

~ MINUTES ~
CALIFORNIA STATE LANDS COMMISSION
MEETING OF SEPTEMBER 1, 2011

EMPLOYMENT DEVELOPMENT DEPARTMENT
AUDITORIUM
722 CAPITOL MALL
SACRAMENTO, CALIFORNIA 95814

APPEARANCES

COMMISSIONERS PRESENT

- Chris Garland, Chief of Staff and Alternate for Lt. Governor Gavin Newsom, voting on Minutes, Consent Calendar, Items 14 and 89
- John Chiang, Controller - voting on Minutes, Consent Calendar and Item 14
Alan Gordon, Deputy Controller and Alternate for Controller John Chiang - voting on Items 75 and 90
- Pedro Reyes, Chief Deputy Director, Alternate for Director of the Department of Finance, Ana Matosantos

STAFF MEMBERS IN ATTENDANCE

- Curtis Fossum, Executive Officer
- Jennifer Lucchesi, Chief Counsel

REPRESENTING THE OFFICE OF THE ATTORNEY GENERAL

- Joseph Rusconi, Deputy Attorney General

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

**RECORD OF ACTION TAKEN BY THE
CALIFORNIA STATE LANDS COMMISSION
MEETING OF SEPTEMBER 1, 2011**

Chair and Alternate for Lt. Governor Newsom Chris Garland called the meeting of the California State Lands Commission to order at 10:00 A.M. at the Employment Development Department, Auditorium, 722 Capitol Mall, Sacramento, California 95814; also present were Commissioner John Chiang and Commissioner Alternate Pedro Reyes.

The Minutes of the June 23, 2011 meeting were approved by a vote of 3-0.

EXECUTIVE OFFICER'S REPORT

Executive Officer Curtis Fossum updated the Commission on the following items:

- State Lands Commission staff has implemented new procedures for the Commission meeting calendar process. Among the changes are that the agenda items are now downloadable to electronic devices; the agenda will be sent by email only, unless otherwise specifically requested by a member of the public, thereby eliminating paper waste and postage costs; and the agenda format has been modified to be more user-friendly. Also, additional links to other state agencies that the Commission partners with have been added to the Commission's website.
- The State Lands Commission, State Teachers' Retirement Systems (STRS), the Governor and the U.S. Department of Energy executed the Elk Hills settlement giving STRS an additional \$15.5 million.
- The City of San Francisco's Office of Economic and Workforce Development received \$30.5 million from HUD – these funds will be used for the Candlestick/Hunters Point redevelopment project.
- The Ocean Protection Council granted \$222,000 to the Commission to update the Commission's Geophysical Survey Permit Program.
- A job announcement has been posted for Legislative Liaison position, which has been vacant for 6 months.
- The Commission was updated on the status on the following legislative bills: SB 152 (Pavley); AB 982 (Skinner); and AB 1112 (Huffman).
- The Executive Officer acknowledged the achievements and retirements of Martin Eskijian, supervisor for the Engineering Section, Marine Facilities Division and Maurya Falkner, Program Manager for the Ballast Water Program, Marine Facilities Division.
- The Commission was updated on the Bureau of State Audits final report.
- Executive Officer Fossum presented a plaque to Cindy Aronberg, former Chief Deputy Controller and Commission Alternate, for her 12 years of dedicated service with the State Lands Commission.

RECORD OF ACTION TAKEN CONTINUED

CONSENT CALENDAR

Consent Items C35, C59 and C79 were removed from the agenda, to be heard at a later date. Consent Items C14 and C75 were moved to the Regular Calendar. Consent Items C01-C13, C15-C34, C36-C58, C60-C74, C76-C78 and C80-C84 were approved as presented by a vote of 3-0.

INFORMATIONAL

Item 85 was informational - no vote required.

REGULAR CALENDAR

(The Items below appear in the order presented.)

ITEM C14: A staff presentation was made requesting that the Commission 1) ratify staff's findings that Bruno's Island Yacht Harbor was in default of its rent, insurance and bond covenants; 2) ratify the staff's findings that Bruno's Island Yacht Harbor had not cured within 60 days of the defaults of having a valid certificate of good standing from the Secretary of State and of keeping the bridge in good repair and safe condition; 3) authorize the issuance of a Notice of Termination and Ejectment to Bruno's Island Yacht Harbor and Owen's Financial; 4) authorize the termination of the lease subject to the right of Owen's Financial to cure the defaults within 60 days from receipt of the Notice of Termination and Ejectment; and 5) authorize Commission staff and/or the Office of the Attorney General to take all legal steps necessary, including litigation, for ejectment, removal of the existing commercial marina including the bridge and boat repair facility, and restoration of the land to its natural condition to the satisfaction of the Commission.

Mr. Ade Adesokan and Mr. David Snodderly both testified on behalf of Bruno's Island Yacht Harbor. Subsequent to the discussion of Item C14 between the Commission, staff, Mr. Adesokan and Mr. Snodderly, the Commission amended staff's recommendation by adding the following requirements to staff's recommendations: 1) Bruno's Island Yacht Harbor must provide Commission staff with documentation evidencing that ARI has the authority to represent Bruno's Island Yacht Harbor by September 2, 2011; 2) Thirty days from September 1, 2011, Bruno's Island Yacht Harbor must provide Commission staff with documentation that it is legally authorized by the Secretary of State to do business in California; 3) Bruno's Island Yacht Harbor must provide Commission staff with the engineering analysis and drawings for the 1995 bridge repair documenting that the repair was constructed to highway standards; and 4) by September 12, 2011 Bruno's Island Yacht Harbor must provide Commission staff with a certificate by a licensed engineer that the bridge repair work was completed to the level of the 1995 repair standards.

Item C14 was approved as amended by a vote of 3-0.

RECORD OF ACTION CONTINUED

ITEM 86: A staff presentation was made to the Commission updating them on the Marine Invasive Species Program's report titled, "2011 Update: Ballast Water Treatment Systems for Use in California Waters."

Item 86 was informational – no action required.

ITEM C75: A staff presentation was made to the Commission requesting authority for the Executive Officer to enter into an agreement to fund the development of a monitoring tool to verify vessel compliance with ballast water performance standards.

Item C75 was approved as presented by a 2-0 vote, Alternate Commissioner Gordon and Alternate Commissioner Reyes voting.

ITEM 87: A staff presentation was made to the Commission updating them on staff's efforts to remediate oil leakage in the Summerland Beach area.

Item 87 was informational – no action required.

ITEM 88: A staff presentation was made to the Commission to report findings on the investigation of damage done at various port and harbor structures in Japan during the March 11, 2011 Japan earthquake and tsunami.

Item 88 was informational – no action required.

ITEM 89: A staff presentation was made to the Commission recommending the adoption of a resolution acknowledging the 50th Anniversary of Save The Bay. The resolution was personally presented to Save the Bay's Political Director, Mr. Stephen Knight.

Item 89 was approved as presented by a vote of 2-0, Chair and Alternate Commissioner Garland and Alternate Commissioner Reyes voting.

ITEM 90: A staff presentation was made to the Commission recommending the adoption of a resolution acknowledging the retirement of Peter Douglas, Executive Director of the California Coastal Commission.

Item 90 was approved as presented by a vote of 2-0, Alternate Commissioner Gordon and Alternate Commissioner Reyes voting.

The Commission meeting public session was adjourned at 1:12 P.M.

**STAFF AND PUBLIC ADDRESSING
THE FOLLOWING CALENDAR ITEMS
CALIFORNIA STATE LANDS COMMISSION MEETING**

SEPTEMBER 1, 2011

ITEM C14 – BRUNO’S ISLAND

Mary Hays, Public Land Manager, Land Management Division, CSLC

- David Snodderly, President, Bruno’s Island
- Ade Adesokan, ARI Corporation

REGULAR ITEM 86 – BALLAST WATER REPORT

Nicole Dobroski, Staff Environmental Scientist, Marine Facilities Division, CSLC
Lynn Takata, Environmental Program Manager, Marine Facilities Division, CSLC

- John Berge, Vice President, Pacific Merchant Shipping Association
- Tim Schott, Executive Director, California Association of Port Authorities

REGULAR ITEM 87 – SUMMERLAND OIL FIELD

Steve Curran, Petroleum Drilling Engineer, Mineral Resources Management
Division, CSLC

REGULAR ITEM 88 – JAPAN EARTHQUAKE AND TSUNAMI

Martin Eskijian, Senior Engineer, Petroleum Structures, Marine Facilities
Division, CSLC

REGULAR ITEM 89 – SAVE THE BAY RESOLUTION

- Stephen Knight, Political Director, Save The Bay

PUBLIC COMMENT

- No Speakers