. He will be giving staff's presentation on Item
19 45 --

20 CHAIRPERSON YEE: Great. Thank you.

21 EXECUTIVE OFFICER LUCCHESI: -- which had been
22 pulled from the consent agenda.

23 PUBLIC LAND MANAGER LAVOIE: We do have a
24 presentation on this one too to go along with it.

25 Good evening, again, Commission and members of

1 the public. It's getting late. I will try to go through
2 this as quickly as possible.

3 CHAIRPERSON YEE: All right.

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

6 PUBLIC LAND MANAGER LAVOIE: We can, as an
7 earlier presenter said, to get back to anything that
8 anyone needs any additional detail on.

9 My name is Nicholas Lavoie. I'm a Public Land
10 Manager in the Commission's Land Management Division here
11 to present on Item C 45. The item is for the amendment of
12 lease and revision of rent to lease number PRC 4687 with
13 Burlingame Bay Associates for filled and unfilled lands in
14 San Francisco Bay currently occupied by a restaurant,
15 parking lot, lagoon, foot bridge, pedestrian paths,
16 landscaping and shoreline protection.

17 For a little bit of context, the previous
18 presentation I gave on staff report 93 for the vacant
19 parcel in Burlingame, this lease is located adjacent to
20 and immediately east of the area for that item.

21 Currently, the current rent associated with this
22 lease is based on one half of the net cash income from the
23 leased premises provided that the rent is never less than
24 \$3,000 per year.

25 Only once, since the lease began in 1972, has the

1 lessee paid more than the minimum. The existing lease
2 allows for only one revision of rent over the 66-year life
3 of the lease.

4 --o0o--

5 PUBLIC LAND MANAGER LAVOIE: This briefly goes
6 over our process working with the lessee. We sent them an
7 initial notice about what we would -- staff's
8 recommendation of the change in rent would be. They
9 immediately sent back a response that they didn't agree
10 and that they would like to hire their own appraiser to
11 take a look at it. And so we agreed to that and allowed
12 the time to do that. We did notify the lessee that any
13 agreed-to amount would be applied beginning July 1st,
14 2016, so that any additional time to reach a resolution
15 would not be at the expense of the state.

16 And so this really reviews the appraising -- the
17 appraisal that the applicants or the lessees -- the lessee
18 hired. The appraiser reviewed three different
19 rent-setting methods. One was based on land value. And
20 that would determine a rental amount of \$198,000 per year.

21 The second method the appraiser used was rent
22 based on a -- there's a long explanation that could go
23 along with it, but based on a 30-year treasury bond. And
24 that rent would result in \$71,500 a year. And the final
25 method the appraiser reviewed was a historic income

1 analysis of the subject property -- of the restaurant
2 essentially. And that dollar amount came up to \$65,565.

3 --o0o--

4 PUBLIC LAND MANAGER LAVOIE: Actually, going back
5 real quick, the lessee's average gross income from 2013 to
6 2015, the area reviewed by the appraiser, was
7 approximately \$131,000 per year. So as you can see,
8 basing rent on the land value exceeds the average gross
9 income of the lessee and would likely cause the lessee to
10 abandon the leased premises.

11 Staff believe that using historic income to set
12 the rent should allow the lessee to remain and the State
13 to collect a fair rental amount. And that is in line with
14 our practices for other things too.

15 We reviewed what the appraiser had reviewed as
16 far as historic income went, and we determined that some
17 of the deductions that the appraiser still allowed to be
18 deducted from the lessee's income we believe should be
19 omitted. And those were expenses related to maintenance
20 and repairs, commissions for property management, and
21 other expenses. And so we kind of just redid the same
22 calculations that the appraiser did, and then averaged
23 that over the period and came up with a total amount of
24 \$74,286 being a fair rental amount based on historic
25 income.

1 With more than 20 years left on the lease, the
2 State should ensure it receives fair rent for the
3 remaining term. Staff's recommendation is to increase the
4 rent to a fixed amount based on this historic income
5 analysis with an annual Consumer Price Index adjustment.

6 Staff prefers that the inclusion of this annual
7 adjustment be memorialized in a lease amendment to keep
8 clear communication and understanding between the lessor
9 and lessee. As you will see in the staff report and on
10 the slide, in the event the lessee does not sign the lease
11 amendment by June 1st 2018, staff recommends a fixed
12 Annual rent of \$97,665 which would account for the time
13 value of money over the remaining term -- of the lease,
14 which is about 20 years. Again, either rental adjustment
15 would be effective retroactively to July 1st, 2016.

16 It's good to keep in mind that the lessee and
17 their -- they had a predecessor in interest on this lease
18 years ago, have had use of this prime bayfront State-owned
19 property for about 36 years already at a cost of \$3,000
20 per year.

21 And that concludes my presentation.

22 I'm available to answer questions.

23 CHAIRPERSON YEE: Great. Thank you very much.
24 Questions, Commissioners? Anything?

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

1 item. Let me call them up. The first one is Nikki Szeto,
2 and then Arnold Townsend, if you'll come forward.

3 MS. SZETO: Good evening, Commissioners.

4 CHAIRPERSON YEE: Good evening.

5 MS. SZETO: My name is Nikki Szeto. I'm the
6 managing manager of the Burlingame Bay Associates. And we
7 feel that, you know, the appraisal what we have ended with
8 the amount of the lease, and, you know, comparable what we
9 have in the land is a little bit different. This land is
10 a little bit, you know, different from others, because it
11 has a total footage of six acres. But the only usable
12 area is about, you know, two acres. And they have it
13 consist of, you know, a lot of food and then the public
14 parking, and also the driveway. The edgeway is the city
15 street for a bayview place.

16 So that's why it's not the ordinary, you know,
17 rentable space. And beside that, you know, we also have
18 the bridge from one corner to the other. And recently,
19 you know, we also request of the State to repair the
20 bridge and that's very costly.

21 And this is, you know, a bridge is approximately
22 around 175, you know, feet long. And we need to maintain
23 it, and then they also have, you know, the Bay travel
24 around the lagoon. And all the, you know, paving, and
25 especially, you know, people walking at the public area.

1 When they fall, when they are hurt, they are suing, you
2 know, the property owner. They're suing the State, but
3 the State have the agreement saying that hold harmless.
4 And it end up that we are having, you know, such kind of
5 lawsuit, and we settle with the people.

6 So we feel that, you know, the -- you know,
7 evaluation proposal is not fair. And you have six acres.
8 You're only using, you know, two acres of land to rent it
9 out to a subtenant. But your maintenance for the
10 two-thirds of the space is extremely, extremely, you know,
11 high. And also, you know, uncertainty of the liability
12 and the future expenses.

13 As you know, that you're just talking about the
14 sea level. There's another level -- another things that
15 we may need to, you know, aware of it. The sea level is
16 coming, and then all the area in this, you know, lease
17 grant is -- need to be addressed. And it's not just, you
18 know, the ordinary federal land, and it usable every inch
19 of it. So that's why my concern is for fair, you know,
20 value of the rental need to be addressed and need to be,
21 you know, looked into the concern of, you know, what
22 happened to this piece of land.

23 The lagoon is huge. So I appreciate that the
24 Commissioner will pay attention to the common area, to the
25 public use parking, and the street. So make the

1 adjustment of the proposal rent.

2 CHAIRPERSON YEE: Thank you.

3 MS. SZETO: Yeah. Thank you.

4 MR. TOWNSEND: Thank you to Chair and Commission.
5 My name is Arnold Townsend. And Ms. Szeto has laid out
6 the argument very well. I'll just reiterate, you know, we
7 expected some increase. Some increase is in order. It is
8 sensible, but we were resting on the lease statement that
9 said we could expect a reasonable increase. I'm a bit
10 concerned with how reasonable an increase 24 times when
11 you're already paying. I'm not certain that is a
12 reasonable increase.

13 Yes, it was low, but remember this lease was
14 signed many years ago when the State was trying to
15 encourage use of the land, and was trying to make it
16 compatible so you could get a tenant. Now, they have a
17 tenant in this property. And while their lease is being
18 increased, they're not in a position where they can
19 increase the tenant's lease until it has run its course.

20 So meeting the new debt service that will be put
21 on it will be extremely difficult. It will be at a margin
22 where you can't have error or the tenant because of the
23 way the lease is structured. If they have a bad year,
24 which they're already making requests now to pay less, we
25 don't know how we will be able to continue to meet this

1 responsibility at these costs. It just doesn't -- it just
2 doesn't not seem reasonable.

3 And we're hoping that we can go back in and talk
4 with the staff and create something that is reasonable,
5 sensible, even if it's something that's graduated over a
6 certain period of time. We would like the opportunity to
7 do that, the opportunity to explore that, so that this
8 coming all-in-one hit will not affect this business, nor
9 will it put the lessee out of business.

10 Thank you so much for your time.

11 CHAIRPERSON YEE: Thank you, Mr. Townsend.

12 Could I have staff maybe respond to some of the
13 concerns.

14 PUBLIC LAND MANAGER LAVOIE: Yeah. First, with
15 the lease area, the total lease area is in excess of six
16 acres. The area that we've always focused on the is the
17 commercially usable area. It's just over two acres. So
18 when the -- when their appraiser, the appraiser they
19 hired, did their analysis of the land value, they were
20 basing it on the land value of that just over two-acre
21 area specifically that was commercially usable. They
22 didn't appraise the remaining area at all.

23 And we do consider that, as staff, to be -- it's
24 an area that's open to the public. And there's a public
25 use and benefit associated with that area. And so we

1 don't believe additional rent should be assessed for --
2 for that specific area. But we're really focused on that
3 commercially usable area. And so that historic income
4 analysis also is related to the income that's made from
5 the property, which is really only made from the
6 restaurant, not the parking lot associated with the
7 restaurant or, you know, the whole six-acre envelope
8 there.

9 And we have been working with the lessee and a
10 representative of the lessee for two years to get to this
11 point also.

12 CHAIRPERSON YEE: Okay. Very well. Oh,
13 Commissioner Williams.

14 ACTING COMMISSIONER WILLIAMS: Yeah, please.
15 Thanks. I mean, as, you know, this was originally a
16 consent item, I think --

17 CHAIRPERSON YEE: Right.

18 ACTING COMMISSIONER WILLIAMS: -- and I certainly
19 would welcome an opportunity to kind of dive a little bit
20 deeper into issues, and give the leaseholders an
21 opportunity to sort of extend that conversation with
22 staff, at least certainly till -- not indefinitely, but
23 certainly to the next meeting, and would welcome
24 consideration to that.

25 CHAIRPERSON YEE: Commissioner Wong.

1 ACTING COMMISSIONER WONG-HERNANDEZ: I mean, I
2 guess I'm okay. I'm not sure what that gets us, short of
3 extending it. Will it just -- it will give you more time
4 on your negotiations, is that the --

5 EXECUTIVE OFFICER LUCCHESI: Yeah. And staff
6 doesn't have an objection to that.

7 ACTING COMMISSIONER WONG-HERNANDEZ: Okay.

8 EXECUTIVE OFFICER LUCCHESI: I think what I'm
9 hearing, if I may just put words in -- more words in
10 Commissioner Williams' mouth, is it sounds like that
11 Commission Williams would like to understand staff's
12 recommendation --

13 ACTING COMMISSIONER WONG-HERNANDEZ: I see.

14 EXECUTIVE OFFICER LUCCHESI: -- a little bit more
15 and defer action on this until the next meeting or two, in
16 order to understand this better and dive in.

17 ACTING COMMISSIONER WONG-HERNANDEZ: Okay.

18 CHAIRPERSON YEE: Okay. So without objection, we
19 will defer this matter to a later date.

20 Okay.

21 ACTING COMMISSIONER WILLIAMS: Thank you.

22 CHAIRPERSON YEE: Thank you.

23 Okay. And then I think we are returning to
24 public comment, is that correct?

25 EXECUTIVE OFFICER LUCCHESI: Yes, I think -- I

1 believe we have a couple of more speakers under the
2 general public comment at the Rancho Palos Verdes site.

3 CHAIRPERSON YEE: Check in with the staff.

4 STAFF ATTORNEY JOHNSON: Yes, we do.

5 CHAIRPERSON YEE: Yes.

6 STAFF ATTORNEY JOHNSON: Jesse Marquez.

7 (Laughter.)

8 MR. WEISS: Jesse, you've got be waiting with
9 bated breath.

10 (Laughter.)

11 MR. WEISS: You've come all this way --

12 STAFF ATTORNEY JOHNSON: Following Jesse will be
13 Noel Weiss.

14 MR. WEISS: Come on, Jesse. Come on.

15 (Laughter.)

16 MR. MARQUEZ: It's been a long day. Thank you.
17 Sorry.

18 My name is Jesse Marquez. I live at 140 West
19 Boulevard in Wilmington, California which is the neighbor
20 to San Pedro. I was born and raised in San Pedro. I am
21 also currently the Executive Director of the Coalition for
22 a Safe Environment. And in my public comment, this issue
23 I want to address is something that some of our other San
24 Pedro neighbors and communities and organizations have
25 been concerned with, and that is regarding the Rancho LPG

1 tanks. We became aware, not too long ago, that the State
2 Attorney General's office had provided you a legal opinion
3 letter or document of some -- of that nature.

4 And because of the dangers that exist and present
5 to our -- and risks to our communities, you know, we want
6 to make sure that under our public right to know that we
7 get a timely access to these documents, because, the
8 issues that we're dealing with we're talking about, you
9 know, a potential disaster scenario, which impacts many
10 residents, many children. I have nephews and nieces that
11 go to the Dream -- Field of Dreams of baseball/soccer
12 field, which is across the street. I have cousins that
13 live a couple blocks away. And so I regularly visit them.
14 And I'm regularly with my nephews and nieces watching
15 their sports activities.

16 But I do want to let you know that, you know,
17 we've done a little research, and we do know under the
18 Bagley-Keene Open Meetings Act of 2004, that we, the
19 public, do have access to all materials provided to a
20 majority of a body, which are not exempt from disclosure
21 under the Public Records Act, must be provided upon
22 request to members of the public without delay. Since we
23 know you have this document, we would like to request it
24 without any further delay.

25 We also have the public's acts request. If that

1 is a requirement in order to -- in order to get this
2 document, then we will also file that document so that we
3 comply with all necessary procedures.

4 Because our organization is also an environmental
5 justice organization, there are three elements under your
6 Environmental Justice Policy. Number 3, distributing
7 public information as broadly as possible in multiple
8 languages as needed to encourage participation in the
9 Commission's public process.

10 And then number 5, ensuring that public documents
11 and notices relating to health -- human health or
12 environmental issues are concise, understandable, and
13 readily accessible to the public in multiple languages as
14 needed.

15 And number 10, fostering research and data
16 collection to better define cumulative sources of
17 pollution, exposures, risk and impacts.

18 And so this is my request, and please advise us
19 if there's any further actions that we need to do.

20 Thank you.

21 CHAIRPERSON YEE: Thank you.

22 STAFF ATTORNEY JOHNSON: Noel Weiss.

23 MR. WEISS: Commissioners, thank you very much.

24 I want to be a little bit more precise here in my
25 comments. You will recall last August or September -- by

1 the way, Jennifer nice watch, I would say.

2 (Laughter.)

3 MR. WEISS: We asked that the Attorney General
4 basically issue a written opinion to determine whether or
5 not the Commission has jurisdiction over the lease
6 agreement between the Port of Los Angeles and PHL, Pacific
7 Harbor Line, that's the short-line railroad that
8 transports roughly 20 to 30 rail containers per week.
9 Each one holds about 33,000 gallons of butane.

10 That the lease agreement on Tidelands Trust
11 property. The rail line themselves, there's no issue
12 there and up until -- actually (inaudible) for whatever
13 reason has (inaudible) to give -- to approve this that we
14 believe to be significant. Things that, for example, that
15 we talked about time, inaudible. There's a segment of
16 that rail line that's within the boundaries of Rancho's
17 property. Zero rent is being paid. There's a segment
18 going from the Rancho property to the rail spur, zero rent
19 is being paid. Something needs to be paid. And
20 (inaudible) per month is far disproportionate to both,
21 relative to the rest of the State rents.

22 The Commission has a responsibility to inform the
23 public about what's basically going on there relative to
24 the (inaudible) to the operation (inaudible) this
25 operating agreement requires a public safety determination

1 that (inaudible) from what's looking (inaudible) Rancho
2 (inaudible) to the transport of this propane. And it's
3 the kind of thing that honestly (inaudible) you know
4 (inaudible) of Public Trust property. (Inaudible) to
5 inform the public that you, in fact, (inaudible) to let us
6 know why (inaudible) such is not the case.

7 Going forward, the request of the Commission
8 staff (inaudible) the only (inaudible) --

9 CHAIRPERSON YEE: I'm going to ask the speaker,
10 the audio quality is diminishing, so we really are
11 having --

12 MR. WEISS: (Inaudible) the only (inaudible)

13 CHAIRPERSON YEE: Let me ask you to wrap-up. We
14 really cannot -- can you hear us down in Rancho Palos
15 Verdes?

16 All right. We are having trouble with the audio,
17 so we are not able to make out any public speakers.

18 STAFF ATTORNEY JOHNSON: (Inaudible)

19 PUBLIC SPEAKER: My name is (inaudible)

20 CHAIRPERSON YEE: Okay.

21 EXECUTIVE OFFICER LUCCHESI: I think we're done.

22 CHAIRPERSON YEE: Okay. Very well.

23 STAFF ATTORNEY JOHNSON: (Inaudible)

24 CHAIRPERSON YEE: I'm going to conclude the
25 public testimony at this point, given the quality of the

1 audio and our inability to really take the testimony in a
2 clear manner.

3 I think at this point I believe we are concluded
4 in the open session.

5 EXECUTIVE OFFICER LUCCHESI: Well, we need to
6 break into closed session.

7 CHAIRPERSON YEE: Okay. Very well.

8 EXECUTIVE OFFICER LUCCHESI: And then we will
9 come back and report out.

10 CHAIRPERSON YEE: And report out of the closed
11 session. All right. And are we recessing into a
12 separate --

13 EXECUTIVE OFFICER LUCCHESI: We do have a
14 separate room, but if it's okay, we can clear this room --

15 CHAIRPERSON YEE: Absolutely.

16 EXECUTIVE OFFICER LUCCHESI: -- and just hold it
17 here.

18 CHAIRPERSON YEE: Okay. Let me ask --

19 EXECUTIVE OFFICER LUCCHESI: So it look like it's
20 just staff in the audience.

21 CHAIRPERSON YEE: Okay. Let me ask any public
22 members, including Mr. Jacobs in the middle of the room,
23 to vacate the room, please.

24 Thank you.

25 (Off record: 6:56 p.m.)

1 (Thereupon the meeting recessed
2 into closed session.)

3 (Thereupon the meeting reconvened
4 open session)

5 (On record: 7:05 p.m.)

6 CHAIRPERSON YEE: Okay. Very Good.

7 Thank you. We are reconvened in open session.
8 The Commission met in closed session, and I believe we
9 have a report from our General Counsel

10 CHIEF COUNSEL MEIER: Yeah. Mark Meier, the
11 Commission's Chief Counsel.

12 In closed session, the Commission approved
13 settlement of litigation with the City and County of San
14 Francisco involving the validity of Proposition B. The
15 settlement agreement will be posted on the Commission's
16 website tomorrow morning. The City's Board of Supervisors
17 must still act on the agreement. It's my understanding
18 the Port is acting upon it first today.

19 The second item is the Commission also voted to
20 waive an attorney-client privilege regarding the letter
21 from the Attorney General's office giving advice
22 concerning the Commission's jurisdiction over the Rancho
23 LPG facility and the associated Rail spur in San Pedro,
24 California. That letter will also be posted on the
25 Commission's website tomorrow morning.

1 The Commission's waiver of the attorney-client
2 privilege applies solely to this letter. The Commission
3 does not waive the attorney-client privilege or
4 confidentiality for any other communication it has had
5 with or advice it has received from the Attorney General's
6 office.

7 And Andrew Vogel with the Attorney General's
8 office would like to add some additional comment on that.

9 DEPUTY ATTORNEY GENERAL VOGEL: Yes. Just to
10 amplify one point. The letter that Mark just discussed is
11 not a formal opinion of the Attorney General's office. It
12 is a letter conveying legal advice. It was confidential
13 legal advice, but as Mark mentioned, the Commission has
14 voted to waive the attorney-client privilege for it.

15 CHAIRPERSON YEE: Very well. Thank you very much
16 for the clarification.

17 Okay. Commissioners, any other business?

18 Hearing none, the Commission is hereby adjourned.
19 Thank you very much.

20 (Thereupon the California State Lands
21 Commission meeting adjourned at 7:07 p.m.)
22
23
24
25

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 Skype meeting
6 was reported in shorthand by me, James F. Peters, a
7 Certified Shorthand Reporter of the State of California;

8 That the said Skype proceedings was taken before
9 me, in shorthand writing, and was thereafter transcribed
10 to the best of my ability with intermittent Skype
11 connection, under my direction, by computer-assisted
12 transcription.

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

16 IN WITNESS WHEREOF, I have hereunto set my hand
17 this 2nd day of April, 2018.

18
19
20 

21
22
23 JAMES F. PETERS, CSR
24 Certified Shorthand Reporter
25 License No. 10063