

STAFF REPORT

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S. Pemberton

CONSIDER SPONSORING STATE LEGISLATION IN THE SECOND HALF OF THE 2017-18 LEGISLATIVE SESSION THAT WOULD REPEAL THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA STATUTORY TRUST GRANT

SUMMARY:

This legislative proposal would repeal a statutory trust grant to the Metropolitan Water District of Southern California that was made in 1967.

BACKGROUND AND DISCUSSION:

In 1967, the California Legislature granted the Metropolitan Water District of Southern California (District) approximately 860 acres of sovereign tide and submerged land offshore near Bolsa Chica State Park in the city of Huntington Beach, Orange County. When the lands were granted, they were for the sole purpose of constructing and operating a nuclear-powered seawater desalination plant or a plant producing electric energy using nuclear power. Either plant would have required that the District build a causeway from the mainland all the way into the ocean, construct an island using substantial amounts of fill, and build the nuclear-powered plant on an island in the open ocean.

The nuclear-powered desalination and energy plants envisioned in 1967 were never built and the granted lands were never developed—nor is the District considering or proposing such a plant. But because the grant remains in effect, staff is required to monitor the grant and treat the District as it would any other grantee. Staff thus contacts the District annually about the status of the grant, and the District submits a form annually to the Commission documenting the lack of activity or revenue associated with the lands. Staff, in an effort to focus its energies on its other grants and update its granted land statutes, recommends repealing the District's grant.

Staff notified the District that it is proposing to recommend legislation to repeal the District's statutory trust grant. The District staff is researching documents associated with the grant. The District will be briefed about the proposed legislation at its November 2017 meeting and receive a more in depth briefing the following month, at its December 2017 meeting.

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STATUTORY HISTORY AND GRANT SUMMARY

Chapter 1520, Statutes of 1967, grants tide and submerged lands lying offshore near Bolsa Chica State Park to the Metropolitan Water District of Southern California. The grant was for the construction, maintenance, and operation of plants for production of fresh water or electric energy using nuclear power. The grant does not authorize any other uses. The District was authorized to create an island on one parcel and a causeway connecting it to the mainland. The size of the island was set at a maximum of 125 acres at the mean high water line with a connecting causeway up to 60 feet wide. The District was authorized to lease the lands for the prescribed purposes for not more than 66 years or 99 years if the lease was to a municipal corporation. The grant terms required ecological studies, a monitoring system, and measures for assuring public health and safety consistent with standards approved by other agencies and with state and federal law. The grant reserves to the State the right to construct a harbor in accordance with state and federal law.

STAFF RECOMMENDATION:

Staff believes that the grant should be repealed because the District has not, nor does it intend to, construct a nuclear powered energy or desalination plant on the granted tide and submerged lands. Repealing the grant will mean that the granted lands will return to the State and be under the Commission's jurisdiction. Staff recommends that the Commission sponsor legislation in the second half of the 2017-2018 legislative session to repeal the Metropolitan Water District of Southern California statutory trust grant.

RECOMMENDED ACTION:

It is recommended that the Commission:

Sponsor legislation in the second half of the 2017-2018 legislative session to repeal the Metropolitan Water District of Southern California statutory trust grant.