APPEARANCES

COMMISSION MEMBERS:
Ms. Betty T. Yee, State Controller, Chairperson
Mr. Gavin Newsom, Lieutenant Governor
Mr. Michael Cohen, Director of Department of Finance, represented by Ms. Eraina Ortega

STAFF:
Ms. Jennifer Lucchesi, Executive Officer
Mr. Dave Brown, Assistant Executive Officer
Mr. Mark Meier, Chief Counsel
Mr. Brian Bugsch, Chief, Land Management Division
Mr. Colin Connor, Chief, Administrative Services Division
Mr. Joseph Fabel, Staff Attorney
Ms. Kim Lunetta, Executive Assistant
Mr. Cy Oggins, Chief, Division of Environmental Planning and Management
Ms. Sheri Pemberton, Chief, External Affairs Division

ATTORNEY GENERAL:
Mr. Andrew Vogel, Deputy Attorney General

ALSO PRESENT:
Mr. Ian Bain, Vice Mayor, City of Redwood City
Ms. Joan Bernier
Ms. Mary Bernier
Mr. Lee Callister
APPEARANCES CONTINUED

ALSO PRESENT:
Ms. Emelio Diaz
Ms. Melissa Stevenson Diaz, City of Redwood City
Mr. John Geesman, Alliance for Nuclear Responsibility
Mr. Kevin Germano
Mr. Robert Heflin
Mr. James Jonas
Mr. Adam Lyman, IBEW 1245
Ms. Alison Madden, San Francisco Bay Marinas for All
Ms. JoAnn McDonnell
Mr. David Mercier, California Resources Corporation
Mr. Greg Miller
Ms. Diana Reddy, Redwood City Residents for Rent Protection
Ms. Jennifer Savage, Surfrider Foundation
Mr. William Sloan, Morrison & Foerster
Ms. Tania Solé
Mr. Edward Stancil, Peninsula Yacht Club
Ms. Lynn Walter
Mr. David Weisman, Alliance for Nuclear Responsibility
Ms. Dayna Williams, IBEW 1245
I 1:00 P.M. - OPEN SESSION 1


III EXECUTIVE OFFICER'S REPORT 2

Continuation of Rent Actions to be taken by the CSLC Executive Officer pursuant to the Commission's Delegation of Authority:

- Darlene A. Brock, as Trustee of the DAWB Trust, Dated May 17, 2004 (Lessee): Continuation of annual rent at $335 per year for a General Lease - Recreational Use located on sovereign land in the Sacramento River, adjacent to 3505 Garden Highway, near the city of Sacramento, Sacramento County. (PRC 5720.1).

- Wayne Demmel (Lessee): Continuation of annual rent at $629 per year for a General Lease - Recreational Use located on sovereign land in Tomales Bay, adjacent to 12836 Sir Francis Drake Boulevard, near Inverness, Marin County. (PRC 8941.1).

IV CONSENT CALENDAR C01-C61 20

THE FOLLOWING ITEMS ARE CONSIDERED TO BE NON-CONTROVERSIAL AND ARE SUBJECT TO CHANGE AT ANY TIME UP TO THE DATE OF THE MEETING.

LAND MANAGEMENT DIVISION

NORTHERN REGION

C01 JOHN A. LAMBETH AND CARSON LAMBETH (LESSEE): Consider application for an amendment to Lease No. PRC 9098.1, a General Lease. Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 33912 South River Road, near the city of Clarksburg, Yolo County; to extend the completion
date for construction of a covered floating
boat dock, appurtenant facilities, and
placement of bank protection. CEQA
Consideration: categorical exemption. (PRC
9098.1; RA# 21115) (A 4; S 3)
(Staff: G. Asimakopoulos)

C02 ADOLPH A. SCHONDER AND KATHLEEN M. SCHONDER,
TRUSTEES OF THE ADOLPH AND KATHLEEN SCHONDER
REVOCABLE TRUST, DATED MARCH 7, 2005 (APPLICANT):
Consider application for a General Lease -
Recreational Use, of sovereign land located in
Lake Tahoe, adjacent to 735 Lakeview Avenue, near
the city of South Lake Tahoe, El Dorado County;
for two existing mooring buoys not previously
authorized by the Commission. CEQA Consideration:
categorical exemption. (W 24037; RA# 21815) (A 5;
S 1) (Staff: M.J. Columbus)

C03 CHRISTOPHER J. COCCHI AND KENNETH R. CARLSON
(LESSEE); LAWRENCE R. WHITMAN AND JENNIFER A.
WHITMAN (APPLICANT): Consider termination of
Lease No. PRC 7973.9, a Recreational Pier Lease,
and an application for a General Lease -
Recreational Use, of sovereign land located in
Donner Lake, adjacent to 14254 South Shore Drive,
near the town of Truckee, Nevada County; for an
existing pier. CEQA Consideration: categorical
exemption. (PRC 7973.1; RA# 17915) (A 1; S 1)
(Staff: M.J. Columbus)

C04 DAVID MICHAEL LANCISI AND JANINE LANCISI
(APPLICANT): Consider application for a General
Lease - Recreational Use, of sovereign land
located in Donner Lake, adjacent to 14106 South
Shore Drive, near the town of Truckee, Nevada
County; for an existing pier. CEQA Consideration:
categorical exemption. (PRC 7851.1; RA# 14315) (A
1; S 1) (Staff: M.J. Columbus)

C05 LEVEE DISTRICT ONE OF SUTTER COUNTY (APPLICANT):
Consider application for a General Lease -
Public Agency Use, of sovereign land located in
the Feather River, adjacent to Second Street,
Assessor's Parcel Number 52-570-006, near Yuba
City, Sutter County; for two existing uncovered
floating boat docks and appurtenant facilities not previously authorized by the Commission. CEQA Consideration: categorical exemption. (W 20980; RA# 18015) (A 3; S 4) (Staff: M.J. Columbus)

C06 NORMAN A. NAGEL AND RITA NAGEL, AS TRUSTEES, OR ANY SUCCESSOR TRUSTEE OF THE NORMAN A. NAGEL AND RITA NAGEL 1981 LIVING TRUST UNDER AGREEMENT DATED OCTOBER 26, 1981; AND CLINTON CHARLES MYERS AND JANELLE KAY MYERS, AS TRUSTEES OF THE MYERS FAMILY 2011 TRUST DATED MARCH 17, 2011 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4910 and 4900 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing joint-use pier, two boathouses, three boat hoists, two sundecks with stairs, and four mooring buoys. CEQA Consideration: categorical exemption. (PRC 3257.1; RA# 21315) (A 1; S 1) (Staff: M.J. Columbus)

C07 SIX BAR C, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY; ROBERT C. COOK, JR., AS TRUSTEE UNDER THE WILL OF ROBERT C. COOK, SR., DECEASED, FOR BENEFIT OF KRISTEN A. COOK; AND ROBERT C. COOK JR., AS TRUSTEE UNDER THE WILL OF ROBERT C. COOK, SR., DECEASED, FOR BENEFIT OF MARK A. CHRISLER (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 770 West Lake Boulevard, near Tahoe City, Placer County; for an existing pier and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 3491.1; RA# 31914) (A 1; S 1) (Staff: M.J. Columbus)

C08 SIX BAR C, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY; ROBERT C. COOK, JR., TRUSTEE UNDER THE WILL OF ROBERT C. COOK, SR., DECEASED, FOR BENEFIT OF KRISTEN A. COOK; AND ROBERT C. COOK JR., AS TRUSTEE UNDER THE WILL OF ROBERT C. COOK, SR., DECEASED, FOR BENEFIT OF MARK A. CHRISLER (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 750 West Lake
Boulevard, near Tahoe City, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (PRC 3492.1; RA# 31814) (A 1; S 1) (Staff: M.J. Columbus)

C09 THE HURRICANE BAY ESTATES OWNERS ASSOCIATION (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 201-240 Mankato Place, near Homewood, Placer County; for five existing mooring buoys. CEQA Consideration: categorical exemption. (PRC 8683.1; RA# 20515) (A 1; S 1) (Staff: M.J. Columbus)

C10 DAVID R. SHELTON AND JENNIFER L. SHELTON, CO-TRUSTEES OF THE DAVID AND JENNIFER SHELTON FAMILY TRUST, DATED JUNE 6, 2003; AND DONALD MACLEOD AND MARY L. MACLEOD, TRUSTEES OF THE MACLEOD FAMILY TRUST DATED JANUARY 31, 2005 (APPLICANT): Consider correction to prior authorization of Lease No. PRC 5357.1, a General Lease. Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3800 and 3810 North Lake Boulevard, near Tahoe City, Placer County; for an existing joint-use pier, unenclosed boathouse with sundeck and stairs, and four mooring buoys. CEQA Consideration: not a project. (PRC 5357.1) (A 1; S 1) (Staff: S. Kreutzburg)

C11 CENTRAL VALLEY FLOOD PROTECTION BOARD (LESSEE): Consider application for an amendment to Master Lease No. PRC 7203.9, a General Lease - Public Agency Use, of sovereign land located in the Sacramento River at River Mile 71.3, near the city of Woodland, Yolo County; to add a parcel of land and authorize repair and maintenance of bank protection. CEQA Consideration: Mitigated Negative Declaration, adopted by the Central Valley Flood Protection Board, State Clearinghouse No. 2009042052, and re-adoption of a Mitigation Monitoring Program. (PRC 7203.9; RA# 20815) (A 4; S 3) (Staff: N. Lee)

C12 DAVID TENENBERG AND TRICIA GROSE TENENBERG, TRUSTEES OF THE TENENBERG FAMILY TRUST DATED JULY
7, 2015 (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Napa River, adjacent to 1796 Milton Road, city of Napa, Napa County; for reconstruction of an existing uncovered floating boat dock, appurtenant facilities, and bank protection not previously authorized by the Commission. CEQA Consideration: categorical exemption. (W 26939; RA# 17115) (A 4; S 3) (Staff: M. Schroeder)

C13 CLABURN NIVEN JONES AND JOAN LEVERINGTON JONES AS TRUSTEES OF THE JONES FAMILY TRUST DATED MARCH 13, 2007; NENA JONES BROGAN, TRUSTEE, OF THE BROGAN LIVING TRUST DATED NOVEMBER 1, 1984; EDGAR MARK JONES, TRUSTEE, OF THE JONES FAMILY TRUST, DATED OCTOBER 26, 1997; CLABURN JONES AND DOUGAL JONES, CO-TRUSTEES OF THE LINDA JONES FALK BYPASS TRUST U/A/D MARCH 28, 2000 (LESSEE); CLABURN NIVEN JONES AND JOAN LEVERINGTON JONES AS TRUSTEES OF THE JONES FAMILY TRUST DATED MARCH 13, 2007; NENA JONES BROGAN, TRUSTEE, OF THE BROGAN LIVING TRUST DATED NOVEMBER 1, 1984; EDGAR MARK JONES, TRUSTEE, OF THE JONES FAMILY TRUST, DATED OCTOBER 26, 1997; JONES GST - EXEMPT FAMILY TRUST FBO EDGAR MARK JONES, EDGAR MARK JONES AND FIRST REPUBLIC TRUST COMPANY, COTRUSTEES; JONES GST - EXEMPT FAMILY TRUST FBO NENA JONES BROGAN, NENA JONES BROGAN AND FIRST REPUBLIC TRUST COMPANY, COTRUSTEES; AND JONES GST - EXEMPT FAMILY TRUST FBO CLABURN NIVEN JONES, CLABURN NIVEN JONES AND FIRST REPUBLIC TRUST COMPANY, COTRUSTEES (APPLICANT): Consider termination of Lease No. PRC 5527.9, a Recreational Pier Lease, and an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 2510 West Lake Boulevard, near Homewood, Placer County; for an existing pier, boat lift, and one mooring buoy. CEQA Consideration: categorical exemption. (PRC 5527.1; RA# 08315) (A 1; S 1) (Staff: M. Schroeder)

C14 JON Q. REYNOLDS AND ANN S. REYNOLDS, TRUSTEES OF THE JON Q. REYNOLDS AND ANN S. REYNOLDS FAMILY TRUST DATED 12/23/92 (APPLICANT): Consider
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application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8621 North Lane, near Rubicon Bay, El Dorado County; for an existing pier, boat lift, and one mooring buoy. CEQA Consideration: categorical exemption. (PRC 3539.1; RA# 11515) (A 5; S 1) (Staff: M. Schroeder)

C15 JOHN BROCKWAY METCALF (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 9031 Lupine Lane, city of South Lake Tahoe, El Dorado County; for an existing pier and two mooring buoys not previously authorized by the Commission. CEQA Consideration: categorical exemption. (W 21450; RA# 42614) (A 5; S 1) (Staff: M. Schroeder)

C16 LLOYD T. ROCHFORD AND CAROL A. ROCHFORD, TRUSTEES OF THE ROCHFORD LIVING TRUST, DATED DECEMBER 1, 1999 (LESSEE); SKYLANDIA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (APPLICANT): Consider termination of Lease No. PRC 4058.1, a General Lease - Recreational Use, and an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3740 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing pier, boathouse, boat hoist, sundeck with stairs, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 4058.1; RA# 37614) (A 1; S 1) (Staff: M. Schroeder)

C17 MICHAEL U. MANGUNLAY AND TRACY L. MANGUNLAY (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to 53303 County Road 142, near Clarksburg, Yolo County; for construction of an uncovered floating boat dock and appurtenant facilities not previously authorized by the Commission. CEQA Consideration: categorical exemption. (W 26940; RA# 18815) (A 4; S 3) (Staff: M. Schroeder)

C18 STEPHEN ROY MILLER AND TERRY P. MILLER, AS TRUSTEES OF THE STEPHEN ROY MILLER 1982 TRUST
(APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 235 Drum Road, near Meeks Bay, El Dorado County; for an existing pier, boathouse with boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 3551.1; RA# 03815) (A 5; S 1) (Staff: M. Schroeder)

C19 ANTHONY GREEN (LESSEE); WILLIAM MICHAEL ANDERSEN AND MARILYN H. ANDERSEN (APPLICANT): Consider termination of Lease No. PRC 8696.9, a Recreational Pier Lease, and an application for a General Lease. Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4180 Ferguson Avenue, near Carnelian Bay, Placer County; for an existing mooring buoy. CEQA Consideration: categorical exemption. (PRC 8696.1; RA# 12515) (A 1; S 1) (Staff: C. Singleton)

C20 SHARON L. STOKES, TRUSTEE OF THE 2005 SHARON L. STOKES QUALIFIED PERSONAL RESIDENT TRUST DATED JULY 7, 2005; AND HOWARD W. STOKES (LESSEE); SIENNA PARTNERS, LLC, A NEVADA LIMITED LIABILITY COMPANY (APPLICANT): Consider acceptance of a quitclaim deed for Lease No. PRC 6819.9, a Recreational Pier Lease, and an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8381 Meeks Bay Avenue, near Meeks Bay, El Dorado County; for an existing pier, boat lift, boat hoist, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 6819.1; RA# 13415) (A 5; S 1) (Staff: C. Singleton)

C21 WILLIAM D. WATKINS AND DENISE P. WATKINS TRUSTEES OF THE WATKINS FAMILY TRUST DATED 1-7-94 (LESSEE); 6980 WEST LAKE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (APPLICANT): Consider termination of Lease No. PRC 3637.1, a General Lease - Commercial Use, and an application for a General Lease. Commercial Use, of sovereign land located in Lake Tahoe, adjacent to 6980 West Lake Boulevard, near Tahoma, Placer County; for an
existing pier and five mooring buoys. CEQA Consideration: categorical exemption.  
(PRC 3637.1; RA# 15715) (A 1; S 1) (Staff: C. Singleton)

C22 WILLIAM G. ROBINSON AND DONALD A. WELLS, JR., AS TRUSTEES OF THE 1991 TAHOE IRREVOCABLE TRUST, DATED JULY 24, 1991; DONALD A. WELLS, JR.; KATHLEEN WELLS LALONDE OR HER SUCCESSOR(S), TRUSTEE OF THE KATHLEEN W. LALONDE 2006 REVOCABLE TRUST AGREEMENT DATED 11-16-2006, AS AMENDED; AND DEBBIE BAKER (LESSEE); WENDY J. WARREN, TRUSTEE OF THE WENDY J. WARREN REVOCABLE TRUST (APPLICANT): Consider termination of Lease No. PRC 7746.9, a Recreational Pier Lease, and an application for a General Lease. Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 48 Moana Circle, near Tahoma, Placer County; for an existing pier and two mooring buoys. CEQA Consideration: categorical exemption.  
(PRC 7746.1; RA# 22015) (A 1; S 1) (Staff: C. Singleton)

C23 ARTHUR L. NARVAEZ, DBA SCHOONER'S LANDING RV PARK, MARINA, AND CAMPGROUND (ASSIGNOR); GABRIELLA LEVINE, AS TRUSTEE OF THE GABRIELLA LEVINE LIVING TRUST, E/A DATED AUGUST 6, 2014, DBA SCHOONER'S LANDING RV PARK, MARINA, AND CAMPGROUND (ASSIGNEE): Consider application for the assignment of Lease No. PRC 5414.1, General Lease. Commercial Use, of sovereign land located in the Albion River, adjacent to Assessor's Parcel Numbers 123-060-10 and 123-060-14, near Albion, Mendocino County; for an existing commercial marina. CEQA Consideration: not a project.  
(PR 5414.1; RA# 20715) (A 2; S 2) (Staff: B. Terry)

C24 RED WOLF LAKESIDE LODGE L.P., A CALIFORNIA LIMITED PARTNERSHIP; AND TAHOYA SHORES CONDOMINIUM ASSOCIATION (LESSEE): Consider rescission of approval of amendment of lease and revision of rent to Lease No. PRC 7954.1, a General Lease - Recreational and Protective Structure Use, and issuance of an amendment of lease and revision of rent to Lease No. PRC
INDEX CONTINUED

7954.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in Lake Tahoe, adjacent to 7610 and 7630 Lakeside Boulevard, Tahoe Vista, Placer County; for an existing joint-use pier, rock jetty and a portion of a second rock jetty, and four mooring buoys. CEQA Consideration: not a project. (PRC 7954.1) (A 1; S 1) (Staff: B. Terry)

C25 T H GRACE LLC (LESSEE): Consider revision of rent to Lease No. PRC 8710.1, a General Lease. Commercial Use, of sovereign land located in the Sacramento River, adjacent to 36250 Riverview Drive, near Clarksburg, Yolo County; for a commercial marina. CEQA Consideration: not a project. (PRC 8710.1) (A 4; S 3) (Staff: B. Terry)

C26 THE 628 OLYMPIC PARTNERSHIP, L.P., A CALIFORNIA LIMITED PARTNERSHIP (APPLICANT): Consider application for a General Lease. Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 628 Olympic Drive, Tahoe City, Placer County; for two existing mooring buoys not previously authorized by the Commission. CEQA Consideration: categorical exemption. (W 26140; RA# 20315) (A 1; S 1) (Staff: B. Terry)

BAY/DELTA REGION

C27 ALOYSIA R. FOUCHE, TRUSTEE, FOUCHE TRUST, DATED SEPTEMBER 17, 1991 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Georgiana Slough, on Andrus Island, adjacent to 455 West Willow Tree Lane, near the city of Isleton, Sacramento County; for an existing boatshed, enclosed cabana, uncovered floating boat dock, and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 3045.1; RA # 29314) (A 11; S 3) (Staff: G. Asimakopoulos)

C28 NEIL E. KELLY AND MARY JO KELLY, TRUSTEES OF THE KELLY FAMILY REVOCABLE TRUST (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of
I N D E X C O N T I N U E D

sovereign land located in the Sacramento River, adjacent to 3575 Garden Highway near the city of Sacramento, Sacramento County; for an existing covered floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: categorical exemption. (PRC 5621.1; RA# 01115) (A 7; S 6) (Staff: G. Asimakopoulos)

C29 KING & LYONS, A PARTNERSHIP (LESSEE); CROSSINGS AT 880 INDUSTRIAL LLC, A DELAWARE LIMITED LIABILITY COMPANY (APPLICANT): Consider acceptance of a quitclaim deed for Lease No. PRC 8370.1, a General Lease - Right of Way Use, and an application for a General Lease - Right of Way Use, of sovereign land located in Coyote Creek, adjacent to Assessor's Parcel Number 519-0820-002-16, near the city of Fremont, Alameda County; for four existing culverts. CEQA Consideration: categorical exemption. (PRC 8370.1; RA# 07515)(A 25; S 10) (Staff: G. Asimakopoulos)

C30 DAVID J. LAMOREE AND BETTY J. LAMOREE (LESSEE); KATHRINE M. WALTON (APPLICANT): Consider correction to prior termination of Lease No. PRC 5782.1, a General Lease Recreational and Residential Use, and authorization of Lease No. PRC 5782.1, a General Lease - Recreational and Residential Use, of sovereign land located in Mare Island Strait, adjacent to 19 Sandy Beach Road, near the city of Vallejo, Solano County. CEQA Consideration: not a project.(PRC 5782.1) (A 10; S 2) (Staff: V. Caldwell)

C31 CITY OF LATHROP (APPLICANT): Consider approval of boundaries of the annexation of sovereign land located in the San Joaquin River from San Joaquin County into the City of Lathrop by the San Joaquin Local Area Formation Commission. CEQA Consideration: not a project. (W 2400.208; RA# 28515)(A 12; S 5) (Staff: A. Franzoia)

C32 CAPITOLA SEAWALL REPAIR AND REINFORCEMENT: Consider denial without prejudice of application for a General Lease - Protective Structure Use
for a proposed seawall repair and reinforcement project, 110 Grove Lane, Capitola, Santa Cruz County. CEQA Consideration: statutory exemption. (W 26763) (A 29; S 17) (Staff: W. Hall, C. Herzog, L. Calvo)

C33 RONALD L. AND GAY A. GILES (APPLICANT): Consider application for a General Lease - Recreational and Protective Structure Use, of sovereign land located in Georgiana Slough, adjacent Assessor's Parcel No 157-0100-076, near the city of Isleton, Sacramento County; for an existing two-berth uncovered floating boat dock and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 7694.9; RA# 23415) (A 11; S 3) (Staff: D. Tutov)

C34 JASON C. MARKSTEIN, AS TRUSTEE OF THE MARKSTEIN TRUST, DATED DECEMBER 16, 2015 (APPLICANT): Consider application for a General Lease. Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 1841 Garden Highway, near the city of Sacramento, Sacramento County; for an existing uncovered floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: categorical exemption. (PRC 5612.1; RA# 23115) (A 7; S 6) (Staff: D. Tutov)

C35 ERIC C. SCNEDER AND JACALYN SCNEDER (LESSEE): Consider revision of rent to Lease No. PRC 6740.1, a General Lease. Recreational Use, of sovereign land located in the Sacramento River, adjacent to 14434 State Highway 160, near Walnut Grove, Sacramento County; for an existing covered floating boat dock, appurtenant facilities, and two speed buoys. CEQA Consideration: not a project. (PRC 6740.1) (A 11; S 3) (Staff: D. Tutov)

C36 CALIFORNIA CELLARS LLC (LESSEE): Consider revision of rent to Lease No. PRC 8937.1, a General Lease. Recreational Use, of sovereign land located in the Sacramento River, adjacent to 15511B Isleton Road, near the city of Isleton,
Sacramento County; for an uncovered floating boat dock and appurtenant facilities. CEQA Consideration: not a project. (PRC 8937.1) (A 11; S 3) (Staff: D. Tutov)

CENTRAL/SOUTHERN REGION

C37 POINT ARGUELLO PIPELINE CO. (PAPCO) (LESSEE): Consider revision of rent to Lease No. PRC 6995.1, a General Lease - Industrial Use, of sovereign land in the Pacific Ocean, near Gaviota, Santa Barbara County; for existing intake and outfall pipelines. CEQA Consideration: not a project. (PRC 6995.1) (A 37; S 19) (Staff: R. Collins)

C38 CALIFORNIA STATE LANDS COMMISSION (PARTY): Consider authorizing the Executive Officer and/or their designee to sign a Memorandum of Agreement among the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, National Ocean Service, Office of National Marine Sanctuaries and the State of California Natural Resources Agency, Ocean Protection Council, California Department of Fish and Wildlife, California Fish and Game Commission, California Coastal Commission, and the California State Lands Commission, to describe the consultation process for the Office of National Marine Sanctuaries authorization of commercial shellfish aquaculture projects within Gulf of the Farallones and Monterey Bay National Marine Sanctuaries. CEQA Consideration: not a project. (W 26958) (A 2, 10, 19, 22, 24, 29, 30; S 2, 8, 11, 13, 17) (Staff: A. Franzoia)

C39 CALIFORNIA HIGH-SPEED RAIL AUTHORITY (LESSEE): Consider application for an amendment to Lease No. PRC 9058.9, a General Lease - Public Agency Use, of sovereign land located in the San Joaquin River, near the unincorporated community of Herndon, Madera and Fresno counties; to change the required construction completion date and change the Lease Premises. CEQA Consideration: Environmental Impact Report/Statement, certified
by the California High-Speed Rail Authority and Federal Railroad Administration, State Clearinghouse No. 2009091125, and re-adoption of a Mitigation Monitoring Program and Statement of Findings. (PRC 9058.9; RA# 08012) (A 5, 23; S 8, 12) (Staff: C. Hudson)

C40 VINCENT B. RUH, TRUSTEE (LESSEE): Consider revision of rent for Lease No. PRC 5698.1, a General Lease - Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 16762 Coral Cay Lane, city of Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: not a project. (PRC 5698.1) (A 72; S 34) (Staff: S. Kreutzburg)

C41 CONRAD G. BANKS AND CATHERINE V. BANKS, TRUSTEES OF THE CONRAD G. BANKS AND CATHERINE V. BANKS INTER VIVOS REVOCABLE TRUST, DATED NOVEMBER 7, 1980 (LESSEE): Consider revision of rent to Lease No. PRC 4637.1, a General Lease - Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 3372 Gilbert Drive, city of Huntington Beach, Orange County, for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: not a project. (PRC 4637.1) (A 72; S 34) (Staff: S. Kreutzburg)

C42 CITY OF SAN CLEMENTE (APPLICANT): Consider an application for a General Lease - Public Agency Use, of sovereign land located in the Pacific Ocean, adjacent to North Beach and Linda Lane Beach, near the city of San Clemente, Orange County; for the existing City of San Clemente Opportunistic Beach Replenishment Program. CEQA Consideration: Mitigated Negative Declaration, adopted by the City of San Clemente, State Clearinghouse No. 2002081044, and re-adoption of a Mitigation Monitoring Program. (PRC 8567.9; RA# 19115) (A 73; S 36) (Staff: S. Kreutzburg)

C43 NAGY KHALIL AND ALICIA KHALIL (LESSEE): Consider revision of rent to Lease No. PRC 3253.1, a General Lease - Recreational Use, of sovereign land located in Huntington Harbour, adjacent to
16542 Somerset Lane, city of Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA consideration: not a project. (PRC 3253.1) (A 72; S 34) (Staff: S. Kreutzburg)

C44 SCOTT S. BROWN, TRUSTEE U/D/T DATED MAY 23, 2011, F/B/O OF THE SCOTT S. BROWN TRUST (LESSEE); YU SHAO AND BIN XU (APPLICANT): Consider termination of Lease No. PRC 3859.1, a General Lease – Recreational Use, and an application for a General Lease – Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 16801 Bolero Lane, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: categorical exemption. (PRC 3859.1; RA# 01215) (A 72; S 34) (Staff: S. Kreutzburg)

C45 CALIFORNIA STATE LANDS COMMISSION AND CALIFORNIA COASTAL COMMISSION (PARTIES): Consider acceptance of an offer to dedicate lateral public access easement over land adjacent to State tidelands in the city of Malibu, 22230 Pacific Coast Highway, Los Angeles County. CEQA Consideration: not a project. (W 24665) (A 50; S 27) (Staff: D. Simpkin)

C46 CALIFORNIA STATE LANDS COMMISSION AND CARBONVIEW LIMITED, LLC (PARTIES): Consider amendment of a lateral public access easement over land adjacent to 22224 Pacific Coast Highway in the city of Malibu, Los Angeles County. CEQA Consideration: not a project. (W 24665; AD 503) (A 50; S 27) (Staff: D. Simpkin)

C47 GREAT BASIN UNIFIED AIR POLLUTION CONTROL DISTRICT (LESSEE): Consider application for an amendment to Lease No. PRC 9085.9, a General Lease – Public Agency Use, of sovereign land located in the dry lake bed, Owens Lake, Inyo County; to authorize the removal of 14 Sensit sites and the installation of three additional Sensit sites. CEQA Consideration: categorical exemption. (PRC 9085.9; RA# 15414) (A 26; S 9) (Staff: D. Simpkin)
GUIDED DISCOVERIES, INC. (LESSEE): Consider application for an amendment to Lease No. PRC 6440.1, a General Lease - Recreational Use, of sovereign land located in the Pacific Ocean, near Button Shell Beach, Santa Catalina Island, Los Angeles County; for a reconstructed pier not previously authorized by the Commission, a change in the annual rent, and a change in the Lease Premises. CEQA Consideration: categorical exemption. (PRC 6440.1; RA# 22815) (A 70; S 26) (Staff: D. Simpkin)

SANTA CATALINA ISLAND COMPANY AND SANTA CATALINA ISLAND CONSERVANCY (LESSEE/SUBLESSOR); UNIVERSITY OF SOUTHERN CALIFORNIA ON BEHALF OF THE WRIGLEY INSTITUTE FOR ENVIRONMENTAL STUDIES (SUBLESSEE): Consider application for a sublease under Lease No. PRC 3639.1, a General Lease - Commercial Use, of sovereign land located in Catalina Harbor, Santa Catalina Island, Los Angeles County; for a shellfish culture research facility. CEQA Consideration: California Coastal Commission Coastal Development Permit No. 9-14-0489. (PRC 3639.1) (A 70; S 26) (Staff: D. Simpkin)

QUESTAR SOUTHERN TRAILS PIPELINE (APPLICANT): Consider application for a General Lease - Right-of-Way Use, of State school land located in portions of Section 16, Township 9 North, Range 21 East, SBM; Section 36, Township 9 North, Range 20 East, SBM; Section 16, Township 8 North, Range 20 East; and Section 16, Township 7 North, Range 18 East, SBM, near the city of Twentynine Palms, San Bernardino County; for an existing natural gas pipeline and one cathodic protection unit. CEQA Consideration: categorical exemption. (PRC 8255.2; RA# 11715) (A 33; S 16) (Staff: C. Hudson)
MINERAL RESOURCES MANAGEMENT

C51 CITY OF LONG BEACH (APPLICANT): Consider prior approval of subsidence costs for vertical measurements and studies for the period 2016-2017 Fiscal Year, City of Long Beach, Los Angeles County. CEQA Consideration: categorical exemption. (W 10443) (A 70; S 33, 34) (Staff: R. B. Greenwood)

C52 CITY OF LONG BEACH (APPLICANT): Consider acceptance of the Long Beach Unit Annual Plan (July 1, 2016 through June 30, 2017), Long Beach Unit, Wilmington Oil Field, Los Angeles County. CEQA Consideration: not a project. (W 17168) (A 70; S 33, 35) (Staff: E. Tajer)

MARINE FACILITIES . NO ITEMS

ADMINISTRATION

C53 CALIFORNIA STATE LANDS COMMISSION: Consider granting authority to the Executive Officer to solicit bids and award and execute agreements to repair and renovate the Commission's Huntington Beach Field Office, located at 1700 Pacific Coast Highway in the City of Huntington Beach, Orange County. CEQA Consideration: not a project. (A 74; S 34) (Staff: C. Connor, D. Cook, A. Abeleda)

C54 CALIFORNIA STATE LANDS COMMISSION: Consider granting authority to the Executive Officer to execute agreements for information technology services and for County Assessor records for Budget Fiscal Year 2016-2017. CEQA Consideration: not a project. (A & S: Statewide) (Staff: C. Connor, D. Cook, A. Abeleda)

C55 CALIFORNIA STATE LANDS COMMISSION: Consider authorizing the Executive Officer and/or her designee to sign a Memorandum of Understanding among the California Natural Resources Agency and agency members comprising the Marine Renewable Energy Working Group regarding a cost share commitment related to a marine renewable energy feasibility grant from the U.S. Department of
INDEX CONTINUED

Energy. CEQA Consideration: not a project. (A 35, 37; S 19) (Staff: J. DeLeon)

LEGAL

C56 PETER JAY PHILBIN, AN INDIVIDUAL AND AS TRUSTEE OF THE PETER JAY PHILBIN TRUST DATED DECEMBER 7, 1995; CALIFORNIA STATE LANDS COMMISSION; DEPARTMENT OF PARKS AND RECREATION; AND CITY OF SANTA MONICA (PARTIES): Consider a boundary line agreement involving certain real property in and adjacent to Santa Monica State Beach, Los Angeles County. CEQA Consideration: statutory exemption. (W503.2077; AD 648) (A 50; S 26) (Staff: S. Haaf)

C57 JONATHAN G. ORNSTEIN AND LISA A. ORNSTEIN, INDIVIDUALS AND TRUSTEES OF THE ORNSTEIN FAMILY TRUST DATED APRIL 6, 2005; CALIFORNIA STATE LANDS COMMISSION; DEPARTMENT OF PARKS AND RECREATION; AND CITY OF SANTA MONICA (PARTIES): Rescind the prior approval granted August 19, 2015, and consider a boundary line agreement involving certain real property in and adjacent to Santa Monica State Beach, Los Angeles County. CEQA Consideration: statutory exemption. (W503.2074; AD 649) (A 50; S 26) (Staff: S. Haaf)

C58 GRANT ALLAN LEVY, TRUSTEE OF THE C & L LEVY 2012 IRREVOCABLE TRUST, DATED DECEMBER 27, 2012; CALIFORNIA STATE LANDS COMMISSION; DEPARTMENT OF PARKS AND RECREATION; AND CITY OF SANTA MONICA (PARTIES): Consider a boundary line agreement involving certain real property in and adjacent to Santa Monica State Beach, Los Angeles County. CEQA Consideration: statutory exemption. (W503.2076) (A 50; S 26) (Staff: S. Haaf)

C59 BROWNE GREENE AND LEANA GREENE, INDIVIDUALS AND TRUSTEES OF THE GREENE FAMILY REVOCABLE TRUST UAD JULY 24, 1998; CALIFORNIA STATE LANDS COMMISSION; DEPARTMENT OF PARKS AND RECREATION; AND CITY OF SANTA MONICA (PARTIES): Consider a boundary line agreement involving certain real property in and adjacent to Santa Monica State Beach, Los Angeles County. CEQA Consideration: statutory exemption.
US BUREAU OF PRISONS (APPLICANT): Consider ceding concurrent criminal legislative jurisdiction to the US Bureau of Prisons over United States Penitentiary, Atwater; Metropolitan Detention Center, Los Angeles; Federal Correctional Institution, Mendota; Correctional Institution, Taft; and Federal Prison Camp, Boron. CEQA Consideration: not a project. (FJ 0124.3, FJ 0119.9, FJ 0110.1, FJ 0115.2; W 25229; RA# 21715) (A 21, 53, 31, 34; S 12, 24, 16) (Staff: P. Huber)

KAPILOFF LAND BANK TRUST ACQUISITIONS . NO ITEMS

EXTERNAL AFFAIRS

GRANTED LANDS

CITY OF ALAMEDA AND THE CALIFORNIA STATE LANDS COMMISSION (PARTIES): Consider the hazardous material remediation finding and record of survey for the second closing phase as required by the Naval Air Station Alameda Title Settlement and Exchange Agreement. CEQA Consideration: not a project. (AD 617; W 25109; G 01-01) (A 16; S 9) (Staff: R. Boggiano, J. Porter)

LEGISLATION AND RESOLUTIONS . SEE INFORMATIONAL

INFORMATIONAL

CALIFORNIA STATE LANDS COMMISSION: Legislative report providing information and a status update concerning state legislation relevant to the California State Lands Commission. CEQA Consideration: not applicable. (A & S: Statewide) (Staff: S. Pemberton, M. Moser)
VI REGULAR CALENDAR 63-66

63 CALIFORNIA STATE LANDS COMMISSION: Consider granting authority for the Executive Officer to solicit statements of interest for consultant services, negotiate a fair and reasonable price, and award and execute agreements for the preparation of environmental documentation and mitigation monitoring for the proposed Santa Barbara Channel Offshore Legacy Well and Hazard Remediation Program, located offshore Santa Barbara and Ventura Counties. CEQA Consideration: not a project. (W 30214, RA# X9115) (A 37, 44; S 19, 27) (Staff: C. Connor, A. Abeleda, E. Gillies) 21

64 CALIFORNIA STATE LANDS COMMISSION (INFORMATIONAL): Informational update related to the application by Pacific Gas And Electric Company for a General Lease - Industrial Use for a cooling water discharge channel, water intake structure, breakwaters, and associated infrastructure at the Diablo Canyon Power Plant, near Avila Beach, San Luis Obispo County. CEQA Consideration for Informational Agenda Item: not applicable. (PRC 4449.1, PRC 4307.1, W 26721) (A 17; S 35) (Staff: P. Huber, C. Oggins) 30

65 SOCAL HOLDING, LLC (LESSEE): Consider amending the price based sliding scale royalty for State Oil and Gas Lease Nos. PRC 91, PRC 163, PRC 425, PRC 426, and PRC E-392, offshore Huntington Beach, Orange County. CEQA Consideration: not a project. (PRC 91, PRC 163, PRC 425, PRC 426, PRC E-392) (A 72, 74; S 34, 37) (Staff: J. Planck, J. Fabel) 51

66 CITY OF REDWOOD CITY: Consider providing direction to staff in response to the City of Redwood City's letter to the State Lands Commission requesting that the Commission support legislation that would allow
residential uses to remain at the Docktown Marina for a limited period and subject to certain conditions. CEQA Consideration: not a project. (A 22; S 13)
(Staff: S. Pemberton)
THE COMMISSION MAY CONSIDER MATTERS THAT FALL UNDER GOVERNMENT CODE SECTION 11126(e)(2)(B) or (2)(C).

B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS. THE COMMISSION MAY CONSIDER MATTERS THAT FALL UNDER GOVERNMENT CODE SECTION 11126 (c)(7) — TO PROVIDE DIRECTIONS TO ITS NEGOTIATORS REGARDING PRICE AND TERMS FOR

J&K COURT REPORTING, LLC  916.476.3171
LEASING OF REAL PROPERTY.

1. Provide instructions to negotiators regarding entering into a new lease of state land for the Broad Beach Restoration Project, City of Malibu, Los Angeles County. Negotiating parties: Broad Beach Geologic Hazard Abatement District, State Lands Commission; Under negotiation: price and terms.

2. Provide instructions to negotiators regarding acquisition of a public access easement to and along Martins Beach in San Mateo County. Negotiating Parties: Martins Beach 1, LLC., Martins Beach 2, LLC, State Lands Commission; Under negotiation: price and terms.

C. OTHER MATTERS.

THE COMMISSION MAY CONSIDER MATTERS THAT FALL UNDER GOVERNMENT CODE SECTION 11126 (e)(2)(B) or (2)(C). THE COMMISSION MAY ALSO CONSIDER PERSONNEL ACTIONS TO APPOINT, EMPLOY, OR DISMISS A PUBLIC EMPLOYEE AS PROVIDED IN GOVERNMENT CODE SECTION 11126(a)(1).

Adjournment 147

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CHAIRPERSON YEE: Good afternoon. I call the meeting of the State Lands Commission to order. All representatives of the Commission are present. I am State Controller Betty Yee. And I'm joined today by Lieutenant Governor Gavin Newsom, and also Eraina Ortega representing the Department of Finance.

For the benefit of those in the audience, the State Lands Commission manages State property interests in over five million acres of land, including mineral interests. The Commission also has responsibility for the prevention of oil spills and marine oil terminal and offshore oil platforms and for preventing the introduction of marine invasive species into California's marine waters. Today, we will hear requests and presentations involving the lands and resources within the Commission's jurisdiction.

The first item of business will be the adoption minutes from the Commission's meeting of February 9th -- Commission's meeting of February 9th 2016. May I have a motion to approve the minutes?

COMMISSIONER NEWSOM: So moved.

CHAIRPERSON YEE: Motion by Lieutenant Governor Newsom.

ACTING COMMISSIONER ORTEGA: Second.
CHAIRPERSON YEE: Seconded by Ms. Ortega. Without objection, such will be the order. Thank you.

The second item of business will be the adoption of the revised minutes from the Commission's meetings of April 23rd, 2015, and December 18th, 2015. May I have a motion to approve the revised minutes?

ACTING COMMISSIONER ORTEGA: So moved.

CHAIRPERSON YEE: Moved by Ms. Ortega.

COMMISSIONER NEWSOM: Second.

CHAIRPERSON YEE: Second by Lieutenant Governor Newsom.

Without objection, such will be the order. The next order of business is the Executive Officer's report. And, Ms. Lucchesi, good afternoon.

EXECUTIVE OFFICER LUCCHESI: Good afternoon.

CHAIRPERSON YEE: May we have that report?

EXECUTIVE OFFICER LUCCHESI: Yes, and I also have a PowerPoint to go along --

CHAIRPERSON YEE: Great.

EXECUTIVE OFFICER LUCCHESI: -- with my Executive Officer's report today.

(Thereupon an overhead presentation was presented as follows.)

EXECUTIVE OFFICER LUCCHESI: First, as we're
pulling that PowerPoint up, I just wanted to announce that
the next State Lands Commission meeting is scheduled for
June 28. The location in Sacramento with a satellite
location in San Luis Obispo County. Additional details
about the specifics of the locations and also time will be
forthcoming and be posted on our website in the near
future.

So the first item of my Executive Officer's
report is an update on hazards removal.

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EXECUTIVE OFFICER LUCCHESI: Recent storms have
cause sand erosion and exposed several hazards, including
steel-anchored tie rods and cables steel H-piles, railroad
irons, wooden pilings, and sheet pilings along several
beaches in Santa Barbara and Ventura counties. Due to the
imminent threat to public safety from these exposed
hazards which need immediate removal, the Commission staff
is coordinating with various agencies and local upland
owners for access permits to remove these exposed hazards.

These hazard removal activities will be conducted
at these sites during the next four to eight weeks during
favorable tide conditions. These activities will exhaust
the last of the residual funds remaining from the Federal
Coastal Impact Assistance Program grant for this purpose.

There are still many hazards that have not been
removed from 15 of the 24 sites originally identified in the grant.

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EXECUTIVE OFFICER LUCCHESI: Commission staff estimates that an additional $1 million will be required to remove all hazards from these currently known sites in Santa Barbara and Ventura counties. Staff will continue to aggressively seek funds through the budget process and possible grants or other funding alternatives. Staff will be providing more information in the presentation for Item 63 on this issue as well.

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COMMISSIONER NEWSOM: Just a quick question.
CHAIRPERSON YEE: Yes, Mr. Newsom.
COMMISSIONER NEWSOM: The original grant was for how much?
ASSISTANT EXECUTIVE OFFICER BROWN: Seven hundred thousand.
COMMISSIONER NEWSOM: And that is -- and we were assuming that we would cover those 24 sites with that 700 K or --
ASSISTANT EXECUTIVE OFFICER BROWN: No.
COMMISSIONER NEWSOM: -- we just got what we could get.
ASSISTANT EXECUTIVE OFFICER BROWN: Right.
COMMISSIONER NEWSOM: Got it.

ASSISTANT EXECUTIVE OFFICER BROWN: We originally asked for a million. It got cut down to 700,000. In order to take them all out, we would need closer to two million in the original grant.

COMMISSIONER NEWSOM: Got it. And these are competitive grants with other states or is this --

ASSISTANT EXECUTIVE OFFICER BROWN: There was an allocation to the State of California, and we had to compete with other jurisdictions local and State.

COMMISSIONER NEWSOM: Got it. So the --

ASSISTANT EXECUTIVE OFFICER BROWN: Administered through Resources Agency.

COMMISSIONER NEWSOM: And the presumption is there is no additional dollars necessarily. This grant is closed.

ASSISTANT EXECUTIVE OFFICER BROWN: Correct.

COMMISSIONER NEWSOM: There are subsequent -- are there annual appropriations opening up?

ASSISTANT EXECUTIVE OFFICER BROWN: It's exhausted. This was back in 19 -- or 2008 we started, so --

COMMISSIONER NEWSOM: Okay. Got it.

ASSISTANT EXECUTIVE OFFICER BROWN: It's old federal money.
COMMISSIONER NEWSOM: Thank you.
CHAIRPERSON YEE: Thank you.
EXECUTIVE OFFICER LUCCHESI: All right.

 EXECUTIVE OFFICER LUCCHESI: The next update I want to provide is some watershed public access signs efforts that we are involved in. Commission staff has purchased signage on 50 large signs to be installed in various publicly accessed areas throughout the Sacramento watershed. Other sponsors so far include California Fish and Wildlife, California State Parks Boating Program, California Department of Water Resources, Lake County, Sacramento Regional County Sanitation District, and Regional Vector Control District, among others.

 EXECUTIVE OFFICER LUCCHESI: The Commission's logo will be on these signs and it looks --

 EXECUTIVE OFFICER LUCCHESI: -- like this. The -- even though it looks a little washed out, that was the design of the entity sponsoring this effort. But the key is the message that we're conveying about the public's right to access and navigate on these rivers and these watershed areas, but also recognizing and acknowledging private property rights at the same time.
EXECUTIVE OFFICER LUCCHESI: We anticipate that these signs will be viewed by over 700,000 people over a 23-month period.

EXECUTIVE OFFICER LUCCHESI: That action, real quick, is consistent with our strategic plan Strategy Key Action 1.3.2, which is to promote appropriate public access to and along the State's waterways through outreach to the public.

The next update I want to provide is our Long Beach Unit financial audit findings for July 2011 through June 2014. The Long Beach Unit Optimized Waterfront Program agreement authorizes the State Lands Commission to regularly conduct financial assessments of contractor expenditures in the Long Beach Unit. These assessments or audits verify that the expenditures are properly allocated to unit activities to ensure that the net profits owed to the State are accurate.

California Resources Corporation is the current Long Beach Unit field contractor. Our staff conducted these audits performing comprehensive review and verification of various expenditures. This activity is consistent with the Commission's strategic plan Strategy 2.2 to ensure timely receipt of revenues and royalties for
the use and development of state lands and minerals by maintaining a timely schedule of audits and royalty verification reviews.

This most recent audit was conducted for a 36-month period from July 1st, 2011 through June 30th, 2014. During this audit, staff identified three point million[sic] dollars of cost overcharges to the unit, of which 1.3 million is allocated to the West Wilmington operation, and the remaining amount is associated with other CRC operations.

Because of the profit-sharing mechanism related to this unit, the net benefit to the State is estimated at approximately $771,000. As a result of these audit efforts, staff continues to work diligently with the City of Long Beach and CRC staff on implementing additional controls in the allocation of shared expenses, invoice approval, and vendor approval processes. The three groups meet regularly to make sure all audit requirements are met, and to make the review and follow-up process more efficient.

We expect to continue to see more efficient processes and enhanced internal controls, which should result in fewer changes in the future.

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EXECUTIVE OFFICER LUCCHESI: Next, I want to
update the Commission on the Port of San Diego's planning effort and our MOA development with them. Since the February meeting, State Lands Commission staff has had a series of planning meetings and calls with Port staff to discuss the overall planning effort concept, as well as the MOA specifically directed by the Commission.

These calls have included logistics, like how to identify stakeholders and share information, as well as staffing resources and available in-house expertise. Staff has also conducted initial outreach to key partners, including the Coastal Commission, Fish and Wildlife, Ocean Protection Council, the Natural Resources Defense Council, and the Governor's Office of the Tribal Advisor.

In the upcoming weeks, staff will continue early outreach and will hold another planning meeting with representatives from NOAA and the Department of the Navy to be focused on the interface between the subregional pilot effort and the efforts of the larger west coast regional planning body, which is part of National Ocean Policy Implementation.

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EXECUTIVE OFFICER LUCCHESI: Next, just a very quick update on Martin's Beach. On February 3rd, Commission staff received a letter from Martin's Beach, LLC counsel representing, among other things, that their
opinion of value of the access easement the Commission is looking to acquire, pursuant to SB 968, is approaching $30 million. Staff is currently working with the Martin's Beach, LLC representatives to schedule a time to discuss their methodologies and the data used to determine that value. And I will continue to update the Commission as those meetings progress.

Next, I wanted to talk about a couple of personnel things that have happened.

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EXECUTIVE OFFICER LUCCHESI: The first is --

CHAIRPERSON YEE: Jennifer, before you move on.

EXECUTIVE OFFICER LUCCHESI: Oh, yes.

CHAIRPERSON YEE: Can I ask you a couple questions on the items you just mentioned?

EXECUTIVE OFFICER LUCCHESI: Yeah, of course.

CHAIRPERSON YEE: So the work that you've been doing in San Diego, when do you anticipate that we'll be able to have broader stakeholder discussions.

EXECUTIVE OFFICER LUCCHESI: Well, we are currently conducting that broader outreach right now --

CHAIRPERSON YEE: Yeah, the outreach

EXECUTIVE OFFICER LUCCHESI: -- but fairly informally.

CHAIRPERSON YEE: Yes.
EXECUTIVE OFFICER LUCCHESI: We anticipate bringing to the Commission a proposed Memorandum of Agreement as directed by the Commission in February at our October meeting. That will also layout the groundwork for more formal outreach activities to make sure that we include all the appropriate local, State, regional, and federal entities and stakeholders that need to be a part of this process.

CHAIRPERSON YEE: Okay. Good. And then on the Long Beach Unit audit, is that something that's a regular course of examination or did something precipitate that particular review?

EXECUTIVE OFFICER LUCCHESI: No, it's our regular due diligence and activity in our oversight role of the Long Beach Unit.

CHAIRPERSON YEE: Okay. Yes.

COMMISSIONER NEWSOM: Just further on that through the Chair. Was there -- I mean, was that an unusual variance in terms of the audit findings?

EXECUTIVE OFFICER LUCCHESI: No.

COMMISSIONER NEWSOM: It didn't seem anything exceptional?

EXECUTIVE OFFICER LUCCHESI: No, not exceptional, no.

COMMISSIONER NEWSOM: So all well within the
EXECUTIVE OFFICER LUCCHESI: Yes.

CHAIRPERSON YEE: Okay. And then something that you didn't bring up, but I know there's this tribal policy development that's been going on.

EXECUTIVE OFFICER LUCCHESI: Yes.

CHAIRPERSON YEE: Can you provide any update on any new developments since the public comment period has closed and --

EXECUTIVE OFFICER LUCCHESI: Yes, we've received -- oh.

CHAIRPERSON YEE: And maybe some background on that just for the audience.

EXECUTIVE OFFICER LUCCHESI: Yes. Well, we have been consistent with the Governor's Executive Order and current law - we've been developing a draft tribal policy for the Commission. That tribal policy went out for public review and comment not too long ago. We have received a handful of comment letters, and we're currently scheduling a hearing meeting with tribal representatives for May 19th. And we're doing so in consultation with the Governor's Office Tribal Advisor.

After that meeting with tribal representatives, we will hopefully put the finishing touches on the tribal consultation policy with the goal of bringing it to the
Commission at its October meeting.

CHAIRPERSON YEE: Terrific. Thank you.

Any questions?

Okay.

EXECUTIVE OFFICER LUCCHESI: All right. And unfortunately, I just got word that our webcast is not working.

MR. LLOYD: It is working.

EXECUTIVE OFFICER LUCCHESI: It's working now.

Great. Good.

So like I mentioned, I wanted to just briefly mention a couple of personnel items that affect the State Lands Commission.

The first is it is with great sadness I report the passing of Mr. William Northrop, one of the Commission's most dedicated Executive Officer. William F. Northrop, the 10th Executive Officer of the State Lands Commission, died on March 16th, 2016 at his home in La Quinta, California. He was 87 years old.

He was born and raised in Ohio and moved to Southern California as a teenager. He served in the marines, attended Long Beach State University and received a degree from Blackstone School of Law. Mr. Northrop learned the oil business from the ground up, from production to refining, sales, and managing an oil
terminal mainly in the Long Beach area.

His knowledge of the oil industry came to the attention of the California legislature in Sacramento, where we became chief consultant to the Joint Committee on the Public Domain and led an extensive investigation of the pricing of sales from State oil leases. He was appointed Executive Officer of the California State Lands Commission in 1975 where he spearheaded a highly successful antitrust action against major oil companies holding oil leases on State-owned lands, resulting in great financial benefit to California.

Mr. Northrop served as Executive Officer until 1982. While I did not have the honor of knowing Mr. Northrop personally, from all accounts from staff who did know him, and are even currently still working for the Commission, he was well loved and highly respected by all who worked with him, except, of course, the oil companies at the wrong end of his antitrust litigation.

(Laughter.)

EXECUTIVE OFFICER LUCCHESI: Our thoughts are with Mr. Northrop's family.

CHAIRPERSON YEE: Thank you.

EXECUTIVE OFFICER LUCCHESI: Next, I wanted to report that I recently hired Mr. Chris Beckwith as the
Commission's new Chief of the Marine Facilities Division. Chris, can you stand up, please? Chris has significant experience and superior leadership and management skills that make him an excellent choice for this position. He was a member of the U.S. Air Force working as a fuel specialist and worked for marine oil terminals -- or marine terminals in California and Oregon. He also worked for the Commission for many years before joining OSPR.

He has excellent relationships with the U.S. Coast Guard, our sister marine pollution prevention agencies, and the regulated community. His hiring also starts the beginning of a rebranding effort for this Division.

As you know, many of the Division's -- this Division's programs are nationally and internationally recognized for its marine protection and pollution prevention work. Consistent with the Commission's strategic goals we are working to reorganize and rebrand this Division to highlight the importance of our staff's work in this area, and to ensure public health and safety and environmental protection of California's marine waters.

And finally --

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CHAIRPERSON YEE: Welcome, Chris.

EXECUTIVE OFFICER LUCCHESI: Finally, I want to announce that our Assistant Executive Officer, Dave Brown, will be retiring --

ASSISTANT EXECUTIVE OFFICER BROWN: Where did you get those pictures?

EXECUTIVE OFFICER LUCCHESI: Jeanne -- will be retiring on May 31st from Stat Lands Commission. It is with very mixed feelings that I announce his retirement. We are -- as a staff, we are incredibly happy for Dave and his wife Judy, and the adventure that they're about to embark on, but extremely sad for the Commission, its staff, and the people of California for losing this very dedicated and passionate public servant.

Dave has dedicated 41 years of his life to a career to public service in California. He first started out with CHP, and then moved to the State Lands Commission in 1979 as a budget analyst. He became Chief of our Administrative and Information Services in 2003, and Assistant Executive Officer in 2014.

He is the staff member behind the Commission's recently adopted strategic plan, all of our success and efforts at Bolsa Chica, in order to protect and enhance that very important wetlands. He has been the key instrumental force behind all of our staff fund-raise
efforts, our team building efforts, which him barbecuing
is one of those.

(Laughter.)

EXECUTIVE OFFICER LUCCHESI: He has not only been
an incredible member of this staff that has helped the
Commission and the executive office move through very
challenging issues, including budgets, administrative
issues, as well as policy issues, but he is the staff
member that all the other staff go to as their mentor, and
because he is the holder of all things State Lands
Commission.

(Laughter.)

EXECUTIVE OFFICER LUCCHESI: For me personally, I
like to call him our wizard behind the curtain. Anything
that the Commission wants to do or the executive office --
any of executive office's efforts, you just tell him what
they are and he will figure out a way to get you there.
And it's an incredible asset the Commission has had in him
over the 35-plus years, and it's going to be a very great
loss to the Commission to see him retire, but we're
extremely excited for him as well.

CHAIRPERSON YEE: Great. Thank you.

Comments, members?

Let me just --

EXECUTIVE OFFICER LUCCHESI: Yes, we do. We have
a resolution for him.

CHAIRPERSON YEE: Yes, please, yes.

EXECUTIVE OFFICER LUCCHESI: I'm not going to read it all, but I what I do want to say is that we will miss Dave's dedication, his sound judgment, integrity, and service to the State Lands Commission, the people of California, and the Public Trust. And that this resolution from the Commissioners recognizes all of his contributions to the many aspects of State service and the State Lands Commission, and also wishes him and his wife Judy, and their son Tyler all the best wishes ahead of them.

COMMISSIONER NEWSOM: Hear, hear.

CHAIRPERSON YEE: Yes, congratulations, Dave.

(Appause.)

EXECUTIVE OFFICER LUCCHESI: As is tradition, we're going to take a picture of this with the Commissioners.

(Thereupon photos were taken.)

CHAIRPERSON YEE: Congratulations, Dave. And we, at the Controller's office, also wanted to extend very best wishes for your retirement and have a resolution for you as well. But I will personally commit to you that we will do our best to uphold the great work of the strategic plan guiding this organization, but more importantly to
sustain the life of the Bolsa Chica restoration project.
So thank you for your efforts on both of those.

ASSISTANT EXECUTIVE OFFICER BROWN: I just wanted
to say my appreciation. One of the goals that I had when
I became Assistant Executive Officer was to get that
stupid strategic plan finished.

(Laughter.)

ASSISTANT EXECUTIVE OFFICER BROWN: I've been
working on that literally since 1996, and -- no kidding.
And the dedication that the Commission put into this was
incomparable. I really appreciate it from being more
creative, to the stakeholders. I mean, we couldn't have
done it without you, and that's what it took to get us
over the top. We haven't had a Commission that dedicated
to our inner workings in my 37 years with the Commission,
and I really appreciate it. I'm looking forward to
retirement sort of.

(Laughter.)

ASSISTANT EXECUTIVE OFFICER BROWN: It's hard to
give this up, but thank you all for helping us get there.

(Applause.)

EXECUTIVE OFFICER LUCCHESI: And that concludes
my Executive Officer's report --

CHAIRPERSON YEE: Thank you.

EXECUTIVE OFFICER LUCCHESI: -- unless the
Commissioners have any questions.

CHAIRPERSON YEE: Thank you very much, Jennifer.

I'd like to propose, if there's no objection, that we adjourn this meeting in the memory of William Northrop, without objection.

EXECUTIVE OFFICER LUCCHESI: Thank you.

CHAIRPERSON YEE: Thank you.

Next order of business will be the adoption of the consent calendar. Let's see, Commissioners Newsom or Ortega, are there any items you wish to pull off the consent calendar.

COMMISSIONER NEWSOM: Not me, but I know you've got some.

EXECUTIVE OFFICER LUCCHESI: I do have some.

CHAIRPERSON YEE: Okay. All right. Ms. Lucchesi, what do we have?

EXECUTIVE OFFICER LUCCHESI: All right. At this point, I'd like to remove C 04, C 07, C 08, C 21, and C 32 from the consent agenda, and we remove it from the agenda to be considered at a later time.

CHAIRPERSON YEE: All right. So removing items --

EXECUTIVE OFFICER LUCCHESI: And I'm actually -- I just received another public comment for C 49. So I would like to remove C 49 from the consent agenda to move
it to the regular agenda to allow for public comment on that item.

CHAIRPERSON YEE: Alrighty. Good. So we have five items removed from the consent calendar. C 04, C 07, C 08, C 21, C 32 to be agendized at a later date, and C 49 as coming off the consent agenda onto the regular agenda. With that, may I have a motion on the remainder of the consent calendar?

COMMISSIONER NEWSOM: So moved.

CHAIRPERSON YEE: Moved by Commissioner Newsom.

ACTING COMMISSIONER ORTEGA: Second.

CHAIRPERSON YEE: Second by Commissioner Ortega. Without objection, such will be the order.

Thank you.

Let's see, the next order of business will be the regular calendar.

EXECUTIVE OFFICER LUCCHESI: Yes, I'm sorry. Item 63 is the next item to consider on the regular calendar. It's to consider granting authority to the Executive Officer to solicit statements of interest for consultant services for the proposed Santa Barbara Channel offshore legacy well and hazard remediation program. Colin Connor, our Chief of Administrative Services, will be giving staff's presentation.

CHAIRPERSON YEE: Great. Good afternoon, Mr.
Connor.

ADMINISTRATIVE SERVICES DIVISION CHIEF CONNOR:

Good afternoon. Good afternoon, Commissioners.
And I have a PowerPoint, please, 63.
(Thereupon an overhead presentation was
Presented as follows.)

CHAIRPERSON YEE: And could you pull yourself
right up against that microphone so we can hear you?

ADMINISTRATIVE SERVICES DIVISION CHIEF CONNOR:

Alrighty. So good afternoon, Commissioners.

MR. LLOYD: Can you speak right into that mic,
please?

ADMINISTRATIVE SERVICES CHIEF CONNOR: I'm sorry.
Good afternoon, Commissioners. My name is Colin
Connor. I'm the Chief of Administrative Services
Division, and I'm here to present the staff report on
Calendar Item 63. This calendar item requests the
authority for the Executive Officer, or her designee, to
solicit proposals, negotiate a fair and reasonable price,
and award execute contracts for environmental
documentation and mitigation monitoring related
specifically to the Becker onshore well, but also for
other coastal hazards located along the Santa Barbara and
Ventura County coast lines.

--o0o--
ADMINISTRATIVE SERVICES DIVISION CHIEF CONNOR:

Let's start off with a little bit of background, and I want to apologize in advance, because you've probably seen -- this is a short slide presentation, but you've probably seen most of them, but it's probably better to have something to look at than to just listen to me talk.

(Laughter.)

ADMINISTRATIVE SERVICES DIVISION CHIEF CONNOR:

So here we go. So the background. As a result of historic oil and gas development activities in the early 20th century, there's a high concentration of abandoned legacy wells and remnants of man-made structures along the coastline of the Santa Barbara channel. The Commission has long maintained an ongoing program to deal with the hazards on State Lands.

And inventory conducted in the mid-1980s identified over 400 individual hazards on lands within the Commission's jurisdiction statewide. Those hazards that were identified as posing the very highest risk have been removed. However, additional hazards are constantly appearing as coastal conditions change. Highlights of the Program's activities include the following:

In the early 1980s with funding from a Federal Public Works Employment Act grant, the Commission removed...
extensive offshore hazards and oil production debris. Between August 1997 and March of 1998, through a program called the Subsea Well Abandonment and Rig Sharing, or SWARS, the Commission brought together a group of six oil and gas companies to abandon a total of 23 subsea wells and remove the associated wellheads and flow lines.

In a follow-up project, the oil companies paid to remove ocean floor debris identified as associated with those operations. In 2001, an additional 24 hazards were exposed due to erosion and shifting beach sands. In 2002, subsequent to receiving budgeted funds, Commission staff procured all the permits for removal of the hazards at those sites. However, the funding to remove the hazards was reverted due to a general fund revenue shortfall.

With the approved permits and contractors available, staff did successfully remove over $1 million in hazards funded by upland owners who agreed to pay for removal of hazards on State tidelands in exchange for our managing the removal of hazards from their adjacent upland ownership. And that's -- a little bit of clarification. That's because oftentimes, these hazards or debris span the tidelands up onto the upland.

In 2008, Commission staff was successful in securing its $700,000 grant under the Coastal Impact Assistant Program. This was previously mentioned in the
Executive Officer's report. The program was established by the federal Energy Policy Act of 2005.

Several of the 24 previously-mentioned hazard sites have since been removed with grant funding, and through the participation of the upland landowners. From 2014 through 2015, the Commission completed additional hazard removal operations, including removing 188 H-piles, which are steel beams used as piles, 67 railroad irons, 85 steel tieback rods, 25 tons of wood debris, and various other remnant steel, scrap metal, and wood materials.

Staff also notes that on October 4th, 2011 the City Council of the City of Goleta proclaimed its appreciation of the Commission for protecting the environment and citizens of Goleta through implementation of the Beach Hazard Removal Project. And now, as the Executive Officer noted in her report, recent storms have caused sand erosion and exposed several additional hazards to become exposed. These represent an imminent threat to public safety.

With the environmental documentation, permits, and contractors readily available, Commission staff is coordinating with various agency and local upland owners for access permits and permissions to the sites. The hazards removal activities will be conducted at these sites during the next four to eight weeks during favorable
tidal conditions.

These activities will exhaust the last of the residual funds remaining in the federal CIAP grant. There are still many hazards that have not been removed from 15 of the 24 sites. Commission staff estimates an additional $1 million will be required to remove all the hazards from the currently known locations in the Santa Barbara, Ventura County area.

So now I'll move on to the Becker onshore well and the request before you.

---o0o---

ADMINISTRATIVE SERVICES DIVISION CHIEF CONNOR:

Get some new slides here. So this is the Summerland Beach at present. The slide before was back when the oil operations were active. This slide dates from 2009. That's a beautiful stretch of beach.

---o0o---

ADMINISTRATIVE SERVICES DIVISION CHIEF CONNOR:

And this is exactly where the Becker onshore well is. I just would like to note that in the access to the well has to come down from a very narrow private winding road to the right of the wording there.

So, as you may recall, Commission staff -- or Commission directed staff to excavate and assess the condition of the Becker Well at its August 19, 2015 public
meeting. The Becker Well is what's known as a legacy type well, meaning that it was drilled and probably abandoned prior to enactment of the State Tidelands Act in 1921. And prior to any kind of regulated abandonment procedures. Furthermore, as a legacy well, there is no identifiable owner or successor in interest to hold responsible for the improper abandonment.

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ADMINISTRATIVE SERVICES DIVISION CHIEF CONNOR:

This slide is kind of typical of what was there right prior to and during the excavation of the Becker Well in October of 2015. So the excavation and assessment of the Becker Well was conducted on October -- in October 2015, by the firm InterAct with Commission staff in attendance.

The excavation confirmed that oil was continuing to escape from the well. InterAct has since developed alternatives for the abandonment of the well. However, prior to any abandonment activities happening, environmental documentation, pursuant to the California Environmental Quality Act, or CEQA, must be made. And that is the subject of this request.

The Commission has included in its 2016-17 proposed budget funds for preparing the environmental document and pursuing permitting for remediation of the
Becker Well. Due to the existence of other legacy wells and man-made hazards in the Santa Barbara channel area, staff envisions this environmental documentation and mitigation monitoring as being scalable to a programmable -- excuse me, programmatic level, meaning that the environmental document could be used for future remediation efforts in the area.

It is hoped that future remediation of other legacy wells and coastal hazards will be funded through proposed Senate Bill 900 being sponsored by State Senator Hannah-Beth Jackson. This bill proposes that in fiscal year 2017-18 an amount of $2 million would be made available to the Kapiloff Land Bank Fund for the purpose of implementing a coastal hazard and remediation program.

The proposed Santa Barbara Channel Offshore Legacy Well and Hazard Remediation program noted in this calendar item would be a subset of the proposed legislation. The bill would also require that an amount sufficient to bring the unspent balance back up to $2 million, basically refilling the bucket, be transferred to the fund and be made available for the purpose of implementing the provisions of the bill.

The objective of the environmental documentation -- excuse me, the objective of the environmental documentation that is the subject of this
request is to provide for a broad spectrum of oil -- excuse me, of well and hazard remediation scenarios, so that it can be used as a basis for future anticipated remediation projects, reducing the time and cost of preparing individual project-specific analyses.

By having these environmental entitlements in hand, staff will be prepared to mobilize contractors quickly should additional funds be made available through legislation, grants, or other sources. Based on the foregoing, staff recommends the Commission authorize the Executive Officer, or her designee, to solicit proposals, negotiate a fair and reasonable price, award and execute contracts for the environmental documentation and mitigation monitoring in accordance with State policies and procedures.

This concludes my presentation, and staff is available to answer any questions you may have.

CHAIRPERSON YEE: Great. Thank you, Mr. Connor. Comments, Commissioners?

CHAIRPERSON YEE: Okay. Hearing none. Is there a motion?

ACTING COMMISSIONER ORTEGA: I'll move approval of the staff recommendation.

CHAIRPERSON YEE: Okay. A motion by Commissioner Ortega to approve the staff recommendation.
COMMISSIONER NEWSOM: Second.

CHAIRPERSON YEE: Second by Commissioner Newsom.

Without objection, great, such will be the order.

I just want to commend the staff on this for taking such a proactive approach. And this work that we're embarking through with the consultant will be just so foundational for what's to come, not only with respect to future remediation, but certainly in an anticipation hopefully of SB 900 being signed. Thank you.

All right. Our next item is, I believe, Item 64.

EXECUTIVE OFFICER LUCCHESI: Yes. This is an informational update regarding an application by PG&E for a general lease involving facilities associated with the Diablo Canyon Nuclear Power Plant in San Luis Obispo County.

The staff report -- staff presentation will be provided by Cy Oggins, our Chief of our Environmental and Planning Management Division.

CHAIRPERSON YEE: Great. Thank you. Good afternoon. Let me just say this is not an action item, but rather in response to a request that -- and pursuant to discussions that our office had with staff about just trying to clarify the potential processes going forward, and the affected and involved parties, so -- and we have some public speakers on this item, but let's here the
presentation.

ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: Thank you, Chair Yee and Commissioners.

(Thereupon an overhead presentation was
presented as follows.)

ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: Again, my name is Cy Oggins. I'm Chief of
the Environmental Planning and Management Division.
Calendar Item 64 is, as you said, an informational item.

You may recall staff presenting an earlier
informational item at the February meeting. And since
that February meeting, you've gotten numerous inquiries as
to what agencies are involved in the process. And my goal
today is to help you sort that out, to help the public
sort it out, and to help me sort it out, too.

(Laughter.)

ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: Just quickly some background. There are
two leases associated with the Diablo Canyon power plant.
There's -- and this is Exhibit A in your staff report.
There's PRC 4307, which is for the cooling water in -- or
for the intake, and breakwaters, and then PRC 4449, which
is for the cooling water discharge.

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CHIEF OGGINS: A quick timeline. The Commission issued the leases for Diablo Canyon in 1969/1970. They expire on August 27th, 2018, and May 31, 2019 respectively. There are also two federal licenses associated with Units 1 and Units 2, and those expire in 2024 and 2025.

The goal here, PG&E has applied for an interim -- though there's no such thing as an interim lease, but a 10-year lease for that red period through there.

Now the agencies involved really depend on where you are in the process, and what kind of actions occur through the process. There may be one agency involved up to a multitude of different agencies.

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ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: So, for example the first action is the expiration of the lease. There is only one agency involved in that, and that's the State Lands Commission.

Between now and 2025, however, the State Water Resources Control Board will be acting on their once-through cooling policy. That is a process where PG&E has submitted an application -- or has submitted information to the State Water Resources Board on what to do with once-through cooling. There are two tracks. The first track basically is to establish something equivalent to cooling towers to replace the cooling water intake.
And there's a track 2, if track 1 is not feasible. So depending on what the State Water Resources Board does, if they do nothing, no other agencies get involved, other than the State Water Resources Control Board. And if they require something as -- such as cooling water intakes, multitudes of agencies will be involved in siting those, and building those, and doing the CEQA review for all of those.

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ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: As for the NRC license renewal, there's only five agencies involved, according to the NRC. That's the NRC itself to issue the license, if it chooses to do so. And there are four agencies that it will be consulting with. Those include the U.S. Fish and Wildlife Services, the California Coastal Commission, the Regional Water Quality Control Board on the central coast, and the State Office of Historic Preservation. So again, according to the NRC, there's only five agencies involved.

However --

COMMISSIONER NEWSOM: Historic Preservation is involved?

ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: That's Department of Parks and Recreation. That's the cultural issues related to any action that a
federal agency takes.

COMMISSIONER NEWSOM: Period.

ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: Yes. Any major action that they take. That does not mean there aren't other agencies involved, other than those five. Again, multiple State agencies will be involved, simply because PG&E needs to get permits to continue beyond 2025. And I hope this next slide kind of gives you --

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ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: -- a sense of what PG&E already has for its current operations, all of the permits that they would need to continue past 2025. In other words, all the permits that PG&E would need to obtain. There are over 15 different agencies involved. And then, because you've asked too, what -- how many agencies would be involved if there's a -- PG&E decides to decommission the facility. Again, most of those agencies are also involved in that process.

So as you see, it goes from -- depending on where you are in the process, it could be just the State Lands Commission in the next few years to over 15 different agencies involved in the process.

--00o--
CHIEF OGGINS: And that concludes my staff report, and I'm available for any questions you may have.

CHAIRPERSON YEE: Okay. Thank you very much. Comments, Commissioners?

COMMISSIONER NEWSOM: Just a quick clarification.

CHAIRPERSON YEE: Yes.

COMMISSIONER NEWSOM: And I certainly understand the Department of Historic Preservation, but is there any specific issues with Historic Preservation issues that have been identified in the past on this site, out of curiosity, or is this just a perfunctory agency that has to sign off based upon these kind of permitting requests?

ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: Yeah, this is a very culturally sensitive area to many Native American tribes.

COMMISSIONER NEWSOM: Native American.

ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: Correct. And PG&E went through an entire process to site that facility originally when it was built, so the question is if NRC is going to issue a license.

COMMISSIONER NEWSOM: That helps. All right.

CHAIRPERSON YEE: Great. Thank you.

Okay. We have a number of public speakers on
this item. Let me call you up in order. You will have three minutes to speak. Again, this is not an action item, so let me have Adam Lyman come forward, followed by Dayna Williams, Lynn Walter, David Weisman, and John Geesman.

If you'll introduce yourself for the record and you have three minutes.

MR. LYMAN: Good afternoon. My name is Adam Lyman.

CHAIRPERSON YEE: Could you pull that microphone right up --

MR. LYMAN: Much closer. Is that better?

CHAIRPERSON YEE: Thank you.

MR. LYMAN: My name is Adam Lyman. I'm here today with about 50 of my union brothers and sisters from IBEW 1245. I'd like to have them all stand up that are here today just to show our support for this meeting this day.

Our unions provided us all with the opportunity today to present our support for keeping Diablo Canyon open. I've been an operator at Diablo Canyon for 11 years. More importantly, and coincidentally I've been a father for the same amount of time. I have two wonderful children, James and Anna, who are here with me today at this meeting. They're very dear and close to me.
This Commission is in the throes of determining if renewing the leases on the structures that are key to the continued operation of Diablo Canyon is a wise choice for our local community and for the State of California on a whole. Mr. Newsom, you said yourself in the December 2015 meeting of this Commission that the issue of renewing the leases gives this body an enormous amount of influence over the ultimate determination of the future of Diablo Canyon power plant.

My two children, James and Annabelle, represent that future. The continued safe and reliable operation of Diablo Canyon is integral in providing them a future that they can be proud of. The abundance of the clean and reliable energy that Diablo Canyon produces, to which currently there's no equivalent replacement, is essential to California meeting its aggressive greenhouse emission goals.

This Commission is considering the need of Environmental Impact Reports as part of the lease renewal process. I would ask you to please consider the huge environmental impact to the State of not renewing these leases. Shutting the production of clean energy by Diablo Canyon and replacing it with the only current -- currently available power sources, fossil fuels, would be the equivalent of placing two million new cars on the road.
James and Anna's future is not only threatened by the problem of greenhouse gas emissions, but also by drought. Presently, plans are moving forward by this -- by San Luis Obispo County to expand the already operating desalinization plant at Diablo Canyon.

Once the expansion is completed, this desalinization plant will provide water to 4,000 homes in southern San Luis Obispo County. Without the renewed leases provided by this Commission, the pumps that provide seawater to desalinization plant will have to be shut down.

Part of James and Anna's future is in your hands. Please consider this carefully and help them with a future that they can be proud of by renewing the requisite leases, and please do your part to keep Diablo Canyon open.

Thank you.

CHAIRPERSON YEE: Thank you, Mr. Lyman, and welcome to your colleagues who are here today.

MR. LYMAN: Thank you.

CHAIRPERSON YEE: Next, we will hear from Dayna Williams.

MS. WILLIAMS: Good afternoon. My name is Dayna Williams I'm currently an operator at Diablo Canyon and have been for the last 16 months. Previously, I worked at
Columbia Generating Station, also as an operator of nearly five years. And previous to that, I served in the United States Navy as a Nuclear Machinist Mate aboard an aircraft carrier.

In my over 11 years of nuclear industry experience, I can honestly say that Diablo Canyon has been the most family friendly and safest in my entire career, two points that are very near and dear to me, and to our communities also.

Not only did I go into nuclear power for a great career, but because I believe in nuclear power, as a person and as an individual. The clean zero emission electrical power is what's needed and what Diablo provides. I believe it's what's best for the environment, our communities and future generations. As you can see, I have a very vested interest in our future generations. I'll be bringing my third child into this world in a matter of weeks. And all three of my children have been born as I have had a career as an operator in nuclear power. All happy, healthy children.

I believe in nuclear power so much so, that I'm standing here in front of you today, not as a paid employee PG&E our Diablo Canyon, but as member of IBEW 1245 with all 50-plus members, all my brothers and sisters.
And I continue to go to work every day, even though I'm beyond the point that the State of California would consider me disabled due to pregnancy. I believe in and feel very safe in my job every day. Diablo Canyon also plays a very integral role in our community. They support our local economy and not only that, but they sponsor local events, and several community programs, and they fund our local schools, of which all three of my children will attend.

After completing their education, I hope that they will have the same opportunity that I have had to work at PG&E to go to Diablo Canyon and be an employee, if they so choose. Unfortunately, this opportunity may or may not be there. And these leases are part of that decision. I ask, as a mom and an employee at Diablo Canyon, that you consider this very, very carefully, and thank you.

CHAIRPERSON YEE: Thank you, Ms. Williams.

(Applause.)

CHAIRPERSON YEE: May we hear from Lynn Walter next.

MS. WALTER: Hi. My name is Lynn Walter, and I'm speaking. I'm a native Californian, grew up right here in the East Bay. And the last two decades I've lived in San Luis Obispo county, specifically I live in Avila Beach,
and specifically I live 10 miles from the nuclear plant. So, yes, I live within 10 miles of the Diablo Canyon power plant, and, yes, I live within 10 miles of all that nuclear waste that is stored at that facility. And, yes, I am okay with that, and you should be also with nuclear waste, because the dry nuclear waste is stored in containers. They're impermeable, they're impenetrable, and they're all located in one place.

Unlike nuclear waste, which has no impact on humans, the waste from California's many gas plants is killing us slowly and surely. That waste isn't contained. It's acidifying our ocean and polluting our atmosphere. If Diablo shuts down before 2024 and 2025, that power will be replaced with natural gas. That happened at Santa Onofre. This will happen if it shuts down prematurely.

Yeah, I live within 10 miles of Diablo Canyon power plant, and I live in that same region of seismicity that has been studied a lot. And, yes, I'm aware that they've come up with new earthquakes, and they've better characterized the fault lines, and the characteristics of that seismicity, and I'm okay with that. I'm okay living near that power plant in that seismic area. And you should be also, because all of the work that has been done by those very esteemed seismologists, and peer reviewed, and checked, and argued, bottom line is that it has
confirmed that the plant does not need any modifications to survive that seismicity, if an event were to happen. So, yes, I live within 10 miles of the plant, and I'm okay with that.

But this is what I'm not okay with. I am, number one -- and you should not be okay with this either. I am not okay with holding hostage the operation of a safe, clean energy source to an intake discharge breakwater permit that is not aligned to the full operational dates of the nuclear plant federal license.

I am, number two, and you should be, unwilling to accept any increase in pollution if Diablo Canyon were to shut down. This is what happened at San Onofre. And I do not want to subject myself, other native Californians, other residents of California, future generations of California to that same pollution increase.

Californians and future Californians deserve options, and you should want options also. Preserve the option to operate Diablo Canyon. It's a greenhouse gas free non-polluting energy resource. And until renewables, modern nuclear power and battery technology reaches the ability to put solar and wind on to our grid at a capacity that equals that power produced by Diablo Canyon, we should preserve that option.

So please extend the permits for the breakwater,
the discharge, and the intake for Diablo Canyon for the full license of the plant.

    Thank you.

    CHAIRPERSON YEE: Thank you, Ms. Walter.

    (Applause.)

    CHAIRPERSON YEE: Next we have Mr. Weisman, if you'll come forward.

    MR. WEISMAN: Good afternoon, Commissioners.

    David Weisman, outreach coordinator of the Alliance for Nuclear Responsibility. And the words I'd like to share with you today are not my own, but to just appraise you of words from just a week ago at the California State Senate Energy, Utilities, and Communications hearing for Senate Bill 968 of Senator William Monning of the coastal district from Santa Cruz to -- and Carmel to San Luis Obispo.

    At the hearing for Senate Bill 968, which would require PG&E to perform an economic evaluation of the consequences of a shutdown of the plant to either -- whether it be premature or in due course, the following comments were made before calling for the vote by the Chairman of the Energy Commission -- Committee, Senator Ben Hueso. So please here are Senator Hueso's words at that Committee hearing.

    Quote, "In my experience working here in
California, I can tell you that I don't think nuclear power is in California's future. I don't think it is in the horizon. I see just all these different new sources of power coming on that are much more environmentally friendly, more productive. They're producing more power. I can go into detail, but I think generally the consensus I think of the legislature and of the leaders is that we want to move in a new direction".

And those were the words of Utilities and Energy Committee Chairman Ben Hueso before calling for the vote on SB 968, which indeed passed out of that House on a 9 to nothing bipartisan vote line. So thank you very much.

CHAIRPERSON YEE: Thank you very much Mr. Weisman.

Next we have Mr. Geesman, please.

MR. GEESMAN: Thank you. I'm John Geesman, an attorney for the Alliance for Nuclear Responsibility. I take my hat off to Tom Dalzell and the rest of the leadership at Local 1245. They are walking the extra mile on behalf of the workers at the plant, despite the fact that they only make up about three percent of Local 1245's membership.

It raises a very important concern though. The buzzards are circling this plant, and the workforce there deserves protection. We ought to all attempt to find
legally enforceable rights that will entitle those
existing men and women working at the plant to lateral
placement within PG&E should this plant shut down. And I
think that's an important priority that we all share.

You're not going to be making a decision on the
merits of extending the lease for some period of time.
And the decision that you'll make at your June meeting
will be whether or not your ultimate decision is a
well-informed one. The law requires that you do a CEQA
assessment and a public trust's evaluation of the merits
of going forward with a new lease at the facility.

PG&E's suggestion elsewhere that a Negative Dec
might suffice or that the plant qualifies for a
categorical exemption under CEQA, would throw this
question into the courts for an extended period of time.
That is the operational equivalent of stepping in front of
a train.

That brings up my first point, which is we need
to strive to find a way in which to provide better,
legally enforceable protections for the good men and women
who work at the plant.

Thank you very much.

CHAIRPERSON YEE: Thank you, Mr. Geesman.

Any other public comment?

Okay. Comments by Commissioners?
Yes, Commissioner Newsom.

COMMISSIONER NEWSOM: Well, I'll listen to Jennifer first. I know what I think. I haven't heard what you think.

(Laughter.)

EXECUTIVE OFFICER LUCCHESI: I was just getting ready for a question to answer one of your questions. The only thing I want to add is that -- I mentioned this in my Executive Officer's report -- June 28th is our next scheduled State Lands Commission meeting, where we do anticipate having an agenda item addressing PG&E's application, and the appropriate CEQA treatment, and the appropriate Public Trust analysis moving forward on considering their application.

And importantly, we will be having a satellite location in San Luis Obispo County, so that local stakeholders and interested citizens have the opportunity to comment and testify during that Commission meeting live through a webcast in that satellite location.

CHAIRPERSON YEE: All right. Thank you.

Commissioner Newsom.

COMMISSIONER NEWSOM: Let me -- a couple comments. Thank you all for taking the time to be here, particularly those of you that didn't get a chance to speak. Anyone who talks about their kids, you already got
me right there.

If you did that with intention, I love it, because I just had one. So maybe someone decided to purposely go there quickly. I appreciated that.

Everything I heard I -- you know, I align myself with. The reason we're leaning into this is we don't want to see what happened to the workforce at San Onofre. We don't want to see the alternative energy sources be dirty energy sources. We don't want to make those same mistakes. If we haven't learned that lesson, shame on us. I mean, that's why we're here, and we want to protect the workers in this room. We want to secure and guarantee their fate and their future.

We don't know what PG&E is going to do, and I say that quite learnedly. I've spent a good deal of time trying to understand what PG&E's intent is. I think they, as an organization, are trying to figure it out. That's what gives me pause. That's what's given us, I think, this forum is that in the absence of clarity there, in the absence of clarity elsewhere, and the purpose of this informational item today is to understand the complexity of what I mean by elsewhere, meaning all of these other agencies that will play an outsize role as well.

There's a lot of questions about the fate and future of this plant. And I think all of us, regardless
of one's position, I think would agree with that. So we have to be stewards of certain facts. All of us share a fate -- common fate, as it relates to clean air and clean environment. We all can subscribe to a point of view that we need to preserve and protect and enhance our efforts to reduce or greenhouse gas emissions. I'm not going to disavow the importance of nuclear in that context. I'm not ideologically opposed to nuclear, just for what it's worth, nor am I going to deny though that we've made tremendous progress on alternative energy sources beyond natural gas.

We have, and IBEW has been a beneficiary -- or rather, not a beneficiary, IBEW has been driving those reforms. You've been a big part of the policymaking as it relates to large-scale alternatives and you should be complimented as a Union for that work. I am more worried frankly than the one speaker about some of the seismic questions, but maybe that's because I'm fifth generation San Franciscan. Maybe that's because we're standing not very far away from two major fault lines ourselves as we speak here today, Hayward and San Andreas, and it keeps me up at night, that issue. So that's something that I think we need to legitimately consider.

But look, everything that was said today was spot on. Let's take care of the workers. Let's take care of
our environment. Let's take care of our kids. And let's be honest that we don't know where this thing is going to end up. And that means all of us have a responsibility today I think to start asking the tough questions, so that we don't wake up, after some other agency makes a statement, and PG&E decides to make a counter-statement saying we're out of here, and all of us are looking around, pointing fingers, and wondering what we could have done to protect and preserve all those things we value and care about.

So we're on the same page, I think. And I'm grateful for this agency taking a hard look at this, and starting this conversation anew. And that's our responsibility. Start it now, not wait. And I'm grateful to the Chair that we continue to have this public dialogue as well, so we're not just having it amongst ourselves, and this is the beginning of a process, not the end of a process.

CHAIRPERSON YEE: Thank you, Commissioner Newsome. Let me echo your sentiments. Probably the statement that rings particularly strong for me is that we are the stewards of facts. And, you know, unlike San Onofre, which I guess the blessing in that is that we have lots of lessons learned that will hopefully inform this process as we consider the future of Diablo Canyon, but
what I -- regardless of the decision by PG&E, we have some
time. We actually have time on our side. And so I want
to -- I want this to be a thoughtful process, and I think
this Commission's commitment to the process is that it
will be open and transparent every step of the way, and I
very much appreciate all the members of IBEW 1245 who are
here today.

Clearly, there are going to be economic impacts,
regardless of which way the decision goes by PG&E, and
also very much the energy needs for the future of
California will be taken into consideration as well.

But the fact that we're starting early and having
this conversation there will be transition leading up to
the eventual implementation of whatever decision. So I
think we're very -- on very good footing with respect to
that.

But I am looking forward, frankly, to the
conversations coming up, because these are not easy
questions to answer, and frankly, there are a lot of
moving parts to this that I think we'll continue to try to
put our arms around as we go through this process.

With respect to the June process, I just want to
thank the staff for continuing to work through the CEQA
issues, and as well as the Public Trust issues. Those are
first and foremost that will come back to us in June. And
we will again, let me reiterate, have capability for those interests in San Luis Obispo to join the meeting. It will be a video conference, so we welcome that opportunity.

Okay. Other comments by Commissioners?

Okay. Hearing none. Thank you all very much.

The next item is Item 65 relating to amending the price based sliding scale royalty for State oil and gas leases.

Let me just allow a couple minutes for the room to clear.

Well, perhaps, let me suggest we take a five minute recess. Okay. Why don't we do that.

(Off record: 2:02 PM)
(Thereupon a recess was taken.)
(On record: 2:09 PM)
CHAIRPERSON YEE: Okay. Let's reconvene the meeting. We are on Item 65. And let me ask the staff to present the item.

EXECUTIVE OFFICER LUCCHESI: Joe Fabel, our staff attorney, will be presenting Item 65.
(Thereupon an overhead presentation was presented as follows.)
STAFF ATTORNEY FABEL: Good afternoon. Madam Chair, Commissioners, again my name is Joseph Fabel. I'm
an attorney here with the Lands Commission. Today, I am presenting calendar Item 65, a proposal to amend the royalty provisions for five offshore State leases in Huntington Beach operated by California Resources Corporation, and held by a subsidiary, SoCal Holdings, Incorporated.

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STAFF ATTORNEY FABEL: For reference, the five leases affected by the proposal are indicated in red and are located offshore of Huntington Beach. A majority of wells accessing leases have been drilled from onshore.

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STAFF ATTORNEY FABEL: Currently, the royalties for all five leases are calculated on a sliding scale, based off the monthly price of oil. The original scale was developed in 1995 with monthly adjustments based on the Producer Price Index to account for inflation.

The chart on the right is the scale as it looked for the January 2016 production month. It's based entirely on the 1995 scale on the left, but with 20 years of inflation added.

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STAFF ATTORNEY FABEL: In early March, CRC approached Commission staff with a proposal for royalty relief due to economic hardship. Namely, CRC cited the
general downturn in oil commodity prices, a program of
cost cutting that has led to a large reduction in its
workforce, a sales price for Huntington Beach crude that
is lower than their stated economic break-even point, and
a concern that the Producer Price Index adjustments under
the royalty provisions have not kept track with actually
industry inflation.

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STAFF ATTORNEY FABEL: Now, this chart
illustrates those inflationary trends. The solid red line
at the bottom represents the PPI, or Producer Price Index,
used for the current royalty scale. Whereas, the blue and
orange lines track the PPI for oil drilling and oil
services.

CRC's proposal was to add 100 points to the
royalty PPI each month, that dotted line shown in red.
The effect would be to decrease the royalty rates for the
value of oil when compared to the current scale.

Commission staff, after analyzing market trends
prior to the massive oil price volatility starting in
2007, and the inflation in similar industries, proposed a
lower adjustment of 65 points. And that's the line shown
in green.

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STAFF ATTORNEY FABEL: Now, these charts show the
practical effect of adjusting the PPI. CRC's and staff proposals are compared and highlighted to the current scale to illustrate the relative values. Whereas today, $15 a barrel is the price of oil at which the royalty rate is at its minimum of four percent. The minimum rate would be reached at $25 a barrel under staff's proposal and $29 a barrel under CRC's proposal. The standard 16 and two-thirds royalty is reached at $25 a barrel, whereas it would be $30 and $35 under CRC -- sorry staff and CRC's respective proposals. Finally, where the royalty maxes out today at $40, it is $50 under staff's proposal and $56 under CRC's proposal.

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STAFF ATTORNEY FABEL: Now, this next slide illustrates the relative changes in revenue generated to the State assuming, of course, constant production at consistent oil prices over a two-year period. Now, because oil prices and production numbers do vary from month to month, this slide is intended for comparing the proposals and not for forecasting revenue.

Of note, both the staff proposal and the current royalty framework reach revenue parity at $50 a barrel when the royalty rates reach 25 percent. Now, this slide is also exhibited as Exhibit B in the staff report.

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STAFF ATTORNEY FABEL: Now, in late March, CRC was presented with staff's proposal to adjust the PPI by 65 points for a temporary period of two years, after which the royalty scale would revert to the current system of using the as-reported PPI without adjustment.

Now, CRC agreed to this, and Exhibit C, as part of the staff report, was developed as amending language to the leases. However, in order for the Commission to approve a change to the royalty structure, under Public Resources Code Section 6827.2, you must find that the continued production from the leases is in the best interests of the people of California, and that such production is economically unfeasible under the current thesis.

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STAFF ATTORNEY FABEL: Now, as to the first element, the California legislature has found a direct and primary interest in assuring optimum production of oil and gas from State leases, and in addition, minimizing the amount of oil and gas that remains in the ground unrecovered. Because oil field production naturally declines without continued well work, maintaining and optimizing production requires continued investment to prevent leaving recoverable oil in the ground.

And finally in 1995, economic studies performed
at the direction of the Commission at the time, indicated that continued production at Huntington Beach produced hundreds of jobs that benefited both the local and State economies.

As to the second element, and as discussed earlier, the differential between CRC's reported break-even point and the current price of oil appears to support a finding that the leases are uneconomic at the current oil prices, justifying some level of royalty relief.

In addition, the current royalty structure was developed in 1995, and does not appear to account for the historic volatility of the oil markets over the past decade.

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STAFF ATTORNEY FABEL: Therefore, the Commission's -- for the Commission's consideration, staff proposes an amendment to the leases adding 65 points to the monthly reported PPI for a period of two years, commencing April 1st 2016 through March 31st, 2018. Staff also proposes that the Commission direct it to commence negotiations with CRC and the long-term royalty arrangement that will benefit both parties and account for the entire range of oil volatility seen over the last decade.
In negotiating, staff would consider alternative rate structures that may provide added benefit to the people of this State, during periods of high oil prices and/or other forms of consideration, such as contribution to environmental enhancement.

And that concludes my presentation. I'm here for questions. Also, a representative from CRC is here available to day as well.

CHAIRPERSON YEE: Yes. Okay. Let me entertain comments from the Commissioners first, if I may.

Commissioner Ortega.

ACTING COMMISSIONER ORTEGA: I think I might want to hear from the representative first.

CHAIRPERSON YEE: The representative first.

Okay. Commission Newsom, shall we --

COMMISSIONER NEWSOM: Yeah, I'll wait. I'll wait.

CHAIRPERSON YEE: Okay. All right. Let me have David Mercier come forward please.

Good afternoon.

MR. MERCIER: Good afternoon, Executive Officer of the State Lands Commission, and the Honorable Commissioners. My name is David Mercier, and I'm a senior engineering advisor working for the California Resources Company. CRC is exclusively a California company
providing energy for Californians by Californians. We're committed to excellence in safety and environmental performance, and have earned a strong reputation among -- as operator of choice in urban settings across the State, and including the Huntington Beach lease.

In 1995, the State Lands Commission determined that it should amend the royalty rate to encourage production from the Huntington Beach leases. It approved an innovative oil price based sliding scale royalty schedule. The royalty schedule inflation was tied to a Producer Price Indices. As was mentioned in the presentation, from the beginning, that Producer Prices Indices averaged about 2.2 percent over the course of the 20-year period, from 1995, whereas, the oil field inflation averaged about 10 percent. And so the royalty schedule just became broken, so to speak.

Clearly, not adequately tracking oil field inflation over the last 20 years, and it hasn't been reevaluated since that time, since the beginning. Over the last six months, under the Huntington Beach leases, CRC has incurred a negative cash flow equal to $6.1 million, while at the time, paying the State $6.5 million in royalty revenue. The proposed royalty rate adjustment is intended to help correct this disparity.

The original intent of the price-based sliding
scale was to -- when the lessee was losing money, like we're currently losing money, that it would be at its lowest point. And when the lessee was making more and prices were higher, the State would have a higher participation in the royalty. And, on average, it would average one-sixth royalty.

Soon after this price-based sliding scale was adopted in 1995, it was actually 15.5 percent before that. It went up to 25 percent, and then just kind of stayed there until the collapse in 2014. Since 2014, the industry has experienced the most severe and persistent commodity downturn in decades. As a result, CRC has reduced costs across the company, including staff and contractors of more than 50 percent of the combined workforce. CRC is committed to conducting operations in the most cost effective way possible, ensuring the safety, and protecting the environment.

Pursuant to Public Resources Code 6827.2, which is intended to ensure the continued production of these leases, the proposed royalty modification is respectfully requested.

This adjustment will bring the royalty schedule more in line with the original intent, and could immediately impact wells that are down. Right now, we've got about 500 barrels a day on the platform that are down,
that are not being repaired, because it's just not
economic for us to repair that production.

There's 150 barrels a day that certainly at a $40
Brent price, we would move on immediately and get that
back on production. So there's significant upside. And I
think during this -- you know, the two-year period, the
short-term period, certainly wells will fail. And we want
to have the economic incentive to move in and fix those
wells and make sure certainly the State participates in
its royalty revenue.

And when we start the long-term plan -- right
now, we're producing about 4,000 barrels a day. You know,
we're not -- we haven't -- you're not -- the production
hasn't fallen such that it makes the long-term plan more
uneconomical.

So it allows us to move forward on the long-term
solution and increase revenue, put more of our labor force
to work, provide community benefits, and provide more
revenue for the State of California. This is similar to
what was done for the West Wilmington for our labor
contracts, as well as the State of California.

Thank you very much.

CHAIRPERSON YEE: Thank you very much, Mr.
Mercier.

Commissioner Ortega.
ACTING COMMISSIONER ORTEGA: So I think what concerns me about the proposal is that on the State side, the State's royalty share is always capped, even at the highest oil price. And there isn't a mechanism for the State saying the oil prices are high and so we should share at a higher amount. We stay at that capped amount. So having a proposal before us that only considers this snapshot in time when oil prices are low, and asking for a reduction in the royalty price doesn't to me seem like good fiscal stewardship in terms of where my -- you know, the Director of Finance being on the Commission.

So I would propose an alternative to the staff recommendation, which would provide some temporary relief, given that I think you have documented the negative cash flow situation, and the immediate concerns of the operation, but that the staff would actually be directed to monitor and tally and actually calculate the amount of relief that's provided over the period of time, so that that amount could be repaid at a later time when the prices return, assuming that they will.

I mean, I think what we've always known is that the prices of oil are volatile and the State and CRC reach an agreement on what an appropriate royalty share is, knowing that those prices are going to go up and down, and we shouldn't amend those agreements based on just the
moments in time when the prices are down. I think I would certainly still encourage everyone to work on a longer term restructuring. I think -- I don't want to say that we're close-minded to what a new royalty structure might look like going forward, but in this interim period, we would not want to support a permanent relief. We would want to see it as more of a temporary relief that's proposed and that the staff would be able to monitor.

MR. MERCIER: I understand your concerns. One of the things to take into consideration, I think though, is as the oil price goes up, this royalty schedule goes up to 25 percent, and it's capped at 25 percent. When you look at the other State leases in Huntington Beach, in Santa Barbara, all of those -- the two platforms on State lands, they're capped at 1/6th 16.7 percent. So as the price of oil, the State will participate more in the royalty revenue on this lease than on other State leases. And what we're looking at is something that -- you know, I mean, we're incentivized to increase the value of this. What we want to do is certainly have the incentive to fix these wells, keep the production up, work on a long-term plan, which I'm sure will entail a commitment by CRC -- an economic commitment that will increase the value of this resource, provide additional
jobs, increase revenue to the State -- I mean, our goal is to increase the revenue of this lease, and we -- and this proposal provides us the incentive to fix these wells sooner, and to make sure that the platform production has not fallen so much by the time we get down to the long-term agreement we just don't have the economies.

You know, it's just such -- at such a low level, that it's just going to be very difficult. So that's why we need -- we request, you know, this to incentivize that we get this fixed.

Certainly, you know, there are a lot of jobs. In the long-term agreement, you know, we're talking about, you know, we've got over 200 people working on this. We could add, you know, 50 or more jobs. So there are a lot of jobs associated, you know, with these project. And certainly, you know, there are a lot of jobs currently working on the Huntington Beach list leases.

CHAIRPERSON YEE: So may I just ask staff maybe, I'm intrigued by Ms. Ortega's proposal, but given the arrangement that's before us where we're looking at providing temporary relief, and then also the opportunity to look at a longer term royalty restructuring, what's -- aren't we able to accommodate what Ms. Ortega is looking for?

EXECUTIVE OFFICER LUCCHESI: Oh, certainly. We
can certainly accommodate that. So what I heard Commissioner Ortega talk about is authorizing staff to monitor and keep track of the difference between this -- the current royalty structure and staff's proposed two-year modification, so that we could tally up the difference at the end of that two-year relief.

CHAIRPERSON YEE: Right.

EXECUTIVE OFFICER LUCCHESI: And that I also heard that that difference be included in the negotiation conversations revolving around any long-term royalty modification changes. So that would be -- the way I hear that, and correct me if I'm wrong, is that would be adding to authorization number five in the Commission's -- in the staff report and the recommended action.

CHAIRPERSON YEE: Thank you.

Commissioner Newsom.

COMMISSIONER NEWSOM: Just through the Chair, so I understand, I mean, in essence, what you're saying is -- well, a couple things. If -- so you'll proceed -- presumably, we'll make a two-year agreement to amend the 1995 schedule. In the interim, we'll engage in negotiations, even in the absence of that last discussion, or your previous discussion. We're going to engage in that. Are we going to wait until the expiration of this two-year deal to make a presentation to the Commission
about a permanent new schedule? Do you believe it will
take two years. And give me a sense of what those
negotiations will look like in the interim.

EXECUTIVE OFFICER LUCCHESI: Yeah. I certainly
hope it doesn't take us two years. That was to give us
enough time, so that we could have substantive
negotiations and come with a complete and comprehensive
proposal to the Commission that both CRC and Commission
staff could endorse, ideally that we will start working on
those long-term negotiations -- or, excuse me, the
long-term royalty modification negotiations tomorrow. And
we'll start working on what that might look like, what are
the options.

And in accordance with staff's recommendation, if
the Commission authorizes it, is in addition to a longer
term royalty modification, we'd also look to other
environmental or public benefit considerations that would
be made a part of that.

COMMISSIONER NEWSOM: And the default is if
you're at impasse, we go back to the '95 schedule after a
24-month period.

EXECUTIVE OFFICER LUCCHESI: Yes.

COMMISSIONER NEWSOM: So the amendment that we're
hearing here really is just an additional accounting
amendment, meaning you're just going to assess the actual
delta, and you were going to negotiate anyway more broadly
benefits that mutually would be agreeable --

EXECUTIVE OFFICER LUCCHESI: Yes.

COMMISSIONER NEWSOM: -- is that what I'm
hearing?

COMMISSIONER ORTEGA: I think I would just want
to clarify that --

CHAIRPERSON YEE: Yes, Ms. Ortega.

COMMISSIONER ORTEGA: Yeah, sorry -- from -- it
would be an accounting mechanism, but it would be
accounting for the purpose of determining how that -- how
the State would be made whole when the permanent agreement
was put in place. So I am not thinking of this, just so
I'm clear as to what our thinking of the outcome is, that
it is just rolled into a negotiation and kind of the
State's share just disappears as part of a longer term
agreement.

I think we would still want to see it repaid.
And, you know, I think how it would be repaid, I would
be -- I think it would be premature to say how that would
happen. I think that the staff report contemplates having
the discussion about changing the rate structure at the
higher end. And there are -- I think, are -- there's
plenty of opportunities for everyone to talk about what
that would look like.
But I think our view is that there shouldn't be a reduction -- a permanent reduction in the royalties paid to the State at this point, again, because the contract -- the lease is what it is, the royalty agreement is what it is, and we are capped at the high end, and we don't think that the State should receive less when oil prices are lower.

CHAIRPERSON YEE: Okay.

EXECUTIVE OFFICER LUCCHESI: So if I -- oh --

CHAIRPERSON YEE: Ms. Lucchesi, go ahead.

EXECUTIVE OFFICER LUCCHESI: Thank you. So if I'm hearing Commissioner Ortega correctly, she is making a motion to amend staff's recommendation to specifically direct staff to keep track of that difference over this next two-year period, less time if we're able to reach an agreement that the Commission authorizes on the longer term royalty structure, and that in that longer term royalty structure modification, that as part of those negotiations, that that difference that the -- between the current modification and the temporary modification be actually a line item in those negotiations to be accounted for in however that royalty structure is developed through our negotiations. So it's a specific line item in those negotiations.

ACTING COMMISSIONER ORTEGA: Correct.
CHAIRPERSON YEE: Yes.

COMMISSIONER NEWSOM: If I may, through the Chair.

CHAIRPERSON YEE: Yes.

COMMISSIONER NEWSOM: And I appreciate that. I'm not even leaning into a point of view. I'm just trying to understand what we're discussing right now. My understanding, even with that, there's then no -- we're not compelled, in that respect, to then receive the delta, meaning it's just part of the broader conversation. That's what I'm trying to understand. Meaning, are we saying we're not going to allow an augmentation without recouping the money period, or are we saying we're going to negotiate, knowing what that money is, and we're going to negotiate aggressively to get it back? That's what I'm trying to understand.

EXECUTIVE OFFICER LUCCHESI: That's an excellent distinction, and I think that's one for the Commissioners to decide upon.


ACTING COMMISSIONER ORTEGA: Yeah, I think that I am thinking of it as something that is owed to the State. In our view, it is a temporary relief to deal with a cash flow -- the negative cash flow situation that the company is currently experiencing. It is not a permanent --
trying to think of the language of the staff report. In my view, it is a deferred royalty. It will be paid. It will be paid at a later date. It will not be paid during this two-year period that a new negotiation is going on, which provides the immediate relief in the current oil price.

CHAIRPERSON YEE: Commissioner Ortega, I think I heard a motion, but I want to second the motion, because I do -- and I would agree here that under any such arrangement of where we're providing this relief, the State ought to be able to recoup that Delta. And to be able to track that and really be able to identify what that is going into the longer term arrangement, I think makes sense, and now -- not making any distinction about how that would be repaid. So it could be through environmental benefit provisions or community benefit provisions or any other way.

But there's going to be a lot of activity. I mean, you want this temporary relief, so that you can actually do some work to --

MR. MERCIER: Yeah, absolutely. And one thing I'd like to point out too is, you know, right now, under -- even under the proposal, I mean, we're losing probably around $800,000 a month on this offshore facility. And so CRC, you know, certainly cannot continue
with these losses indefinitely. So it does pose a huge burden, you know, on the company.

COMMISSIONER NEWSOM: And through the Chair --

CHAIRPERSON YEE: Yes.

COMMISSIONER NEWSOM: -- so from your perspective then this amendment, what is your assessment of this amendment? I mean, obviously, you've got an immediate challenge, which is stop the bleeding, which you've reinforced right there. So I imagine, you know, this is a good back-up, if you didn't get the original staff recommendation. So, you know, a bird in a hand. But that said, I'm curious your broader assessment.

MR. MERCIER: Yeah, I think, you know, certainly within the context of the longer term agreement, I think, you know, the shortfall will -- I mean what we'll work out will more than make up for any shortfall within the two years.

I think the amount of money that CRC would be willing to commit, you know, at certain price levels will be a lot, you know, tens of millions of dollars. So any kind of shortfall would certainly be covered by that. I mean, our break-even point on this platform is about $50 a barrel even under this proposal, and we're at about $48 -- or $38 Brent right now.

So, you know, we've got a significant deficit
that we're going to be incurring until we get to the $50 price, so -- but, you know, we believe that, you know, as prices rise, we're willing to commit a lot. We really want to develop this resource, and get the revenue much higher.

So, you know, our commitment, I believe, you know, will certainly be more than offset any kind of short-term for the State.

COMMISSIONER NEWSOM: Okay, so -- and Jennifer, just a quick question. Out of curiosity, and I appreciate the sentiment of my colleagues, with the Wilmington and others when it came to relief, was there any consideration along these lines that we had offered in the past. I know there was investment requirements that we stipulated, but --

EXECUTIVE OFFICER LUCCHESI: Yeah, the West Wilmington, and frankly the Long Beach Unit, the Optimized Waterflood Program and the deal that the State and the city and the operator, or the contractor, agreed to really was not specific to temporary relief like this is, within that narrow scope. It was really how will the contractor and the city be incentivized to increase investment into that field in order to produce more. And that was really the focus of that.

So it's a little bit like comparing apples to
oranges. And I think what Mr. -- why Mr. Mercier raised
that is because I think that's part of the longer term
royalty restructuring element in terms of not only trying
to reconcile this inflation issue that really sparked this
whole discussion, but also then how -- what kind of
incentives could be -- could be agreed to in order to
enhance production out there, but also at a great benefit
to the State in a number of ways, not only in increasing
revenues, but other public benefit and environmental
considerations along with that.

COMMISSIONER NEWSOM: Just a final point. So
it's an extraordinary moment in history for all of us, and
I certainly support the spirit of the conversation and the
direction the staff was moving. And I think we have some
clarity, at least two of my colleagues, as it relates to
recouping any of the losses up front. And what I'm
hearing from you is you have some confidence that in the
process of any negotiation we're going to create it
regardless as oil prices inevitably do what they do, and
that's go back up.

So I would certainly align myself, subject to
looking at some language here, because I'm not convinced
we're convinced of the specific language of the
amendments.

EXECUTIVE OFFICER LUCCHESI: Got it.
COMMISSIONER NEWSOM: But not to put you on the spot now. Maybe we can --

EXECUTIVE OFFICER LUCCHESI: No, no. I'm happy to be put on the spot here.

COMMISSIONER NEWSOM: -- defer. And I just want to make sure everyone here is happy with what we're doing and not making a mistake in terms of the spirit of what we're offering.

EXECUTIVE OFFICER LUCCHESI: Yeah, I think I just have a point of clarification, if I may. We've talked about scenario where the State recoups the savings over this temporary period. There's one track where the State is successful in negotiating with CRC a longer term royalty modification that accounts for that savings to be repaid to the State.

But if there's under a second track where there isn't a longer term agreement reached, for whatever reason, is it the Commission -- or Commissioner Ortega, is it your intention, through the amending motion, that regardless of whether a longer term agreement can be reached, that the State recoups those savings --

ACTING COMMISSIONER ORTEGA: Yes.

EXECUTIVE OFFICER LUCCHESI: -- realized by CRC?

ACTING COMMISSIONER ORTEGA: Yeah, that is my thinking and my motion.
CHAIRPERSON YEE: Yeah, similar to the second.

EXECUTIVE OFFICER LUCCHESI: So let me see if I can try and put some bookends around this amending motion. The amending motion would be from Commissioner Ortega to adopt staff's recommendation with basically three modifications.

The first one, directing staff to include in the amendment language the ability to track the difference between the current royalty structure and the temporary royalty structure. The second modification to staff's recommendation would be that that difference, that savings that CRC realizes over this temporary period, that in the longer term royalty modification negotiation, that is -- that savings is captured and repaid to the State.

And in the event that a longer term royalty modification agreement cannot be reached between the State and CRC, that the CRC repays the State those -- that savings that it realized during that temporary modification.

It's a mouthful.

ACTING COMMISSIONER ORTEGA: Yes.

CHAIRPERSON YEE: Okay.

ACTING COMMISSIONER ORTEGA: That would be my motion.

CHAIRPERSON YEE: That would reflect that --
good. We have a motion by Commissioner Ortega to that
effect then. And I will second that.

COMMISSIONER NEWSOM: I'm just curious, was there
any other public comment? I'm sorry. It's not --

CHAIRPERSON YEE: That's the only public comment.

COMMISSIONER NEWSOM: That's what happens when
you're no longer Chair and you long for those days --
(Laughter.)

COMMISSIONER NEWSOM: -- when you had power and
influence.

CHAIRPERSON YEE: I don't believe there's any
other public comment.

COMMISSIONER NEWSOM: I was just wondering if
anyone else is out here. Good. I'm great. We'll move
forward.
(Laughter.)

CHAIRPERSON YEE: Okay. And I would be remiss if
I didn't just add in here that I would like serious
consideration to be given to, in the longer term
discussion, contributions to the continued operation and
maintenance of the Bolsa Chica Restoration Project.

CHAIRPERSON YEE: So we have a motion and a
second.

Without objection, such will be the order. Thank
you very much. Thank you, Mr. Mercier.
All right. Our next item is Item 66. It's relating to the City of Redwood City and Docktown. Let me have staff introduce the issue, and we have a number of speakers on this, but let's hear from Ms. Pemberton.

Good afternoon.

EXTERNAL AFFAIRS DIVISION CHIEF PEMBERTON: Thank you, Commissioners and Chair. Sheri Pemberton with the State Lands Commission. Calendar Item 66 addresses the Docktown marina at Redwood City. Docktown is on sovereign tide and submerged lands that are impressed with the public trust doctrine protections, which means the lands are dedicated to public use.

The principle, just for a little background of the Public Trust Doctrine is that California holds its sovereign lands in trust for the statewide public's benefit and enjoyment. This principle was enshrined at State-hood but it goes back to Roman law. And the principle under -- or the rationale underlying this principle is that the waterways belong to the public and they are set aside for public water-dependent uses.

The lands underlying Docktown marina are tide and submerged lands that the State legislature conveyed to Redwood City and trust. Redwood City owns and manages the lands at Docktown, and the Commission has oversight authority, and we provide advice to ensure that the...
waterfront continues to be available for the statewide public, and that the revenues generated from these lands are reinvested back into improving the land.

As trustee, Redwood City holds the lands under the terms of its various granting statutes and the principles of the Public Trust Doctrine. And the lands and the revenues generated from these lands can only be used for the benefit of the statewide public, not for sole individual citizens.

Currently, Docktown Marina is a floating home community. It has approximately 135 berths and approximately 103 are occupied by 86 slips, most of which are leased to tenants on a month-to-month basis.

The city has been managing Docktown directly since the previous operator terminated its lease in 2012. And they're currently looking for a harbor master to manage the marina.

When the city took over managing the marina in 2012 -- late 2012, it contacted Commission staff for advice. And the city let staff know that it was endeavoring to redevelop its waterfront and surrounding area and Docktown. And they were looking at the existing uses and trying to determine whether these should remain or be located elsewhere.

So the city also named the Commission as a member
of the inner harbor task force that was developing a broader land-use plan for Docktown and the surrounding area. Redwood City has the day-to-day management authority as the owner of the lands. The Commission doesn't usually substitute its judgment for the trustee, but it is required to protect the public's interest in grant lands. And it does collaborate with grantees when requested.

In response, to the city's queries, the Commission did some research, and based on advice from the Attorney General's office and previous case law, let the city know that the private residential uses are inconsistent with the Public Trust and the granting statutes.

Just for context, it's not a new interpretation on the part of Commission staff, nor is it unusual for staff to communicate with trustees about inconsistent trust uses, particularly at their request.

Over the past few decades, Commission staff has consistently advised grantees and others that private residential use of Trust lands is inconsistent with the Public Trust Doctrine.

Unfortunately, from time to time, scenarios such as Docktown happen. And it's really challenging to find a path forward that takes all the perspectives into account.
As staff, we really just despair at the thought of people losing their homes. And that's the last thing we would ever want to see happen, but these are Public Trust Lands, and we have a professional duty to uphold. So these situations are a real challenge for everybody involved.

Redwood City has come up with a compromise that would require legislation. It would protect the existing residents from being immediately relocated from their homes, while also acknowledging the city's duty to keep the Docktown waterfront publicly accessible, honoring the trust that has been bestowed upon them and allowing the city to move forward with their vision for improving the inner harbor.

So the City's proposed concept is legislation that would permit existing tenants to stay for up to 15 years without transferring or renting or subleasing their slips.

So staff recommends that the Commission direct staff to work with the city and its legislative representatives on this legislative concept, consistent with the conditions requested by the city.

Thank you.

CHAIRPERSON YEE: Thank you, Ms. Pemberton. Comments by Commissioners? Okay. We have a number of speakers on this item.
Let me call you up in groups. First, let's hear from Redwood City Vice Mayor Ian Bain, followed by Redwood City City Manager Melissa Stevenson Diaz. Why don't we start there and then we'll call others up.

Good afternoon.

REDWOOD CITY VICE MAYOR BAIN: Thank you. Thank you Commission Chair Yee, Commissioner Ortega. Hopefully Commissioner Newsom will return soon.

I wanted to congratulate him on his baby.

(Laughter.)

CHAIRPERSON YEE: Yes.

REDWOOD CITY VICE MAYOR BAIN: But I'm here -- I'm the Vice Mayor of Redwood City. I'm here to talk about the City's interest in this. So first and foremost, our interest is to serve our residents. Docktown is a community of approximately 100 people who are very active in Redwood City. They serve on our commissions. They clean the waterways. They're key members of our community.

And our interest here is to keep this community together and to keep the community in Redwood City. Our interest, to be very clear, is not to close Docktown. The reason why we've made the proposal today is because we realize the need to be consistent with State law and State Lands Commission policy. So we're hoping that if you
approve this proposal, we can give the residents and additional 15 years, which gives the city time to come up with an alternative plan. It would give us time to permit and build a new marina, look at other options for that, or relocate them to other areas, if needed.

We ask this because I know that you're all aware of the terrible housing crunch that we face in California, the Bay Area in particular, and the peninsula in particular. We recognize that you may be asked to explore other alternatives, including allowing liveaboards as a permitted use, and allowing rental units.

We know that that will take time. Those are important questions that you should explore. But in the meantime, we hope you will support our proposal as written, and that we can get this extra time to serve our residents. And I apologize. I'm going to have to catch a plane, but my colleagues are here. My colleague, Council Member Janet Borgens is here, our City Manager, Melissa Stevenson Diaz, who I believe will speak next, and our Assistant City Manager, Aaron Aknin. They can answer any questions for you, but I appreciate your consideration.

CHAIRPERSON YEE: Thank you, Vice Mayor Bain.

Thank you.

All right. Why don't we hear from the City Manager.
REDWOOD CITY MANAGER STEVENSON DIAZ: Good afternoon.

CHAIRPERSON YEE: Good afternoon.

REDWOOD CITY MANAGER STEVENSON DIAZ: I'm Melissa Stevenson Diaz. I'm the City Manager for Redwood City. And, as noted, I'm joining council members and our other senior staff, our Assistant City Manager, Aaron Aknin, who's been very active on this issue in support of the city.

So first, we did want to thank the Commission for hearing this item and for hearing it in a timely manner. We're very aware, and we think you may be as well, that the residents of Docktown have been living with some uncertainty for a fair amount of time. And so your consideration of this item today, and hopefully your support for it, will really help this community move to a better path.

We also really want to thank the Commission staff who were active in the planning process that Ms. Pemberton mentioned. That's been an important effort for our community to start to reenvision what is now an industrial area primarily, and to think about what that could include for the future. It is certainly the city's intent that over time there will be much more public access, hopefully more open space as well, in the entire inner harbor.
region. And so we're excited about moving toward that. And we've appreciated the involvement of the Commission staff during that time frame.

It is also clear to the city as the Vice Mayor just mentioned that the current policies of the Commission don't allow for the Docktown Marina to remain in perpetuity. And so we have been struggling to find a path that might properly balance the needs of those residents who do not have many options in terms of either affordable housing or specifically marina living in Redwood City or even in other places in the State, and with regarding the trust that has been granted to the city.

And as we've been looking at those issues, we were sort of pleased actually to find that we think there's a really reasonable solution that the Commission and the State legislature has approved in the past. And so in the staff report and in the letter from the city, we reference a case of De Anza Point in Southern California, where an extended period of time was allowed for residents who lived in a mobile home park on State granted lands.

So we feel this is very similar, and so we've modeled our proposal based on that situation, thinking that it would be hopefully a smoother process for both the Commission to consider, and for the State legislature to support, in terms of balancing both the Public Trust
obligations, and then certainly our concerns for the residents of Redwood City.

So we're happy to answer questions about the particular proposal, but primarily we wanted to thank you for your consideration, and encourage your support of the city's request and the staff's recommendation.

CHAIRPERSON YEE: Great. Thank you, Ms. Diaz. I do have a couple questions. One is the period of 15 years. I was just curious how you arrived at that, and whether that's consistent with other planning efforts that the city has underway?

REDWOOD CITY MANAGER STEVENSON DIAZ: So as we've been thinking through the inner harbor process, there is a potential for development of another marina in a different part of the inner harbor that's not on State granted lands. And we understand it would take a number of years for the owner to receive the permits that would be needed in order to create that marina and a liveaboard space.

And so we were trying to provide a scope of time that could allow for that process to occur. And so the best alternative in our minds, and we think for many residents, would be able to stay in the inner harbor area, to be able to live on boats, and to remain in Redwood City. And so we wanted to allow the amount of time that could make that possible.
CHAIRPERSON YEE: Okay. Great. And then the public access improvements that would be made would be made -- it's being contemplated those would start within the 15-year period.

REDWOOD CITY MANAGER STEVENSON DIAZ: We would hope so. Certainly, the general plan calls for the land adjacent to Docktown to have greater recreational and public access. As we go through the process of evaluating the proposed inner harbor plan, we'll have a better understanding of how quickly we might have funding and the availability to actually produce that access, but that is the policy now, and we think that would be furthered in the future.

CHAIRPERSON YEE: Very well. Other Commissioner comments, at this point?

Okay. Very well. Thank you, Ms. Diaz.

REDWOOD CITY MANAGER STEVENSON DIAZ: Thank you.

CHAIRPERSON YEE: Let me call up the next group of speakers. Joan Bernier, JoAnn McDonnell, and Robert -- let me see. Is it Robert Hellier[sic]? Hiller[sic]?

MR. HEFLIN: Heflin.

MS. JOAN BERNIER: Hi.

CHAIRPERSON YEE: Good afternoon. Introduce yourself for the record. You have three minutes.

MS. JOAN BERNIER: Hi. My official title is J&K COURT REPORTING, LLC 916.476.3171
sister.

Madam Chair --

CHAIRPERSON YEE: Oh, I'm sorry.

MS. JOAN BERNIER: No, my name is Joan. Sorry, not of the religious order. I'm Mary's sister. And she's one of the residents of Docktown. I'm here to show you my very quick visual aid. I'll only take a moment of your time, because I know you have a lot to cover.

So this is for my sister, my two five-year old kids and I made it this morning. This is her dream houseboat. She's been living at Docktown for quite a long time. It's a wonderful community. She's very happy. She's worked in volunteer work all her life, and she's low income, and so are many of her friends and community at Docktown.

And I hope that you would consider -- we created this dream boat. She's saving up money so she can buy a boat at Docktown. She's very active in the community and has done harbor clean-ups, and been at many different council meetings. We created this because I'm a fourth generation Bay Area resident. My folks are from San Francisco. This is designed with a map of the Bay Area. And it's a call for all of us who would like to have places in this beautiful Bay Area that is available for people with low income and not to be able to be squeezed
out. And so we chose to make the map of the Bay Area the
wallpaper for her houseboat.

And that's it. Thank you for your time.

CHAIRPERSON YEE: Thank you.

Next, JoAnn McDonnell.

MS. MCDONNELL: Hello. My name is JoAnn
McDonnell. And thank you for seeing us and talking about
Docktown on the agenda.

I'm a retired critical care nurse with a Master's
in psychology. My husband and I own one of the large
floating homes. My husband is a Special Forces veteran, a
general contractor, and owns two small businesses. I
would like to support the Redwood City and State Lands
proposal to give our community 15 years to stay on the
creek. I'm a little concerned about the no -- not being
able to rent or sell. There are some options that we
might be able to do that would bring people down to the
water, such as short-term leases, Airbnb type leases -- or
not leases, but rentals, that would bring people down to
enjoy the water. Perhaps someone could have a kayak
rental or even the Muddy Bottoms Coffee Shop.

But there would -- none of that would be allowed,
because we can't run a business down there. And so we see
ourselves as being squeezed into oblivion really is our
concern.
There is already quite a bit of Public Trust use. The yacht club brings boats from other sailing clubs from all over into the area. They have parties and gatherings for the community. People already come down and launch their kayaks from the docks. They couldn't launch them from the creek very well. Before the condos across from where we live were built, people used to come and eat their lunch on the shore and look at the floating homes. It was a big draw. People liked that. It was a little strange at first, people are staying at your home, but they liked to see it.

Then they built some condos over there, and now the only people over there are the condo owners walking their dogs. It doesn't allow -- it doesn't encourage the public to come down and enjoy creek. And now they'll be doing that on our side of the creek. So we could really open up some areas among the boats and floating homes for the public to come down.

My husband and I lived on a boat for five years watching some of these floating homes being built. There was some stop -- a couple of stop orders placed on the floating home being built. And then they were rescinded, and they were told they could go ahead and build. And we thought, well, that's just great. And after that, we bought a floating home.
That would have been a really good time for them to bring up this State Lands issue. We'd never heard of it until just a few years ago.

And I'm glad that we're looking forward to finding a better outcome, and a little bit more security for our homes. Thank you.

CHAIRPERSON YEE: Thank you very much.

Ms. Lucchesi, on the issue of any commercial enterprises or the like in this area, can you comment on that?

EXECUTIVE OFFICER LUCCHESI: Well, in terms of consistency with the city's trust grant and the common law Public Trust Doctrine, commercial activities that are either water dependent or bring visitors down to the water, so that visitors can enjoy the waterfront, are certainly allowed.

Now -- but I think the question is more geared towards the city. What's important to remember here is that the State Lands Commission does not have any direct leasing jurisdiction here. The city actually owns these lands in fee and manages them under their trust grant. The legislature granted these lands to the city.

So typically, you know, there are 70 plus grants of these kind throughout the State, including where we're sitting right here. This is a grant to the City of
Berkeley. Those grantees manage these lands and their assets on a day-to-day basis. And they make the decision about what's appropriate and not appropriate.

Typically, on occasion, grantees will ask this Commission staff or the Attorney General's office for advice on what is or is not consistent, and that's how we find ourselves here. So in terms of your question about commercial activities, the Port of Redwood City sits on a trust grant. There are lots of commercial activities within the city's trust grant that are consistent with the Public Trust, and their legislative mandates.

CHAIRPERSON YEE: Okay. Ms. Diaz, do you mind coming back up and just providing a response?

REDWOOD CITY MANAGER STEVENSON DIAZ: So again, in thinking about a path forward, we were really just trying to model on what had been seen as acceptable in the past. So the city hasn't actually extensively discussed the possibility of commercial activity in the forms that were mentioned.

I would say that, you know, there's certainly a very clear understanding and concern about the need for people to have affordable housing. I would say the thought of the Trust lands being used to generate personal profit would be something that would need to be discussed. The city isn't currently party to any of the kinds of
activities, subleases, or other things are happening now, And so we don't really have any knowledge over at what rates those are charged or we're not party to those. So that would be something that would need more dialogue and policy for the city.

EXECUTIVE OFFICER LUCCHESI: I would just add -- thank you for that. I would just add that I think that the -- and correct me if I'm wrong, that the city is engaging in a planning effort to determine what are the appropriate uses, both recreational and commercial, throughout their inner harbor, and that that planning effort will help inform what the city ultimately allows.

I was reacting to one of the previous speakers talk about turning maybe their facility into a kayak rental. We see those all the time along waterfronts. And using that kind of commercial activity, making use of Trust lands for that type of commercial activity, but that's a contract or a business deal that's between the commercial operator and the city. And so that's something the city would engage in as appropriate and consistent with their planning efforts.

CHAIRPERSON YEE: Thank you both for the clarification.

MR. HEFLIN: Hello, Commission. I'm Robert Heflin, one of the property owners in one of the large floating homes, and JoAnn McDonnell's husband. And it's been a long time coming. It looks like with this we finally would be able to work with the city. It's been a very contentious time for everybody. I think people are worried sick about the outcome. I think this would give some relief to that pressure. We're all anxious to comply with State Lands.

In my own case, if we would have known that we were out of compliance with something, we probably wouldn't have bought the house, but nobody bothered to tell us at that time, but so here we are.

But I think this is a good medium solution to get to a solution of the problem that we all find ourselves in. And thank you very much.

CHAIRPERSON YEE: Thank you, Mr. Heflin.

MR. SLOAN: Good afternoon, members of the Commission. And we do have a PowerPoint. My name is William Sloan. I'm a partner at Morrison & Foerster, and we are counsel appearing pro bono on behalf of the Redwood Creek Association.

CHAIRPERSON YEE: Let me just have you hold up for just one moment while we --

(Thereupon an overhead presentation was
presented as follows.)

MR. SLOAN: Sure. I'm assuming this will work.

CHAIRPERSON YEE: Thank you.

MR. SLOAN: So I am counsel appearing on behalf of the Redwood Creek Association. The Redwood Creek Association is comprised of members of the Docktown community. And our firm -- I've actually appeared before your Commission before explaining that we decided to do this pro bono, in part because we think that this presents really important issues. You've already heard about the affordable housing. I'm glad I didn't have to follow the dream boat model, because I was so choked up by it, I'm not sure I could have spoken.

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MR. SLOAN: So I'm happy to say that we are here to support the staff's recommendation. One of the prior speakers did mention that there was a lot of concern amongst the community and a lot of confusion about ultimately where was the Commission going, where was the city going. And this proposal that has come forward now before the Commission is one that I think the community can support.

But I do want to raise just one concern. And I would ask that both the staff and the Commission keep an open mind about it, and that is with respect to the
recommendation that the legislation that would be proposed would also find that private residential use of tidelands and submerged lands conflicts with the common law Public Trust Doctrine.

The reason that I want to ask you to think about that is to think about the implications of what that would have. I think that that goes far more broadly than is necessary to ultimately contemplate some of the alternative solutions, the transition plans that this community could work with the city to accomplish, which would include relocation.

But if you, in legislation, put forward the statement that residential use is inconsistent, you do --

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MR. SLOAN: -- start running into a number of potential conflicts. And I have mentioned this before to the Commission. In our slides, we did provide the language in your regulations, which says that leases may be permitted for such uses as dwellings, arks, and houseboats.

If you have legislation that says, per se, residential use is inconsistent, you arguably are creating a conflict with your regulations.

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MR. SLOAN: But perhaps more importantly, you
could also start creating issues for other communities.

Now, I've put this up here. This is a map of the grant to Redwood City -- the granted lands. And if you take a close look at it, you'll see that the Docktown community, which is just down in that far left corner where the star is, it was part of a much larger grant. And many lands that were ultimately granted to Redwood City.

Now, you may or may not be familiar with how BCDC has handled houseboat communities and marinas. But they, for the most part, have a policy where they allow about 10 percent of marinas to go to houseboats.

And I thought it was important to show the context here. This is not a situation where the entire granted lands are being used for houseboats. Quite the opposite. This is mostly industrial area. And having this community here, I would suggest provides the same types of benefits that BCDC looks to have for keeping an overnight presence, a community of people that actually have a stake and an interest in keeping that area safe.

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MR. SLOAN: So I've provided a number of slides that I can go through quite quickly. We have here the BCDC staff report on houseboats from 1985. You'll see -- it's kind of hard to see there, but if you have the handout, there are 444 houseboat berths just in -- and
they were listing Sausalito and Mission Creek.

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MR. SLOAN: Here's a picture of Mission Creek where you can see houseboats currently exist. The Commission has certainly known about these. These have been authorized by BCDC.

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MR. SLOAN: Sausalito and Richardson Bay you're probably all familiar with. It's certainly a well known situation up there with houseboats.

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MR. SLOAN: The Berkeley Marina right outside. Perhaps when you came in today, you may have seen the houseboats that are located out there.

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MR. SLOAN: The Barnhill Marina in Alameda, more than 40 houseboats authorized by BCDC there.

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MR. SLOAN: Sandy Beach in Vallejo. And actually this one is particularly interesting. Actually, one of the residents of the community here pointed out to me, if you look at your consent calendar, Item C 30, you actually by consent approved a general lease for recreational and residential use on sovereign land. It did include residential use.
So there are situations where the Commission in its discretion determines that it is appropriate to permit residential use. I'm only asking here that you keep that option open. I'm not here today to have you somehow decree that residential use is okay in Docktown. I'm just asking that you not foreclose that discussion.

I think that you can pursue this legislation without a broad pronouncement on residential use and whether or not it's consistent or not with the Public Trust.

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MR. SLOAN: This is an excerpt from the staff report in approving one of the leases at Sandy Beach, and you'll see that the report stated that the uses at Sandy Beach do not substantially interfere with the Trust.

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MR. SLOAN: The same with Black Point in Novato. Again, so long as the State's lands are not needed for Public Trust purposes, residential uses were permitted.

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MS. SLOAN: If you go back to that map that I showed you of the granted lands, you'll see Redwood Creek abuts right up to the highway. It is not a situation where you have masses of boats going back and forth. It's not surrounded by other commercial uses. It's just a
small portion of a much larger grant, where there are many
Public Trust uses ongoing.

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MR. SLOAN: Former Pete's Harbor actually had a
legislative solution, which permitted residential uses.
Now, it's the case that Pete's Harbor now is no longer
there, and that's actually part of the problem with this
community having nowhere else to go, but that can be done
even in legislation.

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MR. SLOAN: So ultimately, the path forward, we
very much support what the staff has proposed, what the
city has proposed. We think that this is exactly the kind
of collaborative effort that leads to good solutions. I
would just ask that you not foreclose the option of
considering whether or not there are situations where a
houseboat may be consistent with the Public Trust.

I don't think that that would prevent us from
achieving the solution that the city has proposed and that
the staff is recommending. I'm happy to answer any
questions.

CHAIRPERSON YEE: Thank you very much.

Let me turn to the staff on that question of the
precluding -- well, actually, whether what's being
contemplated with the proposal before us would resolve
that question about whether houseboats are inconsistent with the Public Trust.

EXECUTIVE OFFICER LUCCHESI: Yeah. So I'd like to respond to a number of points that were just made. First, in terms of the legislation and the city's request to include that provision, that is similar to the De Anza legislation that the city referenced earlier, the mobile home park on filled Public Trust Lands. That legislation did state that residential uses were inconsistent with the Public Trust, and the city's trust grant.

And so that's, I think, where that concept to include it in the proposed concept came from. And that is also consistent with the advice that we'd been given for decades by the Attorney General's office on this issue.

I do want to respond to a number of points that were made about different circumstances throughout the San Francisco Bay, including Sandy Beach. So I think one of the first items is the 10 percent rule, if you will, that BCDC implements for certain marinas in the Bay Area. That was actually as a result of advice and collaboration that included the Attorney General's office for marinas that included liveaboards. And the policy reasons behind that was to allow 10 percent of the marina to be allowed for liveaboard use to provide security for the marina to provide that security of overnight.
So it's not 10 percent of the entire Trust Grant, it's 10 percent of a certain marina that is typically allowed by BCDC to be used as liveaboards for security purposes that furthers the Trust assets and uses in that area.

There were identified a number of different areas in San Francisco Bay that showed other houseboats similar to what we see at Docktown. The majority of those are located in granted lands, if not all of them, similar to Docktown, with some caveats and nuances.

What you saw in Richardson Bay and what you saw in Sausalito, those are on what we call BTLC lots. Back in the late 1800s, California created a board of Tideland Lot Commissioners, which basically subdivided the Bay and sold off lots to private homeowners. Based on a number of different court actions and which culminated in a California Supreme Court decision in 1981, those lots that were subdivided and validly sold are -- the underlying fee ownership is in private hands. That is different than what we see at Docktown.

The ownership of the land and the different layers of that ownership makes a difference in terms of how we, as staff, approach some of these things. And again, those are all in granted lands. I can't over-emphasize enough that the State Lands Commission does
not have direct leasing jurisdiction over those facilities or those lands similar to Docktown.

What that means for the Commission is that the Commission typically does not substitute its judgment in competing uses for that of the grantee. In this situation, we were specifically asked during the inner harbor task force effort for advice on consistency of uses with their trust grant. We gave that advice. If we were asked for that in other grants, we would certainly give the same advice.

I want to highlight Sandy Beach, because that is an area that we do have direct leasing jurisdiction over. And the Commission did just authorize approximately 35 leases. Again, ownership of the land is a key element to this. In Sandy Beach, there are tideland patents there. Those are somewhat similar to the BTLC lots that I just mentioned. Tideland patents basically sold the underlying fee title to private landowners -- upland owners. And there is a retained Public Trust easement interest, but the underlying fee is not owned by the State of California.

So at Sandy Beach, you have the majority of, all of those homes, actual homes, are located on private upland fee ownership land. Some of those decks do encroach onto what we believe are Public Trust Lands, but
the title and the ownership is not certain. We have been
callenged, not legally yet, but by certain individuals
that the State Lands Commission, on behalf of the State,
does not actually own some of those lands.

So when we came to the Commission with those
proposed leases, it was for a small portion of decks that
are considered residential in our world because of that's
how we assess rent. We assess a higher rent for
residential types of facilities. And they are on
basically disputed ownership lands. And we did a Public
Trust assessment of what the Trust -- public's Trust needs
are in that small area and made the recommendation that
these leases do not interfere with those needs.

In the same finding, we did talk about the fact
that residential uses are generally not consistent with
the Trust. And that is the balance that a trustee, such
as the State Lands Commission in its ownership -- for its
ownership lands has. That's the type of discretion that
the city has as a trustee of granted lands. They are to
look at what are the competing needs, and how do those fit
within the Trust grant dictated by the legislature, and by
the common law Public Trust Doctrine.

Now, the proposed legislation that the city has
offered up really puts that competing needs question in
front of the legislature, who is the ultimate trustor of
these lands on behalf of the entire State.

And so the legislature, through this concept, is going to be weighing what are the Trust needs, what are the needs of the residents, and can we find a compromise that allows for the sensitive and responsible transition, while maintaining these common law principles that these lands are public and they belong to the entire State.

CHAIRPERSON YEE: Thank you.

EXECUTIVE OFFICER LUCCHESI: Yes, I'm done.

MR. SLOAN: I'll just finish saying I agree with everything the Executive Officer said. I certainly don't want to, in any way, give the impression we're at odds on this.

And ultimately, I just would like to have the legislature be given the opportunity to make that weighing and make the ultimate decision as opposed to coming in with a predetermination.

So thank you.

CHAIRPERSON YEE: Thank you very much.

Comments, Commissioners?

Okay. We'll move to our next group of speakers. Lee Callister, Diana Reddy, and Tania Soté[sic].

MR. CALLISTER: So I do have some slides. We'll probably skip some of them.

My name is Lee Callister. I want to, first of
all, thank the Commission for hearing us. And I want to thank the staff and the city staff in working together, having a dialogue, and coming up with a proposed solution, which is something that I've been long asking for.

(Thereupon an overhead presentation was presented as follows.)

MR. CALLISTER: And we support further discussions leading to an agreement between all interested parties, including the residents of Docktown, who are the ones that are most affected here.

I'd like to give the proposal my wholehearted support, but I do have a few concerns about some of the points that have already been made, which will allow me to go a little -- skip over them a little bit faster.

It's -- what I'm hearing from you is that it's really an issue primarily to be held with the city, but I do want to call your attention to just a couple of these points. Under this proposal, Docktown residents would be unable to buy, sell, rent, or transfer our properties, leaving the community to slowly stagnate and wither.

I don't understand the justification for restricting our economic well-being and access to affordable housing during this period. Residents who have invested hundreds of thousands of dollars and pay commensurate property taxes, cannot consider job offers
that would further advance their careers because they can't sell their homes and move on.

A professional woman with an autistic son, who is now 20 years old, will be unable to acquire a second household for her son, even though the owner of a suitable property that is currently sitting empty would like to transfer title to her. And much needed affordable housing will be shuttered or destroyed and residents displaced because they can no longer be a resident.

Why don't you go ahead and let me see where I've ended up here so far.

This is just a picture of some of the nice floating homes at Docktown, which I know you've all seen, because I've been sending you pictures.

Can you move on to the next slide?

--o0o--

MR. CALLISTER: All right. So what I want to show here, a little bit out of order, but let me go through anyway, is in this slide and in the next slide, you'll see that we don't interfere with navigation and fishing and commerce. There's plenty of room here. And we also have boats and canoes and kayaks constantly going up and down the creek. So the notion that we have to be removed to provide public space for navigation and recreation is not true. It just doesn't work.
What else have I got here?
Go ahead and move on.

--o0o--

MR. CALLISTER: Okay. That's just to show that
we have -- that we're protectors of the environment and
that we're concerned quite honestly that if we're not here
that those birds will disappear. I'm seeing fewer of them
as more development in the area takes place. These are
taken just right outside my place. Where the tide is
there, they come up and eat.

Next slide, please.

--o0o--

CHAIRPERSON YEE: Mr. Callister, if you could,
your time has expired, but let's have you expedite the
presentation.

MR. CALLISTER: I will try to expedite it. I
also ask the forbearance of the Chair that I do have a
resident here who would be willing to concede me with his
time. Is that acceptable to you?

CHAIRPERSON YEE: If he signed up, we're happy to
hear from him.

MR. CALLISTER: He did sign up.

CHAIRPERSON YEE: Okay.

MR. CALLISTER: I want to say that nor do we
inhibit public access. In another way, there's a public
launch ramp at the bottom of Docktown where people can launch their watercraft for extended tours of Redwood Creek's many sloughs and wetlands, which just needs some maintenance work.

--o0o--

MR. CALLISTER: I'm in favor of new amenities, including canoe and kayak rentals. The key point is at Docktown visitors have access to go out onto the water, which is not true -- can you go back one more where you just were, please?

That one -- which is not true across the creek where a new condo development is coming in, and the public access is that concrete slab, that sidewalk, that goes along the levy there. People can look down on the water, but they can't interact with the water. They can't go out on the water. That's what I call public access.

The justification for this policy as I understand it, is that no one should be allowed to profit from public lands. I may be interpreting that wrong, but I have to point out that grants specifically as commerce as an acceptable use that marina operators who lease granted land generate income from renting out slips. And, of course, we know about hotels, convention centers, restaurants, and oil and gas interests that make millions of dollars every year.
Moving on, please.

--o0o--

MR. CALLISTER: I'll come back to that one.

--o0o--

MR. CALLISTER: Okay. You've heard by now how we clean the creek every month on a regular basis. I won't dwell on it. Keep going.

--o0o--

MR. CALLISTER: All right. So renting out affordable housing in this tight housing market provides income for our Redwood City renters who cannot afford to pay three to four thousand dollars a month for an apartment elsewhere. That's the thing that's often overlooked in this discussion about affordable housing and who's profiting. We are providing low interest -- low cost rentals for Redwood City residents.

One more, please.

--o0o--

MR. CALLISTER: We've got two or three of them here. These are -- these particular units rent for about 15 or 16 hundred dollars a month. That's not dirt cheap, but compared to what the going rate is in Redwood City right now, that's a real bargain.

--o0o--

MR. CALLISTER: Most people -- if we're not
allowed to rent, most people will have to go somewhere else. And where are they going to find anything comparable for that amount of money? I was going to talk about Sandy Beach, but I think that's pretty much been covered.

I would just like to say that as stakeholders affected by the decisions in this case, we look forward to work with the State and city and the legislature to draft new legislation acceptable to all parties, asking only that you do not require the inclusion of the disruptive conditions during the outlying time frame.

Thank you very much for your time.

CHAIRPERSON YEE: Thank you, Mr. Callister.

Okay. Diana Reddy, followed by Tania Soté.

MS. REDDY: Solé.

CHAIRPERSON YEE: Oh, Solé. I'm sorry. There's a cross right in the middle of it.

Okay. Thank you.

MS. REDDY: I'm Diana Reddy. I'm a frustrated affordable housing advocate. In my -- in Redwood City, we -- in recent years, we have lost literally thousands of low income workers and families. And more recently, those workers are including now teachers, nurses, and other professionals that are critical to our community.

In the last 10 years, Redwood City has lost 400
units of affordable housing, 300 units in Peninsula Marina, that was the marina what was closed, and Pete's Harbor was about 100 units of affordable housing. So it's really -- Docktown has been a blessing to me personally and to the community. And I'm just very eager to see them remain where they are and the genuine asset they are to our community.

Communities all over the world are embracing the idea of floating communities. They are embracing the idea of floating communities because they are given the opportunity to create affordable housing, they are able to address sea level rise, and these communities are building. They're huge and they keep adding to their floating communities, including creating commercial businesses, start-up businesses, and others, not just residential.

So when we're talking about personal profit, I was thinking about Redwood City's recent use of accessory dwelling units as being counted for affordable housing in our city. And I was so grateful to them for reducing some of the restrictions for secondary units. And I liken the renting of floating homes to this opportunity to create affordable housing for some of our renters who are not able to rent in Redwood City.

I, too -- I'm kind of skipping through as well.
I, too, support the staff recommendation, but I do ask that that support include and not exclude things such as people being able to buy and sell their boats and rent and have a functioning marina at Docktown.

Thank you so much.

CHAIRPERSON YEE: Thank you, Ms. Reddy.

Good afternoon.

MS. SOLÉ: Good afternoon, Commissioners. I am Tania Solé, a former Pete's Harbor resident, now a resident Docktown. I am also a member of the Peninsula Yacht club, and the nonprofit San Francisco Bay Marinas For All that seeks to preserve and expand marinas throughout the Bay.

I am here today to advocate for a solution in support of a legislative solution that would allow Docktown to stay for at least 30 years without any unnecessary limiting conditions.

The reality is that there's a very low likelihood that another marina will be built in the area, not in 15 years, not in 30. The fact is that marinas are being closed all around the Bay Area. As the city manager has just acknowledged, Docktown is a floating home marina, more similar to floating homes such as Alameda, Mission Creek and Sausalito.

Those communities enjoy the benefits of long-term
leases. So why, if we are discussing a legislative solution, aren't we also discussing that type of a solution for Docktown. A 30-year lease similar to what communities have is what is appropriate. I strongly urge you to consider that there are a lot of national, State, and local development block grants and pools of money like, for example, the San Francisco Bay Water Trail that require at least a 30-year lease or plan of existence for them to participate and contribute.

Infrastructure such as new docks and sewers, most importantly sewers, could then easily be installed at Docktown and make Docktown the state of the art, environmentally sensitive, commercial, residential, mixed-use marina that continues and further enhances the Public Trust and the enjoyment of the Bay and Redwood Creek by all the residents of California.

Thank you.

CHAIRPERSON YEE: Thank you very much.

Up next we have Kevin Germano followed by James Jonas, and Edward Stancil.

MR. GERMANO: Hi. My name is Kevin Germano. And most of what I was going to say has already been covered, but I would just like to reiterate one thing that -- I've been one of the longest members in Docktown. I've been there over 25 years. And now I want to retire and I want
to move up to the wine country, and leave. And so I think that by not being able to sell or rent out my property, I'm really being harmed in this situation. So I just want to say that I don't think in any way did we, the people of Docktown, you know, cause this situation, start this problem. And I don't think, in any way, that we should be harmed by the resolution of this problem.

This won't be an easy one for you to decide, and you should consider it with great care. I know that if you use your head and your heart, you will come to the right choice and one that we can live with a win-win for everybody.

CHAIRPERSON YEE: Thank you very much.

MR. JONAS: Hello, Commissioners, Madam Chair My name is James Jonas. I've been in Docktown about 14 years. First of all, 15 years, I think that's a little short. There was a tool that was used in Mission Bay in San Francisco, in which they did a tiered or stepped type of process in which they started out with a short period of time, like 15 years, and then they added to it. So perhaps, one alternative to look at is a 15, 15, of course, with your consent.

In terms of the parts of it, I would encourage you to be very, very flexible with regard to how we can solve this problem. We might want to look at swaps, for
example, or look at how we can work with non-grant properties that are under fee ownership, for example, like Sandy Beach, so we can use the Sandy Beach model in order to create leases.

And by the way, not all of Docktown is on grant property. My property -- I believe my house is not on the grant property, and we can actually start on that process today. And I've actually presented to Aaron a copy of those leases, so again, we can start that process right now. And that could be a potential way of starting the way of transitioning this community toward something that could be stable over time.

I'd like to talk about an article very briefly. And it just came out two weeks ago. It says millions projected to be at risk from sea level rise in continental United States. Now, this article was very interesting, because it did something different. I mean, we've heard those projections before, but it accounted for how we actually will increase in population along our coastline.

Now, the earlier estimates were in sometimes the hundreds of thousands or half a million. And what it did, it said, if we go ahead and grow the population, as we normally will across the next, you know, till 2100, and we may very well see displacement under six feet of sea level rise of one million Californians.
They estimate the cost, for example, in Alaska, using a model that was done there for the relocation of a community of $1 million per resident. That means we're looking at relocation of the cost -- economic cost of $1 trillion.

Now, how does that relate to the situation at Docktown? Well, if you take a look at what we're discussing here, when they talk about recognizing that residential use of granted and sovereign lands is inconsistent with the city's Trust grant, and -- but the and part -- common law Public Trust Doctrine.

You see, there's a tension between grant properties an non-grant properties. Many of the grant properties are actually, what we call, sovereign lands. And this is where that tension comes to be. So I would be very careful about putting this into black letter law. It may very well have a massive economic impact on all of Californian, both the government as well as private parties, in the future.

And also, at the same time, if what we're looking at here is such an impact -- I'm sorry -- those communities should very well be alerted with regard to the fact that there will be an impact and included in this conversation here. I would think we would have probably a need for a much larger venue, because this consists of
every single coastal community within California.

Now, the thing is, is that, this is -- I think what we have is an opportunity. And I am actually pretty excited, and I'd like to acknowledge the work of this gentleman to my left here, in the strategic plan, which is there are three items in that strategic plan, which I wish to bring to your attention.

CHAIRPERSON YEE: Mr. Jonas, I'm going to ask you to wrap it up. Your time has expired.

MR. STANCIL: I'll give him some of my time.

CHAIRPERSON YEE: All right. What is your name, sir?

MR. STANCIL: Edward Stancil.

CHAIRPERSON YEE: Thank you.

MR. JONAS: Thank you, Ed.

The three items are this, is on 1.4.3 of the strategic plan, we talk about adopt flexible, adaptive approaches to address sea level rise that protect vulnerable populations and give priority to natural infrastructure.

Also, there's a reference to Executive Order by Brown of B-3015, and that states essentially the same thing, in which they're discussing flexible and adaptive approaches in protecting vulnerable populations, as well as natural infrastructure solutions.
The thing is part of their strategy is we're going to see how we can start to address this issue of sea level rise. And I think Docktown once again is the opportunity for us to do that. And one way to do it is the tool which is the Sandy Beach lease -- lease -- excuse me, the Sandy Beach lease, in which, what we do, is we look at how we may be able to utilize non-grant properties.

And in that case, what we have is an opportunity perhaps to swap properties for Docktown. I would encourage you to be very flexible with regard to this legislation, to not necessarily over constrain it. And I would also encourage you to give us more time. Fifteen years is a little bit short. And many of the members believe that we do have to go and invest in some infrastructure. We've been lacking infrastructure for many, many decades. And 15 years is a little hard to amortize that cost.

Thank you very much.

CHAIRPERSON YEE: Thank you.

Next, we have Mr. Emelio Diaz.

How about -- Mr. Diaz, please.

MR. DIAZ: Hello. My name is Emelio Diaz, and thanks for everybody's attention, I guess. I've been there since '98. I was in Alviso -- probably the last
boat at Alviso, back in '98. When I got there, there was
400 boats living across the peninsula. Then we had about
300 boats up at Pete's Harbor.

Now, there's just us left. And we do have access
to the water. I mean, our docks are not locked. People
walk out onto the water. People fish on our docks. We
are open. People use the area. Not like up in the
commercial areas -- I mean, the municipal marina where
everything is locked up. All the gates you have to have a
code to get through them. Even the docks across the way.
That private little lake -- peninsula lake there, there's
a little dock there. You have -- that's locked up too.
So there no way, other than to get to the water freely as
there is at Docktown. So I think as far as access, we're
number one.

I like living on the peninsula. I like the
location. And I think most people do, but it's getting to
the point where, unless you have some extremely unique
situation like Docktown, you can't live there any more.
You'll have to move on. People -- my son, he's 20 years
old. He can't afford to live there, unless he's living
with me on my boat. So please make it easier for us.

Thank you.

CHAIRPERSON YEE: Thank you very much.

Let me have Captain Aimee Groce, Alison Madden,
followed by Greg Miller and Mary Bernier.

And while you're coming up, Ms. Lucchesi, just a clarification. All of Docktown is not on granted lands?

EXECUTIVE OFFICER LUCCHESI: No, it's my understanding that all of Docktown is on granted Public Trust Lands. Now, I would -- we would be happy to review any information submitted to us that shows portions of these house -- floating homes, excuse me, may be located on private property or private uplands. But as far as we know, these floating homes are located on Public Trust Lands that have been granted to the city of Redwood City.

CHAIRPERSON YEE: Okay. Thank you. Good afternoon.

MS. GROCE: I'd like to give Ed Stancil some of my time.

CHAIRPERSON YEE: Okay.

MR. STANCIL: I gave mine to Jonas -- James Jonas, but he didn't bring up what I really wanted to talk about --

CHAIRPERSON YEE: Okay.

MR. STANCIL: -- and that's Docktown history. Okay. So people wonder where did Docktown come from?

Okay. Docktown, Station South Bay, U.S. Coast Guard, 1942. What happened in 1942? They put a submarine net across the Golden Gate. They closed down Station
South Bay in Docktown, Redwood City. Okay. The city took over that land, and that's a place where James Jonas Francesca Fambrough, Edward Stancil, and four other people live on that property. It's the Old Coast Guard docks.

And then in 40 -- whenever the '54 -- whatever it was, they added to it, and made the Docktown along State Lands. We're on the right side of the ramp, State Lands is on the left side of the ramp. You'd have to look at the map.

Okay. The people -- we'd like to invite you there. Obviously, nobody has come there to see me, because they never knocked on my boat, but we have water access. There's no gates anywhere in Docktown, except on the ramp now, because the city took it over and they locked it off. So bass fisherman after bass fisherman, striper fisherman turn around and have to go, oh, you can't launch here, but there's another ramp up five miles away. So they're automatically not helping us.

But what I'd like to say is 16 years looks great, 30 years looks better, but at least it's -- the problem has been for myself and my wife is every week a lawsuit, a this, a that. We're going to do this. You've got to do that. And for the last four years, we're just holding on by our things, but, you know, if you're late on your rent, you're out of there. There's all this stuff. We -- one
of our residents sunk. We had to work on it in two months
to get it going again, but the liveaboard fees had to be
paid. There's no harbor master. There's no conscience at
all in Redwood City.

    Thank you.

CHAIRPERSON YEE: Thank you very much.

    Alison Madden, followed by Greg Miller and Mary
Bernier.

    MS. MADDEN: Hi. Before we start my time, I was
wondering if we could load the maps. There was one called
Redwood One, which shows before the development, and then
there's an Inner Harbor file name that shows the
development with the marinas gone, or I could start
speaking, but I just wanted to ask for that and not have
that be on my time.

    No, that's Mary's. There's one called Redwood
One, and there's one called Inner Harbor.

    Right there, Redwood One shows the old Pete's
Harbor and the 400-slip peninsula marina. The big empty
marina is the Ferrari pond. And the creek that goes in
there with Docktown down the middle, it splits off and
there's a Bair Island Aquatic Center Rowing Club that's
there.

    If we could show the other one. It has Inner
Harbor in the file name. Here is the various
developments. The yellow is Pete's Harbor, which is going
to be 400 condos owned by did Pauls Corp, and 300 boaters
were kicked out of there. That is where legislation in
1983 gave two 50-year leases, and specifically stated that
the liveaboards -- the usage was consistent with the
Public Trust. So that's right on point and not
distinguishable.

Then you have the big 400 boats in peninsula
marina are gone. The green and the yellow development are
together owned by the Pauls Corp. And those two
developments are responsible for the two marinas lost, 700
slips lost.

And the reason I show this is because I believe
that Docktown is inherently commercial. It's a mixed-use
commercial marina, and it does support statewide boating.
I think that there is -- first of all, I expect, on
balance, that you'll hear almost all of us today here say
on this specific agenda item that we don't disagree and we
agree with directing staff to commence discussions on
legislation. So at the highest order, I think we're all
in agreement. It's what is in that legislation. What are
the baseline statements about what is permissible with the
Public Trust, and I agree wholeheartedly with our Morrison
& Foerster partner.

I happen to be an attorney. I'm a tech attorney
right now, but I invested a lot of time in Pete's Harbor and really understand the Public Trust and the multi-use aspect. So I think we're all on board with that -- with the approach.

    I want to say that there's an assumption here that public access means an empty creek with the public walking on the uplands. And I'm really concerned about that, because that's not Public Trust law. The Public Resources Code expressly prefers economic commercial use over land being returned to its natural state, whether that's a private marina or a marina run by the city. It is not preferable to have an empty creek versus a mixed-use marina.

    And right here in the Mayor's letter you have statements, and you have statements by the city manager saying that there's plans for more public access, but there aren't. The inner harbor specific plan is already on the table. It's already been given to the city. The task force wanted to keep Docktown where it is. The proposed plan has us moving to Ferrari Pond, but there are no other amenities for public access to this space. They've closed the public launch ramp. They've closed the public guest docks.

    And if you read the Mayor's letter, you'll see expressly in the very immediate short-term they're going
to stop all recreational, commercial, and residential rental activity. That's half the marina gone. And we have put a letter in front of you. I'm a member of the nonprofit San Francisco Bay Marinas For All. We believe that no court ever through all time, international, national, federal, or State has ever held that a proportion of residential use in a mixed-use commercial recreational marina is against the Public Trust.

This is really a matter of federal law. It's for the legislature and the judge to decide. And I don't quarrel with the fact that the deputy attorney generals have given advice in letters, advice of counsel letters, for a few decades, but that's not how law is made in America. This is not for the Attorney General to decide. It's a legislative and a judicial issue.

And I'm the mom with the autistic son. When I moved in he was 17, not yet graduated from high school. We didn't know if he would graduate. He did graduate. He's 20 now. He's on SSI, and he would have to live with his mom for 15 years, if I'm not able to buy this darling little floating home that the woman wants to sell to me.

For two years, the city has been saying no, no lease, no transfer, no sale. So this isn't new in the Mayor's letter to you. It's been going on for two years. So I really, you know, appeal to your discretion and your
judgment to state that grandfather is on the table, and
that renters should be protected, and people like Mary
should be able to buy their home.

Thank you.

CHAIRPERSON YEE: Thank you very much.

Mr. Miller.

MR. MILLER: Yeah. My name is Greg Miller. I'm
a retired registered nurse, and a member of California
Nurses Association. And I'm here just mainly as a
concerned citizen. I'm not a Docktown resident, but I
think that -- I know that this area faces a critical
affordable housing shortage, and Docktown Marina fulfills
a lot of the needs for affordable housing in this area.

And so I support the measure -- I support a
measure that allows the current residents to stay, all the
current residents, and also allows flexibility for
possible, you know, transfer and sales of -- and renting
of their boats, so that -- because we have such a crisis
right now in affordable housing.

And this Docktown marina really is an example of
some housing that we can't afford to lose. So I support
the measure that -- the measure with some of the -- with
more flexibility that has been proposed.

Thank you.

CHAIRPERSON YEE: Thank you.
Mary Bernier.

MS. MARY BERNIER: Hello. Thank you very much. I just want to say hi to everybody. I can never remember everyone's names, but -- I especially Janet Borgens thank you for coming here.

So I'm wanting to show, and it might not happen, the area that we actually take up in the Docktown greater area. So maybe it won't. So I have some photos here, but I'm just going to hand them.

CHAIRPERSON YEE: Are we able to pull that slide?

MR. LLOYD: Working on it.

MS. MARY BERNIER: So the idea is just that you will know that Docktown is on a little tiny creek that's really skinny when it's low tide. And when it's high tide, the satellite will show you, if we don't so it there, it doesn't take up a lot of space at all. And that little creek goes out and gets larger and larger and larger.

And I have some photos that show these two different parks that Redwood City has that unfortunately are not utilized hardly at all, even though a lot of people know they're there. But I'll be sending you these photos, because that's how come I was late, there was just a big problem with the USB.

It's like you're in Hawaii. The great immense
amount of water gives -- when the sun goes down, the sun is just shining everywhere. Our creek is gorgeous, but you nothing on the creek except, you know, a mud bank on the other side. This is just real huge.

Wait. Maybe, we do. But I don't have the photos, but I'll be sending them to you. But you'll get an idea, we're not hogging for people. So where you see that little red -- or kind of orange balloon -- thank you -- so that is -- this is the first shot of there's Highway 101, and that's the little tiny creek that goes under the highway and then goes under town. And that's our Redwood Creek.

The next one will show a bigger picture, more detail, not showing how that bay is out there and how deep the color is before it hits the Bay.

The next one is -- oh, no, that's -- oh, holy cow. That was a shock.

(Laughter.)

MS. MARY BERNIER: Okay. So this one, once again, is the orange little balloon. And that was -- that's the Docktown's Redwood Creek. You can barely, barely see from the balloon down towards the left -- thank you -- the little boats. We're so tiny. And then there's the creek getting bigger and bigger, and then so much bigger there.
See where it says Potter Drilling? In between Wharf 4 and Potter Drilling is an unnamed park, and that's one of the photos I'm going to send you. It's gorgeous. All the water has sail boats, and people kayaking, and even people swimming out to the buoys sometimes. So you can sit there on those little benches and watch just a lot of stuff going on.

If you don't mind maybe pushing it up a little. That's all right, because there's another park, and Redwood City has paid $519,000 to increase the public access. So if we go south down lower -- and I'm really not quite sure exactly where it is. I think where it says Sequoia Yacht Club. And too bad Arlene is not here. There's a place called the Seaport Center, but it was mislabeled on this one. It's up where Spinnaker Sailing is, I think.

And that park again not many people use, though it's got this great, immense, beautiful, immense amount of water to look at. There's some guys who go out there and fish every day. There's a lot of Canadian geese that go there, and so people say they won't use the park because of the geese. You know, that's -- I'm sure I'm out of my time.

I just wanted to let you know we're not being selfish in trying to take it away from people who could
otherwise use it. And our proposal has been we can help publicize those parks, so more people know that they're there, you know, and not just email, but putting leaflets up in laundromats and at the churches and stuff like that.

Thanks a lot.

CHAIRPERSON YEE: Thank you, Mary.

All right. Comments from Commissioners?

COMMISSIONER NEWSOM: Well, let me see where you guys end up. I'm going to have some comments.

CHAIRPERSON YEE: Ms. Ortega.

ACTING COMMISSIONER ORTEGA: We will say that we don't typically -- the Director of Finance doesn't typically weigh in on legislative matters. I have no objection to the recommendation that folks work together on a legislative proposal, but if the -- if an actual proposal were to come back, I would probably abstain from it. But I'm still happy to support the notion of everyone working together on a proposal that could work.

CHAIRPERSON YEE: All right. Good. Well, let me start. First of all, let me thank all of the Docktown residents and interests for being here today. And I also want to thank the city for giving us a framework to work with. You know, there are issues that are certainly within the jurisdiction of the State Lands Commission to weigh-in on. But frankly, I think there are a lot more
issues with respect to the city and the Docktown residents to try to resolve.

What I do appreciate with respect to the proposal is that it is probably the first time that we've seen a time frame associated with at least giving some certainty to the residents of Docktown. So I appreciate that.

I think given that, and I wholeheartedly agree this is going to require a legislative solution, but I think the State Lands Commission is a party to the legislation rather than really the answer to all of these issues.

And so what I was prepared to do was to really direct our staff to work with the city and our -- the city's legislative delegation, as well as other stakeholders, the Docktown residents, to develop a legislative solution, and really using the city's request as the framework for moving forward.

For me, the main piece of that framework is really the certainty of the 15 years. I think the other conditions are ones where we don't necessarily have the opportunity to weigh-in, appropriately not in our jurisdiction. I do think there will be some legal issues with respect to residential use that we will want to weigh in on, but that all will happen in the legislative arena and will get resolved there.
So I guess given that framework, I'd love to hear from the staff and my colleagues to see if that's a direction we can pursue.

EXECUTIVE OFFICER LUCCHESI: Certainly. I think that is very consistent with staff's recommendation, and how we've been proceeding on this issue so far. I just wanted to reiterate what Sheri Pemberton said in her presentation, that this is obviously a very challenging situation. I can tell for the Commissioners obviously, but also for staff.

As a staff, we have a fairly narrow view in terms of the Public Trust Doctrine, and interpreting what the legislature intended through their Trust grants, looking at history, and looking at all of those facts. But there's no doubt that there is, especially in the Bay Area and the Commissioners know this, much more so than the Commission staff about the affordable housing crisis going on there. And we are extremely sensitive to that. And I think that at the foundation is where this concept came from that was proposed by the city.

I think equally important, and this is where, you know, Commission staff is coming from, and Sheri highlighted this in her presentation, is the fundamental principle that these are public lands, and they're owned by the entire State of California all the people of the
State. And what we're actually looking at is the privatization of these public lands through residential use.

Now, there's a lot of nuances associated with Docktown, along with some of the other communities that are analogous to this. And that's why a legislative solution along the lines that the City has proposed is appropriate.

But I think that in moving forward, an appreciation of those big policy considerations about broad public access to these State-owned public lands, and also the sensitivities and the challenges associated with affordable housing and residential use that has existed for so long, under the umbrella of our statutory and constitutional framework, including the prohibition on the gift of public funds that includes how State Lands are being leased, all goes into the mix here, and trying to figure out a way through that -- that -- those challenges is what we're trying to do here, and -- but be respectful to all perspectives, both legal perspectives and the multiple statewide policy considerations on all levels.

CHAIRPERSON YEE: Thank you, Ms. Lucchesi.

Mr. Newsom.

COMMISSIONER NEWSOM: Well, let me thank everybody for coming back. I was thinking to myself I was
ready to give some of your testimony. I've heard from
some of you three times, I think, in the last few years.

(Laughter.)

COMMISSIONER NEWSOM: So very familiar. But I
appreciate the new meme is a little bit more collaborative
and appreciative and responsive to those previous public
comments, meaning we're making some progress here. And
there was a lot of finger pointing in the past, and
there's a little less so now. And that's not an
indictment of the critique. It was an expression of
appreciation that there was a lot frustration out there,
because there weren't a lot of answers being provided, and
a lot of uncertainty.

Of course, there's still a lot of uncertainty.
You know, I sit here and I wonder just -- I was --
successfully avoided law school --

(Laughter.)

COMMISSIONER NEWSOM: So I'm able to ignorantly
sort of reflect on the fact I don't -- I'm not aware of
one's inability to sell an asset that is in their
possession and the questions of the -- the legal questions
of one's right to determine the fate of their own property
as it relates to whether or not you can sell a piece of
property is a curious one for me. And I appreciate those
are open-ended questions. And those are policy questions
that go to the broader issue of a legislative track and
goes to our jurisdiction, et cetera. And so, you know,
those remain outstanding in my mind. And I appreciate
they remain a point of concern in your minds, as it
relates to being able to lease your property, rent your
property, et cetera.

And I understand your desire to go beyond 15
years. And it would certainly be mine if I were sitting
in your shoes. But I appreciate the moment and the
consensus at least as it relates to our respective
staff's. And I appreciate that we've gotten here, because
candidly when we're up in Sacramento, I wasn't convinced
we would get this far at least. So I'm pleased at this
moment, but I recognize the work to be done.

So it's in that spirit of gratitude to all
parties. But more importantly gratitude to all of you
that are out there working hard every day, struggling,
trying to raise your family, and are dealing with a
macroeconomic environment that puts extraordinary pressure
on you and your lives and your friends and family.

And there's nothing more precious than a place to
put your head at night. And so I'm very sensitive to
that, and sensitive to the magnitude of the moment and the
decision making that you have endeavored for some time to
hear.
And so anyway, a long-winded point. Thank you, Jennifer, for taking this seriously for as long as you have and getting us to this point, but I know that we've got more work to do, grateful to the Chair, and look forward to working, as a former local city official, with you guys and trying to figure this out, and these final critical points.

Thanks.

CHAIRPERSON YEE: Okay. And --

COMMISSIONER NEWSOM: I guess we need a motion the support the direction, so I'd certainly move that.

CHAIRPERSON YEE: Okay. We have a motion by Commissioner Newsom to adopt staff recommendation.

Is there a second?

ACTING COMMISSIONER ORTEGA: I'll second.

CHAIRPERSON YEE: Second by Commissioner Ortega.

And I know we've -- and I really appreciate all the testimony today. And I want to be sure that as we move forward that as we talk about the 15 years that we are looking at all Docktown residents whether owner occupants or tenants. So I will state that for the record.

Okay. We have a motion and a second. Without objection, such will be the order.

Thank you. Thank you, everyone, for
participating.

(Applause.)

CHAIRPERSON YEE: Okay. Our next item.

EXECUTIVE OFFICER LUCCHESI: Yes. As you may recall, we did have a request to pull C 49 --

CHAIRPERSON YEE: Yes.

EXECUTIVE OFFICER LUCCHESI: -- from the consent agenda to be moved to the regular agenda.

CHAIRPERSON YEE: Yes, and we do have --

EXECUTIVE OFFICER LUCCHESI: And so we will have just a very brief staff presentation of this item by our Chief of our Land Management Division, Brian Bugsch.

MR. LLOYD: I'm sorry, what item is this?

CHAIRPERSON YEE: C 49.

LAND MANAGEMENT DIVISION CHIEF BUGSCH: We don't have a presentation or anything for it.

Good afternoon, Commissioners, Brian Bugsch, Chief of Land Management. I'm here to present on C 49.

The item is for a proposed sublease that will allow the University of California, on behalf of the Wrigley Institute for Environmental Studies to complete lifecycle and multi-generational research on marine shell fish.

That's a mouthful.

(Laughter.)
LAND MANAGEMENT DIVISION CHIEF BUGSCH: The proposed research facilities will be deployed west of the existing Hubbs Sea World Research Institute fish pens, all of which are located on the west side of Catalina Island in outer Catalina Harbor away from existing moorings and vessel traffic. The proposed sublease is for a little more than five years, and terminates at the same time as the lease at the end of 2021.

The sublease is part of a larger lease to the Catalina Island Company and Conservancy for moorings and string lines. The sublease itself consists of 2.43 acres of a total lease area of 335 acres.

On February 21st, 2014, two years ago, the Commission authorized an amendment to the lease authorizing the experimental stock enhancement facilities, including two finfish pens and one future shelf fish culture research facility. This shell fish facility will be installed and operated by USC --

(Laughter.)

LAND MANAGEMENT DIVISION CHIEF BUGSCH: -- although -- sorry, I'm getting tongue tide on this.

(Laughter.)

LAND MANAGEMENT DIVISION CHIEF BUGSCH: Say that five times fast.

Although, the February 2014 authorization
included the shell fish facility, it did not authorize the
sublease to USC. Staff is now recommending that the
Commission authorize the sublease to USC for installation
and operation of the shell fish culture research facility.
That concludes my presentation. We're available for
questions but not repeating those phrases.

(Laughter.)

CHAIRPERSON YEE: Thank you, Brian.
Comments by Commissioners?
We have a public speaker on this item. Jennifer
Savage, please come forward.

MS. SAVAGE: Hi. Thank you. Jennifer Savage,
California policy manager for the Surfrider Foundation.
Good afternoon. I'd flagged this item, because
when it came in front of the Coastal Commission, our
organization, along with NRDC and Heal the Bay had opposed
it, because the project is located in a Marine Protected
Area.

We understand the importance of research
informing aquaculture and ocean acidification. I live on
Humboldt Bay, so oysters and things that affect them are
very important to me. But this project unfortunately is
inappropriately sited. As you know, in 2012, California
became the first State to approve a science based
statewide network of Marine Protected Areas to help
protect and restore marine life habitat and iconic ocean places.

We very much appreciate that impacts to MPAs are increasingly considered during agency project evaluations, as a wide variety of projects that affect them come forward, such as seismic surveys, desalination facilities, coastal development, dredging, sand mining offshore renewable energy and more, including offshore aquaculture, which is why the Cat Harbor Research Project is problematic. The goal of the project is to improve sustainable shell fish production, which may be a worthy goal, but it's not to advance understanding of Marine Protected Area performance or monitoring. It's not consistent with the regulations or intent of this Cat Harbor State Marine Conservation Area, which do not allow for shelf fish aquaculture culture.

We do understand the Coastal Commission has already approved the project, and we appreciate that their staff strengthen the monitoring requirements before recommending the project for approval. Nonetheless, as the first project of its kind in a California Marine Protected Area, we remain concerned about the precedent being set to potentially allow development in other Marin protected areas throughout the State.

That's why I wanted to just emphasize today, the
need to take Marine Protected Areas into consideration as projects affecting them come forward, including ensuring that aquaculture projects in California be designed carefully to protect marine ecosystems, as well as Marine Protected Areas.

So thank you for that.

CHAIRPERSON YEE: Thank you, Ms. Savage.

Staff, you want to respond on the concerns?

EXECUTIVE OFFICER LUCCHESI: Frankly, can you answer some of those?

LAND MANAGEMENT DIVISION CHIEF BUGSCH: Yeah, I can try. First, our understanding is that Catalina Harbor is a marine -- State Marine Conservation Area. And this designation allows for research, education, and recreational activities, as well as certain commercial and marine harvests. The Coastal Commission considered these arguments when they considered the CDP. They approved the CDP. We used that CDP as our CEQA equivalent.

Our MFD staff also reviewed the conditions in the CDP, and felt that the proposed -- the proposal minimized the risk of introducing the oysters in the environment. And it's my understanding that this species is also used by commercial fisherman all over the state, and it's also on the DFW's approved species list, so...

CHAIRPERSON YEE: Thank you. Comments by
Commissioners.

COMMISSIONER NEWSOM: Jennifer, what were you going to say?

EXECUTIVE OFFICER LUCCHESI: Oh, I was just going to sum that up to say what I understood Brian to say is that the -- any impacts from the sublease to the Marine Protected Area of the State Reserve Area would be minimized to a great extent.

LAND MANAGEMENT DIVISION CHIEF BUGSCH: Just one other note. I mean, if Coastal --

(Laughter.)

COMMISSIONER NEWSOM: Clarify what each other is saying.

(Laughter.)

LAND MANAGEMENT DIVISION CHIEF BUGSCH: I'm sorry, shell fish facility. If the Coastal does revisit this or anything, again, this is an existing lease that's going on. We've already approved the shell fish facility two years ago. This is to clarify who that sublease is to.

So that action is just for the amendment to add the sublease. If the Coastal Commission were to revisit this at a future time and do that, we would look at what that affected, if it affected our lease or not, and if it needed to come back to the Commission, we would bring it
back to the Commission at that time.

CHAIRPERSON YEE: Okay. Very well. Hearing no other comments, is there a motion?

ACTING COMMISSIONER ORTEGA: I'll move approval.

CHAIRPERSON YEE: Okay. Very well.

COMMISSIONER NEWSOM: Second.

CHAIRPERSON YEE: Commissioner Ortega moves approval, second by Commissioner Newsom.

Without objection, such will be the order.

Thank you.

Okay. Now, we come to public comment, and I believe we have one. Jennifer, are you back up here?

MS. SAVAGE: It's like I was just here.

CHAIRPERSON YEE: That's okay.

MS. SAVAGE: Thank you again. I just wanted to take a moment to update you on where surfrider is with our four years and counting court battle against the illegal closure of Martin's Beach. I know it's --

CHAIRPERSON YEE: Would you just state your name for the record?


CHAIRPERSON YEE: Great.

MS. SAVAGE: So the litigation that we are underway with has entered the appellate court phase with
the briefing fully underway. But despite this and the
other efforts and process, including Friends of Martin's
Beach litigation and the Coastal Commission's prescriptive
rights study, nothing yet promises to yield open access in
the near term.

So in the meantime, we've been getting reports
about people who visit the beach by going over or walking
around the gate. Notably, local authorities have said
that they won't prosecute over these actions. Other
members of the public, however, are discouraged by the
presence of the gate, and not everyone has the physical
ability to go around the gate or climb over it and walk
down to the beach.

So without action to acquire an easement, it
could be years still until the public can rightfully and
without hindrance access this public beach, which means
that all those generational visitors may be illegally
barred from visiting Martin's Beach for the remainder of
their lifetime.

We greatly appreciate the work that your staff
has done, and is doing, and commend the State Lands
Commission's efforts to reach out to the Coastal
Conservancy and Coastal Commission. We encourage you to
continue seeking funding that might exist through those
channels as well as others. Perhaps, a working group
could be formed comprised of members of the State Lands Commission, the Coastal Commission, the Coastal Conservancy, legislature, supervisors, other interested parties to further explore opportunities.

In short, we wanted to thank you for your attention to this vital access issue, and support your efforts to creatively ceaselessly exercise your authority to the greatest extent possible to restore and protect public access at Martin's Beach.

CHAIRPERSON YEE: Thank you.

COMMISSIONER NEWSOM: A quick question.

CHAIRPERSON YEE: Yes, please.

COMMISSIONER NEWSOM: It's interesting. I mean, Jennifer, that's -- I mean, is there a -- have we -- we don't really have any formal organized collaborative, right?

EXECUTIVE OFFICER LUCCHESI: No.

COMMISSIONER NEWSOM: I mean, it's more of these one-off conversations and our relationships with different agencies, right?

EXECUTIVE OFFICER LUCCHESI: Certainly, and with interested stakeholders. Yeah, but we don't have anything formalized.

COMMISSIONER NEWSOM: I mean, it's just -- it's an interesting recommendation in the context of just
making sure -- you know, just to move this thing along.

EXECUTIVE OFFICER LUCCHESI: I certainly agree with that. A couple of different aspects to add on to that thought. Surfrider's has really taken a lead on -- in a number of ways, but as it relates to our efforts to acquire and access easement, they held a public workshop that allowed for interested members of the public to express what they would like to see, in terms of access and amenities, which is extremely helpful for us, for staff, to then work that into our negotiation with the Martin's Beach representatives.

And we do interact with both legislative offices, other agencies, Surfrider's and others to -- you know, on this issue. In terms of a working group formed that would have, as a primary purpose, goals of looking for funding to help fund the acquisition, if the State Lands Commission couldn't do that on its own through the Kapiloff Land Bank Fund, or if the price was too great, I think that has -- is definitely of interest.

Before we get there, I'd like to continue negotiating with Martin's Beach, LLC, because we don't have a firm handle on what that acquisition price would mean -- or is, so --

COMMISSIONER NEWSOM: Got it.

EXECUTIVE OFFICER LUCCHESI: But that's something
to keep in mind as we move forward definitely.

COMMISSIONER NEWSOM: Thank you. Thank you.

CHAIRPERSON YEE: Great. Thank you.

All right. Any other public comment?

EXECUTIVE OFFICER LUCCHESI: The only -- excuse me, Chair.

CHAIRPERSON YEE: Yes, please.

EXECUTIVE OFFICER LUCCHESI: The only other thing I would add is I -- we did receive -- I think it got jumbled up in the Docktown comment speaker slips from Mr. James Jonas, who also spoke on Docktown. But one of his -- he submitted two, and one was on public comment, but I'm looking around the room, and I think he might have already left.

CHAIRPERSON YEE: Yeah, he left.

EXECUTIVE OFFICER LUCCHESI: So I just wanted to formally recognize that he submitted a public comment slip, but it doesn't look like he's in the audience still.

CHAIRPERSON YEE: Yes, thank you.

Okay. All right. Thank you.

So our next item is closed session.

EXECUTIVE OFFICER LUCCHESI: Yes. Yes.

CHAIRPERSON YEE: Okay. Great. We will ask the members of the public to exit the room, so that the Commission may meet in closed session.
(Off record: 4:15 PM)

(Thereupon the meeting recessed into closed session.)

(Thereupon the meeting reconvened open session.)

(On record: 4:32 PM)

CHAIRPERSON YEE: Okay. Great. Okay. We are back in open session. The Commission met in closed session to discuss pending litigation.

And with that, we are now adjourned.

Thank you very much.

(Thereupon the California State Lands Commission meeting adjourned at 4:32 PM)
CERTIFICATE OF REPORTER

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, 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 meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of April, 2016.

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