APPEARANCES

BOARD MEMBERS
Mr. John Chiang, State Controller, Chairperson, represented by Ms. Cindy Aronberg
Ms. Mona Pasquil, Acting Lieutenant Governor
Ms. Ana J. Matosantos, Director of Finance, represented by Ms. Cynthia Bryant

STAFF
Mr. Paul Thayer, Executive Officer
Mr. Curtis Fossum, Chief Counsel
Mr. Colin Connor, Assistant Chief, Land Management Division
Mr. Mario De Bernardo, Legislative Liaison
Ms. Mary Hays, Public Land Manager
Ms. Kimberly Lunetta, Executive Assistant

ATTORNEY GENERAL'S OFFICE
Mr. Joe Rusconi, Deputy Attorney General

ALSO PRESENT
Mr. Martin Adams, Los Angeles Department of Water and Power
Mr. Cruz Bustamante, National City
Mr. Gary Baker, TAIT Environmental
Mr. John Osborn, River Landing Home Owners Association
Mr. Kip Skidmore, Riverbank Marina
Mr. Dave Walker,
INDEX

I OPEN SESSION 1
II CONFIRMATION OF MINUTES FOR THE MEETING OF FEBRUARY 1, 2010 1
III EXECUTIVE OFFICER’S REPORT 1
IV CONSENT CALENDAR C01 - C51 5
V REGULAR CALENDAR 52 - 55

52. RIVERBANK HOLDING COMPANY, LLC (LESSEE): Consider application for an amendment to Lease No. PRC 6427.1, General Lease – Commercial Use, of sovereign lands located in the Sacramento River, adjacent to 1371 Garden Highway, city of Sacramento, Sacramento County; for the construction, operation, use, and maintenance of a fuel dock facility at Riverbank Marina. 7

53. CITY OF LOS ANGELES, DEPARTMENT OF WATER AND POWER (LESSEE): Consider application for an amendment to Lease No. PRC 8079.9, General Lease – Public Agency Use, of sovereign lands located in Owens Lake, near Lone Pine, Inyo County; to construct and maintain 3.12 square miles of moat and row dust control measures on the bed of Owens Lake. 30

54. CALIFORNIA STATE LANDS COMMISSION (PARTY): Consider supporting legislation regarding sea level rise adaptation (AB 2598), reusable shopping bags (AB 1998), and penalties for tampering with archaeological resources on public lands (SB 1034) and opposing legislation regarding Port of San Diego trust revenues (SB 1039), creation of an Interim Resources Management Board for oil leasing (AB 2719), specific caps on legal services provided to the State Lands Commission’s by the Department of Justice (budget proposal), and spending of lease revenues generated from a potential Tranquillon Ridge oil lease (budget proposal and AB 2601). 45

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55. CALIFORNIA STATE LANDS COMMISSION: Consider a resolution proposed by the Controller supporting the Lake Tahoe Restoration Act of 2010 (S. 2724 and H.R. 4001), which would authorize projects to combat invasive species, restore Lake Tahoe’s water clarity, protect threatened wildlife, and reduce the risk of catastrophic wildfires.

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>VI PUBLIC COMMENT</td>
<td>55</td>
</tr>
<tr>
<td>VII CLOSED SESSION</td>
<td>56</td>
</tr>
<tr>
<td>Adjournment</td>
<td>56</td>
</tr>
<tr>
<td>Reporter’s Certificate</td>
<td>57</td>
</tr>
</tbody>
</table>
PROCEEDINGS

ACTING CHAIRPERSON ARONBERG: Good morning. I call this meeting of the State Lands Commission to order. All of the representatives of the Commission are present. I'm Cindy Aronberg, Deputy to State Controller John Chiang. And I'm joined today by Mona Pasquil, the Acting Lieutenant Governor, and Cynthia Bryant, who represents the Department of Finance.

For the benefit of those in the audience, the State Lands Commission administers properties owned by the State, as well as its mineral interests. Today, we will hear proposals concerning the leasing and management of these public properties. The first item of business will be the adoption of the minutes from the Commission's last meeting.

May I have a motion.

COMMISSIONER PASQUIL: So moved.

ACTING COMMISSIONER BRYANT: Second.

ACTING CHAIRPERSON ARONBERG: All in favor?

(Ayes.)

ACTING CHAIRPERSON ARONBERG: The motion passes. The next order of business is the Executive Officer's report.

Mr. Thayer, may we have your report.

EXECUTIVE OFFICER THAYER: Good morning, Madam
Chair and members of the Commission. I just have two things that I wanted to cover. The first is the usual reiteration of where we are on some of the enforcement actions that the Commission has authorized.

With respect to the Blue Whale Sailing School, which is led by John Asuncion, the court has found that the school is in default, and has not yet entered a judgment though. And once that happens, we'll be able to move to taking corrective action.

The Spirit of Sacramento, this has to do with a boat that is anchored, now sunk, on the Sacramento River just south of town here in Sacramento. We've been unable to reach or unable to get the defendant, Mr. Barker's attorney, to enter into discussions for resolution. And so, at this point, we've served the defendants with interrogatories and the Attorney General's office is preparing further discovery. And staff is preparing papers for a motion for partial summary judgment.

With respect to Lance Bishop and John Soto, this is the fallout from the Jeanne Taylor incident, where she had the floating home and sold it to Lance Bishop, who parked it next to John Soto's property in one of the sloughs in the Delta.

He informed staff that he would move the vessel last week from its present location to a marina, and
presumably hopefully a marina that's not on Public Trust Lands, because again it would not be an authorized use of Public Trust property.

However, he didn't tell us which marina he was going to. And he said the same thing to the Army Corps. And, as of last week, the vessel had not been moved. If it hasn't been moved by Friday, then the Attorney General's office will be filing trespass litigation.

We'll see.

On the fence situation at Lake Tahoe, I'm not sure if we've discussed this with you before. This has to do with some of the harassment that some of the property owners clear on the north side of Lake Tahoe right next to the Nevada boundary had been inflicting on the public who were lawfully using the beach along Lake Tahoe there and in front of these properties.

The Commission authorized staff to seek a restraining order or some such thing to stop that activity. The staff has been working to obtain an enforceable settlement from the property owners, and has been successful with the DeSautels. And, in fact, the fence, which had been one of the issues -- a fence had gone up there without appropriate permits. It's now been -- staff arranged for the contractor to have that taken down.
And the DeSautels have entered into one of these agreements, which we think gives the Commission much better legal basis, should more harassment occur, to stop that. And we're now entering into negotiations with the other property owner that's similarly situated. So there's definitely good progress there.

And finally, another derelict vessel, the San Diego, which I believe is currently at Horseshoe Bend at Decker Island in the Delta. We're working with a number of different parties to get rid of that vessel. And the City of Antioch is a partner in this. And currently, we're exploring options to have that vessel salvaged.

And hopefully, the result will be the owner, who doesn't have any real use of it anymore, will be interested in doing this, because, if we can make the right arrangements, the salvager will take the value of the material that's taken off that in payment for doing the work. And again, we'll report back to you on whether that's successful or not.

So unless there are any questions, that's this meeting's enforcement discussion.

And then the only other item is to affirm that our intention is to have -- to schedule another hearing in June. The usual program of every two months having a meeting, and that Kim will be talking to your offices
starting tomorrow to try and set up something. And that concludes the Executive Officer's report, unless you have any questions.

ACTING CHAIRPERSON ARONBERG: Any questions?

Thank you so much, Paul.

The next item of business is the consent calendar. Paul, can you tell us what items have been removed from the consent calendar.

EXECUTIVE OFFICER THAYER. There are three items that will be removed. Number 15, which has to do with a rec pier, and we'll probably be bringing that back at the June meeting.

Number 28, this involves remediation of a former military site in Marin. The CEQA documentation hasn't been adopted yet by the Department of Toxic Substances Control, so we couldn't hear it yet. Once they take that action, we'll be able to hear it. And again, we hope to do that in June.

And finally, there's a boundary line agreement involving a property on Gallinas Creek in Marin, and there's some continuing discussions with some of the neighbors there that we want to resolve. We're also interested in having the county move forward with its approval of the agreement to settle some litigation, respecting which this boundary line agreement is one of
the elements of the settlement.

So those three items have been taken off.

ACTING CHAIRPERSON ARONBERG: Thank you. So 15, 28, and 43 have been removed.

EXECUTIVE OFFICER THAYER: Yes.

CHAIRPERSON ARONBERG: Is there anyone in the audience who wishes to speak on a consent calendar item that still remains on that calendar?

Okay, seeing none. I actually have -- please.

Cynthia is looking like she has a question.

ACTING COMMISSIONER BRYANT: No.

ACTING CHAIRPERSON ARONBERG: Okay. I actually have a question on one of the consent items, about Item C49. I'd like to ask the representative from the Attorney General's office about it.

My only question is, do we have any discretion or are we required to approve this item?

DEPUTY ATTORNEY GENERAL RUSCONI: The way the statutory scheme is set up, you're required to approve it. You have no discretion in this area.

ACTING CHAIRPERSON ARONBERG: Thank you so much.

No questions?

The remaining group of consent items will be taken up for a single vote. Let's proceed with the vote.

May I have a motion?
ACTING COMMISSIONER BRYANT: I'll move approval of the consent calendar.

COMMISSIONER PASQUIL: Second.

ACTING CHAIRPERSON ARONBERG: All in favor?

(Ayes.)

ACTING CHAIRPERSON ARONBERG: The motion carries.

Moving on to the regular calendar. Under Item 52, we'll consider a lease adjacent to the Garden Highway for a planned vessel fueling facility. May we have the staff presentation, please?

EXECUTIVE OFFICER THAYER: Thank you, Madam Chair. Mary Hays who is a Public Land Manager with our Land Management Division will give the staff presentation.

PUBLIC LAND MANAGER HAYS: Good morning. I'm not sure if this is on.

Is it on?

Okay. Good morning, members of the Commission. My name is Mary Hays, and I'm with the Land Management Division. I'll be presenting the information on Calendar Item 52.

(Thereupon an overhead presentation was Presented as follows.)

PUBLIC LAND MANAGER HAYS: You have before you an application to amend a 25-year general lease, commercial use, issued to Riverbank Holding Company, LLC for the
Riverbank Marina. The lease was approved by the Commission in 2002 and expires in 2027. The marina is located on the Sacramento River just north of downtown Sacramento.

The lease premises includes covered and uncovered dock sections, with 159 berths, side-tie berthing for approximately 40 to 50 boats, a restaurant with an accommodation dock, two floating office units, a sewage pump-out dock, two speed signs, and a debris deflector.

And you'll see on the screen, this is an overhead of the Riverbank Marina.

Riverbank is now proposing to construct a marine fueling facility with the fuel dock portion of the project on the lease premises. The upland portion of the project includes the installation of a double walled 6,000 gallon, above-ground fuel storage tank, which is comprised of a 4,000-gallon gasoline compartment and a 2,000-gallon diesel compartment.

The storage tank facility will be located on the top of the Riverbank parking structure at grade with the top of the levee.

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PUBLIC LAND MANAGER HAYS: A fuel dispenser with two fuel dispensing lines, one diesel and one gas are proposed to be constructed on an existing floating dock on
the leased premises.

Two-inch welded steel fuel pipes will run under an existing walkway platform from the storage tank enclosure on the upland to the fuel dispenser on the floating dock.

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PUBLIC LAND MANAGER HAYS: This is a photo of the walkway itself where the pipelines will come down. Both the fuel storage tank on the upland and the fuel dispenser are designed with several safety features.

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PUBLIC LAND MANAGER HAYS: The store tank is built with an inner-steel tank and a secondary outer-steel tank, leak detection sensors, over-fill containment chamber, and an automatic shut off if problems are detected.

The tank will be installed in a six-foot high concrete structure that will in turn be surrounded by up to 16 four-inch concrete-filled steel crash posts.

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PUBLIC LAND MANAGER HAYS: The storage tank will include a monitoring system located in the harbor master's office building. An OSHA approved safety protection system will be used to mount the fuel piping and electrical conduits to the underside of the walkway. The
fuel dispenser on the dock includes a containment sump at
the dispenser base and hose reels.

The dispenser, dispensing hardware, and
containment pedestal on the dock will be engineered and
constructed to be able to withstand the conditions of dock
movement, harsh rain -- harsh sun, rain, and wind.

The dispenser nozzle will have an automatic
closing device, and the fire department approved safety
signs will be posted at the dispenser area warning of no
smoking, shut your engine off, and electrical devices
before fueling.

Portable fire extinguishers on the docks are also
required by the fire department.

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PUBLIC LAND MANAGER HAYS: The spill prevention
control and containment plans submitted with the
application provides for trained Riverbank personnel to
supervise the transfer of fuel to the storage tank on the
upland, in accordance with federal regulations. They are
to report any spills or releases to the appropriate
authorities, maintain sufficient absorbent booms and pads
for spills, and provide for spill response efforts by
trained personnel.

Riverbank began discussions with staff regarding
the installation of the fueling facility in 2007. And a
final amended application was received in November of 2009.

By that time, Riverbank had already obtained its required permits for the facilities. Those included the Central Valley Flood Protection Board, Reclamation District 1000, the City of Sacramento, the Sacramento Fire Department, the Corps, and the Sacramento Metropolitan Air Quality Management District.

During this timeframe, staff was contacted by residents of the River Landing Condominium Development, located next door, and City Council Member Ray Tretheway's office has some concerns about the safety aspects of the above-ground storage tank, which would be located approximately 90 feet from their homes.

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PUBLIC LAND MANAGER HAYS: This is a photo of the homes. The residents reported that it was their understanding, based on prior communications with Riverbank and their consultant, that the storage tank would be relocated further from their homes than is now proposed.

Although the upland portion of the project is not part of the amendment application before you today, staff took steps to contact the agencies who permitted the project to determine if the location of the storage tank
was addressed in their review, and what, if any, safety concerns were addressed during their approval process.

Staff contacted Reclamation District 1000 and the Central Valley Flood Protection Board, the Corps, the City, and the air quality district as well as the fire department. It was reported to staff that the agencies reviewed the plans with the upland storage tank in its current proposed location, and approved the overall project.

RD 1000, Central Valley Flood Protection Board, and the Corps' concerns were centered primarily on the potential damage to the levee should the tank explode; water quality, if the tank failure occurred; constraints to future levee maintenance projects; and any impacts to flood fighting measures; and proper anchoring of the tank in high water periods.

The air quality management district dealt primarily with vapor recovery system and air emission requirements, maintenance, and monitoring.

The Sacramento Fire Department reported that the fuel storage tank, with secondary containment, complies with California Fire Code, and that the location has adequate access for the transfer vehicle to unload the fuel, and the fire department's access in case of a spill.

It was also reported that the tank had been
ballistic tested, and the main source of a spill would be operator error while refilling the tank.

The inner-tank is protected from heat and fire by a porous insulation between the inner and outer tank. The secondary containment would contain any spill from spreading and the walled containment building would add additional protection for a spreading spill.

Fire department approval is subject to an inspection and installation -- inspection of the installation and the operation of the storage tank and the dispensing system upon their completion.

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PUBLIC LAND MANAGER HAYS: In conclusion, staff is recommending the Commission authorize the amendment of lease PRC 6427.1 for the construction of a marine fuel dispenser with one diesel fuel pipe and one gas pipe, a containment sump at the dispenser base and hose reel, and additional provisions, which include rent based on fuel sales, revisions to the annual income report, construction, spill prevention control and regulatory compliance requirements, inclusion of marine best management practices, and to revise the map to include the location of the dispensing facilities.

Staff is available to answer any of your questions. And I believe we may have representatives from
Riverbank as well as their consultant here.

Thank you.

ACTING CHAIRPERSON ARONBERG: Thank you so much for the report. I see that we have three speaker cards here, which is reminding me to let everyone in the audience know that if you'd like to speak on any item today, you may find this card that looks like this outside the front door there. If you fill it out and return it to Kim, who's sitting at the far right of the staff table here, then we'll know that you want to speak and we'll call on you.

In this order, I'm going to call these three speakers. This is just the order that the cards were given to me. John Osborn, Dave Walker, and Kip Skidmore.

So, Mr. Osborn, would you please come to the podium and Dave Walker, you're on deck.

MR. OSBORN: Thank you. My name is John Osborn. I live in 1405 Garden Highway, which is the unit that will be the closest to where this field tank will be located. I paced it off as best I could, given that there's a fence and some shrubbery in the way, but it's about 20 paces from my front door, which is more on the order of 60 feet. I think I heard the number 90, but 60 feet give or take.

The unit that you saw pictured up there previously is mine, the one that's on the very -- the very
left end. And that there's that little drive, and then
immediately to the left, you can't see it, but the very
next thing you would see is where that facility is going
to be located.

Obviously, my big concern is safety. I know that
6,000 gallons, I know from my days as an airline pilot, is
roughly 40,000 pounds of fuel. And you can fly a fully
loaded 737 from the west coast to the east coast and
probably half way back again on that amount of fuel, and
it's going to be sitting 60 feet away from my front door.
I don't know enough about what this fuel would do in this
facility if it were ignited, but obviously, I'd be very
concerned.

I also know from my airline experience that you
never see fuel tank facilities at an airport located next
to the terminal. So if this is so safe, why do they
always put those facilities as far away from people as
they possibly can.

Also, this is going to have a big impact, I would
think, on our property values, if somebody coming to look
at my house would see that facility sitting directly
across the street.

The only other thing I would argue for is if
we're going to be stuck with it, can we at least make it
pleasingly appearance -- appearing or bury it, so that we
don't have it sitting there, this big monstrosity right next to our house.

And I guess the only other question I would ask is would you personally want to live next door to this thing. So those are my comments.

Thank you very much.

ACTING CHAIRPERSON ARONBERG: Thank you for your comments.

I think we'll raise those questions that you ask once we get to the end of the speakers.

MR. WALKER: Hi. Good morning to you.

ACTING CHAIRPERSON ARONBERG: Hi. Will you please --

MR. WALKER: I'm Dave Walker, and I'm also a resident of roughly the middle unit in this townhome project, so we can eyeball this proposed fuel tank storage facility as well. We're not opposed to the dispersal site, but we are opposed to the location of this, what we think is a, fairly sizable fuel tank.

And in spite of reassurances that it is safe and that it is ballistic proof and has containment walls should there be a spill, should that not work -- and the best laid plans, as we know, can go awry at times -- but should that occur, much of that fuel would flow underneath those townhomes to a parking facility that is beneath the
townhomes, and should that catch fire, you can see the possible disastrous consequences of that.

Well, you talk with the marina, and there was a suggestion, nothing ever formally written to move this facility to the east, to nearer some of the office buildings, which are east of those townhomes, and not so close to residential properties. There was sort of tacit agreement, but I think that was later abrogated when it was concluded that it would be too expensive, for some reason, to locate this fuel tank facility further to the east because of the fuel lines themselves, or whatever reasons there were.

And the other question I may have, if that's not possible, is to, if you could possibly, bury this somehow underneath -- so it weren't so ungainly looking. And we also have objections to if this were built, you have concrete walls surrounding it, something that would perhaps disguise it a little more so it would have a somewhat better appearance.

But our main objection is, of course, 90 feet away having a 6,000-gallon fuel tank, we're concerned about that, and we would like to, at optimal, see that located further east near some of the office buildings that are about 200 to 300 feet to the east of these properties here. They have the same consequences
providing fuel for the marina and all that, but it wouldn't be so close to our units.

Thank you very much.

ACTING CHAIRPERSON ARONBERG: Thank you.

Mr. Skidmore, please.

EXECUTIVE OFFICER THAYER: Mr. Skidmore is one of the owners of the facility where the fueling facility would be installed and perhaps he could respond to some of the points that earlier witnesses talked about.

MR. SKIDMORE: I can't respond to the technical points. Good morning. My name is Kip Skidmore. I'm the managing partner at Riverbank. This facility has actually been before you in 2007. We've had requests to have a fueling facility in the marina ever since we actually purchased -- or built the marina in 1986.

Because, as you well know, the boaters need to go three hours -- or three miles downstream or two miles upstream to fuel their boats in less than state-of-the-art facilities. So during this last three years and working with TAIT Environmental, our concerns were to be able to service the public, so they don't have to motor three miles down or upstream to get the fuel and waste the amount of fuel that's necessary to do that.

But more importantly, it was the safety concerns that we have that we all share. This facility is an
absolute state-of-the-art facility. It's been reviewed by every control agency that has a finger in the pie here and has been deemed to be safe.

I do sympathize with the residents next door in the sense that the location of the fuel tank is dictated by the engineering aspects of it and not by our desire to have it located there. I'm not sure exactly. It's not exactly unsightly. It's a double-walled fuel tank that's rather benign, surrounded by a concrete block wall that's surrounded by bollards. So it's not pretty, but I don't think it's actually ugly. Actually, 20 feet going the other way is the garbage facility, next to the road, which is a little more unsightly.

But I think this Commission probably is mostly concerned about the safety aspects of both the dispensing facility on the water, which is within your jurisdiction, and concern too about the safety of the tank itself.

We have Gary Baker from TAIT Environmental here that can address questions, technical questions, if you would like.

I commend the staff that has done a very exhaustive study and research and put together a very strong staff report on this, that I think answers most of the questions. But if you have questions concerning the technical aspects of it, we have Gary Baker from TAIT
Environmental, or you could ask me and I could defer to him.

Any questions?

COMMISSIONER PASQUIL: I have a question. Thank you, Madam Chair.

So you have been in discussions and you've exhausted all other possible locations for this facility?

MR. SKIDMORE: Yes. This is --

COMMISSIONER PASQUIL: This is the only place?

MR. SKIDMORE: Technically, yes. The issue here we have -- and we've been through this on levee -- working on the levee since 1986.

COMMISSIONER PASQUIL: I'm sorry. I wasn't here.

I just want to be --

MR. SKIDMORE: Working on the levee is a very difficult issue. You have the RD 1000 and the other agencies that are concerned with anything that goes on the levee that will impact its ability to either, one, maintain the levee, or, in a situation like this case, if the tank blew up what it would do to the levee. So we have those constraints.

We also have the physical constraint of trying to move -- excuse me. What we're taking about is that this is the office building. To move this anywhere along here has the issues that are engineering issues to move the
fuel down there and to move the fuel across the -- that's
a dot -- a raised parking lot all the way down there.

If we could do it, we would do it. It's simply
not a situation -- and I'm not going to say if you didn't
throw hundreds of thousands of dollars at it, you couldn't
solve the problem, but this is already the most expensive
fueling facility in California for the size it is, because
it is absolutely state-of-the-art equipment. And we're
willing to spend the money on that.

From our -- if you talk to Mr. Baker, we've
looked at those and tried to move those down and tried to
take into consideration of the RD 1000 and the Corps of
Engineers everything else, it's not technically feasible
to do it.

COMMISSIONER PASQUIL: Can it be buried?
MR. SKIDMORE: It's in the levee, I don't think
you could bury anything.

MR. BAKER: I can answer that.
MR. SKIDMORE: What?

MR. BAKER: I can answer that.
MR. SKIDMORE: Okay.

COMMISSIONER PASQUIL: I ask because the
people -- it's been mentioned twice, so I would have
assumed you'd be able to answer that question.

MR. SKIDMORE: Mr. Baker could answer that. But
I think my answer is no, because we would have done that.

ACTING CHAIRPERSON ARONBERG: Can Mr. Baker come to the podium?

MR. SKIDMORE: Sure.

ACTING CHAIRPERSON ARONBERG: Because the burying and disguising have been two possible options, and we'd like to know about that.

MR. SKIDMORE: That's not a Bazooka he has either.

(Laughter.)

MR. BAKER: That's the piping that we're using.

Hi. My name is Gary Baker. I'm the national manager for TAIT & Associates and TAIT Environmental. We are a national-license-in-all-50-states engineering firm, architectural design firm. We're also an environmental management firm and a construction firm of fuel systems.

I'm currently building the Emeryville marina fuel system right now, and also Fort Gordon in Georgia, and another little spot we just designed up at Lake Berryessa, which has a lot of issues as well.

This system here, going to the RD 1000 meeting, the main concern was that crown of the levee. There isn't any other location in this area, based on the RD 1000's findings. It's not Riverbank. It's not TAIT. It is RD 1000 and the levee. And this was brought up at the
meeting that everybody was able and public to attend.

They went through a very rigorous question and answering period before they approved it. And I had to prove documents of the tank itself and what it would do in an explosive manner. And this tank goes up. It doesn't go out, left, right, or down.

This tank is also being installed with block footings with a block wall enclosure around it. So you not only have double protections, you have triple protection.

Then you have a containment pad, an eight-inch containment pad, that goes underneath the tank as well for spills. Then you have an automatic shutoff system, where if there is a leak, it automatically detects it in the secondary system, and that is with a Veeder-Root sensor. Any liquid at all automatically shuts the system down completely. And a technician will have to go to the Veeder-Root to reinstall the sensing equipment to re-- fix the problem, find out what the problem is, and turn it back on.

But it can't be turned back on until that happens. The TLS-300 or the TLS-350 monitoring system will control the annular space. There will be an annular space sensor, so you'll have an electronic sensor between the primary and the secondary. So no spills, unless
humans, you know, doing something malicious. But this is
going to be a locked, enclosed, block iron gated, wrought
iron, decorative on top, complete enclosure enclosing the
tank.

Fuel systems throughout California are above
ground, below ground, next to buildings, next to
businesses, and they all have those types of safety -- you
know, engineering aspects to them.

Kip Skidmore and Riverbank has gone way and
beyond the existing State codes, and so is the other
marina that I'm building in Emeryville. And the owners
have decided we want the safest thing out there.

I've spent over a year and a half collecting
eight permits. That is the largest permitting adventure
I've ever been on. And I've been doing this for about a
year and a half, and now we're here at State Lands. I've
done everything possible to engineer this thing to the T.

There is every safety feature that's above and
beyond the existing codes. And I can't do anything safer
than what is existing right now in front of you.

ACTING CHAIRPERSON ARONBERG: I have a question.

MR. BAKER: The difference between the pilot's
recollection of the fuel system --

ACTING CHAIRPERSON ARONBERG: Excuse me, can I just finish my question.

So my question is, has there been any consideration given to having a smaller capacity tank?

MR. BAKER: That's not what was on my scope of work to engineer to begin with, but there's no difference between 4,000 and 2,000 and 2,500 or 5,000 gallons of fuel in a fire-guard fuel system. There's no difference. And there is a big difference between the thin layers of an airplane versus a triple-wall system. You couldn't get the plane off the ground with the amount of weight that this thing has, plus the block-wall enclosure as well.

ACTING CHAIRPERSON ARONBERG: Okay, so which leads me to another question. Both of the residents who spoke asked about possible disguise or at least making this esthetically more pleasing. Can you tell us about that?

MR. BAKER: When I met with the owners several months ago, as a courtesy, one of the owners asked me if it would be possible for me to meet with them to speak technical issues, only technical, where it turned a little bit more than technical, but I gave them the option of installing ivy on the backside of the wall. And that's what other owners have done as well with the latest
enhanced vapor recovery installations of these large Healy tanks that were an eyesore in a lot of the counties within California. So what people have done is they've put block-wall enclosures up, but then the regulators also stipulated that they install screening, so a type of landscape screening.

TAIT has agreed to that as well, which is another additional cost to Riverbank, because there's actual dirt area in the back once we build the containment pad, where we could leave that open to build ivy, so it would grow and mature around the block wall and then be maintained, so that -- everybody's seen block wall with ivy around it. It looks pretty nice. I mean, it's better than just a block wall. But, yes, we did discuss that.

ACTING CHAIRPERSON ARONBERG: Mr. Skidmore, did your company commit to this disguise -- this ivy disguise mechanism?

MR. SKIDMORE: I have no problem with that at all. I assumed we were going to do that.

EXECUTIVE OFFICER THAYER: It's not a requirement of the lease, but we could add it.

MR. BAKER: I can say one thing about RD 1000, they don't like you growing things on their levee.

MR. SKIDMORE: I guess it would be subject to that. I don't think it will be a problem.
MR. BAKER: It's not a tree.

MR. SKIDMORE: It's not the tree issue. You know how we all have the tree issues with the Corps of Engineers these days and any other kind of thing, but I don't think they're going to bother with ivy.

EXECUTIVE OFFICER THAYER: We could certainly design the condition so that it could be over-ridden if the RD 1000 had an issue. I would say though that the reason that RD 1000, or more properly the Corps, is concerned about vegetation is to make sure they can inspect the levee. And the levee is not visible here anyway, because it's covered with this parking structure, so I don't think they'll have an issue with it.

MR. BAKER: I would like to say one more thing on the record, this piping is Franklin Fueling APT Triple Walled Monitored Piping. This piping is not required right now by the State Fire. And Kip has asked for the best that's out there. It also has a metallic UV protectant for above ground. So that's also a requirement from the State Fire Marshal.

Then it gets monitored right here on the secondary space. This is what's required in gas stations throughout California right now, but not marinas. And I don't know why when the impact is greater on water than it is in the ground, the ground can be contained. So Kip has
asked me for the best that's out there that can be
monitored and whatever is going to come up in the future.
And Riverbank Marina has stepped up and they are going to
have the most state-of-the-art marina fuel system in the
State of California when this is completed.

ACTING CHAIRPERSON ARONBERG: Are there any other
comments from Commissioners?

ACTING COMMISSIONER BRYANT: I just wanted to ask
staff, the assertion here is that they explored the other
locations, but this was the most solid spot on the levee
in this general vicinity. Did you double check that?

EXECUTIVE OFFICER THAYER: We spoke with the
other agencies that reviewed this project, and --
especially over the fire issue, because we don't have any
expertise in that, and we were relying on the Fire
Department and Sacramento County to look at -- or the City
of Sacramento to look at this.

We don't know whether this is the only spot. And
in our discussions with RD 1000, we didn't get clear
answers about that.

ACTING CHAIRPERSON ARONBERG: Paul, do you have
any suggestions in light of the unclear answers and any
other open issues?

EXECUTIVE OFFICER THAYER: I would say that
again, there's not -- there's different ways that
applicants can be required to construct with certain features that are of importance to the Commission. The kinds of things, in terms of the presentation today, where they were indicating that their project would include certain features are part of the project description, and as such, when the Commission approves the lease, it's doing it for a particular project. And he would be -- Mr. Skidmore would be required to implement everything that he's presented as safety features today.

I don't think the project description includes the screening, so that would be something to add. The final point would be that the only part of this project, which is on State Lands, are the pipes leading from -- or down the bank and out to the dock, and the fuel dispensing pumps on the docks themselves.

The tank is not on property that's subject to State Lands Commission review. However, as you know, the Commission must find that any of the leases or all leases that it approves are in the best interests of the State. And from that perspective, we think it's appropriate for the Commission to at least consider the impacts of the tank as part of this project.

ACTING CHAIRPERSON ARONBERG: Okay. Commissioners, what's your pleasure?

ACTING COMMISSIONER BRYANT: I'll move approval
of the staff recommendation with the amendment on the aesthetics that Paul just described.

COMMISSIONER PASQUIL: Second.

ACTING CHAIRPERSON ARONBERG: All in favor?

(Ayes.)

ACTING CHAIRPERSON ARONBERG: The motion carries.

MR. SKIDMORE: Thank you.

ACTING CHAIRPERSON ARONBERG: So that would be a unanimous vote, I'm sorry?

ACTING CHAIRPERSON ARONBERG: (Nods head.)

EXECUTIVE OFFICER THAYER: Thank you.

ACTING CHAIRPERSON ARONBERG: The next item is Item 53. We will consider the L.A. Department of Water and Power's request regarding the former Owens Lake bed. May we have the staff presentation, please.

EXECUTIVE OFFICER THAYER: The staff presentation will be made by Colin Connor, who's the Assistant Chief of our Land Management Division.

LAND MANAGEMENT DIVISION ASSISTANT CHIEF CONNOR:

Good morning, Commissioners. As Paul said, my name is Colin Connor. I'm the Assistant Chief of the Land Management Division.

(Thereupon an overhead presentation was Presented as follows.)

LAND MANAGEMENT DIVISION ASSISTANT CHIEF CONNOR:
Calendar Item 53 is a request by the City of Los Angeles, Department of Water and Power for a lease amendment to authorize the use of modified moat and row design in the Phase 7 dust control project on the dry bed of Owens Lake.

As you'll recall at the December 17th, 2009 meeting, the Commission authorized a lease amendment to allow the city to construct sand fences and some other minor improvements in one cell of the Phase 7 project, but not moat and row.

This authorization allowed the city to commence construction by January 1st, 2010, and thereby avoid being fined by the Great Basin Unified Air Pollution Control District for not being in compliance.

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LAND MANAGEMENT DIVISION ASSISTANT CHIEF CONNOR:

At the February 1st Commission meeting, staff presented an informational calendar item to update the Commission on the status of the Phase 7 dust control project, and the proposed solar demonstration project. Subsequently, on February 11th, staff met with city staff to discuss other dust control options for the remaining six cells in Phase 7. At this meeting, city staff presented a moat and row options analysis, which unveiled modified versions of the previous moat and row
design, as well as some other options, including shallow brine flooding, a seeps-and-springs-type vegetation habitat, a rock garden variation of gravel cover, and solar arrays.

There are limitations to each of these other options that would likely prevent them from being constructed prior to the current October 2010 compliance deadline set by Great Basin.

However, additional time -- with additional time, it may be possible to develop a well thought out dust control project that is acceptable to all parties. The modified moat and row design now proposed by the city, is similar to the moat and row project proposed last year, but incorporates a wider and shallower moat that is intended to reduce biological impacts caused by the previous design's deeper moats.

The wider shallower moat replaces the access road that was to be situated between the base of the row and the moat. One variation of the modified moat and row design does, however, include a narrow all-terrain vehicle track, again, situated between the base of the row and the moat. As with the previous design, sand fences would be placed on top of the rows in some areas.

While the modified moat and row design might lessen the impact for entrapment and mortality of birds
and animals, it would still impede the movement of wildlife. Additionally, the modified moat and row design would be constructed in an extensive grid pattern, much like the previous design, that would have an industrial appearance out of character with the surrounding natural environment.

It would also be aesthetically offensive as viewed from the lake bed and would further obstruct and degrade the public's view of the scenic Owens Valley due to the density, height, and length of the structures. Public access to and use of the 3.12 square miles of the lake bed covered by this design would also be lost.

For these reasons, and because alternatives with less impacts are also being explored, staff believes that the modified moat and row design, as proposed, is inconsistent with the Public Trust needs, resources, and values of Owens Lake, is not in the State's best interests, and therefore recommends denial of the amendment.

This concludes my presentation. Staff is available to answer your questions.

ACTING CHAIRPERSON ARONBERG: Thank you.

EXECUTIVE OFFICER THAYER: If I could just add a couple comments to those made by Colin Connor.

I wanted to make sure that the Commission and the
public was aware that the Commission staff has been following the direction that the Commission has expressed at the last two meetings to work closely with LADWP to try and come up with alternatives to the moat and row proposal that the Commission is considering today.

And I think there's been a lot of progress made on that. The most visible sign of that will be when the Commission has an opportunity to review a proposed amendment to their existing lease to authorize an 80-acre solar demonstration project to see if solar is feasible there, not only in terms of controlling the dust, but also in terms of generating electricity and being economically feasible.

Staff also believes that some of the other proposals that L.A. mentions in its recent options analysis may be another mechanism of controlling dust and avoiding the impacts from moat and row. And certainly we'll continue working with LADWP on those proposals.

And finally, I would note that -- and I think all the Commissioners are aware of this, but just to publicly state that both Mr. Freeman, who has been the acting or interim general manager for LADWP, and I went up to the last Great Basin Air District meeting. We understand that while the two actors in this room are the State Lands Commission and LADWP, that the air basin -- or the Great
Basin Air District is vitally concerned with the results of what we're doing here today, and with what's happening out in the lake. And we look at this as -- that there is a required partnership and cooperation between all three agencies to eventually resolve the dust issues up there, that those are very, very important.

And it's staff's intent to continue those discussions and to continue working with those two entities to try and make sure that dust issues are resolved as quickly as possible, but in a way that's consistent with the mission of this Commission.

Thank you.

ACTING CHAIRPERSON ARONBERG: All right, okay. We have one speaker card from Martin Adams from the DWP.

MR. ADAMS: Good morning. My name is Marty Adams with L.A. Department of Water and Power. And I appreciate the opportunity to address the Commission this morning. You see me again here to talk about moat and row and dust control at Owens Lake. You're hopefully not too tired of hearing about this every other month.

Again, I'd also like to thank Colin and Paul for both their comments today and also the work that they've done. We've been working quite closely the last two months since the last Commission meeting, and I think we're making a lot of progress.
I am here today because of our variance agreement and our compliance requirements and commitments to Great Basin that I'm here to ask for the moat and row lease, as it's listed on the agenda, the lease amendment with, what we call, the moatless row now, so that we can continue.

I'd like the Commission to understand that this is probably the last meeting opportunity we would have in order to construct the moat and row that would be done in time by October 1st, done according to the variance deadline. So a decision, at this point, either affirmative decision would let us be in compliance or decline, at this point, will tell us that we'll, you know, definitely have to do something different, but we won't be in compliance with our variance request.

I would like to let you know the progress that's been made. The first area that you had granted back in December, T1A-1 down in the corner at the sand fences, and a little bit of pipeline to get some native natural growth of plant material in the basin there, that's under construction and going very well.

We have completed other parts of Phase 7, which was a previous lease a couple years ago, and that's for the nine and a half square miles of shallow flooding. That is flooded at this time. Presently on the lake, we have about 35 to 36 square miles of lake bed flooded with
annual drinking water equivalent of the cities of Long
Beach and Burbank. So that's what we have going on in the
lake right now.

We did have the first meeting of the master plan
committee. About 35 representatives were there from about
12 plus agencies and environmental groups. It was a very
good start. And we have another meeting coming up in
about three weeks, actually, in Keeler at the edge of the
lake. And so we do see a lot of hope for the master plan
for the lake, that will allow us to address water
conservation, dust control technologies, and a plan that's
acceptable to hopefully all of the interests out there.

Lastly, if we are not granted the lease today, I
would like to express that it's very important for us, at
this point, that we have some methods to control dust in
the lake that don't involve the use of water. Solar is
one of them, but maybe there's some other methods that
would be acceptable to the State. But we need some
methods of control that the State would find able to be
approved for another lease.

Last week, the Department of Water Resources came
out with a report talking about the dire state of the
State's water system, because of the change in climate,
and the impacts on snow as a means of storing water versus
rain. And so it's not just the amount of water that comes
down but what the form it takes and how it's stored and the dire situation that it expects to see the State in in the years ahead, in terms of water supply. And we think that the moat and row or the moat and row idea or at least waterless idea for dust control is critical to the State's future, and that what we do at Owens Lake is not detached from, you know, other problems in the State.

So thank you very much. If you have any questions, I'll be glad to answer them.

ACTING CHAIRPERSON ARONBERG: Thank you. Are there any other public commenters on this?

Comments from Commissioners?

COMMISSIONER PASQUIL: Mr. Thayer, I just wanted to make sure that when Marty talked about, you know, everyone is at the table and we're looking at options, that we're already talking about other possible waterless options, right?

So that's something that's on the table, because I believe we talked about this at the last meeting, but I just want to make it clear, that is something that's going on. We've heard from a lot of constituents, particularly our cattleman and our farmers, who are really concerned.

But I just want to make sure that --

EXECUTIVE OFFICER THAYER: Sure, and that's a good question, a good point. I think that obviously the
brass ring that we kind of hope to grab here will be the solar, which requires a very minimal amount of water to clean the dust off, and that would have some benefits with respects to the State's renewable energy -- or renewable energy portfolio requirements.

If that doesn't work, for whatever reason, then there are still other options, such as using some of the existing brine, things like that. And it may also be the case that the existing -- that L.A. may be able to work out more efficient ways to maintain their existing shallow flooding and managed vegetation aspects of the dust control that are already out there. And in doing so, may free up water that's presently being used there for other -- for similar sorts of mitigation projects.

So we're certainly looking at -- we understand the water limitations in California and in the Owens Valley, and that's driving a lot of the discussion.

COMMISSIONER PASQUIL: Okay. One more follow-up.

I'm trying to help L.A. How do we -- what kind of -- what can we do to help them or to help us to help everybody with Great Basin, because we're all trying to do the right thing here. We are all trying to make sure that they're able to be in compliance, but that, you know, we are doing our work for the Public Trust. So what can we do? What kind of message can we send to Great Basin that,
you know, we're not just bringing this up, because it's, you know -- you can't have a meeting without it, right? We're serious about this. But obviously we need to do something to help our friends out over here, and I'm just concerned. Do you have any suggestions?

EXECUTIVE OFFICER THAYER: Well, I think that we do have to keep the communications open. There's not going to be a silver bullet on this. What we're all struggling with, at this precise second, is actually not the need to control dust, but it's this deadline October 1. And both the LADWP representatives, Mr. Freeman and I, made this point to the Board meeting that we went up to attend there, which was that that deadline is forcing consideration of methods, such as moat and row or moatless moat and row, that create problems for other entities, such as us, and therefore aren't practical.

Some of the Board members understood that. And there was no action taken at that time. It wasn't an action item on the agenda, but a number of them said that they were appreciative of the need to have the best or good project. And if there was a better way to do it than moat and row, then perhaps more time should be given.

At the recommendation of the executive officer there, they're not going to take that up at their May meeting, but I think provide direction to take up this
question of whether that deadline should be maintained in
July.

So from our perspective, that technical aspect of
the deadline is something that we want to be helpful to
L.A. with, not because we don't want to see dust control
occur as quickly as possible, but because that deadline is
preventing us from getting that brass ring, which is a
good project, which controls the dust and yet respects the
Public Trust values of the lake.

COMMISSIONER PASQUIL: Right. What I hope is, is
that we're all public servants. You know, Great Basin has
to understand that we are -- we're moving in the direction
that we want -- that we need to, and that we have -- we
want to, that we voted on. And so I just want to be able
to really keep the communication open with them, and do we
bring more people to the table, do we -- what do we have
to do to tell them -- that's great that, you know, you're
in support and you see that we're working really hard.

But when we are all public servants and doing the
work for the people, we cannot -- we cannot be fighting
each other over this. We have to be able to work
together. So whatever we need to do to show them, you
know, we are moving forward, and our partners over here
are, you know, doing the very best that they can. We just
need a little bit more time. There are a lot of people
involved in this and there are a lot of other issues that are affected by this decision.

EXECUTIVE OFFICER THAYER: And I think with respect to the Great Basin Air District, one of the most important things we can do is continue to, as a staff, convey what we think the Commission believes, which is that dust control is very important, and that we do not want to be seen as some sort of unwitting or witting cause of delay, which in the suffering that the people up there have to endure the dust problems that are there. But that our intent is to try and get this wrapped up as soon as possible, but with a good project.

ACTING CHAIRPERSON ARONBERG: Okay. Any other comments?

Cynthia?

ACTING COMMISSIONER BRYANT: Yeah. I would just add just a couple points. I agree with what Ms. Pasquil just said. She sounds like me, what I say privately about all of this, that this is going to take everyone being at the table. And I actually had the opportunity to go back and review the transcript from the December meeting, because, as you know, I wasn't here then, and I was interested in what my predecessor said. And actually I could practically repeat all the exact same words he did, in terms of, you know, it's really important to us, to our
administration to have waterless dust control methods out
there.

Adding more water to this lake bed is not really
an option for the State of California. And so I just
encourage everyone to keep working on all of these various
methods. I think the best way to get everyone to the
table and stay at the table right now for today is to
reject this lease that's in front of us, which I'm
prepared to do.

And I keep looking for that stick to make sure
that we get a solution. And maybe it's a carrot, but I
don't know what the carrot exactly is, other than we just
have to do it. And so maybe this master planning
project -- I think -- I feel confident that our staff is
engaged fully in this process, and is doing everything
possible to make this dust control problem work out out
there. And I just encourage everyone to keep working on
it, and look at short-term leases, look at experiments,
look at, you know, various trials by error, and let's get
this thing done. But for now, for today, I'm prepared to
reject the lease that's in front of us.

ACTING CHAIRPERSON ARONBERG: Okay. Like Ms.
Bryant, I'm prepared to reject the lease. I understand
that that will be one way for the DWP to move ahead with
the air district, so that they can explore other
alternatives. And I just encourage our staff to work with the DWP staff to find acceptable alternatives that are consistent with the Public Trust. And that sounds like that's all of our goals.

In the event -- unless there's anymore discussion, we're ready for a motion.

ACTING COMMISSIONER BRYANT: Do we actually need a motion to reject it?

ACTING CHAIRPERSON ARONBERG: I think we do. I think they really want to --

ACTING COMMISSIONER BRYANT: I'll move to reject the staff recommendation and not to do this lease.

EXECUTIVE OFFICER THAYER: That would be to accept the staff recommendation.

ACTING COMMISSIONER BRYANT: Oh, accept it. Oh, yeah, that's right. I'm sorry. I forgot we're on the same page. I apologize.

Yeah, I am moving to accept the staff recommendation.

COMMISSIONER PASQUIL: I second.

ACTING CHAIRPERSON ARONBERG: All in favor?

(Ayes.)

ACTING CHAIRPERSON ARONBERG: The motion carries.

Thank you.

The next item, Item 54, we will hear about and
consider taking positions on several bills now pending in the legislature. Mario, may we have your presentation.

EXECUTIVE OFFICER THAYER: Mario De Bernardo, our Legislative Liaison, will make the presentation. I think he's going to present for several different bills. But for Commission consideration, you may want to take them up one by one, because there will be potentially different results or different directions on the different bills.

ACTING CHAIRPERSON ARONBERG: Okay. And actually I would like to mention that SB 1039 --

EXECUTIVE OFFICER THAYER: Yes.

ACTING CHAIRPERSON ARONBERG: -- in discussions with the author's office, we understand that they will be, you know, gutting and -- amending and/or gutting this bill. And so if the other Commissioners don't object, I'd ask that it be removed from consideration today.

EXECUTIVE OFFICER THAYER: Sure. If I could just be clear for the record then. My understanding from this -- from discussions with the Commissioners' offices is that the Senator committed to amend the bill so that it would not harm the Public Trust Doctrine, and that the Commission is relying on that representation in taking this approach, because, of course, by not taking a position on the bill, the bill would move through the Legislature without input from us, or at least input
concerning our problems with some of the direction that's been in past versions of the bill.

ACTING CHAIRPERSON ARONBERG: That is precisely the Controller's and his staff's understanding as well.

EXECUTIVE OFFICER THAYER: Great.

(Thereupon an overhead presentation was Presented as follows.)

LEGISLATIVE LIAISON DE BERNARDO: All right.

Well, good morning, Ms. Chair and Commissioners.

My name is Mario De Bernardo, Legislative Liaison for the State Lands Commission. And I'm here today on behalf of the staff to recommend that the Commission take positions on eight -- well now, seven legislative items.

Out of the interests of time, I will quickly go through each legislative item and respectfully request that you adopt staff's recommendation, either at the end or, if you'd like, after each one.

So there are three legislative items that staff recommends the Commission support.

They are AB 2598, which is sponsored by the Chair, State Controller's office, and it would require grantees of trust lands to prepare a sea level action plan by July 1st of next year. This is consistent with the goals of the Commission that it adopted at last December's Commission meeting, in response to sea level rise.
And I might add that the bill was just amended yesterday to include several things. One of which is to give some comfort to those trustees, such as there's a community college trustee that has filled lands mostly in Oakland, and there would be a great financial burden on them. We, I assume -- versus the benefit that a sea level rise action plan would have on those particular lands.

So that would -- the amendment that was proposed -- or adopted and introduced yesterday would allow the Commission to give those type of trustees the ability to be exempted from the sea level rise action plan.

AB 1998, which was also amended yesterday significantly from what is included in the staff report, instead of kind of doing this thing where they allow single-use paper bags, there is an all around ban on single-use carry out bags that will be implemented if this bill passes on January 1st, 2012. And there will be no -- so, basically, stores, such as supermarkets, will have to carry, distribute to their customers reusable shopping bags or customers would have to bring in their own reusable shopping bags by that date. And there's also, in this bill, a new report that would have to be submitted to the legislature, I think in 2015, reporting on the success of that program.
SB 1034 would allow agencies, like the State Lands Commission, to impose civil penalties on a person who tampers with archeological resources on Public Trust Lands. This was brought to my attention by some of our staff counsel. We've dealt with archeological resources in the State's waterways, including most recently the Brother Jonathan, which was a historical shipwreck from the 1800s.

Essentially, this would allow the Commission to administer penalties, through a Commission meeting, on anyone that tampers with these resources.

The other five legislative items that are up here are items that staff recommends the Commission oppose. I should say, there are four legislative items, because I won't mention SB 1039, since that was already addressed.

AB 2719 is a bill that devises an end run on the State Lands Commission's jurisdiction by creating the Interim Resources Management Board for the purpose of approving leases for the extraction of oil and gas in State waters from offshore and onshore facilities.

This bill, I might add, it's unclear whether or not it intends to expand the California Coastal Sanctuary Act -- or not expand it, but allow more oil drilling than is currently allowed in the California Coastal Sanctuary Act. It references offshore facilities in State waters,
as well as onshore leases. So it goes beyond the scope of
the current exceptions within the California Coastal
Sanctuary Act.

The third item is a budget proposal dealing with
the Department of Justice's budget for legal services to
its general fund clients. The intention of this proposal
is to curb some abuse that is occurring in the Department
of Corrections and Rehabilitation. About 48 million going
on last year's figures was allocated to general fund
clients in the Department of Justice. We are one of those
clients. Department of Corrections and Rehabilitation
used $50 million worth of legal services, which is two
million over what was allocated. State Lands only used
roughly 1.5 million.

This proposal would allow the Director of Finance
to set caps on each general fund client for legal
services, based on previous use of legal services.
Essentially, what that would do is show the State that the
Commission has, you know, anywhere between 1.5 to two
million dollars a year to litigate. We think that that
would create less deterrence on violations on Public Trust
Lands. Also, discourage settlements as opposing parties
could exploit our budget and push for litigation and run
us -- and force us to either stop litigating or settle in
a way that is less favorable to the State.
And the last two items are regarding spending of revenues from an expected approval of the T-Ridge oil lease. The first proposal -- the first of the last two here is a budget proposal from the Governor. It proposes to spend money from the T-Ridge lease, and that money would be used to fund parks.

The last item here, AB 2601, the money made from T-Ridge would go to various fire fighting budget items.

This wraps up my presentation on State legislation. And, at this time, I respectfully request that you adopt staff's recommendations.

Thank you.

ACTING CHAIRPERSON ARONBERG: Thank you, Mario.

We have one speaker card here. Welcome to the former Lieutenant Governor, former State Lands Commissioner, Mr. Bustamante.

Do you want to speak?

MR. BUSTAMANTE: Only if the item had come up.

ACTING CHAIRPERSON ARONBERG: Okay, thank you very much.

Are there any other speakers on this matter?

I think we're going to need to take some of these up separately. And I will leave it to the Commissioners' pleasure on how to do that.

And any comments from the Commissioners are also
welcome.

ACTING COMMISSIONER BRYANT: Yeah, obviously, I support -- I'd like to respectfully disagree with you on the two budget proposals that are part of the Governor's budget. And I did just want to say on the legal services thing, I don't think it's to curb abuse at CDCR. It's really about allowing general fund agencies to manage their legal services better.

So I just respectfully need to disagree with Commission staff on that, but I'd like to vote no on both of those items, so if we could take those up two separately, I'd appreciate it.

ACTING CHAIRPERSON ARONBERG: Ms. Pasquil, are you okay with voting on those two separately and --

COMMISSIONER PASQUIL: Yes.

ACTING CHAIRPERSON ARONBERG: -- looking at staff's recommendation on the remaining, so that we don't have to have so many votes.

COMMISSIONER PASQUIL: Yes.

ACTING CHAIRPERSON ARONBERG: So why don't we right now take a vote on AB 2598, 1998, 1034, 2719, and 2601, if that's correct, Ms. Bryant?

ACTING COMMISSIONER BRYANT: (Nods head.)

ACTING CHAIRPERSON ARONBERG: Thank you.

Okay. I'm open to a motion on the bills just
stated.

COMMISSIONER PASQUIL: I move to accept the staff recommendation on these bills.

ACTING COMMISSIONER BRYANT: And I'll provide a courtesy second.

ACTING CHAIRPERSON ARONBERG: All in favor?

(Ayes.)

ACTING CHAIRPERSON ARONBERG: The motion carries.

ACTING COMMISSIONER BRYANT: I abstained. Just FYI.

ACTING CHAIRPERSON ARONBERG: Okay. And now we're looking at the two budget proposals regarding legal services and regarding Tranquillon Ridge on the Parks' budget.

May I have a motion on those two.

COMMISSIONER PASQUIL: I move to proceed with the staff's recommendation.

ACTING CHAIRPERSON ARONBERG: I'll second.

All in favor?

(Ayes.)

ACTING CHAIRPERSON ARONBERG: Opposed?

(No.)

ACTING CHAIRPERSON ARONBERG: The motion carries two to one.

Curtis Fossum wants to speak.
CHIEF COUNSEL FOSSUM: Madam Chair, I need to correct something that was taken -- that took place on Item 52. The lease that was signed by the applicant in Riverbank had a date of September 29th, 2011 for completion of the project. The staff report and recommendation for approval by the Commission says 2010, so I think the Commission needs to make a motion to correct that typographical error on page six of Item 52.

EXECUTIVE OFFICER THAYER: So the lease itself is correct, but the staff report is in error. Do they need to take a new lease or do we just need to note --

CHIEF COUNSEL FOSSUM: No. I think it would behoove the Commission to simply make a motion to correct that in the authorization of that date.

EXECUTIVE OFFICER THAYER: Okay. So the motion would be that the Commission recognizes that the construction completion date in the lease amendment that it authorizes 2011 rather than 2010?

CHIEF COUNSEL FOSSUM: That's correct.

ACTING CHAIRPERSON ARONBERG: Okay. May we have such a motion?

ACTING COMMISSIONER BRYANT: I'll move to recognize it's 2011 not 2010.

COMMISSIONER PASQUIL: I second.

ACTING CHAIRPERSON ARONBERG: All in favor?
(Ayes.)

ACTING CHAIRPERSON ARONBERG: The motion carries unanimously.

EXECUTIVE OFFICER THAYER: Sorry for that confusion.

ACTING CHAIRPERSON ARONBERG: No, not all. Okay. So that takes care of Item 54. And we've just got one regular calendar item left, it's the resolution the Controller proposed concerning federal legislation that would help protect and restore Lake Tahoe.

May we have a staff presentation.

EXECUTIVE OFFICER THAYER: And again, Mario De Bernardo will make that presentation.

LEGISLATIVE LIAISON DE BERNARDO: This resolution is in support of the bipartisan federal Lake Tahoe Restoration Act of 2010, which would authorize $415 million over eight years to combat invasive species, improve water quality, protect threatened wildlife, reduce the threat of catastrophic wildfires, and restore the environment in the Lake Tahoe basin.

This act would considerably protect and enhance the Public Trust Lands and easements in the Lake Tahoe basin for the benefit of the Public Trust and for the people of California.
As such, I respectfully request your support in this resolution.

Thank you.

ACTING CHAIRPERSON ARONBERG: Thank you.

Are there any comments from the public?

Any comments from Commissioners?

A motion is in order.

COMMISSIONER PASQUIL: I would move to approve -- support the resolution. And, Mario, thank you for doing such great work.

ACTING COMMISSIONER BRYANT: Second it.

ACTING CHAIRPERSON ARONBERG: All in favor?

(Ayes.)

ACTING CHAIRPERSON ARONBERG: The motion carries unanimously. That concludes -- sorry, public comment? This is the time for general public comment. I don't have any speaker slips for general public comment. If someone would like to make public comment, this would be the time. You can raise your hand right now.

Seeing none, that concludes the regular calendar.

Can we please have the room cleared for closed session.

(Thereupon the California State Lands Commission meeting recessed into closed session and adjourned at 10:40 a.m.)
CERTIFICATE OF REPORTER

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, and Registered Professional Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing California State Lands Commission meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California;

That the said proceedings was taken before me, in shorthand writing, and was thereafter transcribed, under my direction, by computer-assisted transcription.

I further certify that I am not of counsel or attorney for any of the parties to said hearing nor in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of April, 2010.

JAMES F. PETERS, CSR, RPR
Certified Shorthand Reporter
License No. 10063