

~ MINUTES ~
CALIFORNIA STATE LANDS COMMISSION
MEETING OF OCTOBER 19, 2017

**CITY OF HUNTINGTON BEACH
COUNCIL CHAMBERS
2000 MAIN STREET
HUNTINGTON BEACH, CALIFORNIA 92648**

APPEARANCES

COMMISSIONERS PRESENT

- Gavin Newsom, Lieutenant Governor (Rhys Williams, Chief of Staff and Alternate, participated for Public Comment, Minutes, Consent Calendar, and Items 93, 94, 95, and 96)
- Betty T. Yee, State Controller
- Eraina Ortega, Chief Deputy Director and Alternate for Director of the Department of Finance Michael Cohen

STAFF MEMBERS IN ATTENDANCE

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

REPRESENTING THE OFFICE OF THE ATTORNEY GENERAL

- 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. 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 OCTOBER 19, 2017**

Chair Alternate Rhys Williams called the meeting of the California State Lands Commission to order at 9:05 A.M. at the City of Huntington Beach Council Chambers, 2000 Main Street, Huntington Beach, California 92648; also present were Commissioner Betty Yee and Commissioner Alternate Eraina Ortega.

The Minutes of the August 17, 2017 meeting were approved by a vote of 3-0 (Williams-Yes; Yee-Yes; Ortega-Yes).

EXECUTIVE OFFICER'S REPORT

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

- A correction was noted for the Continuation of Rent Action for Anthony C. Evans and Carol Ross Evans, there's a typo with an incorrect amount shown for the annual rent. The correct amount is \$1,410.
- Update on securing public access at Martins Beach in San Mateo County.
- The Governor recently signed into law a couple of bills that directly impact the Commission, including SB 50 (Allen) and SB 44 (Jackson).
- The Commission was updated on the Venoco LLC bankruptcy and Platform Holly well plugging and abandoning efforts:
 - On August 21st, ExxonMobil submitted its formal Letter of Intent to engage with the Commission on the plugging and abandonment of the wells on Platform Holly and near shore adjacent to the Sandpiper Golf Course in Goleta. Staff continues to work with ExxonMobil to negotiate a final engagement agreement.
 - On September 1st, staff awarded the contract for the operations and maintenance of Platform Holly to Beacon West Energy Group. On September 14th, staff and the Venoco estate negotiated a short-term use agreement to operate the Ellwood Onshore Facility to ensure safe operations continued through Venoco's transition out of operations.
 - On September 15th, the Commission's contractor assumed operational control of Platform Holly and the EOF. This transition went very smoothly, and safe operations continue.
 - Staff is working closely with the City of Goleta and the Santa Barbara Air Pollution Control District to ensure that full permit compliance is achieved and maintained throughout the plugging and abandonment process. Staff continues to regularly update the various other local, state, and federal agencies that have an interest in this process.
 - Around September 22nd, Venoco's Chapter 11 Bankruptcy took a significant turn when Venoco announced that the winning bidder withdrew

RECORD OF ACTION CONTINUED

its bids on the estate's remaining assets, including two federal platforms, Gail and Grace and the Carpinteria Process Plant. Venoco moved to terminate the asset purchase agreement and any ongoing marketing attempts because no other viable bidders exist. Venoco is now seeking to reject these interests and walk away from those two platforms and the plant. The federal government will now be responsible for the safe operations and management of those two federal platforms.

- On October 3rd, Venoco also moved to reject a variety of remaining interests in the Commission's other leases with Venoco, including the Ellwood Pier and the Paredon lease.
 - Staff is continuing to work with the estate on a long-term agreement to use the Ellwood Onshore Facility for the plugging and abandonment work associated with Platform Holly and Piers 421.
- The Commission was updated on the Rincon Island Limited Partnership bankruptcy proceeding.
 - On September 13th, Commission staff released for public review and comment a draft public access guideline to California's navigable waterways. This legally dense public access guide explains in detail the public's right to access and use navigable waters in the State.
 - The San Diego Ocean Planning Partnership continues to engage stakeholders in one-on-one meetings to elicit the input and data that will shape the pilot planning effort.
 - The Executive Officer thanked the City of Huntington Beach, City Manager Fred Wilson, and Mayor Barbara Delgleize, the city's Fire Department and the city's Police Department for their assistance in allowing the Commission to use the City's City Council Chambers for its October 19th Commission meeting.

CONSENT CALENDAR

- Consent Items C41, C57, C65, C80, and C82 were removed from consideration.
- Consent Items C01-C40, C42-C56, C58-C64, C66-C79, C81, and C83-C91 were approved as presented by a vote of 3-0 (Williams-Yes; Yee-Yes; Ortega-Yes).

INFORMATIONAL CALENDAR

- Item 92 – was informational – no vote required.

RECORD OF ACTION CONTINUED

REGULAR CALENDAR

ITEM 93: A staff presentation was made to the Commission to consider amending State Oil and Gas Lease Nos. PRC 91, PRC 163, PRC 425, PRC 426, and PRC E-392, to reduce idle well counts, establish a sinking fund, and modify the priced based on sliding scale royalty, offshore Huntington Beach, Orange County. The Commission adopted an amendment to staff's recommendation to require that staff report to the Commission within two years with updates on the well abandonment progress, the effect on royalties, and other lease management activities including regulatory compliance.

Item 93 – was approved as amended by a vote of 3-0 (Williams-Yes; Yee-Yes; Ortega-Yes).

ITEM 94: An informational presentation was made by New America Media representatives to the Commission on how the Commission can engage with communities that it is not currently engaging with.

Item 94 – was informational – no vote required.

ITEM 95: An informational presentation was made by representatives of AltaSea to the Commission relating to AltaSea about its efforts at a historic pier in the Port of Los Angeles to bring people together to expand science-based understanding of the ocean, incubate and sustain ocean-related business, and pursue new ocean-related education programs.

Item 95 – was informational – no vote required.

ITEM 96 – An informational staff presentation was made to the Commission providing an update on the Commission's Environmental Justice Policy Public Outreach and Development.

Item 96 – was informational – no vote required.

(The State Lands Commission adjourned into closed session from 10:36 A.M. to 12:07 P.M., then resumed open session at 12:12 P.M.)

ITEM 97 – A staff presentation was made to the Commission on an application for an amendment to Lease No. PRC 1980.1, a General Lease – Industrial Use, of tide and submerged lands in the Pacific Ocean, offshore of Huntington Beach State Park, Huntington Beach, Orange County to amend the lease to include the installation of four wedgewire screen manifolds and foundations to support the screens; modify the existing seawater discharge pipeline to enhance brine mixing with seawater; extend the construction completion date, and other related amendments. The Commission certified the Supplemental Environmental Impact Report and adopted a Mitigation Monitoring Program, Findings and a Statement of Overriding Considerations for the

RECORD OF ACTION CONTINUED

proposed project. The Commission approved the Recommended Lease Modification Project, which was identified as the environmentally superior alternative, as presented with the exception of the diffuser element of the Project, which the Commission authorized the Executive Officer to approve through a subsequent lease amendment only on the condition that that the Regional Board, in considering Poseidon's application, approves the diffuser element consistent with the Recommended Lease Modification Project. Further, the Commission modified the term relating to energy consumption to include the following:

- a) Poseidon shall offset or avoid 100 percent of the direct and indirect GHG emissions from construction and operation of the Huntington Beach Desalination Plant and Lease Modification Projects, regardless of the commitments in its GHG Plan. Poseidon shall submit its plan to comply with this term to the Commission 90 days prior to start of construction for its review.
- b) Subsequent to the Commission's review of Poseidon's plan to offset or avoid 100 percent of the direct and indirect GHG emissions from construction and operation of the Huntington Beach Desalination Plant and Lease Modification Projects, Poseidon shall report annually to the Commission on Poseidon's compliance with this requirement.

Item 97 – was approved as amended by a vote of 3-0 (Newsom-Yes; Yee-Yes; Ortega-Yes)

ITEM 98: An informational staff presentation was made to the Commission to report on efforts to increase transparency in the Commission's closed session agenda, discussions and decisions.

Item 98 – was informational – no vote required.

The Commission meeting public session was adjourned at 6:01 P.M.

**STAFF AND PUBLIC ADDRESSING
THE FOLLOWING CALENDAR ITEMS
OCTOBER 19, 2017**

ITEM 93

Joseph Fabel, Staff Attorney, Legal Division, CSLC

- Adam Smith, Vice President, California Resources/SoCal Holdings

ITEM 95

- Mike DiBernardo, Deputy Executive of Marketing and Customer Relations, Port of Los Angeles
- Jenny Krusoe, Executive Director, AltaSea
- Dr. Sandra Whitehouse, Chief Scientific Officer, AltaSea

ITEM 97

Jamie Garrett, Staff Attorney, Legal Division, CSLC

Cheryl Hudson, Public Land Management Specialist, Land Management Division, CSLC

Cy Oggins, Chief, Division of Environmental Planning and Management Division, CSLC

Alexandra Borack, Environmental Scientist, Division of Environmental Planning and Management Division, CSLC

Dr. Peter Raimondi, CSLC Consultant

- Grace Adams, Bolsa Chica Land Trust
- Don Albrecht
- Richard Armendariz
- Jim Atkinson, Board President, Mesa Water District
- MaryJo Baretich, President, Cabrillo Wetlands Conservancy
- Talaat Baselaws
- Joann Spotted Bear
- Dennis Bilodeau, Poseidon Water
- Tony Bisson, Homeowner, Self
- Sean Bothwell, Coastkeeper
- Christine Brady
- Jordan Brandman, former Councilman, City of Anaheim
- Amaida Brashears, Interested Citizen
- Keith Bohr, former Huntington Beach Mayor
- Barbara Boxer, former United States Senator

ITEM 97 – CONT'D

- Glenn Brooks, Resident
- Nancy Buchoz, Homeowner/Resident
- Michael Bushey, Southern California Edison
- Tom Buttera, Resident Huntington Beach
- Doug Cable
- Craig Cadwallader, Policy Coordinator, Surfrider Foundation, South Bay Chapter
- Siefried Calaquian, Millennials for New Water
- Joe Carchio, Chairman, Waste Management and former Mayor of Huntington Beach
- Carolyn Cavecche, Executive Director, Orange County Taxpayers Association
- Mary Ann Celinar, Huntington Beach Huddle
- Gina Clayton-Tarvin, President, Board of Trustees, Ocean View School District
- Sharon Coke
- Debbie Cook, Residents for Responsible Desal (R4RD)
- Ernie Courter, Homeowner
- Clark Danielson, H.B. Home Owner/Renewable Energy Professional, Renewal Energy Development
- Milt Dardis
- Doug Davert, President, East Orange County Water District
- Gilbert Davila
- Peter DeMarco, Vice President, Orange County Business Council
- Shirley Detloff, Bolsa Chica Land Trust
- Tyler Diep, Councilman, City of Westminster
- Leslie Dobalian, San Diego Water Authority
- John Earl, Editor/Reporter, Surf City Voice
- Edin Enamarado, Environmental Justice
- Conner Everts, President, Southern California Watershed Alliance
- Darrel Ferguson, Vice Chair, Surfrider Foundation
- James Fisler, Director, Mesa Water District
- Ruben Franco, CEO, Orange County Hispanic Chamber of Commerce
- Chris Garrett, Poseidon Water
- Mark Gaughan, Past Chairman, Bolsa Chica Conservancy
- Joe Geever, Resident for Responsible Desal (R4RD)
- Chuck Gibson, Director, Santa Margarita Water District
- Michael Grant, Huntington Beach Planning Commission
- Marcela Gaudins, EJ Coalition, Azul, Oakview Comunidad
- Cathy Green, Board Member, Orange County Water District and Former Mayor of Huntington Beach
- Graham Hamilton, Surfrider Foundation Los Angeles Chapter
- Lubna Hammond, Indivisible OC-48
- John Hanna, Government Affairs Director, South West Carpenter
- Raymond Heimstra, Associate Director, Orange County Coastkeeper

ITEM 97 – CONT'D

- Zeke Hernandez, Board Trustee, Rancho Santiago Community College DL5
- Donovan Higbee, representing Congresswoman Mimi Walters
- Dr. Mikel Hogan, resident of Huntington Beach
- Flossie Horgan, Board Member, Bolsa Chica Land Trust
- Susan Jordan, Enviro Coalition, California Coastal Protection Network
- Alex Kanavechyk
- Clayton King, Lawyer, representing citizens of Huntington Beach
- Herb Kleeman, United Association, Local 250
- Terrell E. Koken
- Mary Kyle
- Ed Laird, Huntington Beach resident and business owner
- Ira Leibowitz, representing self
- Victor Lèipzig, Bolsa Chica Land Trust
- Kevin Lizama, Millennials for New Water
- Scott Maloni, Poseidon Water
- Steve Maren
- Araceli Martinez, La Opinion
- Aaron McCall, Indivisible OC-48
- Roy McCord
- John McKirachan, Huntington Beach Resident
- Ernesto Medrano
- Andreas Mihaly, Millennials for New Water
- William Moreno, Millennials for New Water
- Charlene Muhammad, In the Works Media
- Kris Murry, Council Member, City of Anaheim
- Damon Nagomi, Enviro Coalition
- Victor Nguyen, Millennials for New Water
- John O'Neil, Council Member, City of Garden Grove
- John Palacio, Boardmember, Santa Ana Unified School District
- Stephanie Pacheco, resident of Huntington Beach
- Staley Prom, Surfrider Foundation
- Sofia G. Quillones, Community Treaty of Guadalupe Hidalgo
- Steve Ray, Executive Director, Banning Ranch Conservancy
- Olga Zapata Reynolds
- Adam Rodel, OCAR, Resident/Business Owner
- Oscar Rodriguez, Oak View Community
- Morgan Roth, representing Congresswoman Nanette Barragán
- Mandy Sacket, Surfrider
- Rolando Salmeron, 350.org - Engineer
- Jestin Samson
- Laura Santos, Environmental Justice, Trustee, Mt. San Antonio College, William C. Velasquez Institute

ITEM 97 – CONT'D

- Althea Santucci, Self
- Jennifer Savage, Surfrider
- Peter Schurmann, New America Media
- John Sears, Board Member, East Orange County Water District
- Mark Sheldon, Member, Huntington Beach Environmental Board
- Steve Sheldon, Boardmember, OCWD
- Jan Shomaker, former Huntington Beach Planning Commissioner
- Debbie Sivas, Enviro Coalition
- Paul Simonds, Chair, South Orange County Economic Coalition
- Cari Swan, Huntington Beach resident
- Patricia Taylor, representing Assemblyman Matthew Harper
- Dianne Thompson, Co-Chair Gov't Affairs, Huntington Beach Chamber of Commerce
- Victor Vallardares, Oak View Community
- Norma Vandermolen, resident of Huntington Beach
- Donna Varner, South Orange County Economic Coalition
- Leslie Vasquez
- Dallas Weaver
- Bethany Webb, HB Huddle
- Erik Weigand, representing Senator Pat Bates
- Michael Wellborn, President, Friends of Harbors, Beaches & Parks
- Kevin Wen, Millennials for New Water
- Fred Whitaker, Councilmember, Orange City
- Maggie Williams
- Adam Wood, Building Industry Association, Orange County
- Frank Zambrano

PUBLIC COMMENT

- Paloma Aguire, Coastal and Marine, Wildcoast
- Clark Danielson, Renewable Energy Professional, Cucell Energy
- Janet Gunter
- Morgan Roth, Deputy District Director, Representative Barragán's office
- Noel Weiss