

~ MINUTES ~  
**CALIFORNIA STATE LANDS COMMISSION**  
**MEETING OF JUNE 28, 2019**

**WYNDHAM SAN DIEGO BAYSIDE**  
**1355 NORTH HARBOR DRIVE**  
**SAN DIEGO, CALIFORNIA 92101**

**APPEARANCES**

**COMMISSIONERS PRESENT**

- Eleni Kounalakis, Lieutenant Governor (Matthew Dumlao, Public Policy Advisor and Alternate, participated for items 100, 101, 103, and Closed Session)
- Betty T. Yee, State Controller
- Gayle Miller, Chief Deputy Director and Alternate for Director of the Department of Finance Keely Bosler

**STAFF MEMBERS IN ATTENDANCE**

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

**REPRESENTING THE OFFICE OF THE ATTORNEY GENERAL**

- Andrew Vogel, Deputy Attorney General

***NOTE:*** *The final approved Minutes also include the Agenda and corresponding staff reports (incorporated into the draft Minutes by reference) approved as presented unless otherwise indicated in the Record of Action. A list of individuals making statements before the Commission and the entities they represent, along with the Executive Officer's Report, are included in a complete transcript of the proceedings, which is on file in the Sacramento offices of the Commission and posted on the Commission's website at [www.slc.ca.gov](http://www.slc.ca.gov). Also included on the website is the voting record of the meeting with the staff report for each agenda item linked to the respective consent, regular or informational item number. A link to a recorded Cal-span.org webcast of the meeting is also available on the Commission's website. All of these items may be found under Previous Meetings, by date of the meeting.*

**RECORD OF ACTION TAKEN BY THE  
CALIFORNIA STATE LANDS COMMISSION  
MEETING OF JUNE 28, 2019**

Chair Eleni Kounalakis called the meeting of the California State Lands Commission to order at 1:04 P.M. at the Wyndham San Diego Bayside, 1355 North Harbor Drive, San Diego, California 92101; also present were Commissioner Betty Yee and Commissioner Alternate Gayle Miller.

Confirmation of the Minutes of the April 5, 2019 meeting were approved as presented by a vote of 3-0 (Kounalakis–Yes; Yee–Yes; Miller–Yes).

**EXECUTIVE OFFICER'S REPORT**

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

- **State Lands Commission 2019/20 Budget Highlights:**
  - The 2019/20 State Lands Commission budget of \$88,862,000 continues the trend of heavy special project funding.
  - The oil and gas plug and abandonment activities at Platform Holly in Rincon Island account for over \$40 million, along with another \$4 million to fund litigation costs related to those efforts.
  - Other 2019/20 special projects include \$2 million for one more year of the Bolsa Chica Wetlands dredging; \$2 million to continue the new Coastal Hazards Removal Program pursuant to SB 44 by Senator Hanna-Beth Jackson; and over \$1 million towards maintenance and operation of the Commission's new Records Management IT project.
  - In addition to the special projects funding, the 2019/20 budget also brings a new Forestry position to restart the Commission's Forested School Lands Management program; a new Environmental Justice Coordinator and Administrative Liaison position, and two new IT positions to right size the Information Services Division of the Commission.
  - The Natural Resources Agency has included over \$900,000 in an agency-wide budget request for the State Lands Commission's continued record preservation and digitization.
- **Hollister Ranch Public Access efforts:** The Interagency Team has completed the RFP bid and interview process and have selected a consulting firm to develop the Phase One of the Hollister Ranch Access Plan. The principal firm is KTUA, a well-respected planning and landscape architecture design firm located in San Diego. The next step is to finalize the contract, which is currently in process. The contract is anticipated to be executed after July 1<sup>st</sup> of this year. Commission staff is also planning a site visit to Hollister Ranch with agency team members, supporting staff, and consultants. Commission staff continues to monitor Assembly Member Limón's bill, AB 1680. That item is being heard on July 9<sup>th</sup> by the Senate Natural Resources and Water Committee.

## RECORD OF ACTION (CONT'D)

- **State Lands Commission's Environmental Justice policy and implementation:** In late May and early June, all Commission staff participated in comprehensive environmental justice training. This was a key implementation effort and element of the Environmental Justice Policy the Commission adopted in December. The Commission's internal EJ team prepared and implemented the all-day trainings together with CalEPA staff. Commission staff are now in the process of providing staff with additional training about how to use CalEnviroScreen as an environmental justice screening tool, and working closely with CalEPA who is providing the staff training, and are also planning a more targeted training for Commission staff later this year, which is going to be focused on community outreach.
  
- **Platform Holly Decommissioning Project:**
  - Commission staff is awaiting delivery of the new equipment for the actual plugging and abandonment work and hope to start the plugging and abandonment work by the end of the year.
  - Relating to Ellwood Onshore Facility, no new operations have been completed or are planned at this time. Currently the facility is only in service for the support of Platform Holly that is supplying the platform with required utilities for electric and gas services. Commission staff continues to be involved in litigation over the ultimate use of the EOF with the Trustee throughout the District Court in Delaware.
  - PRC 421, which is the beachfront wells, the two piers, shore-zone piers offshore Goleta. The Number One well has been fully plugged and abandoned; the Number Two well was almost complete, a little over 80 percent complete, when there was a discharge of approximately 100 to 125 gallons of "dead oil." That is oil that has sat around and weathered for quite some time. Most of this oil came up inside the caisson and some released into the intertidal zone. Clean up was quick and efficient and took about five days. The incident command was comprised of OSPR, the Coast Guard, the City of Goleta, the Commission and its agents.
  - Commission staff hosted a town hall meeting in Goleta on June 27<sup>th</sup>. Staff provided a presentation both the status of the overall decommissioning project but really focused on the May 28<sup>th</sup> release and attempted to answer all questions and concerns that the community had.
  
- **Rincon Island Decommissioning:**
  - The most significant milestone achieved during the last month is the abandonment of the Rincon oil wells, Island Wells 1466-8A and 1466-50A. These two wells were known to be capable of natural flow, which coupled with a deteriorating condition of their wellhead assemblies constituted an unacceptable risk. The risk has now been eliminated because both are now sealed to the mud line with multiple cement plugs.

## RECORD OF ACTION (CONT'D)

- This project is ahead of schedule and under budget. Currently, 21 of the 25 onshore wells have been abandoned, and 13 of the 50 offshore wells have been abandoned. The project is six wells ahead of schedule by well count and approximately \$1.3 million under plan forecast at \$15.8 million actual.
- **Burlingame parcel – RFP update.** Commission staff released the request for project proposals on May 22<sup>nd</sup>. To date, four parties have registered, and today, June 28<sup>th</sup>, is the deadline for submittal of questions or request for clarification. Based on feedback and, if necessary, staff will put out an amendment to the request for project proposals or a Frequently Asked Questions document. The submittal deadline for proposals is July 26<sup>th</sup>.
- **San Francisco Waterfront Plan:** Commission staff recently participated in a comprehensive public process to update the Port of San Francisco Waterfront Land Use Plan; the original plan adopted by the Port in 1997. With direction from the Port Commission, Port staff established a 32-member Waterfront Plan Working Group, comprised of representatives and stakeholders from San Francisco and the Bay Area, including the State Lands Commission. The three-year public planning process led by the working group was charged with developing a Port-wide policy recommendation on how best to update the Waterfront Plan. The collaborative process delved into land use, transportation, resilience, Public Trust uses, and resulted in a shared public understanding of the complex and often competing challenges of managing a thriving waterfront. State Lands Commission representation in the working group led to new leasing strategies, Public Trust objectives, and policy recommendations for the rehabilitation of the Embarcadero historic district's decaying finger piers. The working group unanimously approve 160 out of 161 policy recommendations, which were all then endorsed by the Port Commission and incorporated into draft plan amendments to update the Port's new Waterfront Plan.
- **State Lands Commission digital transformation process:** Commission staff is embarking on a major digital transformation effort to streamline the inquiry and application process for the Commission. This new system is called OSCAR, the Online System for Customer Applications and Records. Commission staff believes OSCAR will revolutionize the way we process applications and provide information to the public.

## **RECORD OF ACTION (CONT'D)**

### **CONSENT CALENDAR**

- Consent Items 51, 66, 69, 72, 84, 85, and 89 were removed from consideration
- Consent Items 01-50, 52-65, 67, 68, 70, 71, 73-83, 86-88, and 90 were approved as presented by a vote of 3-0 (Kounalakis–Yes; Yee–Yes; Miller–Yes)

### **INFORMATIONAL CALENDAR**

**ITEM 91:** was informational – no vote required

**ITEM 92:** was informational – no vote required

### **REGULAR CALENDAR**

(items appear in order heard)

**ITEM 93:** A staff presentation was made to the Commission to consider supporting AB 552 (Stone) in the 2019-20 legislative session that would establish the Coastal Adaption, Access, and Resilience Program.

ITEM 93 – was approved as presented by a vote of 2-0 (Kounalakis–Yes; Yee–Yes; Miller–Abstained)

**ITEM 94:** A staff presentation was made to the Commission to consider supporting AB 1680 (Limón) in the 2019-20 legislative session that would require the California Coastal Commission, in collaboration with the California State Coastal Conservancy, the Department of Parks and Recreation, and the State Lands Commission to develop a new coastal access plan for Hollister Ranch in the County of Santa Barbara.

ITEM 94 – was approved as presented by a vote of 2-0 (Kounalakis–Yes; Yee–Yes; Miller–Abstained)

**ITEM 95:** A staff presentation was made to the Commission to consider sponsoring state legislation that would grant in trust to the City of San Diego title to three parcels of land in the vicinity of Mission Bay, known as the Famosa Slough parcels, that are associated with a 2011 land exchange agreement between the State of California, acting by and through the California State Lands Commission, and the City of San Diego.

ITEM 95 – was approved as presented by a vote of 2-0 (Kounalakis–Yes; Yee–Yes; Miller–Abstained)

## RECORD OF ACTION (CONT'D)

**ITEM 96:** A staff presentation was made to the Commission to consider supporting H.R. 2995, the Spent Fuel Prioritization Act of 2019 introduced by U.S. Representative Mike Levin in the 116<sup>th</sup> Congress and H.R. 2699, the Nuclear Waste Policy Amendments Act of 2019 introduced by U.S. Representative Jerry McNerney in the 116<sup>th</sup> Congress.

ITEM 96 – was approved as presented by a vote of 3-0 (Kounalakis–Yes; Yee–Yes; Miller–Yes)

**ITEM 97:** A staff presentation was made to the Commission to consider sponsoring a legislative resolution to defend California’s authority to protect state waters and prevent invasive species introductions.

ITEM 97 – was approved as presented by a vote of 3-0 (Kounalakis–Yes; Yee–Yes; Miller–Yes)

**ITEM 98:** A staff presentation was made to the Commission to consider termination of State Oil and Gas Lease Nos. PRC 3133.1, PRC 4000.1, and PRC 7911.1, located in the Santa Barbara Channel, Santa Barbara and Ventura counties.

ITEM 98 – was approved as presented by a vote of 3-0 (Kounalakis–Yes; Yee–Yes; Miller–Yes)

**ITEM 99:** A staff presentation was made to the Commission to consider termination of Lease No. PRC 3914.1, a General Lease – Right-of-Way Use, of sovereign land located in the Santa Barbara Channel, near Rincon Point, Santa Barbara and Ventura counties; for five existing pipelines.

ITEM 99 – was approved as presented by a vote of 3-0 (Kounalakis–Yes; Yee–Yes; Miller–Yes)

**ITEM 102:** An informational staff presentation was made to the Commission on the Tijuana River Valley pollution issues.

ITEM 102 – was informational – no vote required

**ITEM 100:** A staff presentation was made to the Commission to consider the Commission’s “Abandoned Commercial Vessel Removal Plan, Sacramento-San Joaquin River Delta Region” covering Contra Costa, Sacramento, San Joaquin, Solano, and Yolo counties, prepared pursuant to AB 2441, (Frazier), Chapter 540, Statutes of 2018.

ITEM 100 – was approved as presented by a vote of 3-0 (Dumlao–Yes; Yee–Yes; Miller–Yes)

## **RECORD OF ACTION (CONT'D)**

**ITEM 101:** An informational staff presentation was made to the Commission on two new public GIS-based interactive spatial tools, the San Diego Ocean Planning Partnership Web Mapping Application, and the State Lands Commission Sea-Level Rise Viewer, created to enhance Public Trust resource management and decision-making.

ITEM 101 – was informational – no vote required

**ITEM 103:** An informational staff presentation was made to the Commission on AB 691 (2013, Muratsuchi): State granted trust lands and sea-level rise.

ITEM 103 – was informational – no vote required

*(The State Lands Commission adjourned into closed session from 5:19 P.M. to 5:29 P.M., then resumed open session at 5:31 P.M.)*

The Commission meeting public session was adjourned at 5:31 P.M.

**STAFF AND PUBLIC ADDRESSING  
THE FOLLOWING STAFF REPORTS  
JUNE 28, 2019**

**ITEM 93**

Sheri Pemberton, Chief of External Affairs and Legislative Liaison, CSLC

**ITEM 94**

Sheri Pemberton, Chief of External Affairs and Legislative Liaison, CSLC

- Molly Bruce, Legal Intern, Surfrider Foundation
- David Grubb, Sierra Club

**ITEM 95**

Sheri Pemberton, Chief of External Affairs and Legislative Liaison, CSLC

**ITEM 96**

Sheri Pemberton, Chief of External Affairs and Legislative Liaison, CSLC

- Nolan Fargo, Legal Intern, Surfrider Foundation

**ITEM 97**

Sheri Pemberton, Chief of External Affairs and Legislative Liaison, CSLC

**ITEMS 98 AND 99 (time stamp of approval 3:17 pm, June 28, 2019)**

Seth Blackmon, Staff Attorney, CSLC

- Clement Alberts, Environmental Coordinator
- Molly Bruce, Legal Intern, Surfrider Foundation
- Kevin Carone, Signal Hill/Carone
- Bruce Cowen, Carone Petroleum/Signal Hill
- Nolan Fargo, Legal Intern, Surfrider Foundation
- Carlos Galarza, Rig Driller, Signal Hill
- Mark W. Gilbert, Head Mechanic, Signal Hill
- Mark Gilbert, Jr., Mechanic, Signal Hill
- Christopher Goodall, Plant Operator, Pacific Offshore
- David Grugg, Sierra Club
- John Heatherington
- Pam Heatherington, Board Member, Environmental Center of San Diego
- Matt Kenney, Roustabout, Signal Hill/Carone
- Erik Knudsen, Maintenance Supervisor, Signal Hill



## **STAFF AND PUBLIC ADDRESSING (CONT'D)**

- Tom Le, Payroll Personnel, Signal Hill
- Tyler Little, Rig Hand, Signal Hill
- Luis Luna, Tool Pusher, Signal Hill
- Chris Magill, Operations Superintendent, Signal Hill Petroleum
- Bishoy Matta, Engineer, Signal Hill
- Amalia Medina, Driller, Signal Hill
- Gabriel Mendoza, Roustabout, Signal Hill
- Edgar Peña, Roustabout, Signal Hill
- Anastacia Pirello, Legal Intern, Surfrider Foundation
- Miguel Prado, Petroleum Engineer, Signal Hill
- Raznik Rocher, Operator Trainee, Signal Hill
- Michael Schield, Rig Hand, Signal Hill
- Miguel A. Sosa, Rig Supervisor, Signal Hill
- Gabriela Torres, Policy Coordinator, Surfrider Foundation
- Joaquin Torres, Jr., Fire Watch, Signal Hill
- Kaily Wakefield, Policy Coordinator, Surfrider Foundation
- Marcia Yoshida, Office Manager, Signal Hill Service

### **ITEM 100**

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

### **ITEM 101**

Maren Farnum, Staff Scientist, Executive Office, CSLC

Chris Packer, Research Data Specialist, Information Systems Division, CSLC

- Matt Everingham, Board Member, San Diego Fisherman's Working Group

### **ITEM 102**

Paloma Aguirre, Imperial Beach City Councilmember

Maren Farnum, Staff Scientist, Executive Office, CSLC

Dave Gibson, Executive Officer, San Diego Water Board

Job Nelson, Port of San Diego

Gabriela Torres, Policy Coordinator, Surfrider Foundation

- Leon Benham, Executive Director, Citizens for Coastal Conservancy
- Dylan Jaff, District Representative, Senator Ben Hueso

### **ITEM 103**

Maren Farnum, Staff Scientist, Executive Office, CSLC

- Jason Giffen, Assistant Vice President, Port of San Diego

## **STAFF AND PUBLIC ADDRESSING (CONT'D)**

### **PUBLIC COMMENT**

- Leon Benham, Executive Director, Citizens for Coastal Conservancy
- Pam Heatherington, Board Member, Environmental Center of San Diego
- Lily Tsukayama, Planner, Port of San Diego