MEETING
STATE OF CALIFORNIA
LANDS COMMISSION

HOLIDAY INN CAPITOL PLAZA
300 J STREET
SACRAMENTO, CALIFORNIA

MORRO BAY COMMUNITY CENTER AUDITORIUM
1001 KENNEDY WAY
MORRO BAY, CALIFORNIA

TUESDAY, JUNE 28, 2016
10:06 A.M.

JAMES F. PETERS, CSR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

J&K COURT REPORTING, LLC  916.476.3171
A P P E A R A N C E S

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

STAFF:
Ms. Jennifer Lucchesi, Executive Officer
Mr. Colin Connor, Assistant Executive Officer
Mr. Mark Meier, Chief Counsel
Mr. Brian Bugsch, Chief, Land Management Division
Mr. Chris Huitt, Environmental Scientist
Ms. Kim Lunetta, Administrative Assistant
Mr. Cy Oggins, Chief, Division of Environmental Planning and Management
Mr. Drew Simpkin, Public Land Management Specialist, Division of Land Management

ATTORNEY GENERAL:
Mr. Andrew Vogel, Deputy Attorney General

ALSO PRESENT:
Mr. Dennis Allen, Board Chairman, Allen Construction
Mr. Ron Alsop, Emergency Services Manager, County of San Luis Obispo
Ms. Sybil Ashley, representing self and Mothers for Peace
Mr. Marcel Barajas, Vice President/General Manager, Lehigh Hanson, Inc.
ALSO PRESENT:

Ms. Rochelle Becker, Executive Director, Alliance for Nuclear Responsibility
Ms. Debbie Belardino, SGI-USA Buddhist Organization
Mr. Mary Bernier, representing self
Ms. Vickie Bookless, representing self
Ms. Mary Beth Brangan, Co-Director, Ecological Options Network
Dr. Jerry Brown, Head, Safe Energy Program, World Business Academy
Mr. Marty Brown, Mothers for Peace
Mr. Michael Brown, Government Affairs Director, Coalition of Labor, Agriculture and Business (COLAB)
Ms. Elizabeth Browsse, representing self
Mr. Rinaldo Brutoco, President, World Business Academy
Ms. Joan Carter, Mothers for Peace
Ms. Lee Andrea Caulfield, representing self
Mr. Lee Callister, Activist, Docktown Marina
Mr. Laurence Chaset, World Business Academy
Mr. Jesse Chellar, representing self
Mr. Andrew Christie, Chapter Director, Sierra Club
Mr. Tom Daizell, IBEW 1245
Mr. Ben Davis, Jr., representing self
Mr. Emelio Diaz, Docktown resident
Ms. Gretchen Dumas, Immaculate Heart Community
ALSO PRESENT:
Mr. Carl Dundley, representing self
Mr. Patrick Ellsworth, representing self
Mr. John Ewan, representing self
Ms. Michele Flom, representing self
Ms. Melinda Forbes, representing self
Mr. Fred Frank, representing self
Mr. Peter Galbraith, representing self
Mr. William Garris, representing self
Mr. Orman Gaspar, representing self
Mr. John Geesman, Attorney, Alliance for Nuclear Responsibility
Mr. William Gloege, President, Californians for Green Nuclear Energy
Mr. David Grace, representing self
Mr. Eric Greening, representing self
Mr. Glenn Griffith, Mothers for Peace
Ms. Henriette Groot, Ph.D., representing self
Mr. Richard Harasick, Director of Water Operations, Los Angeles Department of Water and Power
Ms. Lynne Harkins, representing self
Mr. Adam Hill, Supervisor District Three, County of San Luis Obispo
Mr. David Hirsch, representing self
Mr. Ace Hoffman, representing self
ALSO PRESENT:
Mr. Erik Howell, Pismo Beach City Councilmember
Mr. Sam Irvine, Environmental Entrepreneur
Ms. Marcy Israel, Mothers for Peace
Mr. Joseph Ivora, Retired Engineer
Mr. James Jonas, representing self
Mr. Michael Jencks, Biodiversity First!
Mr. Mark Joseph, Attorney, Coalition for California Utility Employees
Ms. Ermina Karim, CEO, San Luis Obispo Chamber of Commerce
Mr. Paul Kangas, Solar Workers Union #1
Mr. Derick Lennox, San Luis Obispo Coastal Unified School District
Mr. Rick London, CEO, United Way of San Luis Obispo County
Mr. Nathan Macher, March for Environmental Hope
Ms. Erica Maharg, Staff Attorney, San Francisco Baykeeper
Ms. Simone Malboeuf, representing self
Mr. Michael Manchar, President & CEO, Economic Vitality Corporation
Dr. Michael Marinak, representing self
Mr. Christian Marsh, Legal Counsel, Hanson Marine
Ms. Heather Matteson, Vice President, Mothers for Nuclear
Mr. Gordon McDowell, March for Environmental Hope
Ms. Coralie McMillan, Ranchers of Gillis Canyon
Mr. Josue Mendoza, representing self
ALSO PRESENT:

Mr. Eric Meyer, Organizer, March for Environmental Hope

Mr. Peter Miller, Senior Scientist, Natural Resources Defense Council

Ms. Liz Moody, Marketing Directory, Cannon

Mr. Matthew Mosgofian, son of Diablo Canyon Power Plant employee

Ms. Rory Moore, representing self

Ms. Linda Mulvey, representing self

Mr. Larry Murray, President, Pipefitters Local 403, San Luis Obispo

Mr. David Nelson, representing self

Dr. Gene A. Nelson, Government Liaison, Californians for Green Nuclear Power

Mr. Bob Ornstein, representing self

Mr. Larry Parker, Engineer, representing self

Mr. Ian Parkinson, Sheriff, County of San Luis Obispo

Mr. Cesar Penafiel, Director of Analytics, Environmental Progress

Mr. Bob Perry, Director of Research, World Business Academy

Mr. Erich Pica, President, Friends of the Earth

Mr. Jeff Pienack, representing Surfrider and self

Dr. Eric Prater, Superintendent, San Luis Coastal Unified School District

Ms. Emma Redfoot, student, representing self
ALSO PRESENT:

Mr. Matt Regan, Senior Vice President of Policy, Bay Area Council

Mr. Matt Renner, Executive Director, World Business Academy

Ms. Sharon Ripper, representing self

Mr. Bob Rowen, former Nuclear Control Technician

Mr. Ty Safreno, CEO/CTO, Trust Automation Inc.

Ms. Jennifer Savage, California Policy Manager, Surfrider Foundation

Mr. Klaus Schumann, representing self

Mr. Daniel See, representing self

Ms. Linda Seeley, Spokesperson, Mothers for Peace

Ms. Ellen Sheffer, Trustee, San Luis Coastal Unified School District

Ms. Sandy Silver, representing self

Mr. Brad Snook, Chair, Surfrider Foundation San Luis Obispo

Ms. Tania Sola, Docktown

Ms. Sarah Spather, Mothers for Nuclear

Mr. Doug Stevens, Member, Californians for Green Nuclear Power

Mr. Brian Sturtevant, City Councilman, City of Atascadero

Mr. William Toman, Principal, Pacific Marine Renewables

Ms. Rebecca Townsend, representing self

Mr. Charles Varni, representing self
ALSO PRESENT:

Mr. Jim Vaughn, Environmental Progress

Ms. Crystal Waldorf, representing self and Mothers for Peace

Ms. Laura Lee Waldorf, Mothers for Peace

Ms. Mary Webb, representing self

Dr. Gerald Weber, representing self

Mr. David Weisman, Outreach Coordinator, Alliance for Nuclear Responsibility

Dr. Mike Weissman, representing self

Mr. Virgil John White, Executive Director, Center for Energy Efficiency and Renewables Technologies

Mr. Ian Wren, Staff Scientist, San Francisco Baykeeper

Mr. Carl Wurtz, Government Liaison, Californians for Green Nuclear Power

Ms. Kristin Zaitz, President, Mothers for Nuclear
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**LAND MANAGEMENT DIVISION**

**NORTHERN REGION**

C01 ANDREW MACKENZIE, AS TRUSTEE OF THE MACKENZIE FAMILY 1994 TRUST; MARY LOUISE BANTA, AS TRUSTEE OF THE MARY LOUISE BANTA 1997 TRUST; R. ALAN COTTON AND CYNTHIA A. COTTON, TRUSTEES OF THE COTTON FAMILY REVOCABLE TRUST DATED DECEMBER 20, 2001; AND MICHAEL GRIFFUS AND MELISSA GRIFFUS, TRUSTEES OF THE MICHAEL AND MELISSA GRIFFUS TRUST DATED JANUARY 14, 2002 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5758 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing pier, boathouse, boat lift, sundeck with stairs, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 3554.1; RA# 23215) (A 1; S 1) (Staff: M.J. Columbus)

C02 ARTHUR GRANT BURTON AND KATHLEEN KEANE BURTON, TRUSTEES OF THE BURTON FAMILY TRUST (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 3216 Edgewater Drive, near Tahoe City, Placer County; for an existing pier and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 8739.1; RA# 22915) (A 1; S 1) (Staff: M.J. Columbus)
C03 BARBARA B. CORNEILLE, TRUSTEE OF THE CORNEILLE LIVING TRUST DATED MARCH 19, 1990 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 135 Quiet Walk Road, near Tahoma, El Dorado County; for an existing pier, boat hoist, sundeck with stairs, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 3654.1; RA# 37314) (A 5; S 1) (Staff: M.J. Columbus)

C04 JOHN MOZART, AS TRUSTEE OF THE JOHN MOZART REVOCABLE TRUST CREATED AS OF JANUARY 3, 1995 (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 52 Moana Circle, near Homewood, Placer County; for an existing pier, boat lift, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 7450.1; RA# 25115) (A 1; S 1) (Staff: M.J. Columbus)

C05 OLEG OBUHOFF AND RUTH OBUHOFF, TRUSTEES OF THE OLEG OBUHOFF AND RUTH OBUHOFF FAMILY TRUST, DATED SEPTEMBER 27, 1991; MATHEW PETER OBUHOFF, TRUSTEE OF THE IRREVOCABLE TRUST OF OLEG OBUHOFF DATED NOVEMBER 13, 2012; NICOLE RUTH PRIETO, TRUSTEE OF THE IRREVOCABLE TRUST OF OLEG OBUHOFF DATED NOVEMBER 13, 2012; NICOLE RUTH MCGEE; JANE B. CHARTZ, TRUSTEE OF THE SURVIVOR’S TRUST OF THE MCEDOWNEY CHARTZ TRUST; JANE B. CHARTZ, TRUSTEE OF BYPASS TRUST A OF THE MCEDOWNEY CHARTZ TRUST; JANE B. CHARTZ, TRUSTEE OF BYPASS TRUST B OF THE MCEDOWNEY CHARTZ TRUST (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5468 and 5464 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing joint-use pier, boat lift, and three mooring buoys. CEQA Consideration: categorical exemption. (PRC 6388.1; RA# 21415) (A 1; S 1) (Staff: M.J. Columbus)

C06 SELECTIVE RUBICON PROPERTY, LLC (ASSIGNOR); PETER MULLIGAN AND SHARMILA MULLIGAN (ASSIGNEE): Consider application for the assignment of Lease No. PRC 7449.1, a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 8579 Meeks Bay Avenue and 8581 North Lane, near Rubicon Bay, El Dorado County; for an existing joint-use pier
and two mooring buoys. CEQA Consideration: not a project. (PRC 7449.1; RA# 15215) (A 5; 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 FEATHER RIVER RECREATION AND PARK DISTRICT (APPLICANT): Consider application for a General Lease – Public Agency Use, of sovereign land located in the Feather River, adjacent to a public park known as Riverbend Park, near the city of Oroville, Butte County; for a public park and facilities previously authorized by the Commission and an existing boat dock, launching ramp, and other ancillary park facilities not previously authorized by the Commission. CEQA Consideration: categorical exemption. (PRC 6751.9; RA# 33714) (A 3; S 4) (Staff: M.J. Columbus)
C10 TAVERN SHORES ASSOCIATION, A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 180 West Lake Boulevard, near Tahoe City, Placer County; for an existing pier, 44 mooring buoys, and two marker buoys. CEQA Consideration: categorical exemption. (PRC 4015.1; RA# 30115) (A 1; S 1) (Staff: M.J. Columbus)

C11 DAGMAR DOLBY, AS TRUSTEE OF THE DAGMAR DOLBY 2010 HOMEWOOD QPRT, DATED OCTOBER 26, 2010; AND DAGMAR DOLBY, AS TRUSTEE OF THE DAGMAR DOLBY TRUST ESTABLISHED UNDER THE DOLBY FAMILY TRUST INSTRUMENT, DATED MAY 7, 1999 (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 2530 West Lake Boulevard, near Tahoe City, Placer County; for an existing pier and one mooring buoy. CEQA Consideration: categorical exemption. (PRC 5556.1; RA# 18267) (A 1; S 1) (Staff: N. Lee)

C12 PAULA K. MATHIS, TRUSTEE OF THE PAULA K. MATHIS REVOCABLE TRUST DATED 11/17/2000; AND JEFF HAWKINS AND MEGAN MYERS, CO-TRUSTEES OF THE TAHOE TRUST U/T/A 12/30/2005 (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 4970 West Lake Boulevard, near Homewood, Placer County; for an existing pier, boathouse with a boat hoist, and two mooring buoys. CEQA Consideration: categorical exemption. (PRC 5652.1; RA# 21615) (A 1; S 1) (Staff: N. Lee)

C13 CHRISTINE S. DAVIS, AS TRUSTEE OF THE CHRISTINE S. DAVIS TRUST UNDER AGREEMENT DATED OCTOBER 29, 2007 AND C. GEOFREY DAVIS, AS TRUSTEE OF THE C. GEOFREY DAVIS TRUST UNDER AGREEMENT DATED APRIL 9, 2008 (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 7780 North Lake Boulevard, near Kings Beach, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (PRC 8657.1; RA# 22515) (A 1; S 1) (Staff: M. J. Columbus)
C14 DEPARTMENT OF WATER RESOURCES (APPLICANT): 
Consider application for a General Lease – Public Agency Use, of sovereign land located in the Feather River, adjacent to 5 Table Mountain Boulevard, city of Oroville, Butte County; for an existing fish hatchery. CEQA Consideration: categorical exemption. (PRC 3703.9; RA# 22715) (A 3; S 4) (Staff: M. Schroeder)

REMOVED FROM AGENDA

C15 HUMBOLDT REDWOOD COMPANY, LLC, A DELAWARE LIMITED LIABILITY COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 2760.1, a General Lease – Right-of-Way Use, of sovereign land located in the Eel River, adjacent to Assessor’s Parcel Numbers 211-141-003 and 211-132-007, near Dyerville, Humboldt County; for a seasonal bridge. CEQA Consideration: not a project. (PRC 2760.1) (A 2; S 2) (Staff: M. Schroeder)

C16 CHASER NAUTICAL FOUNDATION, INC. (APPLICANT): 
Consider application for a General Lease – Recreational Use, of sovereign land located in the Napa River, adjacent to 402 Riverside Drive, city of Napa, Napa County; for an existing uncovered floating boat dock and appurtenant facilities previously authorized by the Commission; and extension of an uncovered floating boat dock and movable service platform not previously authorized by the Commission. CEQA Consideration: categorical exemption. (PRC 7010.1; RA# 29515) (A 4; S 3) (Staff: M. Schroeder)

C17 VICKI INDIG SMITH, TRUSTEE OF THE INDIG-SMITH TRUST DATED JUNE 23, 2006 (LESSEE); PHILLIP S. ESTES AND NANCY F. ESTES, TRUSTEES OF THE PHILLIP S. AND NANCY F. ESTES REVOCABLE TRUST DATED JUNE 27, 2013 (APPLICANT): Consider termination of Lease No. PRC 5276.9, a Recreational Pier Lease, and an application for a General Lease – Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5680 North Lake Boulevard, near Carnelian Bay, Placer County; for an existing pier and one mooring buoy. CEQA Consideration: categorical exemption. (PRC 5276.1; RA# 23315) (A 1; S 1) (Staff: M. Schroeder)
INDEX CONTINUED

C18 CHESTER JOHN PIPKIN AND JANICE ANN PIPKIN, TRUSTEES OF THE PIPKIN FAMILY REVOCABLE TRUST DATED OCTOBER 6, 1989, AS AMENDED AND COMPLETELY RESTATED JULY 19, 1995 (LESSEE); SECOND MANASSAS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (APPLICANT): Consider termination of Lease No. PRC 7936.9, a Recreational Pier Lease, and an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 843 Stateline Avenue, city of South Lake Tahoe, El Dorado County; for an existing pier and boat lift. CEQA Consideration: categorical exemption. (PRC 7936.1; RA# 27715) (A 5; S 1) (Staff: M. Schroeder)

C19 PAUL C. CRESS AND LORIE S. CRESS, AS TRUSTEES OF THE CRESS FAMILY 2002 REVOCABLE LIVING TRUST, ESTABLISHED ON NOVEMBER 26, 2003 (APPLICANT): Consider an application for a General Lease - Recreational Use, of sovereign land located in Lake Tahoe, adjacent to 5250 West Lake Boulevard, near Homewood, Placer County; for two existing mooring buoys. CEQA Consideration: categorical exemption. (W 26941; RA# 22215) (A 1; S 1) (Staff: C. Singleton)

BAY/DELTA REGION

C20 ASHLY BLACK (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to 13810 State Highway 160, near Walnut Grove, Sacramento County; for an existing uncovered floating boat dock and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 5348.1; RA# 32815) (A 11; S 3) (Staff: G. Asimakopoulos)

C21 CITY OF SANTA CRUZ (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in the Pacific Ocean, adjacent to West Cliff Drive, near the city of Santa Cruz, Santa Cruz County; for existing rock revetment structures. CEQA Consideration: categorical exemption. (PRC 2635.9; RA# 40314) (A 29; S 17) (Staff: G. Asimakopoulos)

12-YEAR RESIDENCE TRUST DATED DECEMBER 28, 2012
(APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to 7260 Pocket Road, city of Sacramento, Sacramento County; for an existing boathouse with boat lift, floating boat dock, and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 8709.1; RA# 12415) (A 9; S 6) (Staff: G. Asimakopoulos)

C23 HUBERT K. GRIESBACH (LESSEE); JOHN WYATT (APPLICANT): Consider acceptance of a quitclaim deed for Lease No. PRC 8384.1, a General Lease - Recreational Use, and an application for a General Lease - Recreational Use, of sovereign land located in the Sacramento River, adjacent to Assessor’s Parcel Numbers 142-0097-026 and 142-0098-013, near Walnut Grove, Sacramento County; for an existing uncovered floating boat dock and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 8384.1; RA# 32015) (A 11; S 3) (Staff: G. Asimakopoulos)

C24 TYSON M. SHOWER AND HILARY J. SHOWER (ASSIGNOR); ANTHONY KENNEDY AND ELISE KENNEDY (ASSIGNEE): Consider application for the assignment of Lease No. PRC 8613.1, a General Lease - Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 6941 Garden Highway, near the city of Sacramento, Sacramento County; for an existing uncovered floating boat dock with boat lift, appurtenant facilities, and bank protection. CEQA Consideration: not a project. (PRC 8613.1; RA# 32115) (A 7; S 6) (Staff: G. Asimakopoulos)

C25 DAROLD SIMS (APPLICANT): Consider application for a General Lease - Recreational Use, of sovereign land located in Mare Island Strait, adjacent to 15 Sandy Beach Road, near the city of Vallejo, Solano County; for removal of an existing deck not previously authorized by the Commission; and installation of a lanai and open deck, and appurtenant facilities. CEQA Consideration: categorical exemption. (W 22296; RA# 40914) (A 14; S 3) (Staff: V. Caldwell)

C26 FORESTAR (USA) REAL ESTATE GROUP, INC. (LESSEE/ASSIGNOR); 2101-2603 WILBUR LLC (ASSIGNEE):
Consider application for the assignment and revision of rent of Lease No. PRC 1546.1, General Lease – Industrial Use, of filled and unfilled sovereign land in the San Joaquin River, adjacent to 2301 Wilbur Avenue, near the city of Antioch, Contra Costa County; for an existing non-operational industrial pier, maintenance pier, pipelines, and appurtenant facilities. CEQA Consideration: not a project. (PRC 1546.1; RA# 32915) (A 11; S 7) (Staff: V. Caldwell)

C27 FORESTAR (USA) REAL ESTATE GROUP, INC. (LESSEE/ASSIGNOR); COMMERCIAL DEVELOPMENT COMPANY, INC. (ASSIGNEE): Consider application for the assignment and revision of rent of Lease No. PRC 4813.1, General Lease – Industrial Use, of sovereign land in the San Joaquin River, adjacent to 2301 Wilbur Road, near the city of Antioch, and West Island, Contra Costa and Sacramento Counties; for an existing non-operational maintenance pier and pipelines. CEQA Consideration: not a project. (PRC 4813.1; RA# 33015) (A 11; S 7) (Staff: V. Caldwell)

C28 GEORGIA-PACIFIC GYPSUM, LLC (APPLICANT): Consider rescission of approval of Lease No. PRC 1589.1, acceptance of a Lease Quitclaim Deed, and an application for a General Lease – Industrial Use, of filled and unfilled sovereign land, located in the San Joaquin River, adjacent to 801 Minaker Drive, Antioch, Contra Costa County; for existing industrial docking and offloading facilities and ancillary improvements previously authorized by the Commission; and removal, installation, and repair of industrial wharf components with ancillary facilities, not previously authorized by the Commission. CEQA Consideration: Mitigated Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2015062045. (PRC 1589.1; RA# 14400) (A 11, 15; S 7) (Staff: V. Caldwell)

C29 KAMPGROUNDS OF AMERICA, INC. (APPLICANT/LESSEE/ASSIGNOR); STOCKTON DELTA RESORT, LLC (APPLICANT/ASSIGNEE): Consider termination of Lease No. PRC 4194.1, a General Lease – Commercial Use, an application for a General Lease – Commercial Use; and an assignment of Lease No. PRC 4194.1, approval and assignment of subleases, and delegation to the Executive Officer or her designee for certain
approvals of sovereign land located in Little Potato Slough, adjacent to 14900 W. Highway 12, near the city of Lodi, San Joaquin County, for an existing commercial marina known as Tower Park Resort & Marina. CEQA Consideration: categorical exemption. (PRC 4194.1; RA# 11513, 34715) (A 13; S 5) (Staff: V. Caldwell)

C30 STEVEN T. RAMOS AND ANITA T. RAMOS (APPLICANT): Consider application for a General Lease – Recreational and Protective Structure Use, of sovereign land located in Steamboat Slough, adjacent to 3456 Snug Harbor Drive, on Ryer Island, near Walnut Grove, Solano County; for an existing uncovered floating boat dock, appurtenant facilities, and bank protection. CEQA Consideration: categorical exemption. (PRC 7199.1; RA# 26315) (A 11; S 3) (Staff: V. Caldwell)

C31 CITY OF NOVATO (LESSEE): Consider application for an amendment of lease and revision of rent for Lease No. PRC 7220.1, a General Lease – Public Agency Use, of sovereign land located in Steamboat Slough, adjacent to 3456 Snug Harbor Drive, on Ryer Island, near Walnut Grove, Solano County; for the installation of a recycled water pipeline attached to the Rowland Way Bridge over Novato Creek. CEQA Consideration: Rent Review – not a project; Amendment – Environmental Impact Report, certified by the Sonoma County Water Agency, State Clearinghouse No. 2008072096, and an addendum to the Environmental Impact Report, certified by the North Marin Water District as a responsible agency, and adoption of a Mitigation Monitoring Program, Statement of Findings, and Statement of Overriding Considerations. (PRC 7220.1; RA# 22115) (A 10; S 2) (Staff: A. Franzoia)

C32 DELTA GAS GATHERING, INC. (APPLICANT): Consider rescission of authorization of Lease No. PRC 7832.1, a General Lease – Right-of-Way Use, and an application for a General Lease – Right-of-Way Use of sovereign land located in Miner Slough, Ryer Island, Solano County; for an existing natural gas pipeline. CEQA Consideration: categorical exemption. (PRC 7832.1; RA# 29814) (A 11; S 3) (Staff: A. Franzoia)
C33 HANSON MARINE OPERATIONS (APPLICANT): Set aside the October 19, 2012 lease approvals for General Leases - Mineral Extraction PRC Nos. 709, 2036, 7779, and 7780 related to the San Francisco Bay and Delta Sand Mining Project; and consider reapproval of the leases located on sovereign lands in central San Francisco Bay, Marin, and San Francisco Counties; for commercial sand and gravel extraction. CEQA Consideration: Environmental Impact Report, certified by the California State Lands Commission, State Clearinghouse No. 2007072036. (PRC 709, PRC 2036, PRC 7779, PRC 7780) (A 10, 17; S 2, 11) (Staff: A. Franzoia, C. Huitt)

C34 MARIN ROWING ASSOCIATION (APPLICANT): Consider application for a General Lease - Dredging, of sovereign land located in Corte Madera Creek adjacent to 50 Drakes Landing Road, Greenbrae, Marin County; for maintenance dredging. CEQA Consideration: categorical exemption. (PRC 8748.9; RA# 19715) (A 10; S 2) (Staff: A. Franzoia)

C35 CALIFORNIA STATE LANDS COMMISSION AND PACIFIC GAS AND ELECTRIC COMPANY (PARTIES): Consider an indemnification agreement for a natural gas pipeline co-located on the new Santa Fe Avenue Bridge, over sovereign land located in the Tuolumne River, adjacent to the Lakewood Memorial Park between the communities of Empire and Hughson, Stanislaus County. CEQA Consideration: not a project. (W 26990; RA# 27215) (A 12; S 8) (Staff: A. Franzoia)

C36 PACIFIC GAS AND ELECTRIC COMPANY (APPLICANT): Consider application for an amendment to Lease No. PRC 5438.1B, a General Lease - Right-of-Way Use, of sovereign land located in the Sacramento River, near Isleton, in Sacramento County; to decommission and abandon in place an existing natural gas pipeline and revision of rent. CEQA Consideration: categorical exemption. (PRC 5438.1B; RA# 20115) (A 11; S 3) (Staff: A. Franzoia)

C37 PHILIP E. LEBHERZ AND SHARON J. LEBHERZ, TRUSTEES OF THE LEBHERZ FAMILY TRUST DATED NOVEMBER 19, 1990, AS AMENDED AND RESTATED (APPLICANT): Consider application for a General Lease - Protective Structure Use, of sovereign land located in the Pacific Ocean,
adjacent to 110 Grove Lane, in the city of Capitola, Santa Cruz County; for an existing seawall not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the City of Capitola, and an addendum prepared by the California State Lands Commission. (W 26763; RA# 19813) (A 29; S 17) (Staff: N. Lavoie)

C38 ARTHUR GIBSON HOWELL, III (APPLICANT): Consider application for a General Lease – Recreational and Protective Structure Use, of sovereign land located in the Sacramento River, adjacent to 3551 Garden Highway, near the city of Sacramento, Sacramento County; for an existing floating boat dock, appurtenant facilities and bank protection. CEQA Consideration: categorical exemption. (PRC 6686.1; RA# 28415) (A 7; S 6) (Staff: D. Tutov)

C39 DIDRIK W. PEDERSEN, JR. (APPLICANT): Consider application for a General Lease – Residential and Recreational Use, of sovereign land located in the Petaluma River, adjacent to 5 Havenwood Road, in Black Point, near the city of Novato, Marin County; for an existing cabin with deck, a separate covered deck, shed, dock, and appurtenant facilities. CEQA Consideration: categorical exemption. (PRC 2745.1; RA# 20215) (A 10; S 2) (Staff: D. Tutov)

C40 EUGENE JOHN MAFFUCCI, TRUSTEE, EUGENE JOHN MAFFUCCI 1998 REVOCABLE TRUST (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Tomales Bay, adjacent to 18621 State Route 1, Marin County; for two existing mooring buoys not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26962; RA# 17715)(A 10; S 2) (Staff: D. Tutov)

C41 FRED P. RODONI JR. AND KAREN E. RODONI, TRUSTEES OF THE F. & K. RODONI TRUST DATED 9-30-2006 (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Tomales Bay, adjacent to 19835 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration:
C42 GEORGE H. CLYDE, JR. AND SHERI S. CLYDE, AS TRUSTEES OF THE GEORGE H. CLYDE, JR. AND SHERI S. CLYDE TRUST DATED DECEMBER 3, 1991 (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Tomales Bay, adjacent to 19495 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26964; RA# 16715) (A 10; S 2) (Staff: D. Tutov)

C43 GLEN IKEMOTO AND CLARK CABLE (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Tomales Bay, adjacent to 23115 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26945; RA# 16115) (A 10; S 2) (Staff: D. Tutov)

C44 JAMES H. BAACK AND KIERAN J. BAACK (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Tomales Bay, adjacent to 178 Camino Del Mar, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26966; RA# 23515) (A 10; S 2) (Staff: D. Tutov)

C45 JOHN DONOVAN (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Tomales Bay, adjacent to 19225 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26952; RA# 18315) (A 10; S 2) (Staff: D. Tutov)
C46 MARK C. DARLEY AND MIRANDA DARLEY (APPLICANT):
Consider application for a General Lease – Recreational Use, of sovereign land located in Tomales Bay, adjacent to 12938 Sir Francis Drake Blvd, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26954; RA# 16615) (A 10; S 2) (Staff: D. Tutov)

C47 MARK SUTTON AND REBECCA DIXON (APPLICANT):
Consider application for a General Lease – Recreational Use, of sovereign land located in Tomales Bay, adjacent to 12938 Sir Francis Drake Blvd, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26965; RA# 25815) (A 10; S 2) (Staff: D. Tutov)

C48 MARY WILCOX OXMAN (ASSIGNOR); GARY MOORE (ASSIGNEE): Consider application for the assignment of Lease No. PRC 5778.1, a General Lease – Agricultural and Protective Structure Use, of filled and unfilled sovereign land located on Assessor’s Parcel Number 157-0110-030 and in the Sacramento River, near the city of Isleton, Sacramento County; for the storage of agricultural equipment and bank protection. CEQA Consideration: not a project. (PRC 5778.1; RA# 28915) (A 11; S 3) (Staff: D. Tutov)

C49 PAUL K. WRIGHT AND TAUN M. WRIGHT (APPLICANT):
Consider application for a General Lease – Recreational Use, of sovereign land located in Tomales Bay, adjacent to 19855 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26948; RA# 17515) (A 10; S 2) (Staff: D. Tutov)

C50 RON ELLIOTT AND CAROL ELLIOTT (APPLICANT):
Consider application for a General Lease – Recreational Use, of sovereign land located in Tomales Bay, adjacent to 18621 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative
Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26963; RA# 20415) (A 10; S 2) (Staff: D. Tutov)

C51 STEVEN SICHER AND NANCY SICHER (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Tomales Bay, adjacent to 19535 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26947; RA# 16815) (A 10; S 2) (Staff: D. Tutov)

C52 Thirumalai Muppur Ravi and Francine C. Lejeune, Co-Trustees of The Ravi-Lejeune Family Trust u/t/a dated November 14, 2008 (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Tomales Bay, adjacent to 18876 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26951; RA# 17015) (A 10; S 2) (Staff: D. Tutov)

C53 TIBERIO P. LIZZA (LESSEE): Consider revision of rent to Lease No. PRC 8942.1, a General Lease – Recreational Use, of sovereign land located in the Raccoon Strait, adjacent to 2032 Paradise Drive near the city of Tiburon, Marin County; for an existing pier. CEQA Consideration: not a project. (PRC 8942.1) (A 10; S 2) (Staff: D. Tutov)

C54 WILLIAM H. KENT (APPLICANT): Consider application for a General Lease – Recreational Use, of sovereign land located in Tomales Bay, adjacent to 19025 State Route 1, Marin County; for an existing mooring buoy not previously authorized by the Commission. CEQA Consideration: Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012082074. (W 26949; RA# 17415) (A 10; S 2) (Staff: D. Tutov)

C55 WOODBRIDGE GOLF AND COUNTRY CLUB (LESSEE): Consider revision of rent to Lease No. PRC 5028.1, a
General Lease – Right-of-Way Use, of sovereign land located in the Mokelumne River, near the city of Woodbridge, San Joaquin County; for an existing pedestrian bridge. CEQA Consideration: not a project. (PRC 5028.1) (A 9; S 5) (Staff: D. Tutov)

CENTRAL/SOUTHERN REGION

C56 AT&T CORP. (LESSEE): Consider revision of rent to Lease No. PRC 8154.1, a General Lease – Non Exclusive Right-of-Way Use, of sovereign land in the Pacific Ocean, offshore of Montaño de Oro State Park, San Luis Obispo County; for an existing steel conduit and fiber optic cable. CEQA Consideration: not a project. (PRC 8154.1) (A 35; S 17) (Staff: R. Collins)

C57 AT&T CORP. (LESSEE): Consider revision of rent to Lease No. PRC 8204.1, a General Lease – Non Exclusive Right-of-Way Use, of sovereign land in the Pacific Ocean, offshore of Montaño de Oro State Park, San Luis Obispo County; for an existing fiber optic cable. CEQA Consideration: not a project. (PRC 8204.1) (A 35; S 17) (Staff: R. Collins)

C58 AT&T CORP. (LESSEE): Consider revision of rent to Lease No. PRC 8278.1, a General Lease – Non Exclusive Right-of-Way Use, of sovereign land in the Pacific Ocean, offshore of Montaño de Oro State Park, San Luis Obispo County; for an existing steel conduit and fiber optic cable. CEQA Consideration: not a project. (PRC 8278.1) (A 35; S 17) (Staff: R. Collins)

C59 JOHN D. CUMMING, TRUSTEE OF THE JOHN D. CUMMING REVOCABLE TRUST (APPLICANT): Consider application for a General Lease – Protective Structure Use, of sovereign land located in the Pacific Ocean, adjacent to 371 Pacific Avenue, City of Solana Beach, San Diego County; for an existing seawall. CEQA Consideration: categorical exemption. (PRC 8661.1; RA# 12315) (A 78; S 39) (Staff: R. Collins)

C60 KAMI M. ERICKSON AND MICHAEL R. CARTER (ASSIGNOR); ERIK J. GAMM AND VALERIE S. GAMM (ASSIGNEE): Consider application for an assignment of Lease No. PRC 9209.1, a General Lease – Recreational and Protective Structure Use, of sovereign land located in the Colorado River, adjacent to 1206 Beach Drive, City of
Needles, San Bernardino County; for an existing concrete patio, landing, stairway, and riprap bankline. CEQA Consideration: not a project. (PRC 9209.1; RA# 32415) (A 33; S 16) (Staff: R. Collins)

C61 LAS BRISAS CONDOMINIUM ASSOCIATION, INC. (APPLICANT): Consider application for a General Lease – Protective Structure Use, of sovereign land located in the Pacific Ocean, adjacent to 135 South Sierra Avenue, City of Solana Beach, San Diego County; for an existing seawall, concrete backfill, and fill of seacave/notches with a return wall. CEQA Consideration: categorical exemption. (PRC 8716.1; RA# 26415) (A 78; S 39) (Staff: R. Collins)

C62 UNITED STATES BUREAU OF RECLAMATION (LESSEE): Consider application for an amendment to Lease No. PRC 9280.9, a General Lease – Public Agency Use in the San Joaquin River, Fresno and Madera Counties; to add a parcel of sovereign land for the temporary placement of fish collection structures. CEQA Consideration: Environmental Assessment/Finding of No Significant Impact as a CEQA-equivalent document. (PRC 9280.9; RA# 10015) (A 5, 23, 31; S 12, 14) (Staff: R. Collins)

C63 SAN ELIJO JOINT POWERS AUTHORITY AND THE CITY OF ESCONDIDO (APPLICANT): Consider application for a General Lease – Public Agency Use, of sovereign land located in the San Elijo Lagoon and the Pacific Ocean, in the city of Encinitas, San Diego County; for an existing outfall previously authorized by the Commission; for an existing pipeline not previously authorized by the Commission; for the construction of a new pipeline; and for the decommissioning in place of the existing pipeline. CEQA Consideration: categorical exemption and Mitigated Negative Declaration, adopted by the San Elijo Joint Powers Authority, State Clearinghouse No. 2016011018, and adoption of a Mitigation Monitoring Program. (PRC 3228.9; RA# 09114) (A 76; S 36) (Staff: K. Foster)

C64 THE OWNER PARTIES TO THE LAS TUNAS BEACH SETTLEMENT AGREEMENT NO. 2 (PERMITTEE): Consider termination of Permit No. PRC 7412.1, a General Permit – Protective Structure Use, of tide and submerged land at Santa Monica Bay, Las Tunas Beach, Malibu, Los
Angeles County; for groin construction and maintenance for beach erosion control. CEQA Consideration: not a project. (PRC 7412.1) (A 50; S 27) (Staff: G. Kato)

C65 BOLSA CHICA CONSERVANCY (LESSEE): Consider application for a General Lease – Other, of sovereign land located in the Bolsa Chica lowlands, adjacent to 3842 Warner Avenue, Huntington Beach, Orange County; for an existing interpretive center. CEQA Consideration: categorical exemption. (PRC 8685.9; RA# 30015) (A 72; S 34) (Staff: S. Kreutzburg)

C66 DENNIS BRUCE NEEDLEMAN, TRUSTEE OF THE DENNIS BRUCE NEEDLEMAN LIVING TRUST U/D/T 12/7/1999 (APPLICANT): Consider application for a General Lease – Other, of sovereign land located in Huntington Harbour, adjacent to 16631 Carousel Lane, Huntington Beach, Orange County; for the removal and replacement of an existing boat dock and two access ramps; and for the use and maintenance of an existing cantilevered deck with an existing enclosure not previously authorized by the Commission. CEQA Consideration: categorical exemptions. (PRC 4101.1; RA# 19015) (A 72; S 34) (Staff: S. Kreutzburg)

ITEM REVISED 06/21/16

C67 IDA ZABY (ASSIGNOR); IDA AGNIFILI ZABY, TRUSTEE OF THE I. AGNIFILI TRUST, DATED APRIL 29, 2008 (ASSIGNEE): Consider application for an assignment of Lease No. PRC 7986.1, a General Lease – Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 3632 Venture Drive, near the city of Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: not a project. (PRC 7986.1; RA# 27515) (A 72; S 34) (Staff: S. Kreutzburg)

C68 JANE P. KING, TRUSTEE OF THE JANE P. KING TRUST DATED SEPTEMBER 3, 1986 (APPLICANT): Consider correction to prior authorization of Lease No. PRC 3243.1, a General Lease – Recreational Use of sovereign land located in Huntington Harbour, adjacent to 16662 Somerset Lane, Huntington Beach, Orange County; for an existing boat dock and access ramp. CEQA Consideration: not a project. (PRC 3243.1; RA#
C69 JEROME F. LINDSAY SR., AND AMBER J. LINDSAY, AS TRUSTEES OF THE JEROME LINDSAY SR., AND AMBER LINDSAY 2010 TRUST, DATED NOVEMBER 10, 2010 (APPLICANT): Consider an application for a General Lease – Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 3502 Gilbert Drive, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: categorical exemption. (PRC 3248.1; RA# 28215) (A 72; S 34) (Staff: S. Kreutzburg)

C70 ROBERT G. SEBRING AND GAIL SEBRING (ASSIGNOR); ROBERT G. SEBRING AND GAIL SEBRING, TRUSTEES OF THE SEBRING FAMILY TRUST, DATED JANUARY 10, 2002 (ASSIGNEE): Consider application for an assignment of lease, and revision of rent for Lease No. PRC 8881.1, a General Lease – Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 16402 Grimaud Lane, Huntington Beach, Orange County; for a cantilevered deck. CEQA Consideration: not a project. (PRC 8881.1; RA# 30415) (A 72; S 34) (Staff: S. Kreutzburg)

C71 ROBERT O. BURGGRAF AND MASAKO BURGGRAF, TRUSTEES OF THE BURGGRAF FAMILY TRUST DATED JULY 29, 1991 (LESSEE); TERRY DEDEAUX AND CHRISTINE M. DEDEAUX, TRUSTEES OF THE TERENCE DEDEAUX FAMILY TRUST DATED DECEMBER 27, 1994, AND ANY AMENDMENTS HERETO (APPLICANT): Consider termination of Lease No. PRC 7610.1, a General Lease – Recreational Use, and an application for a General Lease – Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 3522 Venture Drive, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: categorical exemption. (PRC 7610.1; RA# 32615) (A 72; S 34) (Staff: S. Kreutzburg)

ITEM REVISED 06/23/16

C72 TERRY DEDEAUX AND CHRISTINE M. DEDEAUX, TRUSTEES OF THE TERENCE DEDEAUX FAMILY TRUST DATED DECEMBER 27, 1994 (RESCINDING APPLICANT); KEITH ALLEN SENN (APPLICANT): Consider rescission of approval of Lease No. PRC 5245.1, a General Lease – Recreational Use,
and an application for a General Lease - Recreational Use, of sovereign land located in Huntington Harbour, adjacent to 3542 Venture Drive, Huntington Beach, Orange County; for an existing boat dock, access ramp, and cantilevered deck. CEQA Consideration: categorical exemption. (PRC 5245.1; RA# 29915) (A 72; S 34) (Staff: S. Kreutzburg)

ITEM REVISED 06/21/16

C73 ACTION ZIPLINE, INC. DBA ACTION FLYBOARDING (APPLICANT): Consider application for a General Lease - Commercial Use, of sovereign land located in the Pacific Ocean, near Frog Rock, Santa Catalina Island, Los Angeles County; for the construction, use, and maintenance of a floating boat dock. CEQA Consideration: categorical exemption. (W 26976; RA# 33215) (A 70; S 26) (Staff: D. Simpkin)

C74 CITY OF CORONADO (APPLICANT): Consider application for a General Lease - Public Agency Use, of sovereign land located in Glorietta Bay, city of Coronado, San Diego County; to deposit approximately 200 cubic yards of dredged material at an existing eelgrass mitigation site. CEQA Consideration: Mitigated Negative Declaration, adopted by the City of Coronado, State Clearinghouse No. 2015041025, and adoption of a Mitigation Monitoring Program. (PRC 8706.9; RA# 26715) (A 78; S 39) (Staff: D. Simpkin)

C75 MICHAEL FERRONE, SUCCESSOR TRUSTEE OF THE FERRONE TRUST DATED SEPTEMBER 29, 1988 (APPLICANT): Consider application for a General Lease - Protective Structure and Residential Use, of sovereign land, adjacent to 19830 Pacific Coast Highway, city of Malibu, Los Angeles County; for a portion of an existing residence and deck, not previously authorized by the Commission; and the construction, use, and maintenance of a concrete bag wall. CEQA Consideration: categorical exemptions. (W 26863; RA# 15015) (A 50; S 27) (Staff: D. Simpkin)

C76 SAN DIEGO UNIFIED PORT DISTRICT (LESSEE): Consider application for an amendment to Lease No. PRC 7987.1, a General Lease - Public Agency Use, of sovereign land located adjacent to Shelter Island in San Diego Bay, San Diego County; to remove and replace the Shelter
Island Boat Launch Facility. CEQA Consideration: Mitigated Negative Declaration, adopted by the San Diego Unified Port District, State Clearinghouse No. 2015061029, and adoption of a Mitigation Monitoring Program. (PRC 7987.1; RA# 26915) (A 78; S 39) (Staff: D. Simpkin)

C77 SOUTHERN CALIFORNIA EDISON COMPANY, SAN DIEGO GAS AND ELECTRIC COMPANY, CITY OF RIVERSIDE (LESSEE): Consider rescission of approval of an amendment of a General Lease – Industrial Use and application for amendment of Lease No. PRC 6785.1, a General Lease – Industrial Use, of sovereign land located in the Pacific Ocean, near San Onofre, San Diego County; for the installation, use, and maintenance of four Large Organism Exclusion Devices. CEQA Consideration: Mitigated Negative Declaration, adopted by the California State Lands Commission, State Clearinghouse No. 2012081072. (PRC 6785.1; RA# 24715) (A 76; S 36) (Staff: D. Simpkin)

SCHOOL LANDS

C78 CITY OF NEEDLES (APPLICANT): Consider application for a General Lease – Right-of-Way Use, of State-owned school land located within a portion of Section 36, Township 9 North, Range 22 East, SBM, near the city of Needles, San Bernardino County; for an existing underground water transportation line. CEQA Consideration: categorical exemption. (PRC 4078.2; RA# 29715) (A 33; S 16) (Staff: C. Hudson)

C79 IMPERIAL IRRIGATION DISTRICT (LESSEE): Consider revision of rent to Lease No. PRC 3510.2, a General Lease – Right-of-Way Use, of State-owned school land within a portion of Section 36, Township 9 South, Range 13 East, SBM, near Niland, Imperial County; for an existing overhead transmission line, 10 two-pole wood support structures, and an unimproved access road. CEQA Consideration: not a project. (PRC 3510.2) (A 56; S 40) (Staff: C. Hudson)

C80 PACIFIC BELL (LESSEE): Consider revision of rent to Lease No. PRC 4829.2, a General Lease – Right of Way Use, of State-owned school land located within a portion of Section 16, Township 34 North, Range 4 West, MDM, near O’Brien Mountain in the Shasta
C81 PACIFIC BELL TELEPHONE COMPANY, A CALIFORNIA CORPORATION, DBA AT&T CALIFORNIA, A CALIFORNIA CORPORATION (APPLICANT): Consider application for a General Lease – Right-of-Way Use, of State-owned school land located within a portion of Section 36, Township 15 North, Range 8 East, SBM, near the unincorporated community of Baker, San Bernardino County; for the installation of a fiber optic cable encased in one of three buried conduits, ancillary facilities, and an existing access road. CEQA Consideration: Mitigated Negative Declaration, adopted by San Bernardino County, State Clearinghouse No. 2015041015, and adoption of a Mitigation Monitoring Program. (W 26857; RA# 28714) (A 33; S 16) (Staff: C. Hudson)

C82 PACIFIC GAS AND ELECTRIC COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 5391.2, a General Lease – Right-of-Way Use, of State-owned school land located within a portion of Section 16, Township 35 North, Range 5 East, MDM, near Fall River Mills, Shasta County; for an existing transmission line. CEQA Consideration: not a project. (PRC 5391.2) (A 1; S 1) (Staff: C. Hudson)

C83 SIERRA PACIFIC POWER COMPANY (LESSEE): Consider revision of rent to Lease No. PRC 7903.2, a General Lease – Right-of-Way Use, of State-owned school and lieu lands within portions of Section 16, T40N, R12E, MDM, Modoc County; Section 34, T31N, R15E, MDM; Section 9, T28N, R16E, MDM; Section 9, T27N, R17E, MDM; Section 21, T27N, R17E, MDM; Section 28, T27N, R17E, MDM; Section 33, T27N, R17E, MDM; and Section 34, T31N, R15E, MDM, Lassen County; for an existing overhead transmission line. CEQA Consideration: not a project. (PRC 7903.2) (A 1; S 1) (Staff: C. Hudson)

MINERAL RESOURCES MANAGEMENT

C84 BUREAU OF OCEAN ENERGY MANAGEMENT (APPLICANT): Consider approval of a three-year Non-Exclusive Geological Survey Permit on tide and submerged lands
under the jurisdiction of the California State Lands Commission. CEQA Consideration: categorical exemption. (W 6005.166; RA# 26615) (A & S: Statewide) (Staff: R. B. Greenwood)

C85 TERRASOND, LIMITED (APPLICANT): Consider an application for a three-year Non-Exclusive Geophysical Survey Permit to conduct low-energy geophysical surveys on tide and submerged lands under the jurisdiction of the California State Lands Commission. CEQA Consideration: Mitigated Negative Declaration and addendum, adopted by the California State Lands Commission, State Clearinghouse No. 2013072021. (WP 9007; RA# 33115) (A & S: Statewide) (Staff: R. B. Greenwood)

C86 CITY OF LONG BEACH (GRANTEE): Consider acceptance of the First Modification and Supplement of the Long Beach Unit Annual Plan (July 1, 2015 through June 30, 2016), Long Beach Unit, Wilmington Oil Field, Los Angeles County. CEQA Consideration: not a project. (W 17166) (A 70; S 33, 34) (Staff: E. Tajer)

MARINE ENVIRONMENTAL PROTECTION - NO ITEMS

ADMINISTRATION

C87 CALIFORNIA STATE LANDS COMMISSION: Consider granting authority to the Executive Officer to enter into an agreement with a local government or to solicit bids and award and execute an agreement to conduct a detailed inventory of the number and location of mooring buoys on the California side of Lake Tahoe, Placer and El Dorado Counties. CEQA Consideration: not a project. (A 1, 5; S 1) (Staff: C. Connor, P. Schlatter, A. Abeleda)

ITEM REVISED 06/21/16

LEGAL

C88 CALIFORNIA STATE LANDS COMMISSION: Consider proposed adoption of regulations implementing statutory provisions that authorize administrative hearings to address unauthorized structures on State lands. CEQA Consideration: not a project. (W 26934) (A & S: Statewide) (Staff: W. Crunk)
INDEX CONTINUED

KAPILLOFF LAND BANK TRUST ACQUISITIONS – NO ITEMS

EXTERNAL AFFAIRS

GRANTED LANDS

C89 CALIFORNIA DEPARTMENT OF PARKS AND RECREATION, THE OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE (SUCCESSOR AGENCY TO THE SAN FRANCISCO REDEVELOPMENT AGENCY), AND THE CALIFORNIA STATE LANDS COMMISSION (PARTIES): Consider approval of the Record of Survey for the second closing phase of the Candlestick Point State Recreation Area Reconfiguration, Improvement and Transfer Agreement concerning land within Candlestick Point State Recreation Area, City and County of San Francisco. CEQA Consideration: not a project. (AD 557; W 26279; G11-00.7, G11-01) (A 17; S 11) (Staff: R. Boggiano, J. Porter, K. Colson)

C90 SAN DIEGO UNIFIED PORT DISTRICT (GRANTEES): Consider approval of a proposed expenditure of public trust funds by the San Diego Unified Port District to acquire a 4-acre parcel located adjacent to existing public trust land in the City of Chula Vista, San Diego County. CEQA Consideration: Environmental Impact Report, certified by the San Diego Unified Port District, State Clearinghouse No. 2005081077. (G10-08) (A 80; S 40) (Staff: R. Boggiano)

LEGISLATION AND RESOLUTIONS – SEE INFORMATIONAL AND REGULAR

INFORMATIONAL

91 CALIFORNIA STATE LANDS COMMISSION: Staff Report on the monitoring of possible subsidence, Long Beach Unit, Wilmington Oil Field, Los Angeles County. CEQA Consideration: not a project. (W 16001, W 10442) (A 70; S 33, 34) (Staff: R. B. Greenwood)

92 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 93-96

93 CALIFORNIA STATE LANDS COMMISSION AND POSEIDON RESOURCES (SURFSIDE) LLC (PARTIES):
Consider authorization of a Memorandum of Understanding for use of the Bolsa Chica Lowlands Restoration Project area to fulfill mitigation obligations for a proposed desalination facility, in the city of Huntington Beach, Orange County. CEQA Consideration: not a project. (W 025306A; RA# X9702) (A 74; S 37) (Staff: W. Hall) 9

REMOVED FROM AGENDA

94 CALIFORNIA STATE LANDS COMMISSION: Consider supporting AB 1716 (McCarty and Cooley) that would create the Lower American River Conservancy in the California Natural Resources Agency to receive and expend bond proceeds and other state funds to protect and improve the American River Parkway. CEQA Consideration: not applicable. (A & S: Statewide) (Staff: S. Pemberton) 9

REMOVED FROM AGENDA

95 CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) (APPLICANT/LESSEE):
Consider amendment to Lease No. PRC 8079.9, a General Lease – Public Agency Use, of sovereign land located in the dry lake bed, Owens Lake, Inyo County; to transition 1.82 square miles of existing dust control. CEQA Consideration: Environmental Impact Report, certified by the Los Angeles Department of Water and Power, State Clearinghouse No. 2014071057, and re-adoption of a Mitigation Monitoring Program and Statement of Findings. (PRC 8079.9; RA# 34315) (A 26; S 8) (Staff: D. Simpkin) 31

96 PACIFIC GAS AND ELECTRIC COMPANY (APPLICANT): Consider termination of Lease Nos. PRC 4307.1 and 4449.1, a General Lease – Right-of-Way Use and a General
Lease - Industrial Use, and an application for a new 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: not a project. (PRC 4307.1, PRC 4449.1, W 26721) (A 17; S 35) (Staff: P. Huber, C. Oggins, D. Simpkin) 43

ITEM REVISED 06/24/16

VII PUBLIC COMMENT 253

VIII COMMISSIONERS’ COMMENTS 269

IX CLOSED SESSION: AT ANY TIME DURING THE MEETING THE COMMISSION MAY MEET IN A SESSION CLOSED TO THE PUBLIC TO CONSIDER THE FOLLOWING PURSUANT TO GOVERNMENT CODE SECTION 11126:

A. LITIGATION.

THE COMMISSION MAY CONSIDER PENDING AND POSSIBLE LITIGATION PURSUANT TO THE CONFIDENTIALITY OF ATTORNEY-CLIENT COMMUNICATIONS AND PRIVILEGES PROVIDED FOR IN GOVERNMENT CODE SECTION 11126(e).

1. THE COMMISSION MAY CONSIDER MATTERS THAT FALL UNDER GOVERNMENT CODE SECTION 11126(e)(2)(A):

California State Lands Commission v. City and County of San Francisco


SLPR, LLC, et al. v. San Diego Unified Port District, California State Lands Commission

San Francisco Baykeeper v. California State Lands Commission
Center for Biological Diversity v. California State Lands Commission
City of Santa Monica, et al. v. Nugent
City of Santa Monica, et al. v. Ornstein
City of Santa Monica, et al. v. Bader
City of Santa Monica, et al. v. Levy
City of Santa Monica, et al. v. Philbin
City of Santa Monica, et al. v. Greene
City of Santa Monica, et al. v. Prager
Sierra Club et al. v. City of Los Angeles, et al.
United States v. 1.647 Acres
Nowel Investment Company v. State of California; California State Lands Commission
Little Beaver Land Company, Inc. v. State of California
City of Goleta v. California State Lands Commission

2. 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 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).
CHAIRPERSON YEE: Good morning. I call this meeting of the State Lands Commission to order. All the representatives of the Commission will be present. I'd like to welcome -- I'm State Controller Betty Yee. I'm joined today by Eraina Ortega representing the Department of Finance, and we will be joined by Lieutenant Governor Gavin Newsom shortly.

For the benefit of those in the audience -- and by the way, let me just welcome those who are joining us today from the Morro Bay Community Center Auditorium, who will be following this meeting today from our remote location.

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 at marine oil terminals 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 of the minutes from the Commission's meeting of April 5th,
2016. May I have a motion to approve the minutes?

    ACTING COMMISSIONER ORTEGA: I'll move adoption of the minutes.

    CHAIRPERSON YEE: Motion by Ms. Ortega to approve the minutes.

    I will second that motion.

    With -- and so that will be a 2-0 vote for now.

    Thank you.

The next order of business is the Executive Officer's report. And good morning, Ms. Lucchesi. May we have that report?

    EXECUTIVE OFFICER LUCCHESI: Yes, I have about seven items to get through, so I'll do my best to make it as efficient as possible.

    In May, the National Oceanic and Atmospheric Administration declared that El Niño was officially over. Near or below average temperatures existed three out of four monitoring regions of the tropical Pacific. And for the first time in 2016, wind and air pressure patterns were consistent with neutral conditions.

    Commission staff, back in November of 2015, sent preparedness assessment letters to all of our lessees, including our offshore oil and gas lessees, to ensure that associated facilities are inspected, and that emergency response plans were reviewed and updated prior to the
onset of storms. Those lessees involved in the production, transportation -- and transportation of petroleum or natural gas product, those letters addressed the need for lessee to evaluate the completeness of their plans, the impact of large waves and violent weather on the facilities and pipelines, employee safety and preparedness, and platform shutdown and evacuation procedures.

All of our oil gas and lessees acknowledged receipt of this letter and provided their plans to -- in preparation for the severe weather storms. Our lessees had initiated review of their operations and taken steps to address many of the outlines outlined in our letter prior to its delivery.

We also sent letters to all of our surface lessees, approximately 2,500 for those lessees that have leases for piers and pipelines onshore, marinas, that sort of thing. And we received a number of responses from them as well.

We also received -- we also provided three non-objection letters to different entities for them to install emergency revetments or protective structures or repair their existing ones in order to prepare for El Niño.

The second item I want to update the Commission
on is that in 2015 the Tahoe Regional Planning Agency, along with critical stakeholder partners, launched a shoreline plan initiative to develop guidelines for the appropriate uses along the shore of Lake Tahoe.

The overarching goal of the shoreline plan is to enhance the recreational experience along Lake Tahoe's shores, while protecting the environment and responsibly planning for the future. This shoreline planning initiative will update TRPA's shore zone element goals and policies in their regional plan, and in the shore zone chapters in TRPA's Code of Ordinances.

The Commission is participating in this effort in a number of ways. We are a member of the Steering Committee and the Joint Fact Finding Committee. We are also conducting a buoy count on the California side of Lake Tahoe this summer. The purpose of this buoy count is to determine the number of buoys on Lake Tahoe and their location. And that will assist in the planning effort that the Tahoe Regional Planning Agency has embarked on.

Just yesterday, the Governor signed the State's 2016-17 State budget. This budget includes 1,240,000 additional general fund dollars for the Commission. This funding will enable the Commission to begin transitioning to a spatially indexed record system, complete environmental review of the Becker onshore oil well, a
precursor to remediating the leaking well, and fund the
State's portion of the technical studies to remediate
Yosemite Slough in San Francisco Bay.

It will also fund the State's obligation to pay a
proportional share of the hazardous waste remediation cost
at Selby in the Carquinez Strait, and also to remove
Dennett Dam, which is an old dilapidated dam remnant that
no longer serves a purpose, and is an ongoing threat to
public health and safety.

The budget also included $610,000 from the Marine
Invasive Species Control Fund to implement an automated
public facing web-based data entry portal for the Marine
Invasive Species Program, and funding for an additional
environmental science position in this program. We are
very excited with our success in this upcoming budget.

On June 3rd and 8th of this year, Commission
staff approved two Chevron vessels to discharge ballast
water to the Chevron El Segundo Refinery. These approvals
were granted pursuant to Public Resources Code Section
71204.3, subsection (c)(5), and Title 2 of the California
regulations, which allow vessels to discharge ballast
water at reception facilities approved by the Commission.

The water was used to flush the subsea hoses at
the El Segundo marine oil terminal. As the ballast water
was mixed with residual oil in the hoses, the water was
transferred to the refinery for processing. No ballast water was discharged into the environment. And I'm reporting that to the Commission, because this was all done at a staff level.

I want to provide a quick update to the Commission on the Commission staff's effort with the Port of San Diego staff on the San -- offshore San Diego planning effort. As you remember, the Commission directed staff to develop a marine planning framework in partnership with the San Diego Unified Port District at its December 2015 meeting. The purpose is to engage in a comprehensive ecosystem-based stakeholder driven planning process for State waters offshore San Diego County.

Commission and Port staffs have met several times to continue to discuss the process and develop and share components of a draft memorandum of agreement, which we believe is on target for your consideration at the October meeting in San Diego. Staff has also been conducting interviews with a number of State agency partners to obtain baseline information on interest, needs, concerns, and jurisdictional responsibilities.

Port staff has been conducting similar initial outreach with regional staff from various agencies. And we're continuing to make progress, and I will update the Commission again on this in August.
I only have two more items to update you on. I'm moving fast. Earlier this year, Commissioner Newsom expressed a desire that the acquisition of a public access easement at Martin's Beach, including whether to pursue eminent domain, be agendized on the Commission's June meeting agenda at the latest.

Today's agenda obviously does not include Martin's Beach as an agenda item. There have been some recent developments, including a new acquisition concept proposed by some of the residents renting homes at Martin's Beach that warrant additional research, including discussions with Coastal Commission staff, San Mateo County, and representatives of Martin's Beach, LLC. This is why I did not agendize Martin's Beach for this meeting.

Discussions with Martin's Beach, LLC representatives continue. My last meeting with them occurred on the afternoon of June 8th in Menlo Park. I will continue to update the Commission on the developments involving this effort. We're still pushing hard.

COMMISSIONER NEWSOM: Amen.

EXECUTIVE OFFICER LUCCHESI: And finally, I'd like to take just a brief moment to introduce Colin Connor as the Commission's new Assistant Executive Officer. Colin, can you please just stand up for a bit.

(Applause.)
EXECUTIVE OFFICER LUCCHESI: Colin has been with the Commission since 2001. His background is in commercial residential real estate and appraisals. He came to the Commission as an appraiser in the Land Management Division and quickly moved up to various managerial positions, including Assistant Chief of the Land Management Division. For the past year, Colin has been the Chief of the Commission's Administrative and Information Services Division, where he has been overseeing all agency fiscal and informational services, including budget development, and contracting.

Colin possesses the perfect balance of technical expertise, superior management skills, sound policy experience, and excellent judgment. And Colin will be a great number two serving the Commission, the people of California, and our staff in helping the Commission successfully implement its strategic goals.

That concludes my report.

Thank you.

CHAIRPERSON YEE: Thank you, Ms. Lucchesi. Questions or comments, Commissioners?

Let me welcome Commissioner Newsom to the meeting today.

Very well.

Next order of business will be the adoption of
the consent calendar. Commissioners have any items you wish to be removed from the consent calendar?

  Seeing none.

Ms. Lucchesi, are there any items that you want to indicate to us that need to be removed?

  EXECUTIVE OFFICER LUCCHESI: Yes. C9, C14, and regular items 93 and 94 are removed from the agenda and will be considered at a later items.

  Item C33 will be moved from the consent agenda to the regular agenda.

  CHAIRPERSON YEE: Very well.

  ACTING COMMISSIONER ORTEGA: I'll move the remainder of the consent items.

  CHAIRPERSON YEE: Okay. We have a motion by Commissioner Ortega to move the remainder of the consent agenda.

  COMMISSIONER NEWSOM: Second.

  CHAIRPERSON YEE: Second by Commissioner Newsom. Without objection, such will be the order. Why don't we proceed to Item C33 that was just removed.

  EXECUTIVE OFFICER LUCCHESI: Great.

  CHAIRPERSON YEE: Okay. I know we have a number of public speakers, but why don't hear the staff presentation on that, and we will call up the speakers
after.

EXECUTIVE OFFICER LUCCHESI: Excellent. Cy Oggins, our Chief of our Environmental Planning and Management Division will be giving staff's presentation on this item.

CHAIRPERSON YEE: Great.

Good morning.

ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION CHIEF OGGINS: Good morning, Madam Chair, Commissioners.

I'm just waiting for the slide show. Thank you.

(Thereupon an overhead presentation was presented as follows.)

ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION CHIEF OGGINS: Calendar Item 33 addresses four leases issued to Hanson Marine operations for the mining of sand in central San Francisco Bay that are proposed for reauthorization.

As quick background, the four leases contain identical provisions as leases that were authorized by the Commission at its October 19, 2012 Commission meeting. The purpose of this calendar item is to comply with an order by the First District Court of Appeal that was upheld by the Superior Court of California, County of San Francisco to set aside the 2012 lease approvals, to conduct a Public Trust analysis, and to reconsider those
leases in light of the Public Trust Doctrine.

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ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: Sorry. It's not working.

Thank you.

At its October 29th, 2012 meeting, the Commission also certified an Environmental Impact Report for the project. That was upheld by the appellate court. It was -- the court determined that it was a valid EIR that it contained a Mitigation Monitoring Program, and the Commission also made findings and a Statement of Overriding Considerations.

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ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: Since 2012, a number of other agencies have also approved the sand mining project, including the California Department of Fish and Game, which issued an incidental take permit in 2014, the Regional Board, BCDC, and federal Corps of Engineers.

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ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: Very quickly. At the October 19th meeting, the Commission actually approved three lease areas -- or the project covered three lease areas, the central Bay Area in the red square, and also up at the top right-hand
corner, a private lease, and another lease in the Delta. The red square is the subject of today's meeting.

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ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: Here's another slide showing you a satellite view. You can see the City of San Francisco, which you both know very -- which you know very well to the south, Sausalito to the west, Belvedere, Tiburon and Angel Island to the east, and Alcatraz on the -- I'm sorry, Belvedere, Tiburon to the north, and Alcatraz on the eastern border.

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ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: The leases approved by the Commission are on the left-hand column. They contain both reduced volumes and increased volumes. To obtain the increase in mining volumes Hanson had to satisfy two conditions approved by the Commission, then apply for the increase. The first condition was to obtain an incidental take permit from Fish and Wildlife, which, as I mentioned earlier, was obtained in 2014. And the second condition was for Hanson to provide documentation that would use cleaner burning engines. Those are scheduled for 2017. So Hanson has not applied for any increase in the volumes. The second column to the left are the volumes that were
approved by the BCDC and the Corps. Pursuant to different purposes, the BCDC approved it pursuant to the McAteer-Petris Act.

And then on the right, you'll see what -- you know, kind of what the actual volumes mined by Hanson were in 2015. You'll see there are less than both the version -- the volumes approved by the Commission and by BCDC and the Corps, approximately 507,000 cubic yards. The other thing to note is on the far right-hand column, the rent and royalties to the State totaled over $1.2 million.

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ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: The Public Trust analysis prepared by staff that's in your staff report covered multiple issues. I won't go into those in depth, unless you have any questions, but they include waterborne commerce, navigation, fisheries in Central Bay.

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ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: And just quickly, it covered not only interference with recreational or commercial fishing, but also the fisheries themselves.

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ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION
CHIEF OGGINS: Open space, and water-related recreation and public access.

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ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: The Commission staff report also addresses the availability of the sand resource. And that was an extensive analysis in the Environmental Impact Report certified in 2012.

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ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: One of the more controversial issues raised at the meeting was the potential impact on San Francisco bar offshore the Golden Gate, and Ocean Beach. As you may recall, the Commission found that there were negligible impacts to San Francisco Bar, and the analysis conducted by the Commission was upheld by the superior court.

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ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: As mentioned before, the court directed the Commission to find -- look at the reauthorization in light of the Public Trust Doctrine. And this just reviews what the Commission's trustee role is, to retain -- it will retain supervisory control over the leases. There is no alienation of fee title. Mineral resources are reserved to the State. As mentioned earlier, rent and royalty is
being collected. The Mitigation Monitoring Program approved by the Commission is still in effect, and there is both quarterly and annual monitoring. And finally, there's a limited term a 10-year term for these leases.

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ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: The EIR also addressed the benefits of Bay Area sand, including -- which is something of note to the -- importance to the Commission is reduction to greenhouse gases.

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ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: Which gets us to the recommended action. And that's just that we recommend that staff -- that the Commission find that sand mining is a Public Trust use, or in the alternative, that if the Commission doesn't find that, that it approves the leases, because it is consistent with the Common Law Public Trust Doctrine.

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ENVIRONMENTAL PLANNING AND MANAGEMENT DIVISION

CHIEF OGGINS: Also recommend that you set aside the 2012 leases, and approve the reissuance of the leases for a 10-year term. And that would be the same approval as in 2012.

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CHIEF OGGINS: If you have any questions, I'm here or staff is here. And that concludes my staff presentation.

CHAIRPERSON YEE: All right. Thank you very much. There are a number of public speakers on this item. Let me call them up.

First if we could have Erica Maharg and Ian Wren from San Francisco Baykeeper come forward, please.

And you'll each have three minutes to address the Commission Board.

MS. MAHARG: Great. Thank you.

Good morning. My name is Erica Maharg. I'm a staff attorney with San Francisco Baykeeper. As was stated, the Public Trust analysis just explained to you was required by the First Circuit Court of Appeal in response to a legal challenge by Baykeeper.

And after reviewing the staff report, we are disappointed in the Public Trust analysis. The staff report applies a definition of Public Trust use that directly contradicts the judgment that was rendered in this case by the court of appeal and prior case law.

Moreover, the staff report mischaracterizes the scientific analysis showing that sand mining impairs the Public Trust.

A Public Trust analysis has two steps. The first
step asks the question whether the activity is a public
Trust use? The second step asks, if not, does the
activity impair Trust uses? I will speak to the first
question, and my colleague Ian Wren will speak to the
second.

First, courts have uniformly found that natural
resource extraction, like sand mining, is not a Public
Trust use. Yet, the staff report asserts that sand mining
is a Trust use, because it is waterborne commerce and
navigation. The court of appeals specifically criticized
the Commission's broad conception of a Public Trust use as
encompassing any private activity that benefits commerce
and happens on the water.

Yet, the staff report continues to apply a
similarly broad definition. It defines waterborne
commerce as essentially any activity that is commerce, and
that involves transportation on water. In fact, commerce
and the Public Trust Doctrine is limited. It includes, as
defined by the First Circuit Court of Appeal, wharfs and
docks and other structures in aid of commerce. Sand
mining clearly does not fit within this definition.

Regarding navigation, the staff report also
asserts that sand mining is a Public Trust use, because
the operations include the use of barges and tugs. The
First Circuit Court of Appeal -- I mean, this is quite
surprising when I was reading the staff report -- specifically addresses this argument and dismisses it as being an incorrect definition of navigation, according to the Public Trust Doctrine.

Regarding the public benefits that sand mining does have, the staff report argues that sand mining is a Public Trust use, because the State receives rent and royalties, and the sand is used for public projects. Baykeeper doesn't deny that sand mining may provide benefits, but the Supreme Court has specifically stated that it is not enough that the activity confers a public benefit for it to fall within a Public Trust use.

Significant time and energy has been spent on both sides litigating this issue, and it's a shame to see that the staff report continues to make these faulty legal arguments that the court of appeal has expressly denied, and is -- and doesn't follow applicable case law.

And for this reason, we ask that the Commission respectfully not approve the Public Trust analysis, because it defines sand mining as a Public Trust use.

Thank you.

CHAIRPERSON YEE: Thank you, Ms. Maharg.

Mr. Wren.

Good morning.

MR. WREN: Good morning. My name is Ian Wren,
staff scientist with San Francisco Baykeeper. As stated by my colleague, we request that staff reanalyze the Public Trust analysis, and also ask that staff reanalyze their technical conclusions, particularly in regard to sand transport, and the consequences of removing tens of millions of cubic meters of sand from San Francisco Bay.

Over the last five years or so, dozens of peer-reviewed papers led by Dr. Patrick Barnard of USGS, but including researchers from Cal, Stanford, and all other major marine research institutes in Northern California, have greatly expanded our understanding of San Francisco Bay geology and the way sand is transported to the outer coast.

The weight of evidence from this work strongly indicates sand removed from the bay is a major driver of erosion along the shoreline of San Francisco, and the underwater bar that protects the Golden Gate from major storm surges.

However, Commission staff relied largely on the conclusions of a single report by a consultant for the product component, which according to personal communications with Dr. Patrick Barnard mischaracterized his work, and incorrectly concluded that sand mining had negligible impacts on coastal erosion.

Several lines of evidence proves sand mining is
reducing sand resources available to replenish ocean beach, and is contributing to the fastest rates of erosion along the west coast. In short, science of the highest caliber indicates sand mining is compromising Public Trust resources. To permit unprecedented levels of sand mining from the bay, would leave San Francisco more vulnerable to storm surges and sea level rise, erosion will continue to eat away at some of the most expensive real estate on earth. And the city of San Francisco and other coastal communities will be stuck with the bill.

We are not requesting for a wholesale ban on sand mining in the bay, but a significant decrease is warranted, consistent with baseline levels of extraction. And this -- which is a -- have had no way hampered development or economic conditions in the Bay Area.

Thank you for your time.

CHAIRPERSON YEE: Thank you, Mr. Wren.

Let me ask staff to respond to some of these concerns just expressed, while we queue up Christian Marsh and Marcelo Barajas to come forward.

EXECUTIVE OFFICER LUCCHESI: All right. Well, I can certainly respond to particularly the first speaker from Baykeeper. We respectfully disagree with Baykeeper's assessment of the appellate court decision. We believe the appellate court decision said that -- rejected the
State's argument that sand mining was per se a Public Trust use.

What is shown in the staff report, and in public trust analysis, is based on the facts and circumstances, including the benefits of navigation, commerce, and the other benefits associated with it that clearly fall in to the 100-plus years of common law that has shaped the Public Trust. We believe that it is a Public Trust use in this particular circumstance, the proposed lease for 10 years, of which six and a half is remaining.

The most recent decision in the appellate court is certainly an important decision. It requires the Commission to expressly do a Public Trust analysis in its decision making. But that's not the first or the end of the law on the Public Trust Doctrine.

The Public Trust Doctrine is a common law doctrine that has been shaped over 100 years of case law. And so when looking at all of those cases as a whole, and using those principles and applying it to the application before us, staff's analysis is comprehensive and on point in its recommendation that sand mining is, in this particular situation, a Public Trust use. And even if it's not a Public Trust use in these circumstances, it does not substantially interfere with Public Trust uses or needs at this location, and for the period of time
remaining in the lease.

CHAIRPERSON YEE: Okay. Very well. Thank you.

Thank you, Ms. Lucchesi.

Mr. Marsh come forward.

MR. MARSH: He'll go first.

CHAIRPERSON YEE: That's fine. You'll each have three minutes.

MR. BARAJAS: Good morning, Commissioners. My name is Marcelo Barajas. I'm vice president and general manager for Lehigh Hanson. I'm going to leave the Public Trust issue to Christian.

I want to spend a couple minutes just explaining what we do, what is sand mining, and the importance of -- excuse me -- local sand mining here in the Bay Area.

It's sand -- it's an essential component of construction. It's construction mainly in two forms. One is concrete. It's probably 80 percent of our sand goes to concrete. All concrete uses sand. The other 20 percent is for restoration purposes. As a good example for current projects and past projects that our sand has been used. I can mention Crown Beach Restoration by the East Bay Regional Park District. Over 100,000 cubic yards of sand from these lease was used.

Pier 94 wetlands restoration of the Port of San Francisco. The Bay Bridge interchange by Caltrans, City
of San Francisco Street and Sewer Department. It's our
customer. They use our sand through concrete again. And
the current projects is the Sales Force Tower, and the 181
Fremont tower. Both of them are being built with concrete
using sand from these leases.

Now, when it comes to benefits of local sand,
it's our business. If you buy construction materials,
usually in average, half of the cost of the building
materials is freight. It needs transportation.

So if you pay, say, $15 for a ton of material,
you usually pay $30 for that material to be landed at your
site. So for that matter, it's -- in this case, it's the
benefits of having a local source of sand. It's hugely
important. It's -- all of our sand, we currently have two
depots, one in San Francisco, one in Oakland. Eighty-five
percent of the sand deposited in those is two depots is
used within five miles of the depots. It's in the City of
San Francisco and Oakland. And just to give you an idea
-- my wife and I we have a golden rule at home, where if
we are going to say that something is not good or we going
to reject something, we better have a better idea. It's
we better have a better alternative to what we're saying.
It's not good.

And just to give you an idea what's the
alternative of using marine sand, local sand from the
central bay, it's -- the other sand sources are usually coming from further east, Pleasanton, Sunol, Clayton, or even South Santa Cruz to -- for every 100,000 yards of sand that we bring in from the leases, we -- in question today, we are -- there is 5,600 fewer truck trips.

Just to give you an idea, every truck can only transport 15 yards of sand. So for every 100,000 yards that we dredge and deposit and use for construction, we're avoiding 5,600 truck trips. That equals 92,000 gallons of diesel fuel. And in CO2 amounts, it's a million -- a hundred tons of CO2.

And to give you an idea, last year, we mined almost half a million yards of sand. It's -- so that you multiply by 5. That's the real benefit of locals. And it's -- not every community have the luxury of having a local source that -- and barging is really efficient. Barging versus trucking. And you add traffic to that, it gets even worse.

So having said that, part of our permits with BCDC, we agreed to sponsor, as a company, a few projects. And I'm particularly excited about two of them. I'm a mechanical engineer. So it's -- I like finding out staff. One of them, it's -- we're sponsoring up to a million dollars to, it's called a sediment transport study to kind of -- we want to model how the sand really moves, the
dynamics of the sand, all the way from the Delta, and all
the way out to the ocean.

That is going to be managed by a group. It's not
only us. I know that would look kind of dubious. It's
been managed. We're putting a team together, that's
including BCDC, and us, we're going to manage that mowing.
It's going to take about four to five years to complete.
The other one, the one that we're ready to go to start
this year actually is called the benthic study, is to find
out exactly what marine life is down there especially in
the lease areas.

And we're doing that with cameras and sonars and
divers. And that we'll spend about $250,000 to complete
that. And that is ongoing. So with that said, I
appreciate your time and look forward to keep working with
you.

CHAIRPERSON YEE: Thank You, Mr. Barajas.

Mr. Marsh.

MR. MARSH: Good morning, commissions, and thank
you. Christian Marsh; I'm both permitting and litigation
counsel for Hanson Marine. I wanted to just put the
Baykeeper lawsuit and the appellate court decision in a
little bit of context.

First, as your Executive Officer already
reported, the CEQA lawsuit was denied in its entirety, and
all of the environmental impacts were -- in the impacts
analysis were upheld.

On the Public Trust side there were two important
holdings. One is that sand mining is not a per se Public
Trust use; that there has to be an analysis, there has to
be evidence to support that.

Second was that the agency had to consider the
Public Trust. Now, in considering the Public Trust, it
appeared that the court was looking for an on-the-record
analysis of findings. That is precisely what your staff
has brought to you here today.

I would note, however, that the court in its
analysis never found that there was harm to Public Trust
uses; and so that was an element that was not present in
the ruling. And I don't think is -- it would be supported
by the evidence in any event.

And in fact, the staff analysis and the EIR
together conclude that there is no significant unmitigated
impact to any Public Trust resource or use including
navigation, recreation, fisheries, habitat, and the
sediment system itself.

Now to specifically respond to a couple of points
from Baykeeper:

First, they've raised in their letter ecosystem
impacts. The EIR did a substantial and detailed analysis
of the ecosystem including fisheries. It did a benthic study - that's the habitat of the bay floor - and found that there was no discernible impact from sand mining.

They also looked at sensitive species including Delta smelt. Now, I would note that Delta smelt is one of those species that does not use the primary bay for most of its life. It uses mostly the Delta. And so it's not even a species that would be directly impacted by sand mining in central bay.

On sediment transport: This is precisely the issue that was put to the court of appeal, and the court of appeal held that there was substantial evidence to support your conclusion that there was no significant impact on sediment transport and sediment supplies to the outer coast. The only -- there were a number of studies that have come out since 2012. None of those studies actually analyzed the specific sand mining that occurs within the bay and tried to attribute the contribution of that sand mining. Instead, there were two areas that they made substantial advancements.

One was in providence; that's the -- where's the source of the sand coming from. And the other is in pathways. Both of those conclusions in those studies were actually consistent with the modeling that was already conducted by the State's expert, CHE.
So with that, your honors -- or, I'm sorry. I'm used to being in court.

(Laughter.)

MR. MARSH: Commissioners, I would just -- one last point; and, that is, a Public Trust use is not so limited to just environmental uses. They're much broader than that. In fact, Boone v Kingsbury, a California Supreme Court case, said that oil exploration was a Public Trust use. But I would also say that the important analysis here is the public benefit to -- and benefits, and the very direct and specific benefits to bay resources - whether it's the environment and climate change; whether it's public infrastructure, like bay bridges or roadways; whether it's beach restoration - those are all direct benefits to the trust - and that should be prominent in that Public Trust consistency analysis.

So thank you very much. We of course ask that you affirm your staff's recommendation.

CHAIRPERSON YEE: Thank you, Mr. Marsh. Comments, Commissioners?

COMMISSIONER NEWSOM: Just out of curiosity, if I may.

CHAIRPERSON YEE: Commissioner Newsom, please.

COMMISSIONER NEWSOM: How much above baseline is
this lease? And I know we're -- we're a few years into
the lease, but above a historic baseline in terms of
extraction? Is it significant or --

EXECUTIVE OFFICER LUCCHESI: I'm going to have --
ask staff to help.

Chris.

Chris is our environmental scientist that's
assigned to this application.

STAFF ENVIRONMENTAL SCIENTIST HUITT: Good
morning, commissioners. My name is Christopher Huitt. I
am the program manager that brought this in front of the
commissioners back in October of 2012; I presented to you,
Mr. Newsom.

And at that time the baseline originally was
proposed for over 2 million. Over time due to the air
quality issues that were addressed with the Bay Area Air
Quality District, it was reduced and, after discussions
with the sand miners, it was brought down to about 1
thousand -- or 1 million 5 hundred thousand, roughly. And
during that time, it was established with the other
agencies that they would like to bring it down even
further.

We had approved the permit -- or, excuse me -- we
had approved the lease for the 1 million 5 hundred
thousand, which was significantly less than what was
originally proposed by the sand miners.

COMMISSIONER NEWSOM: Okay. I appreciate that.

Thank you.

STAFF ENVIRONMENTAL SCIENTIST HUITT: Thank you.

CHAIRPERSON YEE: Thank you.

Okay. Other comments by Commissioners?

COMMISSIONER NEWSOM: And if I may.

CHAIRPERSON YEE: Please.

COMMISSIONER NEWSOM: I listened to both sides, you know, following up a few years back on this process. It's been a long process. I'm a huge fan of SF Baykeeper and their work, and I appreciate their concerns and arguments. And I think as a consequence of their concerns, I think we've strengthened this lease and -- as a consequence of that. And the compelling counterweight of argument that, Jennifer, you and your team have advanced, I'm certainly supportive of moving forward. But again with respect to the legitimate concerns always expressed by the stewards of our bay, SF Baykeeper.

CHAIRPERSON YEE: Okay. Thank you, Commissioner Newsom. I'll take that as a motion --

COMMISSIONER NEWSOM: Yes.

CHAIRPERSON YEE: -- to adopt the staff recommendation.

ACTING COMMISSIONER ORTEGA: Second.
CHAIRPERSON YEE: Seconded by Commissioner Ortega.

Without objection, such will be the order. Thank you.

All right. Ms. Lucchesi, our next item.

EXECUTIVE OFFICER LUCCHESI: Our next item will be Item 95, a proposed lease amendment to Los Angeles Department of Water and Power for the use and management of Owens Lake.

Drew Simpkin, our public land management specialist, will be giving staff's report.

CHAIRPERSON YEE: Good morning.

PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: Good morning, commissioners. My name is Drew Simpkin. I'm a public land management specialist with the Commission's Land Management Division; and I'm here to present information on Counter-item C 95.

(Thereupon an overhead presentation was Presented as follows.)

PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: This item asks the Commission to authorize an amendment to Lease Number PRC 8079.9 issued to the City of Los Angeles Department of Water and Power for the installation of 1.82 square miles of transitional dust control on the dry lake bed of Owens Lake.
PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: Owens Lake is located at the terminus of the Owens River in Inyo County, and is approximately 110 square miles in size. Today the lake is mostly dry, but as recently as the early 1900s the lake was up to 50 feet deep in places. The city currently maintains approximately 35 square miles of shallow flood dust control on the lake, which accounts for most of the water currently on the lake.

PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: The United States Environmental Protection Agency has designated the southern part of Owens Valley as a serious nonattainment area for particulate matter or dust less than equal to 10 microns in diameter. That's approximately one-tenth the diameter of a human hair. In 1999 the Commission authorized a 20-year lease to the city for implementation of the Owens Lake dust mitigation program. Since 1999, the Commission has authorized 16 amendments to the lease. The lease is set to expire in April 2019.

PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: On August 19th, 2015, the Commission authorized an amendment
to Lease Number PRC 8079.9 to construct the Owens Lake Dust Control Project Phase 9-10. Phase 9 and 10 includes 3.6 square miles of new dust control, including 0.24 square miles of managed vegetation, 0.54 square miles of shallow flooding, and 2.85 square miles of gravel cover.

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PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: As part of the Phase 9-10 project, the city proposed the Transition Dust Control Area T18 South from pond shallow flooding to pond shallow flooding with gravel cover. The proposed transition of T18 South was intended to offset the approximately 1,778 acre-feet per year of water that would be required to implement new dust control as part of Phase 9 and 10, thereby meeting the city's stated objective of a water-neutral project.

At the August 19th, 2015, Commission meeting, staff raised concerns that the conversion of T18 South would negatively impact existing bird habitat. T18 South has significant biological value, primarily for diving water birds, but also provides habitat value for waterfoul and shore birds.

At the time of the requested approval last year, the city had not yet completed a scientific review of the Habitat Suitability Model used to guide the design of T18 South, nor provided adequate assurances to Commission
staff that the cell would continue to support the
abundance and diversity of wildlife that the current
flooding supports. As a result, staff believe that the
potential loss of these Public Trust resources should
habitat value maintenance not be achieved outweigh the
potential water savings from the project.

Staff recommended that the Commission authorize
the Phase 9-10 project excluding the transition of T18
South.

Staff also provided the Commission an alternative
authorization which allowed the transition of T18 South
that required the city to submit an adaptive management
plan, conduct a habitat value acre review, and fund an
independent third-party organization that would monitor
the effects of bird habitat in T18 South upon transition.

The city supported staff's initial recommendation
and the Commission approved Phase 9 and 10 excluding T18
South.

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PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN:

Before the Commission today is the request by the
city to transition T18 South. Staff continues to have the
same concerns regarding the transition of the cell as it
did in August. However, staff has worked with the city to
develop lease provisions designed to protect the potential
loss of Public Trust resources by maintaining habitat values and measuring performance over time by incorporating survey data and wild use assessments.

It should be noted that staff has received comments from the California Department of Fish and Wildlife related to the transitioning of T18 South. While they are still in the process of reviewing the information provided by the city, they are concerned that T18 South, which was initially identified as one of the last areas to be transitioned via a completed master planning effort, has been presented for early transition. More specifically, the department has concern that the consensus has not been reached that a Habitat Suitability Model will meet all targeted goals or has accurately estimated habitat value acres for all targeted guilds, the lack of adaptive management plan to outline how deficiencies in habitat value acres will be remedied should the projected calculations fail to meet on-the-ground performance. There remains no indication or agreement from the city that conditions for cell T18 South could be returned to pre-project levels should transitioning result in the potential significant decline in use by diving water birds.

The potential cumulative effects of Phase 7A, tillage with BACM backup, and Phase 9 and 10 are unknown
at this time, and less dynamic bird use cells should be considered for transition to reduce water usage on Owens Lake. And that water savings from the city and other project-by-project agreements due to the current drought seem to indicate that Phase 9 and 10 project is consistent with being a water neutral without transitioning T18 South. In addition, staff has received comments from the California Audubon that has expressed concerns regarding the transition of T18 South.

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PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: Per the lease amendment, the city has agreed to develop and submit to Commission staff for approval an adaptive management plan. The adaptive management plan includes four key components:

The first is a habitat monitoring protocol to evaluate post-construction performance of T18 South;

A description of thresholds of expected habitat use by each guild for the entire project area;

A remediation protocol that includes a description of management options and corrective actions that would be implemented; and

A description of habitat value placements -- replacements options that could feasibly be implemented in the event operational adjustments fail to result in
PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: As part of the Commission's September 2nd, 2014, authorization for the city's tillage with best available control method backup project, the city was required to validate and update the Habitat Suitability Model that was developed in 2010 for the master project effort. On April 8th, 2016, the independent reviewer, Point Blue Conservation Science, completed the Owens Lake Habitat Suitability Model Validation and Refinements Report. While most of the recommendations are fairly minor refinements, a few of the recommendations significantly affect habitat value calculations. Since a fair amount of the model is based on research from other areas or on expert opinion, rather than from data collected on the lake itself, there is a level of uncertainty about which version of the model would do a better job of predicting bird use. Reducing this uncertainty is important because the model is such an important part of the master project and long-term management of the lake over time including determining the effect dust control projects have on habitat and guiding the design of future transitions. Commission staff believes the information obtained through the transition of T18 South, the post-construction
monitoring, and the lease provisions for adaptive
management will help improve our understanding of wildlife
preferences on the lake and refining the habitat
suitability model.

--o0o--

PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: Staff
is recommending that the Commission authorize the
amendment to Lease Number PRC 8079.9, a general lease,
public agency use, to amend the land use or purpose, the
authorized improvements, and the special provisions to
authorize the construction, use, and maintenance of 1.8
square miles of transitional dust control including
provisions related to the Adaptive Management Plan as
described in the lease amendment and as discussed earlier
in the staff presentation. All the terms and conditions
of the lease will remain in effect without amendment.

Staff is available to answer any questions you
may have. And the city is also available.

CHAIRPERSON YEE: Thank you very much.
PUBLIC LAND MANAGEMENT SPECIALIST SIMPKIN: Thank
you.

CHAIRPERSON YEE: We do have a speaker on this
item.

EXECUTIVE OFFICER LUCCHESI: Yes. I was just
going to add that we do have a representative from DWP here to speak. But I've also been informed that we have a speaker in Morro Bay that would like to speak on this item as well.

CHAIRPERSON YEE: Okay. Very well.

Let me -- why don't we call up Richard Harasick, who's here with LAWP here, and then we'll switch over to Morro Bay and hear from the member of the public there.

Good morning.

MR. HARASICK: Good morning. I'm Richard Harasick. I'm the Director of Water Operations with the City of Los Angeles Department of Water and Power.

And, first of all, I'd like to thank staff and Jennifer's great efforts to help us get to this point from where we were a year ago today. We have worked out really all of our issues. And T18 South is beneficial for us because it creates a water neutral project on Owens Lake as we move forward, which is part of our Commission's strategic goals as well on Owens Lake.

The adaptive management plan is the best path and the right path forward as we strive to maintain habitat values throughout -- or through the Habitat Suitability Model, and it really bridges the gap of the uncertainty where we're really both at and to the certain future that we want to be.
This development though of the Adaptive Management Plan is a significant undertaking for us and will take significant resources. In addition, there's a requirement for, as Drew said, a third-party review, and participation also within our habitat working group. And we also have about six other items that we're working on over the same time period for this commission.

So in this case, more time I believe would yield a better product and would ensure a timely completion of the submittal of the Adaptive Management Plan. So therefore we're asking to extend the Adaptive Management Plan submittal date from its current date of December 31st of this year to April 31st of next year.

CHAIRPERSON YEE: Okay. Very well. Thank you. Why don't we hear from the member of the public in Morro Bay.

Hello. Can you hear us here in Sacramento?

STAFF COUNSEL SCHEIBER: Yes, we can hear you. There was a change here -- actually, he wished to speak on Item Number 96.

CHAIRPERSON YEE: All right. Very well. If you'll introduce your name for the record, you'll have three minutes to speak.

EXECUTIVE OFFICER LUCCHESI: Chair, the public speaker actually wishes to speak on 96.
CHAIRPERSON YEE: Oh, on 96.

STAFF COUNSEL SCHEIBER: Yeah, so you don't have a speaker for number 95 in Morro Bay?

Can you hear me?

CHAIRPERSON YEE: We can hear you.

STAFF COUNSEL SCHEIBER: Okay. We no longer have a speaker for Item Number 95 here in Morro Bay.

CHAIRPERSON YEE: All right. Very well. We will be back to you shortly. Thank you.

Comments by the commissioners?

COMMISSIONER NEWSOM: Just some clarification. Did I -- Jennifer, was there some discrepancy on some dates there that I heard, or did I misinterpret that?

EXECUTIVE OFFICER LUCCHESI: In our negotiations leading up to today's meeting, our staff's strong recommendation is that the Adaptive Management Plan that's required be completed and submitted to the Commission by December of this year. So another -- leaving about six months. I think what Mr. Harasick was stating was that he thought that was not enough time given other workload priorities. And so he would like an extension on that as part of the Commission's approval of this lease amendment.

I think that's what he was asking for.

COMMISSIONER NEWSOM: And your thoughts on that?

EXECUTIVE OFFICER LUCCHESI: I stick by our staff
recommendation. I think six months is plenty of time, given what I believe is a significant compromise and a significant amount of negotiation that went into getting to this point.

CHAIRPERSON YEE: Although I think, Commission Newsom, nothing would prevent LADWP from coming back before us and backing that request. But we should --

COMMISSIONER NEWSOM: We thought about that.

CHAIRPERSON YEE: We sure would like to see some planning effort underway --

COMMISSIONER NEWSOM: Yeah.

CHAIRPERSON YEE: -- in return.

Yes.

COMMISSIONER NEWSOM: And, just having been here for five years and dealing with this for five years --

(Laughter.)

COMMISSIONER NEWSOM: -- only five years, I --

EXECUTIVE OFFICER LUCCHESI: You're a short-timer.

(Laughter.)

COMMISSIONER NEWSOM: I'm a short-timer.

I'm with you.

And, look, when you need to come back, come back. But, yeah, let's try to -- we've got to call this proverbial question; and so I think December's
CHAIRPERSON YEE: Okay. Any other comments?

Ms. Ortega?

ACTING COMMISSIONER ORTEGA: No.

CHAIRPERSON YEE: Okay.

COMMISSIONER NEWSOM: Move it.

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

ACTING COMMISSIONER ORTEGA: Second.

CHAIRPERSON YEE: Seconded by Commissioner Ortega.

Without objection, so such will be the order.

Thank you.

Okay. Our next item.

EXECUTIVE OFFICER LUCCHESI: All right. Our next item, that I believe everybody here and -- most everybody here and in Morro Bay have been waiting so patiently for is Item Number 96, which is to consider termination of two existing leases and issuance of a new lease to PG&E for a limited term to coincide with the existing Nuclear Regulatory Commission licenses for the Diablo Canyon Power Plant.

CHAIRPERSON YEE: Okay.

EXECUTIVE OFFICER LUCCHESI: I will be giving -- oh, I'm sorry.
CHAIRPERSON YEE: Before you start the staff presentation, Ms. Lucchesi, let me perhaps outline how the proceedings will take place for this particular item. There's a lot of interest. And I want to thank the members of the public who are participating from Morro Bay.

We will begin with the staff presentation by our Executive Director, Ms. Lucchesi, followed by a presentation by Geisha Williams, the president of PG&E Electric, who will have 20 minutes of time to present to us.

We then will hear from the signing parties of the agreement who are here. We then will switch down to Morro Bay and hear from -- I believe we have some elected officials present in Morro Bay. We will hear from them. And then we will hear the rest of public testimony. Okay?

So if you'll begin with the staff presentation.

EXECUTIVE OFFICER LUCCHESI: Great. Thank you.

(Thereupon an overhead presentation was Presented as follows.)

EXECUTIVE OFFICER LUCCHESI: I just have a couple of pictures up here. I'll be speaking, most of my presentation. I think we all know where Diablo Canyon is located by now.

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EXECUTIVE OFFICER LUCCHESI: PG&E has submitted an application requesting the termination of two existing leases and the issuance of a new limited-term lease for the continued use and maintenance of water intake structures, breakwaters, cooling water discharge channels, and other structures associated with the Diablo Canyon Power Plant located near Avila Beach in San Luis Obispo County.

In August 1969 the Commission authorized a 49-year lease to PG&E for the water intake structures and breakwaters associated with the plant. This lease expires in August 2018.

And in May 1970 the Commission authorized another 49-year lease to PG&E for a cooling water discharge channel associated with the plant. This lease expires on May 2019.

PG&E has requested that these two leases be replaced by a new lease to run coterminously with the current operating licenses and expire at the same time as the expiration of its Nuclear Regulatory Commission licenses for the operation of the facility located onshore.

At its December 18th, 2015, public meeting, the Commission deferred action on PG&E's lease application, directing staff to analyze the level of review required.
under CEQA, and as trustee pursuant the Public Trust Doctrine. At both its February 9th meeting and April 5th meeting of this year the Commission heard informational reports concerning various elements of the status of PG&E's lease application and federal relicensing application.

I will first quickly address the CEQA issue and then I will move into the Public Trust and best interests of the State analysis. And then conclude with just touching briefly on the potential of decommissioning.

CEQA requires public agencies to consider project impacts to the existing conditions of the environment. When a public agency determines that a proposed project will have a potentially significant effect on the environment, the agency generally must prepare an EIR.

Lease approvals for existing facilities however are generally categorically exempt from review. An exception to apply in this categorical exemption however applies when there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances. This -- the activity in this particular situation is the authorization of a limited-term lease for the continued use and maintenance of existing facilities located on State land and used to support the plant that's located onshore.
The infrastructure that is the subject of the proposed lease has existed for over 40 years, and are considered part of the existing environmental baseline. There are no operational or physical changes to the plant, an existing facility, in connection with the subject lease application.

The issuance of the proposed limited-term lease fits squarely into categorical exemption for existing facilities under CEQA. The question is whether the exception to this exemption applies. It is within the Commission's authority to use its independent judgment, based on the facts and substantial evidence, to determine whether there is a reasonable possibility that the issuance of the proposed limited-term interim lease will have a significant effect on the environment due to unusual circumstances.

If the Commission determines there is not a reasonable possibility that the issuance of a limited-term lease for these existing facilities will have a significant effect on the environment due to unusual circumstances, then the consideration of this proposed lease is exempt from CEQA.

Based on the information in the staff report, and submitted as part of the record, staff recommends that the proposed limited-term lease is exempt from CEQA as a
categorical exemption and that the unusual circumstance
exception does not apply in this particular case.

I will next talk briefly about the Public Trust
analysis and best interests of the State analysis and
recommendation.

Of particular importance to this analysis is the
most recent announcement, on June 21st, by PG&E, Friends
of the Earth, Natural Resources Defense Council,
Environment California, the International Brotherhood of
Electrical Workers Local 1245, the Coalition of California
utility employees, and the Alliance for Nuclear
Responsibility, who all announced a joint proposal
governing the closure of the power plant at the expiration
of its existing NRC operating licenses and the orderly
replacement of the power plant with a portfolio of
greenhouse-gas-free energy resources, including a
commitment by PG&E to provide 55 percent of its total
retail sales from eligible renewable energy resources.

Pursuant to the common law Public Trust Doctrine,
the State manages its tidelands and submerged lands for
the benefit of all people of the State for statewide
Public Trust purposes and needs. In administering its
responsibilities and exercising its discretionary
authority, the Commission applies the principles of the
Public Trust Doctrine in harmony with other legal
requirements and policy objectives of the State, including in this case SB 350 and the Water Board's once-through cooling policy; with consideration given to the specific factual context of the proposal, and the needs and values of a healthy California society.

While there are documented impacts due to marine life due to the impingement and entrainment associated with once-through cooling, the State's once-through cooling policy enforced by the Water Board appropriately regulates these impacts. Weighing these existing baseline impacts in the context of the once-through cooling policy, the State's broader renewable energy policies and laws, and the terms of the joint proposal, including the commitment that PG&E will not seek to operate the plant beyond 2025, staff believes that approval of the proposed limited-term lease for the existing facilities will not significantly interfere with the Public Trust upon such lands are held, or substantially impair the public rights to navigation, fisheries, or other Public Trust needs and values at this time, at this location, and for the limited term of the lease beginning June 28th, 2016, and ending August 26th, 2025.

It's important to also note that the proposed lease contains numerous provisions that allow for the Commission's continuing exercise of supervisory control.
over these Public Trust lands. The proposed lease does not alienate the State's fee simple interest or permanently impair public rights. The proposed lease is limited to an approximate nine-year term and ensures that the operations would not be any longer than what the original licensing of the plant contemplated.

I'm going to leave the details of the joint proposal to the speakers from PG&E and others on this. But it's of particular importance to highlight that the joint proposal when implemented in its entirety under the oversight of the CPUC and others will address significant statewide policy concerns associated with the shutdown of the plant in 2025, including replacement energy with non-GHG sources. It will include a workforce transition program and address impacts to the community.

All of those speak to both the balancing the Public Trust values and needs of this proposed lease as well as what's in the best interests of the State.

Importantly, the lease provides that in the event PG&E does not withdraw its application to renew its operating licenses for the plant pending with the NRC and if the Commission has not received an application for new a lease by August 27, 2018, this proposed lease that's before you today will terminate.

For all these stated reasons, and the reasons
stated in the staff report and contained in the record, staff recommends finding that authorizing the proposed limited-term lease does not substantially interfere with Public Trust needs and values, is in the best interests of the State, and is otherwise consistent with the common law Public Trust Doctrine.

I want to just briefly touch on decommissioning, because I understand that there are a lot of concerns revolve -- and questions revolving around that. And the decommissioning process is a very complex and long process that involves a lot more local, state and federal agencies than just us. But we do have a role in that, the State Lands Commission.

PG&E will be required to submit a new and separate lease application to the Commission for the use of state land for all the infrastructure that's associated with this lease for the period of time necessary to accommodate decommissioning activities and restore the lease premises consistent with the Commission's requirements. Specifically in the proposed lease, PG&E is required to submit that plan by August 26th, 2020.

The Commission's review of the decommissioning project will be subject to environmental review under CEQA. There are many other potential federal, state, and local review and authorizations that will be required
before PG&E undertakes any decommissioning activities, including the NRC, the Army Corps, U.S. Fish and Wildlife, National Marine Fishery Service, U.S. EPA, California Coastal Commission, the Department of Fish & Wildlife, the Department of Toxic Substances Control, the Regional Quality Control Board, and the County of San Luis Obispo.

That concludes my report. And I'm happy to answer any questions.

CHAIRPERSON YEE: Thank you, Ms. Lucchesi.

Why don't we call up Geisha Williams right now from PG&E Electric.

CHAIRPERSON YEE: Good morning.

PG&E ELECTRIC PRESIDENT WILLIAMS: Good morning.

Good morning, Chairwoman Yee, Lieutenant Governor Newsom, and Commissioner Ortega. I'm Geisha Williams and I'm President of PG&E Electric and I'm delighted to be here today to speak before you on the issue of Diablo Canyon.

(Thereupon an overhead presentation was Presented as follows.)

PG&E ELECTRIC PRESIDENT WILLIAMS: I'd like to begin by thanking the Commission staff for their incredible and very hard work and detailed analysis for many, many months now. Thank you for that comprehensive report. And I'd also like to thank the commissioners, all
of you, for really challenging us to think about a
different type of clean energy future for California. And
I believe that what we're proposing today really delivers
on that challenge.

As you know, PG&E has joined with labor and with
leading environmental organizations to imagine a really
different clean energy future for this great state.
Together, we developed a proposal that would increase
investments in energy efficiency, renewables and storage,
while phasing out PG&E's production of nuclear power at
Diablo Canyon in 2024 and 2025, at the same time that the
original operating licenses come to an end.

The proposal includes a PG&E commitment to a 55
percent renewable energy target by 2031, an unprecedented
voluntary commitment by a major U.S. energy company, and
frankly a commitment that as I stand before you I am proud
to make.

The parties to proposal are varied. And they
include the IBEW Local 1245, the Coalition of California
Utility Employees, Friends of the Earth, the Natural
Resources Defense Council, Environment California, and the
Alliance for Nuclear Responsibility.

This is a coalition of labor and environmental
partners with diverse points of view. And that's why it's
such a powerful statement that we collectively came to a
shared vision for what we believe is the best and most/responsible path forward when -- in respect to Diablo
Canyon.

A key element of this vision is that it
recognizes the value of carbon-free nuclear power as an
important bridge strategy over the next eight to nine
years. This transition period will help to ensure that
power remains affordable and, importantly, that we don't
increase the use of fossil fuels while we move to support
California's energy vision for the future.

Equally important, the transition will provide
essential time needed for our valued employees and for the
community to effectively plan for the future, a future
without Diablo Canyon.

The day we announced our joint proposal, PG&E CEO
Tony Earley, local -- IBEW Local 1245 Business Manager Tom
Dalzell, and I were all on site at Diablo Canyon to
explain our decision to our employees.

We began a series of employee meetings at 5:15 in
the morning and the meetings went on till past 9:15 at
night. We were able to touch about a thousand of our 1400
employees over the course of the day. As you can imagine,
it was a very difficult day for our Diablo team, as they
hoped that we would be seeking relicensing.

We talked about our rationale for the decision.
And we also talked about the need to finish safe and finish strong. We are immensely proud of Diablo Canyon's track record of industry-leading safety and reliability performance. These results frankly would not be possible without the dedication of the skilled team of professionals that run the plant day in and day out.

To continue to deliver these positive results, the parties agreed that it's important for us to retain this team at Diablo. And that's why we've included in the joint proposal a package of retention benefits and retraining opportunities for our team that runs the plant every day.

The feedback we've been getting and continue to get from the employees during our meetings and after our meetings have been that they felt valued as a result of the proposed benefits. And they frankly, in turn, value the certainty for themselves and for their families that the proposal represents.

For the community, we're proposing a 50 million dollar transition package. In essence, this keeps tax payments at current levels until 2025 and again allows for essential planning for the future.

Again, certainty being so very beneficial.

Now, these employee and community benefits all would have to be approved by the CPUC, so there's much
more work to be done. But that can't happen without your support first here today.

We need the lease extensions for our intake and outflow structures. To that end, we respectfully stand before you and ask that this extension be granted today without a requirement for Environmental Impact Report.

Again, all we're requesting is a short-term, six-year lease extension to accommodate existing operations.

License renewal is off the table.

The categorical exemption in CEQA for existing facilities clearly applies under these circumstances. Your staff agrees with the outcome, and so do our partners to the joint proposal. Put simply, we believe that an EIR is not legally required, necessary, or desirable.

With your help we can move forward, move forward to a future where clean, affordable, renewable energy dominates our energy supply and helps us build a better California while doing more than any other state in the nation to protect our environment.

I want to thank you for your leadership and for your commitment to moving our state forward. And, last, I want to thank you for giving me an opportunity to speak with you today.

CHAIRPERSON YEE: Thank you, Ms. Williams.
Let me now turn to the signers of the agreement with PG&E. And first let me call up Erich Pica with Friends of the Earth, followed with Tom Dalzell with IBEW 1245.

And you'll have three minutes to address us.

MR. PICA: Good morning. My name is Erich Pica and I'm president of Friends of the Earth, United States. I'd like to say a few words about the proposed lease.

First, I'd like to thank you, Chair Yee, Lieutenant Governor Newsom, and Commissioner Cohen for the time and consideration that you and your staff have put in to this lease.

Friends of the Earth was started in 1969, in part in opposition to Diablo Canyon and nuclear power here in the State of California. Our hundred thousand member plus activists care deeply and passionately about this issue and about your work here today.

Seven days ago, Friends of the Earth, the Natural Resources Defense Council, Environment California, the Alliance for Nuclear responsibility, with the IBEW Local 1245 and the Coalition of California Utility Employees, joined with PG&E in this landmark agreement which will result in the closure of Diablo Canyon at the end of its license in 2025, and with its replacement of greenhouse-gas-free portfolio of renewable energy, energy
efficiency, and energy storage.

This is an historic agreement, for California, for the country, and for the world, and for everyone who's concerned about reducing nuclear power and reducing fossil fuel emissions and replacing renewable energy, and doing it in a way that is just to the workers of the facility as well as the community.

This agreement has a broad array of support, with Environmental Defense Fund, Environment America, and the Union of Concerned Scientists supporting.

In regard to the issue before you, we want to emphasize that the early closure of Diablo, the last nuclear power plant in California, will have profoundly beneficial environmental impacts in terms of both the Public Trust resources and public safety.

No license renewal means that we close the door on at least 20 more years of reactor operation, and quite possibly 40 more years given NRC's irresponsible consideration of 40-year -- additional 40-year leases.

In light of this major change in circumstances, occasioned by the agreement, Friends of the Earth has withdrawn its prior objections, and supports the PG&E lease application.

The specter the Diablo plant continued to operate over the long term was profoundly concerning the Friends
of the Earth.

But the PG&E agreement to withdraw its license renewal application is the game changer. The agreement effectively eliminates at least two decades of catastrophic risk from seismic events, and by bringing to an end the source of nearly 80 percent of California's once-through cooling ocean withdrawals, the agreement will reduce the OTC problems in the State to a fraction of what it is today.

The benefit of this outcome to the environment and to the Public Trust resources, in particular, cannot be overstated.

In 2025 it has been reported PG&E will be required a new title lease to accommodate the Diablo Canyon decommissioning activities over the 20 years following the closure. However, PG&E has expressly acknowledged in the agreement that the approval of such new leases will require CEQA review. Or accordingly the Commission will have the opportunity to fully review and require mitigation for any impacts associated with the future lease once PG&E decommissioning plans have been developed.

This historic agreement reached by -- reached on Diablo Canyon achieves in one fell swoop nearly all the benefits to Public Trust resources that the Commission
sought when it approved its 2006 resolution calling for
the phaseout of the OTC facilities in California.

In light of these benefits and the benefits that the
agreement will have in charting a sustainable future for
California, Friends of the Earth supports again PG&E's
lease requests and requests that the Commission approve
the new lease as expeditiously as possible.

As time is short, I'll refer you to the letters
that we submitted with our partners as well as Friends of
the Earth separate letter on the matter. And I'd be happy
to answer questions if you have any.

Thank you.

CHAIRPERSON YEE: Thank you, Mr. Pica.

Mr. Dalzell.

And while you're coming up, commissioners, after
we hear from the parties that have signed on to the
agreement, we'll open it up for some comments before we
hear from further testimony.

Good morning.

MR. DALZELL: Good morning.

My name is Tom Dalzell. I am the business
manager of IBEW Local 1245. We are here to speak in
support of the staff recommendation and lease extension.

Local 1245 represents approximately 20,000
utility employees in California and Nevada, 11,000 of whom
work for PG&E, 600 of whom work for Diablo Canyon.

With me today are all the members of our executive board and officers, and a number of members from Diablo Canyon standing now, and a number of other PG&E Local 1245 members to support.

And I thank Commissioners Newsom and Yee for -- and the Governor's office for the great respect shown our members throughout, beginning in April 5th and continuing to the present.

The nature of compromise is we don't all get what we want. Nobody gets what they want in a big compromise, everything that they want. And while we would have preferred what Friends of the Earth saw as a specter of continued operation, we accept the fact that we do not make state energy policy, we do not make the decision PG&E does about whether to continue operating in light of state energy policy.

And once that decision was made, and as PG&E began shaping the alliance for this agreement, our primarily focus became protecting our members. And in that effort, I cannot thank Commissioners Yee and Newsom enough for the attention that they paid to that very issue with us and making sure that we were satisfied that our members were protected. We were able to negotiate a retention agreement with PG&E that will provide for an
orderly transition away from employment at Diablo Canyon that will help California without having a precipitous change.

So we played the hand we were dealt and -- I mean, it is historic that Friends of the Earth and PG&E and Local 1245 are all here agreeing to something.

And as a little bit of human interest - I'm about to alienate our photographer - John Story was working for the Chronicle at the time of the construction of Diablo Canyon, and was down there photographing the demonstrations against Diablo Canyon and got caught up in a police sweep. So he's been -- he was there in the dawn of Diablo Canyon and is chronicling this next chapter.

So thank you for all that you did for our members. Thank you.

CHAIRPERSON YEE: Thank you, Mr. Dalzell.

(Applause.)

CHAIRPERSON YEE: Just briefly before we move to the next speakers, I want to thank the members who are here with you today. And I just have to say, having set foot at Diablo Canyon, I don't know that I can recall ever meeting a more dedicated group of professionals that we -- to whom we rely on providing our energy needs. So thank you for the great diligence in operating the plant.

Next we have John Geesman with the Alliance for
Nuclear Responsibility, along with Rochelle Becker, also
with the Alliance, David Weisman with the Alliance.

Please come forward.

Good morning.

MR. GEESMAN: Thank you, Madam Chair.

There is no particular joy in being the skunk at
the picnic. Everybody agrees that PG&E would have a more
legally defensible new lease at Diablo Canyon if it were
preceded by an EIR. PG&E doesn't want you to do that.

If PG&E wants to exempt a new lease from CEQA,
they ought to sponsor legislation to accomplish that.
PG&E doesn't want to do that.

I continue to be mystified by PG&E's approach to
risk and their desire to have you indemnify those risk
calculations. I doubt that any one of you would purchase
a new property with a waiver of your right to inspection
or a waiver of your right to receive specified disclosures
from the seller. Yet that is exactly what PG&E is asking
you to do in this case.

One has to wonder what information it is that
would come out from a full CEQA review process that PG&E
is so afraid of. They're asking you to indemnify their
decisions. If anything goes wrong at that plant during
the remainder of this new lease, you will own that outcome
for the remainder of your lives. And the company asking
you to do that is the only utility licensee in the entire
history of the commercial nuclear power industry ever to
face prosecution from the federal government for 12
safety-related felonies and one obstruction of
investigation felony.

Common sense says you should perform an EIR.

(Applause.)

MS. BECKER: Rochelle Becker, Executive Director
of the Alliance for Nuclear Responsibility.

We thank the joint parties for allowing us to
make this presentation today. We are grateful that the
joint parties came together, and we are looking forward to
working with them. We know that you can never get
anything accomplished by only speaking to each other. And
you, commissioners, and the other joint parties and the
public in general have done that.

We have worked with the legislature. We have
worked with every oversight agency. And what we are
asking is the information that we have given to you be
included in your record so when you make that decision --
we have dotted all of our i's and crossed all our t's, and
you have the information before you that we have so long
worked for to make sure it was before every agency. We've
litigated them. We've worked on legislation on them.
These are issues that are very important to San Luis
Obispo. We stand to lose a lot in San Luis Obispo. And we are very grateful to PG&E for considering our community and the workers in our community, for considering the environmental effects and going towards a renewable future.

But this record needs to be complete. And so we ask that the information that we gave to you yesterday be included in the record.

Thank you.

CHAIRPERSON YEE: Thank you.

Mr. Weisman.

MR. WEISMAN: Cede my time to Ms. Becker.

CHAIRPERSON YEE: Okay. Very well. Thank you.

Next let me have Peter Miller with the Natural Resources Defense Council come forward, followed by Marc Joseph with the Coalition of California Utility Employees.

MR. MILLER: Thank you, commissioners, for the opportunity to speak to you today. My name is Peter Miller. I'm a senior scientist with the Natural Resources Defense Council.

NRDC advocated last December that the State Lands Commission defer its decision on PG&E's request to extend its subtitle leases until the Commission could determine the appropriate level of review required under the California Environmental Quality Act.
But the joint proposal is a game changer. The jointed proposal is designed to help California meet our environmental and economic goals. It provides for an orderly and expeditious transition to replacing 100 percent of the power currently provided by Diablo Canyon with greenhouse gas free, energy efficiency, and renewables. It addresses the needs of the workers and the local community; it will help to keep energy affordable for California utility customers; and it provides a model for collaborative resolution of a complex energy issue that is fully consistent with California's ambitious environmental and economic goals.

Critically, by committing to close the Diablo Canyon facility completely on a fixed time frame, PG&E will ultimately end the plant's harm to the ocean environment and remove other environmental impacts associated with the plant as well.

Given the particular circumstances of this matter, NRDC agrees that the lease request is consistent with the Public Trust Doctrine and is in the best interests of the State.

PG&E will need to submit a new and separate subtitle lease application to the Commission to allow use of the ocean water intake and discharge structures for the period of time necessary to accommodate decommissioning
activities. PG&E has explicitly acknowledged as part of the joint proposal that it expects the entire decommissioning process to be subject to full review under CEQA, which will allow for additional mitigation to address environmental impacts associated with shutting down and dismantling the plant.

In addition, under the joint proposal, once PG&E begins decommissioning the Diablo Canyon facility, it will reduce its water intake rates and thus its impacts on marine life, even more than it would be required to do so under the OTC policy. Ultimately, upon complete shutdown it will cease its ocean water intakes and the associated impacts altogether.

California's coastline and productive ocean habitats support marine life that is immense ecological, economic, and cultural value. For these -- for three decades, the Diablo Canyon Nuclear Power Plant has had a significant impact on the marine life in the region of the plant and the once pristine bay where it is located. Removing this impact to California's treasured marine wildlife and coastal habitats and replacing it with clean energy is something all Californians can celebrate.

Thank you for the opportunity to speak.

CHAIRPERSON YEE: Thank you very much.

Good morning.
MR. JOSEPH: Good morning, commissioners. My name is Marc Joseph. I'm the attorney for the Coalition of California Utility Employees. We are party to the agreement. And we also signed a letter to you asking you for the lease extension, and we support the staff recommendation.

The Coalition of California Utility Employees, its member unions, represent employees at essentially all of the electric and gas utilities in California, both publicly owned and privately owned. And that gives us a sort of unique perspective, because one of our member unions represented the employees who used to work at San Onofre Nuclear Plant.

As you know, the San Onofre plant was closed precipitously, with hundreds of employees fired with little warning and with no time to plan. And what filled the gap -- what filled the energy gap was lots more generation from gas-fired power plants. So we had both an adverse impact to the employees, an adverse impact on the environment both with criteria air pollutants and greenhouse gases.

In contrast, with this agreement we have a very different opportunity with Diablo Canyon. We'll have a planned, orderly transition which will allow the employees to stay, keep the plant operating safety, to plan for
their future, and to have a smooth transition. And we'll also have a smooth transition for the State's energy supply. We'll have time to develop replacement resources, both energy efficiency and additional renewable generation, and large scale storage.

That outcome is not automatic. It will require the CPUC to do its part and require all the parties involved, both utili -- including utilities, community choice aggregators, and electric service providers, all to do their part to develop the replacement.

But it gives us time to do it in a orderly, thoughtful way and not in the -- dealing with the precipitous way that San Onofre closed.

Therefore we urge you to accept the staff recommendation.

I also want to point out, you all should have received a letter from Robbie Hunter, president of the State Building Trades, supporting the agreement and the lease renewal. As he pointed out in the letter, this will continue to provide work for the building trades for the next nine years and will provide work in constructing the replacement resources which will be used to replace Diablo Canyon.

Thank you.

CHAIRPERSON YEE: Thank you very much.
I think what I'd like to do is stop here and open it up to comments by the commissioners. But before I do, let me just assure that anyone who has submitted anything in writing to us, those documents will be a matter of public record on this particular matter.

EXECUTIVE OFFICER LUCCHESI: That's correct. Everything that has been submitted to us as of 8:30 this morning, around that time, has been provided to the commissioners. And a significant amount is located in your public comment package in front of you, and will be made part of the official record.

CHAIRPERSON YEE: That's right.

Thank you very much, Ms. Lucchesi.

What I'd like to do is ask Ms. Williams and Mr. Dalzell and Mr. Pica to come forward just to be available for questions by the commissioners.

And let me just kind of first start out by saying thank you for being here and really taking the time to address the Commission today on this important matter.

And if I could, maybe just start out with a couple questions for PG&E. So I applaud the ambitious proposal to really look at moving us into the energy future for California. And my first question relates to -- obviously we have the example of San Onofre -- and just your sense of whether you perceive that natural gas
is going to kind of rear its head at any point during this transition as a bridge to get to where we want to be with respect to renewables.

PG&E ELECTRIC PRESIDENT WILLIAMS: Thank you for that question, Madam Chair.

Absolutely not. We believe very firmly that we have the ability to replace the required output from Diablo Canyon with 100 percent GHG-free resources.

You know, we find ourselves in Northern California in a really fortunate spot. We have an abundant and diverse amount of non-GHG resources. Not every state, not every region can claim that. But we have wind; we have solar; we have biomass; we have geothermal; and we have here at PG&E the largest privately-owned hydrosystem in the country, which includes 1200 megawatts of pump storage at homes.

When you take all of that plus the work we're doing on really building a demand response program, a really robust demand response program, higher levels of energy efficiency, and storage - right, we're also looking at storage, battery storage and other types of storage that will -- going to continue to be an important part of our State's energy landscape. You put all that together, and as I stand before you, I'm confident in our ability to be able to replace the required power from Diablo with
non-GHG-emitting resources. It's our North Star. It's what we believe in and why we committed to a higher RPS level.

CHAIRPERSON YEE: Very well.

And then we've been getting a lot of correspondence with respect to what will happen over the next nine years with respect to -- I'm not sure it's increased seismic risk, but certainly there is always seismic risk given the proximity to multiple faults, as well as ongoing damage to marine life. And I wanted to just hear your comments about those two particular issues.

PG&E ELECTRIC PRESIDENT WILLIAMS: Well, let me address the seismic risk first. Let me just say, unequivocally we believe that Diablo Canyon is seismically safe. It's probably the most studied facility from a seismic point of view in the country; some people would even argue maybe in the world. And all the analysis, all the data that's been collected, all of the work, a lot of it after Fukushima, directed to us by the NRC, all of it points to Diablo Canyon being safe, being seismically safe and being able to handle the seismic conditions in and around the plant.

This is an issue that will never end. We'll continue to learn, we'll continue to review, we'll continue to apply best lessons learned. But we've had an
independent safety council, an independent peer review look at all the results, and they have also again confirmed what we've always also found, that the plant is safe, it continues to be safe. And of course with the license extension not being called for, having the plant end at 2024-2025, a big part of the seismic risk will end at that point.

But we feel really good about where we stand that the way the plant was designed and the way it was built to withstand the seismic issues around it.

CHAIRPERSON YEE: Okay. And what about sea level rise?

PG&E ELECTRIC PRESIDENT WILLIAMS: On the sea level -- you know, the State Water Board has been obviously very focused on once-through cooling and they've put together requirements for all of the facilities in California including Diablo Canyon. We are compliant with the State requirements for once-through cooling.

And of course the ultimate requirement in terms of being consistent where the objective is the actual decision not to relicense. So we feel that we're in compliance, and not relicensing will end once-through cooling altogether at Diablo Canyon in 2025.

CHAIRPERSON YEE: Okay. I appreciate also the attention to the community of San Luis Obispo. Obviously
there will be impacts. Are there provisions on top of the
property tax commitment that will be under discussion
going forward?

PG&E ELECTRIC PRESIDENT WILLIAMS: Absolutely.
We look at the tax sort of protection, if you will, over
the next nine years as a beginning. We think it's the
right thing. It gives the San Luis Obispo community an
opportunity to plan for again a future without Diablo.

We also have made a commitment to continue our
emergency planning, our emergency preparedness activities
with San Luis Obispo. We're also going to continue our
charitable contributions, our corporate citizenship in and
around.

But I also want to say that by having the
employees have certainty, having them be still living and
working in San Luis Obispo, it continues to drive the
economic engine of that community.

And let's not forget the decommissioning work.
The decommissioning work will be a massive construction
project and it will last anywhere between 10 and 20 years.
That also will provide some certainty to the community in
terms of knowing that it has a strong partner in PG&E.

One last thing that I'd like to mention is the
decommissioning process. It will take two to three years
to come up with a comprehensive decommissioning plan. As
part of that plan, one of the things that we'll have to do is figure out what to do with this amazing site, this beautiful majestic site. And we will be inviting San Luis Obispo and other community stakeholders for their thoughts. They'll ultimately come up with a best path forward for this amazing property.

CHAIRPERSON YEE: And on that point, any thoughts right now about what will happen to the fuel rods that are currently stored on site?

PG&E ELECTRIC PRESIDENT WILLIAMS: Well, the fuel rods, once that they're spent and that they'd been used by the nuclear reactor, they're stored in a cooling pool for a period of time, normally around seven years. That allows the temperature to be reduced. And then they're transferred to a dry storage -- dry cast storage facility that's on site. Our dry cast storage facility on site is ample enough, has sufficient capacity to be able to take on all of the spent fuel rods that have been used so far and that will be used between now and the end of '25. They'll be safely stored on site until the federal government ultimately delivers on its promise to have a long-term repository for spent fuel for all nuclear reactors across the country.

CHAIRPERSON YEE: All right. Thank you. And then one last question, if I may.
We appreciate the tremendous amount of public input just in our Commission proceeding today. What happens next with the agreement with respect to really articulating timelines but, more importantly, continued opportunities for public input?

PG&E ELECTRIC PRESIDENT WILLIAMS: Yes, thank you for that.

So once we have the very important extension of the leases, which we hope we'll get today, the next step is really the regulatory front. And our plan is to file with the CPUC by the end of July. Of course the CPUC has a very thorough and robust public input process, we'll have public workshops. And our hope will be that we'll get input and perspective from many different parties and that hopefully they'll support the proposal.

Our expectation, we anticipate that the CPUC would make a decision on our proposal by the end of 2017; and shortly thereafter, in 2018, we would issue our requests for offer for energy efficiencies, which is 2,000 gigawatt hours. Our plan is to start the energy efficiency work while we still have Diablo Canyon operating to kind of get a bit of a running start, if you will, and reduce energy consumption.

And then shortly after that, we would do a second request for offer for an all-resource non-GHG energy
procurement offering.

But, again, it's very important that we get started on that. It takes between five and seven years from the requests for offer, through CPUC approval, to design, build, construction for all of this, to get steel in the ground to actually have renewable resources available to us. So time matters, and so we are on a forced march here. Today we're with you. Next step's CPUC. And then after that the important RFOs to replace the power from Diablo Canyon.

CHAIRPERSON YEE: Okay. I thought I had understood that there was going to be a 30-day I guess public engagement for public input between the time of our action and the CPUC process.

PG&E ELECTRIC PRESIDENT WILLIAMS: Yes. Forgive me for that. Absolutely.

In between now and the end of July, which is when we're actually going to file with the CPUC, there'll be a time for public input. We will have workshops and we will gather input from interested stakeholders. And we will do that before we file with the CPUC. Thank you for that.

CHAIRPERSON YEE: Okay. All right.

And then probably the $64,000,000 question - and this is obviously with some thoughts about what happened in San Onofre - to the best of your knowledge, do you
think the new replacement energy sources will be at higher cost to ratepayers?

PG&E ELECTRIC PRESIDENT WILLIAMS: You know, that's a really great question. We don't think so, and I'll tell you why. There's multiple reasons why we don't think so.

First of all, the total power output of Diablo Canyon is not needed in the future. We're seeing, you know, Californians take advantage of energy efficiency. We're seeing more and more adoption of private solar rooftop units. We're seeing more communities choosing community choice aggregation as a way of receiving their power. And what all this means is that customers are -- our customers are consuming less energy.

So, first of all, we don't have to replace all of it. Our estimates are that we'll only need to replace between 40 and 50 percent of the power output from Diablo Canyon.

And the second, we are very focused on renewables. And the great news about renewables and storage is that the price curves - right - the cost of renewables is steadily decreasing year over year over year.

So between again continued focus on energy efficiency and helping our customers use less, renewables
and storage prices that are going down - we take a step back - we believe that impact to our customers' bills as far as replacement power for Diablo, that it will not be an increase in cost; and as a matter fact, our best estimate is it will be less costly than relicensing Diablo past -- into -- past 2030.

CHAIRPERSON YEE: Mr. Pica, you have a view about that?

MR. PICA: I think part of the reason why this agreement is possible is that California over the last 40 years has done a great job in investing in energy efficiency and renewable energy. And this is possible -- the shutdown of Diablo on a scheduled time frame is possible because of what the State has done. And we looked at the modeling with PG&E, with our own outside consultants. We actually commissioned the Plan B report that looked at: How do you replace Diablo's power? And we came to the same conclusions. And that's actually the basis of this agreement. The basis is we did independent assessment. PG&E did their own. We said we can do this in a way that gives an orderly phaseout of Diablo Canyon and brings on energy efficiency, renewable energy, and energy storage at a cost-competitive, if not cheaper, way than what California is currently paying.

CHAIRPERSON YEE: Okay. Very well. Thank you.
COMMISSIONER NEWSOM: Yeah. And I'll save my broader comments for later. But in anticipation of those that are here in support of moving forward with an environmental review, I imagine the argument is, if we do that, somehow information will come to light that will enforce your hand to shut down sooner; and that somehow we are equipped and capable in that interim to provide the kind of alternative energy resources to mitigate the impacts of the closure of Diablo.

Speak to that concern. Speak to the hundreds of letters and emails that suggest that point.

And give us a sense. You said five to seven years to get approval on the large scale, energy efficiency, storage, whatever it may be, before you can actually get that replacement. Give me a sense of, you know, what's the counter, what's the argument against that point of view?

PG&E ELECTRIC PRESIDENT WILLIAMS: I would say -- thank you for that, by the way. That's a great question. And we've talked about that within PG&E as well.

The most impressive, I think, and part of the historic nature of the this agreement that we've reached with the joint parties is the fact that we have time, eight to nine years, to plan, to be thoughtful, to be
comprehensive in our approach on the best path forward for a replacement scenario, if you will, for Diablo Canyon.

An EIR takes time. There is -- it's not a simple 12-month or 18-month EIR. As you all know, there is lots of opportunity for appeal, lots of opportunity for reconsideration. I think I've -- earlier today we were listening to a presentation, and that particular EIR took four years, and it certainly wasn't Diablo Canyon on a cliff.

It just takes long. And so from our point of view, the biggest negative impact associated with an EIR is the time delay and what it represents to our ability to have a thoughtful transition. It erodes the certainty. It erodes the certainty of our ability to replace Diablo Canyon with non-GHG-related resources. It erodes the certainty — and this is not to be taken lightly — that our employees need in order to make decisions about what to do with their careers, whether to stay with Diablo or go work for another nuclear reactor somewhere, some other part of the country. And it erodes the certainty of our communities to know what's going to happen. Are we really going to have nine years or is this EIR going to put us in a position to potentially have an earlier shutdown and potentially be left with no other option but to replace these resources with fossil fuels. None of us want to do
These eight to nine years are a gift. They're an amazing transition period. And an EIR does nothing to help us begin to move forward. It's -- there is no need for it. The plant continues to operate as it has. There is a -- the facility will continue to run as it has run. There's an opportunity for CEQA review, an EIR review, and everything else for that matter, in a post-nuclear age when we're decommissioning, and there'll be plenty of opportunity for that.

But the EIR doesn't help. It pulls us back, reduces certainty, and doesn't give us the opportunity to take full advantage of the time that we have today.

COMMISSIONER NEWSOM: And from Friends of the Earth's perspective, I imagine you're getting calls from some of your colleagues, friends, saying, you know, hey, we could do this tomorrow. We've got the capacity to take -- to replace this energy. Why are you signing up for something that takes nine years when some of your colleagues I imagine think this could be done in 19 months?

MR. PICA: And the Commission should realize that Friends of the Earth was heavily engaged in the shutdown of the San Onofre nuclear power generation station in Southern California. And one of the lessons we learned
there is that shutting down nuclear reactors is hard. Right? You have to worry about the communities, you have to worry about the workers, and you have to worry about the replacement energy.

And what we -- with this agreement, what we have done -- and in my testimony when I said that this is a landmark agreement not only for the State of California but for the country and for the world -- we're getting our allies and colleagues around the world saying, this is the way you do it. You have time, you can bring in the right resources, and you can treat people right.

You know, we would love to have this reactor shout down tomorrow. But the practicalities are -- and to do it responsibly -- we have to let the energy efficiency come on line, we have to let the renewable energies come on line, and we have to make sure we keep these communities and these workers -- we take care of them. And this is the best way forward.

COMMISSIONER NEWSOM: Thank you.

And, you know, I ask questions that, candidly, I already heard the answers for. But in -- since we're having an interim conversation in anticipation of, I imagine, the public comment forthcoming, I hope that -- I hope we have a dialogue with that public comment that's informed by what we just heard as well, because it would
be interesting to me to get the feedback based upon what we've just heard so we can have a fuller discussion.

CHAIRPERSON YEE: Thank you, commissioners.
All right. Why don't we turn our attention to our audience in Morro Bay at this point.

We have I think a number of elected officials down there. Yes?

EXECUTIVE OFFICER LUCCHESI: I believe there's three.

CHAIRPERSON YEE: Yes. They are from the San Luis Coastal Unified School District.

STAFF COUNSEL SCHEIBER: First we have Councilmember Erik Howell.

CHAIRPERSON YEE: Oh, okay.

STAFF COUNSEL SCHEIBER: The next will be Supervisor Adam Hill.

CHAIRPERSON YEE: Great.

MR. HOWELL: Well, good morning, commissioners, and good morning, Executive Director Lucchesi.

My name's Erik Howell, Pismo Beach City Council Member, and a member of the California Coastal Commission.

I'd like to say that this agreement is a huge step forward for the California coast. I support the joint proposal and hope you will do so as well.

Thank you.
CHAIRPERSON YEE: Thank you, Mr. Howell.

STAFF COUNSEL SCHEIBER: Up next is Supervisor Adam Hill, followed by Ron Alsop.

MR. HILL: Honorable commissioners, Adam Hill from the Board of Supervisors in San Luis Obispo, and I represent the district in which the plant resides.

I'm here to support the staff's recommendation on the leases. I believe that the agreement made by all parties is a very thoughtful and responsible way forward.

And I did want to take advantage of what Lieutenant Governor Newsom recommended in terms of addressing some of these issues that were brought up in dialogue. A year before the tragedy in Fukushima, I led my board in supporting a letter that I wrote to the NRC to pause on the relicensing process until advanced seismic studies had been completed.

And so this has been on our watchlist from the beginning. We're confident that this -- that not only have we done a fair amount on seismic studies, but this is an ongoing situation that will ensure the safety of the plant. And of course, as you know, at any time the NRC is able to shut the plant down.

On Madam Controller's questions as well, and also Lieutenant Governor's questions, on the EIR process and some other things, as somebody who is often on land use
for a living, I can say that there is something to what
PG&E has said about the uncertainty and difficulty of any
EIR process, that could be much more than helpful on an
information level, but basically become another football.
And so we would hope that you would go with your staff's
recommendation. We think this gives us enough time. I
know -- I have actually had the pleasure of meeting both
Controller Yee and Lieutenant Governor Newsom here in our
community on several occasions. I think you know it's a
great place. I think you know it's a place that has many
resources for which we can move forward with and I know
that you care about our community.

This agreement, eight to nine years gives us an
opportunity to go with the State on this transition we're
making. This -- if in fact the plant were to close in two
years, I do not think that the State would be able to
replace this energy with greenhouse-gas-emission-free
energy. And I know that it would be utterly devastating
to our community's economic welfare.

This opportunity gives us a chance to do what
we're already doing, which is advance the interests of
economic development, to further our renewables ourselves,
to help our tech sector to continue to work with our
university and our community college. All of these are
the kinds of things that we can do in this period.
And so I do sincerely thank you for the attention that you've given to this matter. I think that your staff has made a wise recommendation, and I believe our community and our State will be better off for it in the end.

So thank you very much.

CHAIRPERSON YEE: Thank you, Supervisor Hill.

STAFF COUNSEL SCHEIBER: Our final elected official will be Ron Alsop.

MR. ALSOP: Well, for clarification, I'm not an elected official. My name is Ron Alsop. I'm the emergency services manager for the San Luis Obispo County Office of Emergency Services. We're the emergency management agency that is the lead for off-site emergency planning for Diablo Canyon. We coordinate with the local cities, the locally-based state agencies, the Governor's Office of Emergency Services, a number of other agencies to do emergency planning for Diablo Canyon.

We support the agreement as well. And as noted earlier, part of that agreement includes continued funding for emergency preparedness and emergency management.

We've heard reference to San Onofre. When San Onofre closed, they did have a challenge with their emergency preparedness funding.

Currently in California state law we off-site...
agencies are reimbursed by the utility through the State of California for emergency planning costs. That state law states it's for operating plants. So San Onofre had a challenge when the plant stopped operating. Then legally, the way the state law is written, there was no more funding. If we have a sudden shutdown within a couple of years, we're foreseeing the same problem here locally, versus with the agreement, we have nine years to transition down. And even after the plant closure there's wording within the agreement that we'll be working on that continues the funding for some time to come. And we certainly appreciate that.

There's another aspect of this too, is we get reimbursed for our emergency preparedness costs. But there are other costs that benefit the public safety that PG&E pays for directly. For example, the early warning siren systems, that the sirens that were put in for Diablo Canyon but we can use for any type of emergency notification. Those are paid directly by PG&E, upkept by PG&E. Although we at the county level would be the ones that, for lack of a better term, would push the button if needed.

So a lot of other resources. Our Emergency Operation Center's funded directly by Dogwood Canyon. So there are a lot of other resources too.
So the agreement we give it says nine years and beyond to transition our emergency planning.

In another somewhat related aspect is the Nuclear Regulatory Commission is currently evaluating emergency planning and preparedness for after-plant closures. They're looking at their regulations on should-they-change requirements for after-plant closures and what should those be. This will give the -- have an agreement, and over the coming years will also give us a chance to continue to provide input to the Nuclear Regulatory Commission on that process, which we already have. Our office provided input to NRC in March. So that's going along well as well.

So we certainly support the agreement and then, thus, the extension of the leases.

Thank you.

CHAIRPERSON YEE: Thank you, Mr. Alsop.

I believe we have the San Luis County -- San Luis Obispo County Sheriff in the audience. Is he -- Ian Parkinson?

MR. PARKINSON: Well, good morning.

Are we -- there we go. We're on.

Well, good morning, and thank you for your time and efforts and attention to this.

And just for record, John back there, I was not
part of that dragnet that he got picked up in back in the
day.

(Laughter.)

MR. PARKINSON: So my name is Ian Parkinson. I'm
the Sheriff/Coroner of San Luis Obispo, and also I sit on
the -- as a commissioner on the California Seismic Safety
Commission.

This matter is extremely important to me. I know
that Ron Alsop, our OES director, just spoke to some of
the issues, so I'm going to try to shorten what I have to
say. It is my hope that the land-use permit be granted.
With PG&E without any special conditions that would
facilitate a premature closure of the plant before the
operate license expires.

The abrupt closure, as you well know, will have a
profound effect on public safety for us, because of the
lack of funding, the lack of coordination that we enjoy
with PG&E now.

As the regional coordinator -- sheriff regional
coordinator for our area, and a real partner with PG&E,
it's extremely important that we have this plan that
allows us to decommission Diablo Canyon and provide safety
at the same time. As you know, as a sheriff that I'm
responsible for providing safety for the citizens.

As a matter of fact, I have a great relationship
with PG&E. A couple years ago we started a task force, the Sheriff's Task Force in Public Safety, which involves a number of stakeholders in the community; but most important it is our volunteer organizations bring in under one umbrella. That effort was funded by PG&E in recognition of our efforts to provide safety to our citizens.

Some of the items that were mentioned by Ron Alsop, I don't want to belabor; but there's a couple important things that I just want to point out to you.

That our maintenance of 131 early warning sirens is a direct result of PG&E's contribution. My dispatch center sits in the PG&E building on my site, and is staffed 24/7 with a watch commander, with very specific protocols on the activation of these sirens to notify the community.

An immediate closure of Diablo would not really immediately alleviate the dangers that the community is going to have. But yet it would take away probably a significant amount of funding and make my job much more difficult; and ultimately what's more important than my job of course is the community as less safe.

Our reverse 911 system which notifies our citizens of a variety of emergencies -- emergency alerting messaging, tone alert radios is all part of what Diablo Canyon has put in place. And it's used not only for our
service to Diablo or the concern with any issue at Diablo, but also for wildland fires; tsunami warnings, which we tend to get on the coast; things such as that. And so I think it's extremely important.

I'll just wrap this up and say this, that the closure of the plant will not make the danger disappear, as I stated. Our county still has an obligation. We have a partnership with Diablo. Having this period of time to decommission it right is going to enable us to recover economically over this process. As you know as well as I do, we just came out of a very poor time for our finances. We've worked our way out of it. Our county does a fantastic job of managing it. But we have a partner in there in PG&E, and I think -- with the closure being able to transition out, I think will give us the opportunity to do it smart as I think has been indicated by many people already. So I appreciate again your time and effort, and I really hope you consider what's most important right here, is our community.

So thank you.

CHAIRPERSON YEE: Thank you, Sheriff Parkinson.

Ms. Lucchesi.

EXECUTIVE OFFICER LUCCHESI: I believe we have an additional three elected officials at our Morro Bay location.
CHAIRPERSON YEE: Yes. I think they're with the school district; is that correct?

EXECUTIVE OFFICER LUCCHESI: I think so.

CHAIRPERSON YEE: Okay. Very well.

We will switch back to Morro Bay then and call up Derik Lennox, Ellen Sheffer -- Oh, I'm sorry.

Oh, you're here.

EXECUTIVE OFFICER LUCCHESI: They're here, but I think we have three additional in Morro Bay that you actually don't have slips for.

CHAIRPERSON YEE: Okay. Very well.

Okay. Why don't we continue with the elected official here.

MR. LENNOX: Good morning, commissioners. My name is Derik Lennox. I'm here on behalf of the San Luis Coastal Unified School District, and I'll be introducing two other folks down in Morro Bay.

San Luis Coastal Unified has a really unique experience because of the proximity that it has to Diablo Canyon. It represents and serves the community that's immediately surrounding the power plant.

Part of that symbiotic relationship with the power plant is that it's been able to provide really exemplary services to the educational community down there. And that's really its first priority.
But in light of the joint proposal and decision to decommission, inherent in that is extreme budget uncertainty. And it's really tremendous uncertainty for that school district because they rely disproportionately on the local tax revenues that come from the power plant.

So while San Luis Coastal does support the staff recommendations today, we are particularly concerned about how robust exactly the community mitigation program is going to be.

And to elaborate more on that I'll introduce first Ellen Sheffer, a trustee of the school board, as well as Dr. Eric Prater, the district superintendent.

Thank you.

CHAIRPERSON YEE: Thank you very much.

Ellen Sheffer.

STAFF COUNSEL SCHEIBER: Ellen Sheffer, and then next Eric Prater.

MS. SHEFFER: Good morning. My name is Ellen Sheffer and I serve as a trustee of the San Luis Coastal Unified School District. As a trustee I take pride in our district's ability to excel even though there are very real challenges facing our State's educational system.

San Luis Coastal Unified School Districts includes 10 elementary schools, two middle schools, two comprehensive high schools, and one continuation high school. Of these
schools, we have earned the honors of including three blue ribbon schools and seven distinguished schools within our district. We have a dual immersion elementary school and we offer preschool for our low income families. We have a STEAM-based middle school and a high school that offers project-based learning. We also serve 6,000 adults in our adult education programs, and those include GED classes, parenting classes, as well as activities for seniors.

We're very proud of our 98 percent graduation rate and the fact that more than 70 percent of our graduates attend college.

Many members of the PG&E community also belong to our school district community. Their families are involved in our schools. Their children are in our classrooms. Their spouses may be employees of our district. Their neighbors participate in the success of our district.

Our schools have benefited from their contributions of time, talent, and treasure. We're appreciative and gratified for those contributions.

Removing the Diablo Canyon Power Plant creates significant financial uncertainty for our students and their families. While many groups here today have strong and informed positions on whether the power plant should close, we are here for one reason: Our school district,
which has served Diablo for its entire history, has a duty to plan for the drastic revenue losses we are now facing. That duty extends to PG&E as well. The uncertainty and disruption created by Diablo Canyon's closure can only be mitigated by providing the community enough time and resources to successfully make this important transition.

We therefore support the staff recommendation to authorize a new lease through 2025, but also note that the modest community impacts mitigation program is very unlikely, insufficient to ensure that our schools are held harmless.

To speak more about why the mitigation program is not nearly robust enough you will now hear from Eric Prater, our superintendent of San Luis Coastal Unified School District.

Thank you.

DR. PRATER: Good afternoon. My name is Eric Prater, and I'm the superintendent of the San Luis Coastal Unified School District.

It should be noted that we have 7500 students that we educate, with over a thousand employees. We are grateful that 40 years of enhanced revenues from PG&E have enabled our school district to build and sustain educational programs and services that improve the lives of our students. It is not an exaggeration to say that
San Luis Coastal Unified School District is one of the finest in the State of California.

Last year, we received over $10 million in tax revenue directly from PG&E. This represents 12 percent of our funding. Virtually all of that revenue will be lost to our district and our students when Diablo Canyon closes. Our legacy will therefore be defined by whether ten years from now, we can offer our students, parents, and employees with the same level of high quality education that we do today.

It is a difficult challenge and a unique one for San Luis Coastal, but one we believe is attainable.

This brings me to today's agenda item. While we support the staff recommendation to offer authorize a new lease through 2025, we question whether the joint proposal's community impacts and mitigation program is in fact robust, as suggested in the staff report. The mitigation program proposes to commit 49.5 million over the next nine years to the county for the loss of property taxes associated with the declining rate base in Diablo Canyon.

49.5 million is significant for our county. But our one school district alone receives over $10 million each year directly from PG&E. In addition to these revenues, our county assists 15 other schools and
community college districts.

In sum, the 2025 transition timeline provides notice and time to plan. That's a good thing, certainly something we appreciate and are sincerely grateful for.

So we ask the Commission to adopt the staff recommendations and to also understand that the resources proposed in the mitigation program are not nearly enough to adequately transition the community that PG&E has called home for over 40 years.

Thank you for your consideration.

CHAIRPERSON YEE: Thank you very much, Dr. Prater.

Now at this point -- Jennifer.

EXECUTIVE OFFICER LUCCHESI: Oh, I was just going to suggest maybe a five-minute break at this point if the Commission is amenable to that.

CHAIRPERSON YEE: Sure. Let us take a five-minute break. And then when we do return from the break, I'd like to call those who want to provide testimony in opposition to the proposal.

(Off record: 12:09 p.m.)

(Thereupon a recess was taken.

(On record: 12:24 p.m.)

CHAIRPERSON YEE: Let's call the meeting back to order.
We will now hear from those speakers who had signed up to speak in opposition to this item. And we will start with the parties who are here in Sacramento, and then focus our attention to those who are in Morro Bay.

EXECUTIVE OFFICER LUCCHESI: Excuse me, Chair.
CHAIRPERSON YEE: Yes.
EXECUTIVE OFFICER LUCCHESI: We do have one elected official still remaining in Morro Bay. So maybe before we get to the folks in Sacramento, we can call upon that person.
CHAIRPERSON YEE: Very well. Yes, why don't we do that.
Back to Morro Bay.
STAFF COUNSEL SCHEIBER: We have Brian Sturtevant, council member.
CHAIRPERSON YEE: Good afternoon.
MR. STURTEVANT: Commission, my name is Brian Sturtevant. I am an elected official, the city of Atascadero. I'm also a quality verification assessor supervisor at Diablo Canyon. So I have a very interesting perspective on both working for the company and also having a community with which I'm deeply invested in trying to take care of the financial issues and the problems that are going to come down from this
decommissioning in 2025.

So I'm here in the capacity as a council member. And I just want to share with you that the counsel members of the city of Atascadero unanimously support this limited term lease extension for Diablo Canyon. There are several letters that are going to be coming from each one -- or actually each one of us is sending you a letter, but it's not going to make it by today's meeting. So I would like to read my letter of support into the public record since you're not going to have them in front of you for this -- for this time.

CHAIRPERSON YEE: We will accept that for the public record, but we're going to limit you to two minutes.

MR. STURTEVANT: Thank you.

Dear Commission Members. Pacific Gas and Electric's current water lease license for the use of ocean water for the cooling operations at Diablo Canyon Power Plant is currently set to expire in the year of 2018. For the sake of the local community I am writing to express my strong support and to urge your vote for extending PG&E's water use license to the year 2025. Without approval of your requested lease extension, the plant will shut down hard and fast in 2018, which could have severe economic consequences for our community.
A joint proposal, which has been entered into between PG&E together with labor and environmental organizations, will increase investment in energy efficiency, renewables, and storage beyond current State mandates while phasing out PG&E's production of nuclear power in California by 2025.

Under the terms of the proposal PG&E will retire Diablo Canyon at the expiration of its current Nuclear Regulatory Commission operating licenses. The parties will jointed support the transition period and orderly replacement of Diablo Canyon with greenhouse-gas-free resources by 2025.

PG&E has reached agreement on severance and other benefits with IBEW Local 1245 and will immediately engage in bargaining with other labor unions to ensure appropriate benefits for represented employees.

Furthermore, the joint proposal includes payments by PG&E to San Luis Obispo County totaling nearly 50 million designed to offset the climbing property taxes through 2025 in support of a transition plan for the county.

In light of these considerations, which are of significant importance to our community, I strongly urge you to approve PG&E's request to extend their water lease at Diablo Canyon to 2025.

And it is of utmost importance that we work
together in this time frame and we get these renewables and we get our employees trained and give them opportunities to be able -- there's a lot of hard work that's gone on in these last 40 years, so I mean just -- even in the last decade in the State of California. And we as a city work very hard for our -- on our climate action plans, and Diablo Canyon and the greenhouse-gas-free electricity that we produce is a big part of that. And I do not want to see that hard work from all the cities in this county go away, nor all the cities across the State of California when it comes to climate action plans. So, please, I do urge you to accept staff's recommendation.

Thank you.

CHAIRPERSON YEE: Thank you, Councilmember Sturtevant.

All right. We will now focus our attention on those who've been waiting patiently to testify, those who will be speaking in opposition. Let me just call you up and queue you up. And you'll have two minutes each to speak. There is a timer on the podium to track your time.

First, Marcy Israel with Mothers for Peace, followed by Peter Galbraith and then Jennifer Savage.

MS. ISRAEL: Hello, commissioners. I'm Marcy Israel, a member of Mothers for Peace, and a homeowner in
San Luis Obispo. Thank you for holding this public hearing today.

Thank you for your deep concern and thoughtfulness regarding the land leases for Diablo. I urge you to require full California Environmental Quality Act review for the land leases before considering a renewal.

It is a positive step that PG&E made the decision to close Diablo by the year 2025. However, PG&E made an economic decision, not an environmental decision. Your board is trusted with making an environmental decision. Your board is also trusted with making an ethical decision. Your stated goal is providing the people of California with effective stewardship of the lands. I didn't have to search far to find Section 1-1, strategies to achieve one of your stated goals: Deliver the highest level of public health and safety.

Nine years is too long to continue risking the health and safety of the citizens of California. Nine years is too long to continue warming the ocean. Nine years is too long to risk a devastating catastrophe. We have no -- we can't see into the future and know that there will not be an earthquake.

This plant should never have been built. It is built near active earthquake faults. Nine years is too
long to continue producing radioactive waste. It should be closed as soon as possible. It is up to you to make a wise and brave environmental decision to protect California's resources and citizens. It is in your power and scope to do so.

Please require a California Environmental Quality Act review for the land leases of Diablo before considering a renewal.

Thank you.

CHAIRPERSON YEE: Thank you very much.

Mr. Galbraith.

MR. GALBRAITH: Good afternoon.

We must learn the lessons of the ongoing disaster that's occurring in Fukushima, Japan. We cannot wait for -- that plant was destroyed by an earthquake that was beyond studies, beyond expectation. We cannot wait for an earthquake to destroy Diablo Canyon, with the loss of life, and the destruction of the California's agricultural lands. We must close it now. I'm not willing to -- we shouldn't be willing to trade a warming climate for a radioactive climate.

Thank you.

CHAIRPERSON YEE: Thank you very much.

Next we have Jennifer Savage.

MS. SAVAGE: Thank you, Chair Yee, commissioners.
Jennifer Savage, California Policy Manager for the Surfrider Foundation.

And as far as which box to check, support or oppose, I kind of needed in-between option --

(Laughter.)

MS. SAVAGE: -- because there's definitely a lot to appreciate in this joint proposal, given the historic agreement of the parties that are involved.

However, the lack of a DEIR does trouble us. We do see that the decommissioning and transitioning is an unusual project. And in the Plan B study that was referenced a number of existing deteriorating infrastructure components are identified: seismic retrofitting, metal fatigue, fire hazard repair are just a few of those.

As Diablo's once-through cooling system has impacted San Luis Obispo County's environment for decades and will continue to do so under this project, we believe that the process of requiring a DEIR should begin now.

We do note that the proposal to replace nuclear power with cost-effective greenhouse-gas-free renewable power does improve the safety of the community and the marine life.

And we appreciate the efforts by PG&E and the partners to find a path forward.
But business-as-usual is not a baseline. And we really believe that a DEIR would be the most transparent and safe way to move forward for all parties concerned.

Thank you.

CHAIRPERSON YEE: Thank you very much.

Okay. Next let me call up Ace Hoffman, Paul Kangas, and David Grace.

MR. HOFFMAN: Thank you, commissioners. I want to cover the exemptions to the exemptions.

CHAIRPERSON YEE: Will you introduce yourself for the record.

MR. HOFFMAN: Ace Hoffman.

CHAIRPERSON YEE: Okay. Thank you.

MR. HOFFMAN: I drove up from Carlsbad. I've been around the San Onofre plant. Things didn't change very significantly.

But one of the exemptions that the CEQA has is if there are mitigating events that have occurred. One of the mitigating events was when a plant just started to operate, they killed all the abalone. That ought to be considered.

Another one is that the EPA, who was going to charge them for lying and they eventually settled out of court for $14 million, they wanted the DOJ to cover that. That ought to be considered as a mitigating event.
And another one is the stress corrosion cracking of the dry casts. There are conditions now already that would allow for salts to appear to form in cracks. And those dry casts, if they start to leak, its eventually going to go into the bay. So that's another mitigating factor.

Regarding the greenhouse gas emissions, the plant requires about 30 megawatts of power just to operate. So that power has to come from -- at the moment, from a greenhouse-gas-emitting energy source. To start up the plant takes a hundred megawatts of power, and that's all from greenhouse gases.

I spoke to solar installers down at the San Diego fair a couple days ago, and again up here, and they told me they can put up a house -- solar house in a day. Which means that if you take the 1500 employees here, they can do 2500 houses a week. So it's easily 150,000 people in the State of California that need jobs. So you could replace their power just with solar rooftop within about a year. So there's no reason to wait.

I guess I'm out of time, but thank you very much for your attention.

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

Mr. Kangas.
MR. KANGAS: Thank you to the commissioners for this hearing. And, importantly, Commission Gavin Newsom raised a timeline question of, is there a way to shorten the timeline from nine years?

Nine years is too long. We need to be able to figure out a way to do it. We have good examples around the world.

The nation of Germany after Chernobyl disaster was able to build hundred-panel solar-powered houses rapidly. As the previous speaker just mentioned how quick it is the union workers can build them. They built massive numbers of them. They started out with 1,000. And it was so effective they increased it to 50,000 solar-powered houses. Each house would have a hundred solar panels. This generates enough energy right now within two years to shut down Diablo Canyon.

Germany has been shutting down -- they shut down 17 reactors now using solar power and wind. This is what we have to do. The environmental impact report should be filed, because that will put a fire under PG&E to find better alternatives. And the community knows that we can do this, as a previous speaker just mentioned. They're being -- California has ten times more solar energy than Germany does. Germany has a lot of wind. But Germany right now today is at 90 percent of their energy comes
from wind, solar, and hydro. We can do it. California has more resources that way.

So I urge you to oppose the lease and giving PG&E more time. It's going to create a -- we don't know when the earthquake is coming. That's one thing we do know. It's coming, we know that. And the San Andreas fault is active. And the 13 fault lines around Diablo Canyon are active.

Germany's been shutting down atomic energy plants every year since they started building hundred-panel solar houses. The unions need the work. It's important that we do this.

Thank you for this hearing.

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

Mr. Grace.

Please introduce yourself for the record.

MR. GRACE: Yeah, I'm David Grace, San Francisco. I was concerned -- we the people of California own this property. And if we were to look at government as a business, the standard rhetoric that comes from politics, that we the people as landlords for an entity that is about to abandon one of our properties, we need an EIS to make sure they're not leaving us with wreckage. And I can't even imagine businesslike politicians thinking
that they can offer an idea that we don't need an
inspection of our own property before they abandon it?
So that just -- it flies in the face of common
logic.

But the other aspect -- and I'm from San
Francisco, where a million dollars is nothing. You can't
even get a postage stamp house for a million dollars. So
to hear San Luis Obispo thinking that they're going to get
$10 million a year, that's ten pennies. And so when you
start looking at the value of our property, they -- PG&E
just said it's beautiful coastline land. Well if this
beautiful coastline land is being given back to us in a
damaged state, we need to have an actual financial real
estate study of how much it was depreciated and how much
we need to get back from them.

So from San Francisco, we're very familiar with
headline after headline after headline of PG&E fraud and
murder, organized crime, in the destruction of San Bruno
with that pipeline. That for 60 years they were
embezzling the safety money. Not 49 years, as was earlier
claimed that we don't need to look at things that are
older -- as old as 49 years. We can look at pattern and
practice of PG&E stealing the safety money, stealing the
safety money, and using fraud to cover it up.

So we need to make sure that our property is
returned in safe and clean condition, and we don't need to
have people claiming that we don't need the right to
inspect our own property. That's just -- I can't
even -- since I've got a matter of seconds left, I
questioned three different PG&E --

CHAIRPERSON YEE: Your time is up. Please make
it brief.

MR. GRACE: Three different PUC figures claimed
that they are organized crime. They said they are
organized crime. PG&E is organized crime.

CHAIRPERSON YEE: Okay. Thank you, Mr. Grace.

Next we'll call up Gretchen Dumas, as well as Ben
Davis, Jr.

Please come forward.

MS. DUMAS: Good morning. My name is Gretchen
Dumas, and I am here representing the Immaculate Heart
Community, a nonprofit organization that operates a
spiritual retreat center in Santa Barbara County, less
than a hundred miles from the Diablo Canyon Nuclear Power
plant. I also am a cancer survivor, having suffered from
both melanoma thyroid cancer, both of which can be caused
by radioactive emissions.

I also used to practice law and once had a CEQA
case before the California Supreme Court. So I know
something about CEQA and categorical exemptions.
Given that, when I heard about what you were considering today, I was shocked. The leases that PG&E has asked you to grant are precisely the kind of project that CEQA was intended to address. I had no idea the State's approval for a facility as dangerous and poisonous as Diablo Canyon -- has never - I repeat, never - gone through a formal environmental review process. And yet, here is a request for a further lease that should trigger a thorough environmental review.

I have learned from the health studies provided to you by the World Business Academy that the continuing emissions of radioactive isotopes that will result from the continued operation of this plant will cause an increase in infant mortality in San Luis Obispo County. This is appalling and unacceptable.

PG&E must take all necessary steps to shut this plant down permanently as soon as reasonably possible without at the same time increasing the admissions of green gases associated with its electric power business.

On the issue that you have before you today, you must recognize that your decision will unquestionably address, quote, unusual circumstances.

I guess my time is up.

CHAIRPERSON YEE: Thank you very much.

Mr. Davis.
Following Mr. Davis we'll have Matt Renner as well as Lawrence Chaset with the World Business Academy.

MR. DAVIS: Thank you very much. I'm Ben Davis, Jr. At your last hearing I brought you a copy of a case that I was involved in in the eighties which was very, very similar to this case. It is the only case that has a similarity of this one, in that it involves a nuclear power plant and the application of the California Environmental Quality Act.

It's also very similar because the County of Sacramento, like yourself, did not own the nuclear power plant which was under consideration but had to approve a project to allow the continued operation of that power plant. Like yourself, like you're considering, Sacramento County took an exemption to that and I took them to court, and the court of appeals agreed with me that the exemption was not appropriate for that action, and sent it back to Sacramento County, who started doing an Environmental Impact Report.

Now unlike this case but very similarly, the County of Sacramento took a statutory exemption, on 21080(b)(4), I believe. They were taking a categorical exemption. The difference between these two exemptions is that a categorical exemption is a class of project that the legislature's determined will not as a category have
an impact on the environment.

Statutory exemptions are classes of projects which may have an effect on the environment, but the legislature in its wisdom has determined should be exempt either way.

The particular categorical exemption that you chose is very interesting because it's kind of a hybrid of both of these. It does require this unusual findings requirement, which suggests that this project might have an environmental impact but allows you to take this categorical exemption anyway. It's a very unusual requirement in CEQA. And it puts quite a burden on your staff to provide you with an excellent record to show that you've really considered that issue.

It also puts a very stiff burden on myself or any person who's considering litigating this because we have to exhaust our administrative remedies and provide a record to show that your staff has not given you the appropriate foundation for making the decision you're considering.

You have not given me enough time to provide you with that record. This document that came out late Friday gave me only the weekend and Monday to determine what I needed to provide you to exhaust my administrative remedies and provide you with a record showing that you
don't have a basis for your decision.

In that time, I tried to access -- last meeting that I came to where I provided you with this decision, your computers were down. I could not get that information.

So I'm asking you to put off this decision to give me a chance to show you why the information your staff has given you is completely incorrect. I can give you two or three very quick examples.

CHAIRPERSON YEE: Your time has expired, Mr. Davis, but please wrap up.

MR. DAVIS: Well, I'll stop with that, but to say my due process rights have not been granted here, open meeting laws have been trampled on, and I cannot provide you a record with CEQA. I can give you three quick examples in your record of places your staff simply made mistakes. But I will only do so if there are questions from you asking about that.

CHAIRPERSON YEE: Okay. And there may well be later.

Thank you.

MR. DAVIS: Thank you very much.

MR. RENNER: Hello, friends and respected commissioners. My name is Matt Renner. I'm the executive director of the World Business Academy. And I'm a product
of the California public education system. I'm also a
graduate of UC Berkeley.

Every day we work at the World Business Academy
to address climate change by pushing for real
breakthroughs in renewable safe energy.

All of here who are trying to make the world a
better price are very busy. We often lack the time to
connect on a personal level and share our humanity. So I
want to tell you a little bit about me and what brings me
here today.

I'm 33 years old, and I have an amazing wife and
a fluffy 12-pound Chihuahua mix named Samson. Every
morning at 6 a.m. he crawls into bed with me and lays his
whole body on top of my chest. And every time he does
this, it makes me think about becoming a father. Every
morning I consider the unbelievable opportunity my wife
and I have to create another human being. And I'm blown
away at the beautiful children here in this room, of the
workers who have done an amazing job keeping this atomic
bomb from going off in the Central Coast.

But today we find ourselves in unusual
circumstances, as do many people in my generation. Like
my fellow millennials, we desperately want progressive
change in this country. But we're not sure we can trust
our government.
You may have noticed that people my age are enraged by politics as usual. We are not volunteering or donating to politicians who give away their power. We are not standing with the old guard who have continuously handed pieces of our natural world to polluters in the name of shareholder profit. And we are not willing to sit silently and allow those who claim to represent the people to make backroom deals and put our lives and our futures in danger.

If I lived downwind of this plant there's a good chance that if I had an infant daughter, she would die as a result of the regular emissions that are allowed to be spewed into the local environment. Look me in the eyes and tell me you're okay with that? Tell me you're doing your job when you allow this plant to continue operating without first investigating the potentially lethal consequences of ionizing radiation.

CHAIRPERSON YEE: Mr. Renner --

MR. RENNER: And then remind me that having children is safe. And tell me that living downwind of a possible Fukushima-style disaster is safe. And tell me that this position amounts to anything more than just spending the next nine years praying with our fingers crossed that we avoid a catastrophic meltdown.

Thank you.
CHAIRPERSON YEE: Mr. Renner, your time has expired.

Thank you.

Next, Mr. Chaset.

Following Mr. Chaset will be Sandy Silver and Gerald Weber.

MR. CHASET: Good afternoon. My name is Larry Chaset. I'm an attorney representing the World Business Academy.

We are urging you to postpone at least -- for at least 30 days your decision that's before you in this matter until you've given due consideration to the information that's been presented by the academy that's in the record.

We met with your staff on March 14th in order to discuss the legal and public policy need for a -- for the preparation of a full EIR under CEQA prior to any action on the part of this commission to grant a new lease to PG&E. During that meeting the Academy made a convincing case, which your staff acknowledged at the time, that a full EIR under CEQA was required in connection with the requested new lease despite the language in the State's CEQA guidelines that exempts review of existing facilities except where there is a reasonable possibility that the activity will have a significant effect on the environment.
due to, quote, unusual circumstances.

Staff's initial logic in their February draft staff report in this matter was correct and their analysis of the CEQA issue. However, the staff has in the report that just came out a few days ago misinterpreted CEQA and it's leading you down the primrose path to a lawsuit if you find that CEQA is not triggered by this project.

When we met, the Academy presented detailed information on a recently completed study on the health effects associated with the continuing operation of Diablo Canyon. The study demonstrates the continuing operation of the plant causes serious adverse public health effects including excess infant mortality. There can be no doubt to any rational and fair-minded person that the operations of an existing facility that is causing excess infant mortality as well as other serious adverse health effects rises to the level of constituting unusual circumstances.

Thank you.

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

Let me call up Sandy Silver, followed by Gerald Weber and Dan Hirsch.

But before my next speaker, Ms. Lucchesi will you speak to the due process issues that were just raised. And then also I know some of the parties, including the
World Business Academy, did meet with staff in the past so -- to provide information previously.

EXECUTIVE OFFICER LUCCHESI: Yes. Would you like me to speak to that right now?

CHAIRPERSON YEE: Please, yes.

EXECUTIVE OFFICER LUCCHESI: According to the Bagley-Keene Act, the Open Meeting Act, the Commission staff published the June 28th meeting agenda more than ten days ahead of today's meeting, thereby complying with the Act. While the staff report was released last week, it -- there is no legal requirement for us to publish that staff report so many days ahead of the meeting. We try our very best at all Commission meetings to publish our staff report in as much advance of the meeting as possible.

In this particular situation, the key component of the staff's analysis and recommendation focused around the Public Trust analysis and best interests of the State. The joint proposal announcement came out on June 21st, which was significantly informative and important to include in that particular element of the analysis. And so it did take us a couple extra days to formulate that analysis based on the most recent developments so that we were able to provide the most comprehensive and recent information to the Commission for your consideration.
CHAIRPERSON YEE: Okay. And the statement about the earlier staff, I guess, direction for a CEQA review.

EXECUTIVE OFFICER LUCCHESI: So I believe the last speaker made two comments. One is that we did meet with the Business Academy in March and listened to their position and received the information that they provided us. I can assure you that we made no statements as to the ultimate recommendation of staff as it relates to the CEQA determination or the Public Trust analysis.

In terms of the February staff report, there was some discussion in there about the level of review for CEQA. But that was an informational staff report and it reflected the facts and the law as staff knew them at that time. The Commission never adopted that staff report, as it was purely informational. And frankly I don't believe that staff's recommendation today is in conflict with that informational staff report.

CHAIRPERSON YEE: Yeah, I do believe that's correct. We were really asking that you look at the scope of what a review would look like, identify the relevant Public Trust issues. But those were pretty much on hold while we gave time for the parties to continue their discussions.

Okay. Very well. Thank you.

Sandy Silver, Gerald Weber, and Dan Hirsch.
MS. SILVER: Hello. My name is Sandy Silver. I'm currently a resident of Santa Cruz, but I was -- my family and I were living in San Luis Obispo all through the construction and licensing process of Diablo Canyon.

In 1973, I became a personal intervenor along with the San Luis Obispo Mothers for Peace regarding the licensing of Diablo. And at the time, in 1973 -- well, actually my dealings over the past 40 years with PG&E and the NRC has taught me to have a very hypervigilant sense of being whenever they assure us of anything or promise us anything.

In 1973, we were concerned about a meltdown at Diablo. They told us it was an incredible accident. And that of course was before Three Mile Island, Chernobyl, and Fukushima. In 1973, we were concerned about the nuclear waste and what would happen there. And they said, don't worry, there's going to be a repository.

The waste is now stored on-site in San Luis Obispo.

When a -- when testimony was offered from a Cal Poly geology professor that there was an earthquake nearby, we were assured that he was absolutely wrong. At two years later, the Hosgri fault was found -- became known and also other faults have been determined.

I am certainly happy with the joint proposal of
certain of the conditions that I have seen as far as
taking into consideration the workers, taking into
consideration the economic impacts, and most of all of
course the renewable energy. I would, however -- my major
concern has always been and remains the health and safety
of the people surrounding Diablo Canyon. Neither this
Commission nor PG&E can assure us that there's not going
to be an earthquake in the next nine to ten years.

So I would like to request that the Commission
postpone a decision regarding the permit and direct PG&E
to return with options for speeding up the process for
shutting down Diablo. I know that you were concerned
about it that -- and you asked that question about whether
they could do that. And they all talked about
certainties, which I certainly appreciate, but that we
don't have a certainty as far as the seismic issue is
concerned. So I hope you postpone the decision today.

Thank you.

CHAIRPERSON YEE: Thanks very much

Mr. Weber.

DR. WEBER: Hello. My name's Dr. Gerald Weber.
I'm a geologist, and I've spent the last 40 years studying
the geology for the central California coastline from San
Francisco Bay down past Diablo Canyon.

In the early 1970s, PG&E proposed constructing a
power plant at Davenport, just north of Santa Cruz. At that time, they asserted that there was no active faults in the vicinity. In 1973, as I began my field studies at the San Gregorio fault zone, at Año Nuevo, I came across a fresh exposure of the fault in the sea cliff. And you could see on one side of the fault a series of sediments that were dated at 7- to 8,000 years old. Juxtaposed in this picture up here. Then one on the right you see the black lines. Those are sediments that are 7,000 years old, 8,000 years old. To the left of that area you have the crushed stone of a giant fault. And the rocks in it is crushed were 5,000,000 years old.

And so now what you have is you have an active fault sitting there.

PG&E geologists came up, looked at it. We had some debates, and PG&E realized it was an active fault and abandoned the power plant site at Diablo Canyon.

Now, we can go down to -- this discovery had significant implications for Diablo, because the San Simeon -- the San Gregorio fault connects to the -- San Simeon fault connects to the Hosgri fault. And if you take it all the way along, you have an incredibly long fault along the California coastline which could generate an exceedingly large earthquake. We know absolutely almost nothing about the earthquake history. And there's
no way we can find it. So any time you deal with this you
are taking a chance.

Now, PG&E interestingly never accepted that when
they continued to build a plant here in this area.

Now, what you want to do, the decisions you have
to make, you have to look at this and ask yourself, "Am I
willing to put everybody at risk for the next ten years on
something that we know will happen but we just never will
be able to figure out when it will happen until it catches
us by surprise"? That's your decision. You're the ones
who are going to have to make it.

I'd suggest abandoning the plant.

CHAIRPERSON YEE: Thank you, Dr. Weber.

DR. WEBER: Any questions?

CHAIRPERSON YEE: No.

DR. WEBER: I didn't think so.

CHAIRPERSON YEE: Good afternoon.

MR. HIRSCH: Thank you.

My name is Daniel Hirsch. I'm the director of
the program on environmental nuclear policy at UC Santa
Cruz, though my views here today are my own and not those
of the university.

I'm going to talk about the elephant in the room
that no one is talking about. The problem about the
decision that you're being asked to make and how you have
an alternative between yes and no. And that elephant is
the risk of an earthquake, a terrorist event, or some
other accident occurring between now and 2025, and whether
there's anything that you can do to try to reduce that
risk.

Diablo was built on the assumption by PG&E that
there were no active earthquake faults within 30
kilometers of the plant. Shortly after getting the
construction permit and getting 80 percent constructed,
the Hosgri fault was discovered coming within two and a
half miles of the plant. PG&E said, "Don't worry, we'll
retrofit a little bit." They downgraded their estimates
of the ground motion in a very controversial way and ended
up not doing a lot of the retrofits that were needed. But
they said, "Don't worry, there are no more faults."

However, shortly thereafter the San Luis Bay
fault was discovered to be active near the plant. And
shortly thereafter, the Los Osos fault was discovered near
the plant. And then a few years ago the Shoreline fault
discovered, which comes within 300 meters of the plant
intake on the state lands that you're being asked to
extend the lease for.

PG&E again said, "Don't worry, those faults are
not connected." But now they admit that the Shoreline and
the Hosgri fault are connected. And, more importantly,
that the Hosgri is connected to the San Simeon and to the San Gregorio fault, making a fault that goes from south of Diablo Canyon to north of San Francisco.

You're faced with the possibility of an event just like Fukushima, an earthquake larger than the reactor was designed for.

There are many good things in this joint proposal: not going forward with license renewal, replacing it with GHG neutral. But you have the option - and I urge you to take it, I urge you to take it - to ask PG&E and the parties to come back to you in a few weeks with a proposal as to how they can't shorten that time period.

There is nothing in the technology that takes nine years. The main problem with the proposal is they're talking about not even issuing the request for offers for two years for the first tranche and four years for the second and years thereafter for the subsequent ones. So not even starting.

And so I just want to ask each of you to think how you would explain to your families and to the California public if there were an earthquake in 2023, 2024, 2025, 2022 that caused a substantial portion of California to be damaged and you hadn't done the last bit that you could do to try to improve this agreement and try
to shorten that window of risk.

I urge you to think about that as an alternative.

I think it would be hard to sleep at night if you didn't.

Thank you.

CHAIRPERSON YEE: Thank you very much.

I'd like to turn our attention to our audience in Morro Bay and ask the speakers in opposition to come forward.

STAFF COUNSEL SCHEIBER: We'll start with Sierra Club Chapter Director Andrew Christie, followed by Charles Varni, and then Larry Murray.

MR. CHRISTIE: I'm Andrew Christie. I'm director of the San Lucia chapter of the Sierra Club, representing the 2,000 members of the club in San Luis Obispo County, where I've lived in the shadow of Diablo Canyon for three decades.

Legal authorities agree that extraordinary efforts must be made to protect a Public Trust resource due to its unique nature, whether due to scarcity, threatened and endangered species and associated gene pools, or unique objects or natural settings.

However, reconcile this obligation and Diablo's decades-long decimation of the marine environment with the statement in your staff report that the issuance of a new general lease does not substantially interfere with the
Public Trust needs and values, is in the best interests of the State, and is otherwise consistent with the common law Public Trust Doctrine.

Water Board staff informed PG&E in 1988 that the plant's thermal impacts were causing objectionable aquatic growth and degradation of indigenous biota, a temperature change in the receiving water that adversely affects beneficial uses, and degradation of marine communities.

The only specific support for the staff report's conclusion appears to be the assertion that the OTC policy enforced by the SWRCB appropriately regulates these impacts protecting Public Trust resources, end quote.

As the Water Board's once-through cooling policy will not go into effect until 2024, this is a non sequitur in an assessment of the Commission's Public Trust obligations pursuant to an action that it's specifically limited to the period of 2018 through 2025.

On the issue of CEQA exemption, you have the authority to determine whether there's a reasonable possibility that the issuance of the proposed lease will have a significant effect on the environment due to unusual circumstances based on substantial evidence.

There is more than a reasonable possibility that California's sole unique nuclear power plant will continue to have a significant effect on the environment and the
evidence is substantial. We urge you to exercise your authority, determine that this lease is not exempt from CEQA, and protect the Public Trust.

Thank you.

CHAIRPERSON YEE: Thank you very much.

(Applause.)

STAFF COUNSEL SCHEIBER: Charles Varni, followed by Larry Murray, and then David Nelson.

MR. VARNI: Good morning. My name is Charles Varni. I'd like to take exception to the comments of the president of PG&E that there's a scientific consensus about the safety, the seismic safety of Diablo Canyon. We know that there is huge controversy about this, and that risk does not go away as a result of a settlement agreement.

Mr. Hosgri and Ms. Shoreline were not part of that agreement and they remain active and concerned.

My colleague Andrew just mentioned the unusual circumstance criteria for invoking an EIR. Certainly new earthquake faults contiguous to Diablo constitute that, as well does a new variable which is the deep well injection of fracking fluids in San Luis Obispo County, particularly in Price Canyon, and how those interconnect with the earthquake faults with their lubrications.

I understood the president of PG&E to say that
the decommission EIR was due in 2020. And it takes four
years. So it sounds like that thing ought to be getting
off the ground very soon. And I would encourage that that
EIR include all of these elements and that those be
surfaced during the process of the EIR.

Finally, the OTC environmental impacts continue
and will for the next ten years of the plant's operation
if it goes that long, and we are very concerned about
that. And I'd like to specifically address the fact that
the Commission is planning to lease this for $279 a
year -- $279,000 a year. And we would suggest that $1.5
million a year would be a much fairer amount and that
money be dedicated to near-shore mitigation of cooling
impacts.

Thank you.

CHAIRPERSON YEE: Thank you very much.

STAFF COUNSEL SCHEIBER: Larry Murray, followed
by David Nelson.

MR. MURRAY: Thank you. Well, my name's Larry
Murray. I'm the president of Local 403, Plumbers and
Pipefitters in San Luis Obispo. I represent about 350
members and their families.

From the beginning it's obvious that this
land-use permit should have been attached to the operating
permit. PG&E has done a stellar job of not only operating
Diablo Canyon but also stewarding the resources that can be affected by poor stewardship. The opposition to Diablo want nothing more than to immediately shut down the plant. PG&E deserves to be allowed to operate for the next nine years, providing the ultimate in clean, carbon-free, 24/7, community-supporting safe nuclear power.

Once Diablo is replaced --

(Appause.)

MS. MURRAY: -- and it will be replaced, it will be replaced with carbon-emitting natural gas. This technology will be the one of choice that is used. And listen for the term "fugitive methane." This is a gas that leaks into the environment, just as the recent Porter Ranch incident, the one event that was extremely significant in terms of the environment. Know that all gas supply lines leak at one point or another. My household gas meter leaked, as does all meters in the community.

Fugitive methane is the absolute worst thing for the environment, as it creates four times the greenhouse blocking of combusted natural gas.

These natural gas power plants will leak supply gas into the environment and combust massive amounts of carbon into the air. It will take approximately four power plants the size of the Morro Bay power plant that is
now shut down to replace the Diablo Canyon power. How does that help the environment? I don't think so.

Renew the permit and keep Diablo Canyon open.

Thank you.

(Applause.)

STAFF COUNSEL SCHEIBER: David Nelson, followed by Vickie Bookless.

MR. NELSON: Hi. My name's David Nelson. I'm not employed or do I receive any money from Diablo Canyon in any way. I'm a citizen of Morro Bay. I was very active on the State regulations on once-through cooling.

And in my research in 2004, there was a cease and desist order written but not served on Diablo Canyon for its destruction of 2,000 -- or two miles of ocean bottom outside this plant. And it comes not only from hot water but I believe, and new scientific data suggests, that the de-sal plant that they're making a million gallons a day using three gallons per gallon estimate, is being dumped out there. And at Morro Bay we were told that when they dumped the stuff from the power plants, it just mixes into the water and it circulates. Everybody bought that. CEC, Water Board, everybody. But that's a lie. It doesn't work that way. Their de-sal plant is dropping raw brine to the bottom of our ocean. It doesn't mix because when you break up the compounds, the heavier stuff just
settles. It does not mix. It's heavier than the water. This has not been investigated. 2004 is -- you know, it's 12 years ago, and not one study has gone to find out why this is happening.

Now, other things here, you're asking them to give a $10 million liability insurance. My wife and I have 2 million. I don't have a nuclear power plant. I'm not -- you know, $10 million is ridiculous. You had PG&E's president there thanking you for more than my two minutes that I have to speak here, and I don't blame them, because you're giving away the whole ranch here. Not going and finding out what this tenant has done to our property is just inconceivable. And it happens because bureaucrats work with each other and weave this web of deception and misinformation to the public.

Now, I worked hard and I worked for free on this issue and I know that it's out there, and I want it studied before you extend them more -- the new lease. It's as simple as that. I mean, if you're not, then you're not doing your job, because right here in the document it says that you need to study it. So do it and don't give them a lease.

(Applause.)

STAFF COUNSEL SCHEIBER: Vickie Bookless, followed by Sharon Rippner.
MS. BOOKLESS: So I'm going to be very brief for the record.

I think it is imperative that an EIR be done to ensure that Diablo nuclear power plant does not present an unusual degree of environmental risk. And it needs to be done as soon as possible.

Thanks.

STAFF COUNSEL SCHEIBER: Sharon Rippner, followed by Michael Brown.

MS. RIPPNER: My name is Sharon Rippner and I live in Avila Valley.

My concerns regarding the safe operation of Diablo Canyon Nuclear Power Plant are numerous. My main focus of environmental concern is about global warming and its impact on our planet. True, keeping Diablo Canyon open for the remainder of its current operating license would give more time to scale up our renewable energy resources to take its place, thus not needing to increase any fossil fuel use in energy generation. However, I want the required EIR report on the impacts of Diablo Canyon Nuclear Power Plant to be completed.

Global warming is already endangering the health of our oceans and, in particular, putting at risk the web of life as warming and acidifying oceans greatly reduce the viability of the foundational oceanic web.
The operation of Diablo continues -- contributes to these problems with its water intake system and OTC procedure. Diablo's current operation must be evaluated in view of the fragile nature of the ocean's health that has developed over the past 50 years due to global warming.

The following analogy captures what I heard as I listened to the statements from the parties that support extending the permit without an EIR.

HMO doctor: "I think you have cancer, but I believe it is very slow growing and I have authorization to remove the tumor in nine years.

"But, doc, if I have cancer, what kind of cancer is it, how fast is it growing, and why are you waiting nine years to renew it -- remove it? What if it's a fast-growing cancer?

"Well, I'm pretty sure you have cancer; actually probably several types of cancer. But we don't want to do any more studies right now because we've already determined that the cancer is going to be removed or treated when it is cost effective for the HMO.

"But, doc, if you did some more studies you might find that the cancer should be removed or treated earlier.

"It is just not convenient or cost effective to remove it earlier, so I don't want to get any information
that tells me I should do the surgery earlier. Sorry if
this worries you, but thank you for cooperating because
this is best for the HMO."

(Applause.)

MS. RIPPNER: Now, four months ago the Commission
was recommending that the EIR be completed. Please do so.

Thank you.

(Applause.)

STAFF COUNSEL SCHEIBER: Michael Brown, followed
by Joseph Ivora.

MR. BROWN: Madam Chair, commissioners. My
name's Mike Brown, and I'm the Government Affairs Director
of the Coalition of Labor, Agriculture and Business, one
COLAB in SLO County and one in Santa Barbara County. We
represent almost 2,000 ranches, farms, businesses of all
types, professional firms in both counties, and with their
families and employees, thousands of people who are
dependent on our economy here.

We think you should approve the application for
the new permit. We think that your staff has shown that
there's no adverse effect to the Public Trust issues in
your mandate. And similarly, there is no change in the
baseline data for the EI -- for the environmental impact
in this case, so there's no reason and no cause to go and
do a new EIR.
In fact, if you did an EIR, it would take five years or something by the time you did the scoping, by the time you actually went through the whole process. You see many simple subdivisions and other projects and SLO County and Santa Barbara County that can take three, four years. And to do that would then render the whole process moot, and the plant would close in 2018 with catastrophic effects on the families, children, governments in both counties.

So, again, we would highly recommend that you please issue the permit.

Thank you.

(Applause.)

CHAIRPERSON YEE: Thank you, Mr. Brown.

MR. BROWN: Oh, and I'm available for questions if you have any.

CHAIRPERSON YEE: Let me just be sure that we are hearing from the members of the public who are opposed to the item, so we get all of the issues on the table.

Any other speakers in opposition in Morrow Bay?

STAFF COUNSEL SCHEIBER: Joseph Ivora, followed by Larry Parker.

MR. IVORA: Hello commissioners and everybody here.

Well, we sure have a lot of negativity towards
nuclear. You know, if you look at the nuclear power in our country, it's 90 percent of our power, yet it represents 63.3 percent of the clean energy. No pollution, no radiation, all that stuff is not true.

Diablo Canyon provides 9 percent of our power in California, and yet 23 percent of the clean power.

If we -- the capacity factor of the nuclear power in the country is always around 90 percent. Very reliable, very clean, and in good climate for the communities where it's located.

And just this last week, Sweden is going to go for four new power plants. We're building four plants in the south. China's building 28 plants. Why are we so down on -- we should go with advanced nuclear. Keep Diablo going. Keep Diablo going. We need to extend that lease.

You know, someone earlier said that Germany -- that Germany was, I think -- let me back up.

Germany should be the model for going to renewables, because Germany has tried to get rid of the nuclear power plants and their cost of energy is some of the highest in Europe. And they're also getting most pollution.

Anyway, I'm not a person of many words.

Thank you very much.
CHAIRPERSON YEE: Thank you.
Other speakers in opposition in Morro Bay.

STAFF COUNSEL SCHEIBER: We're going to -- sorry,
I apologize.

We're going to switch to Joey Ricano, followed by
Bob Perry.

Joey Ricano, is he here?
Bob Perry?

Okay. Bob Perry, followed by Dr. Jerry Brown.

MR. PERRY: Good afternoon. My name's Robert Perry. I'm the director of energy research at -- for the World business Academy. And my statement today concerns the importance and relevance of the Public Trust Doctrine in this proceeding.

The Commission should resist the temptation to exempt Diablo Canyon from the EIR requirements of CEQA. The landmark legislation is based on the common law Public Trust Doctrine. Subject to a CEQA exemption, the staff report recommends authorizing the subject lease as it does not substantially interfere with Public Trust needs and values.

However, since an EIR of Diablo Canyon has never been conducted, the cumulative health, environmental, and other impacts from plant emissions and stored radioactive
waste have yet to be fully measured, and such an EIR should show that these impacts substantially interfere with State responsibilities under the Public Trust Doctrine.

Absent the completion of an EIR, there are no other credible means of determining whether plant operations adequately protect the public interest.

The establishment of CEQA and the central role it plays in the Commission's decision-making process are directly related to the Public Trust Doctrine. CEQA's central requirement of an EIR combined with the narrow circumstances under which an exemption can be claimed and the low reasonable possibility threshold for disqualifying such an exemption all point to the extreme importance placed by CEQA on an EIR to serve the Public Trust.

To preserve that trust the Commission should meet its moral and legal obligations under the Public Trust Doctrine and reject the proposed lease extension as categorically exempt from CEQA's EIR requirement.

Thank you.

(Appause.)

STAFF COUNSEL SCHEIBER: Dr. Jerry Brown, followed by Rinaldo Brutoco.

DR. BROWN: Hello. My name is Dr. Jerry Brown. I'm the director of the Safe Energy Project of the World
Business Academy. I'm a Cornell University-trained research scientist, and for four decades as a founding professor at a public university have looked into the impacts of radiation on public health; specifically ionizing radiation that is released through federally approved routine emissions of radioactive gases and liquid emissions from nuclear power plants that are reported by these plants to the NRC.

We want to talk today about predictability and certainty. I'm here to paint you a grim picture of the certainty that will follow from the continued operation of Diablo Canyon based on decades of studies by research scientists and medical doctors around the world. This includes increased cancers, this includes increased infant mortality, this includes extreme infant mortality, this includes low birth weight, this includes additional breast cancers and other cancers.

On March 14th, members of the World Business Academy met with your staff, Jennifer Lucchesi and Mr. Oggins, and presented information from a study by Joseph Mangano, a researcher epidemiologist with 32 peer-reviewed papers. It showed that in the period from before Diablo Canyon opened to the decades after San Luis Obispo County went from a low cancer county to a high cancer county.
Other studies: When Rancho Seco closed, showed that in the decades that followed -- and these are sort of baseline studies that have not been done by official agencies but by scientists -- that cancer rates plummeted. In fact, 4,319 less cancers occurred because of the closing of Rancho Seco.

When President Kennedy banned the bomb testing, he said, "The loss of even one human life or malformation of one baby who may be born long after we are gone should be a concern for all of us."

You need to do an EIS, to bring these studies out to the public, and to protect the children and families of Diablo Canyon area.

Thank you.

(Applause.)

STAFF COUNSEL SCHEIBER: Rinaldo Brutoco, followed by Brad Snook.

MR. BRUTOCO: Hello. I'm Rinaldo Brutoco, and I'm the founding president of the World Business Academy, which has operated since 1986 as a nonprofit organization, that tries to bring responsibility to business so that it can act in a way that's responsible to society while still making a profit.

I want you to be aware that not only -- the study that Professor Brown just referred to, which was the
Mangano study, has now been followed up. A study is just
being completed now by Chris Busby in the UK, the leading
radioactive researcher in the world. And what that says
is about two dozen children will die, will die. They
won't be the children of PG&E presidents. They don't live
here. Those two dozen kids are going to be right here in
San Luis Obispo County. And if our data's wrong, here's
what you need to do. You need to have an EIR to find out
if it's wrong. You need -- if you don't believe the
seismic data, you need to have an EIR to find if the
seismic data's wrong.

You know, if you don't believe the data on fish
kill and larva, you got to do an EIR and find out about
that.

Now, to Lieutenant Governor Newsom's point. We
would love to have an opportunity to engage in the
dialogue that you suggested that took place after two and
a half hours of promotion of this plan. We've been given
two minutes to do it. That's impossible. That's not a
dialogue. That's having it jammed down our throat.

(Applause.)

MR. BRUTO CO: I would like to end with this
thought. Right now, today, PG&E is on trial. They're on
trial in Northern California. They have 12 federal
criminal assault charges as well as civil contempt
charges. For what? For the inappropriate pursuit of
profit at the risk -- at the callus disregard of public
health and safety. That's what they're on trial for in
San Bruno and that's what they're trying to accomplish
here.

So if you want to know how to connect the dots
between what the British did with their exit strategy,
with what the Bernie Sanders' campaign is about, what the
Donald Trump campaign is about, it's about us saying, as
the people, we want our elected leadership to do their job
and hold large companies accountable so that they can act
legitimately, earn a fair profit, but be constantly aware
of the public health and safety. And I hope you will find
yourself on the right side of history with John F.
Kennedy, who understood those issues and did ban
above-ground testing for the same exact reason: He wanted
to avoid Strontium 90, which comes out of that plant
routinely.

(Applause.)

STAFF COUNSEL SCHEIBER: Brad Snook, followed by
Linda Seeley.

MR. SNOOK: Good afternoon. My name's Brad
Snook, and I'm co-chair of our county's chapter of the
Surfrider Foundation. Commissioners will find the letter
that Surfrider Global and our chapter worked together to
coordinate and to communicate to the Commission.

In that letter, you'll find that we agree with
the low standard set on once-through cooling. That isn't
a State Water Board standard, but it will -- but the
schedule will coordinate with the NRC's potential closing
of the plant by the time the permit expires.

Surfrider is willing to go along with
once-through cooling for that because those decisions are
outside the purview of the State Lands Commission.

However, within the purview of the State Lands
commission there some decisions to be made today; and,
that is, what are the environmental reviews that are
consistent with the Public Trust analysis that you can ask
PG&E to do.

When PG&E announced this agreement, they put a
lot of organizations that have some critical review to
bring to this Board, this Commission that would be
valuable for you. But they did it and just gave staff
just a few days to react. The scheduling is impossible to
react to.

The Public Trust analysis the Commissioners need
to review, thoroughly review, and ask PG&E what they need
now before you decide to extend the permit. Ask for it
now. Here's the review that we expect. Here's the review
that's consistent with the Public Trust analysis for
the -- go to the people on the public lands in California.

    Thank you.

    (Applause.)

    STAFF COUNSEL SCHEIBER: Linda Seeley, followed
by Dr. Mike Weissman.

    MS. SEELEY: Good afternoon. My name is Linda
Seeley. I'm a spokesperson for the San Luis Obispo
Mothers for Peace.

    I would like to urge you, the Commission, to vote
yes today, to vote yes on requiring an EIR. If you can't
vote yes on requiring an EIR, then I would like you to
please postpone your decision at least 30 days on that.

    We have not been given sufficient time to reply to
your staff report, which is seriously deficient in quite a
few ways.

    Number 1, there's no mention whatsoever in the
staff report about the environmental effects of a
desalination plant at Diablo Canyon. It's not even there.

    Number 2, there is an incomplete and biased
seismic analysis that changed tremendously. If you look
at the report that -- the staff report that was released
this past Friday and compare it to the one that was
released in February, they changed their conclusions
remarkably.

    The other thing I wanted to mention to you is --
well, oh, another thing is that this joint agreement, you know, is very clear that PG&E can pull out of it any time they feel like it. So if you decide that you're not going to require an EIR, and then PG&E decides that they're going to pull out of the agreement for some reason or another, there we are left with -- without an EIR. That's not fair. That's not fair to the people here.

The other basic thing that's a bogus argument is that they need nine years to shut down the plant. Within the past five years, 12 reactors have shut down or announced their shutdown in the United States. Vermont Yankee; Oyster Creek; Kewaunee; Exelon, Quad Cities, Illinois; Exelon, Dresden in Illinois; the Crystal River, Florida, plant. They've all shut down and they've all required between two and half to like eight years - or not eight - six years to shut down.

So they don't need nine years.

Thank you.

STAFF COUNSEL SCHEIBER: Dr. Mike Weissman, followed by Henriette Groot.

DR. WEISSMAN: Hello. I'm Mike Weissman, a scientist, engineer, entrepreneur, and member of the World Business Academy.

A group of us came up from Santa Barbara today to urge you to close Diablo Canyon as soon as possible and
not to wait nine years.

Now that PG&E has agreed the plant is not needed, why should we wait nine years before it closes? We all know that in the event of any earthquake in the vicinity, something might happen in that plant that will set off the series of events that could impact all of Southern California including L.A.

You guys hold in your hands the Public Trust. You must base your decision on the best way to protect the public. I urge you to make sure that no preventable disasters or preventable loss of life happens on your watch.

Thank you.

(Applause.)

STAFF COUNSEL SCHEIBER: Henriette Groot, followed by Marty Brown.

DR. GROOT: My name is Henriette Groot. I live in Los Osos, California. I'm an active member of the Mothers for Peace, but I'm not speaking for them today.

I have studied once-through cooling over a few -- quite a few years now, and the upshot is basically that the 2.5 or 2.4 billion of gallons a day used for cooling are not just water. This water is full of fish larvae and other minuscule marine life which is being killed in the process.
Now, if you run that 365 days in the year, you come to 876 billion gallons a year. And if you keep doing that for eight more years, you're talking about 7 trillion gallons. That's an enormous impact, and it doesn't even take into account the other impacts on the ocean and marine life due to global warming and acidification.

There has been much mention of money, losing money when we shut down Diablo. Have you thought about the tremendous cost of that loss of the marine life? Every little fish larvae that is killed won't be a fish that procreates, and we'll not -- no longer have a series of procreations, which means that our fishing industry, which is important in this State, is -- will be going out of money.

Why isn't EIR needed? The -- the plant -- the buildings are an existing facility, but as you heard today, there's a totally different atmosphere now. It is not the same plan and it should not be accepted.

One more word about nuclear waste. This -- the nuclear waste will be accumulating at the plant, will stay there. As we know, there is no permanent federal facility. And if we going to do that, the citizens of San Luis Obispo County should have an opportunity to -- whether they approve of that system.

(Applause.)
MS. BROWN: Good morning. My name is Marty Brown. I'm a member of San Luis Obispo Mothers for Peace.

While PG&E has announced their decision to close down the reactors in 2025, that means eight more years of once-through cooling and the damage it does to sea life and ocean temperatures. Considering once-through cooling withdraws 2.5 billion gallons of ocean water per day, for over 30 years, and the estimated killing of billions of fish in the early life stages, plus 700 pounds of adult fish, and then the return discharge of heated water back into the ocean, that alone would seem to warrant a CEQA study. It is almost 40 years overdue.

We call upon you to initiate the process of CEQA, to study all of the effects on the environment, with the continuation of leasing the tidelands at Diablo Canyon nuclear facility.

Studies should be done on the long-term storage of high level radioactive waste. Eight more years of adding this dangerous lethal waste to our home here is too much. Eight more years of anticipating the big one to move all those active faults lying under the plant, it's too much.

We have to begin reparation for the return of the
land mass that the plant now leases to its native original
state as soon as possible. Our Central Coast has been
ominated designating a national marine sanctuary.
Thousands of county residents and some of our elected
representatives are working tirelessly to achieve this
goal.

Part of the land now leased would be a perfect
location for the Chumash Heritage National Marine
Sanctuary headquarters with observation and education
points for the many visitors it would attract from all
over the world. Most of the land could be left as habitat
for native wildlife and plants.

The purpose of CEQA is to prevent or minimize
damage to the environment through the development of
project alternatives, mitigation measures, and monitoring.

What a great way to mitigate a sea life death
chamber by turning it into a sea life sanctuary. Let's
begin.

Thank you.

(Applause.)

STAFF COUNSEL SCHEIBER: Kathleen Oliver,
followed by Carl Wurtz.

Is Kathleen here?

Carl Wurtz, followed by Mary Webb.

She was here?
Carl's here.

All right. Carl Wurtz.

MR. WURTZ: Thank you. My name's Carl Wurtz.

I'm a government liaison with Californians for Green Nuclear power.

The president of PG&E talks much about imaging a carbon-free future, which has no guarantee of being realized. I'm here to offer a little perspective from Southern California. I came up yesterday from Burbank. I happen to live 12 miles downwind of the worst nuclear accident in U.S. history, the Santa Susana field laboratory, an accident of 1958 which released 400 times as much radiation as Three mile island. Yet no one in my neighborhood has ever heard of it. It happened to be before media sensationalism had conditioned the public to be hysterically afraid of nuclear energy.

There's much hysterical fear on display here today in relation to appropriate fear of climate change.

In 2013 when Southern California Edison made the decision to shut San Onofre Nuclear Generating Station permanently, we heard all kinds of wonderful promises from Friends of the Earth, Sierra Club, and others: "We're going to replace San Onofre with solar panels, with wind turbines, with efficiency, with batteries. Not sure how we're going to charge them." 10 percent capability, 18
percent incongruity, 11 percent pixie dust.

(Laughter.)

MR. WURTZ: What we got instead was this: 1.8 billion watts of San Onofre's 2.1 billion watts of clean electricity replaced by burning fossil fuel provided by Sempra Energy - 86 percent. And added 8 million tons of carbon emissions, equivalent to 1.6 million additional cars on the road. And it didn't come cheap. San Diego Gas and Electric now has, by independent analysis, the highest residential electricity rates in the continental U.S., at 28 cents per kilowatt-hour.

Now, in Special Lease Provision 3 of the agreement an ultimatum is delivered on behalf of the State Lands Commission. Should PG&E change its mind and move to renew Diablo's operating license, the plant will be shut down anyway.

Preemptively shutting down a power plant independent of any issues of Public Trust, land use, or water use constitutes a vast overreach of the Commission's authority. Diablo will be shut down whether or not it's in the best interests of the public, whether or not it's best for the environment, whether or not anything has changed since Diablo's OTC system was installed 49 years ago.

For this reason we recommend denying approval of
the lease, and we support continued operation of Diablo Canyon and we support the climate.

    Thank you.

    (Applause.)

STAFF COUNSEL SCHEIBER: Mary Webb, followed by Eric Greening.

MS. WEBB: My name is Mary Webb. I'm a resident of Cambria, California. And I'm very concerned about what I've heard today. The staff report was basically rewritten to take out a lot of the claims that PG&E was making about seismic safety.

    We need to get these studies in the record. That's what an EIR does. We're being asked to give up the full CEQA hearing we would have had on these permits for intakes and outfalls in 2018 and 2019, and not be able to see the new documents until 2020. We're being asked to trust this new joint agreement will actually even occur and be approved by the CPUC. It's not set in stone yet. We do not have a document referring to decommissioning activities or a decommissioning project to review or even comment on at this time.

    We're supposed to trust that PG&E will have withdrawn its application for relicensing by August 2018, and that we'll get an EIR by 2020. We're being asked to trust that PG&E will not submit a new application with the
Nuclear Regulatory Commission to renew one or more of its
operating licenses in the future.

We're asked to trust that PG&E won't receive an
extension in 2025 for many more years of operation or that
it wouldn't be approved under similar conditions without
an EIR.

My experience with this is not to trust. I'm
sorry, I don't trust PG&E. I don't trust the agencies
anymore to even do their jobs, but I'm hoping that maybe
you can change my mind.

In Cambria we never got multiple agency review on
a project that should have required it from Fish &
Wildlife, from State Parks, from the California Coastal
Commission even, because the agency declared an emergency.

What is it that is going to stop PG&E from
declaring an emergency to use the intakes and outfalls in
the future for desalination that will basically grow the
entire central coast population without any mitigation,
without an EIR, without anyone considering what the
effects of that is? What is going to show us -- what
assurances do we have that PG&E is going to do any of the
things that they say they're going to do?

We need to get the studies. We need an EIR. We
need to get the facts on the table so that people aren't
up here making claims that are completely not true; and be
able to review these things in a way that is better than
this two-minute comment we have right now.

Thank you.

(Applause.)

STAFF COUNSEL SCHEIBER: Eric Greening, followed
by Orman Gaspar.

MR. GREENING: I'm Eric Greening of Atascadero.
We're told that having nine years of predictable Diablo
operation without disruption is so desirable that we need
to assert our right to ignorance for those nine years to
exempt ourselves from relevant and possibly life-saving
information.

The problem is, who was not present at the
negotiations? The earthquake faults that threaten our
safety. Not one of the relevant faults has signed any
agreement to give the community nine years free of
disruption. When I say relevant faults, I include those
in the immediate vicinity and those that can send a
tsunami from a distance.

There is unwarranted complacency about tsunamis
based on elevation of the plant. But huge havoc at the
plant could be caused by a tsunami that disarranges the
intake and outfall the facilities that are your
responsibility today. This vulnerability constitutes one
of many unusual circumstances you're hearing about that
should mandate an EIR.

Strengthening the case for this is our emerging understanding of the potential of the Ferrelo fault to the south for much larger quakes than had been understood or assumed until just a year or so ago.

Previous modeling had assumed the greatest threat of tsunamis was from the triple junction area to the north; and that remains a huge threat. But a tsunami from the south would not only be a more direct hit to the intake and outfall site, but could wipe out the road egress from the plant and the adjacent community.

CEQA decisions should not be moved by the game changerness of agreements. This is not a game. CEQA's purpose is to base decision on physical reality, and there is a lot of it to investigate. Please make sure this is done.

Thank you.

(Applause.)

STAFF COUNSEL SCHEIBER: Orman Gaspar, followed by Rory Moore.

CHAIRPERSON YEE: Sharon, before the next speaker speaks, could you just get a show of hands of how many speakers are left in opposition.

STAFF COUNSEL SCHEIBER: We have over 20 hands raised still.
CHAIRPERSON YEE: Okay. All right. Then I'm going to ask each speaker, just please be mindful of the time light in front of your -- on the podium.

MR. GASPAR: Should I start?

CHAIRPERSON YEE: Please. Good afternoon.

MR. GASPAR: Good afternoon.

I would just like to ask that you approve the EIR. I think that knowledge is power; and if we do a study, everything will come to light. I think that the costs of a nuclear meltdown would be amazing. You know, we talk about the costs to the community. I think PG&E should be willing to open up the books and should put all the cards on the table.

So I ask you to please vote for EIR. Knowledge is power.

Thank you.

(Applause.)

CHAIRPERSON YEE: Rory Moore, followed by Joan Carter.

MR. MOORE: Members of the Commission, thank you for this opportunity.

You have an opportunity that is unique in California history. You have an opportunity to advance the inevitable shutdown of Diablo Canyon Nuclear Power Plant. It is a recognized danger. PG&E wants to close it
for their own financial interests. Others want to close it for other interests.

The question now is, when will it happen? Will it wait nine years or can it be advanced?

What we've heard today is about the dangers from fault lines under the plant and near the plant. We've heard about the dangers of Strontium 90 and the plume that drifts southward or wherever the prevailing wind may take it, about the possible deaths of children yet to be born.

You have an opportunity. Please take it. The facilities may be 40 years old, but we have been very lucky that none of the seismic perils have come to pass yet.

But we need to take into account new information.

When you consider the Public Trust, the Public Trust Doctrine, and the State values that the staff has spoken about, they haven't done their job. The Public Trust needs to consider everything. It is -- the staff is making a cost benefit analysis with human life. That's wrong. Don't do it.

I ask you one further question: Would the staff's recommendation be the same if this plant were located ten miles upwind of Sacramento?

That's fine.

(Applause.)
STAFF COUNSEL SCHEIBER: Joan Carter, followed by Coralie McMillan.

MS. CARTER: My name is Joan Carter, and I am just also requesting an EIR in a CEQA review, and for you to deny the PG&E request to use the tidelands until '25. I remember when DDT -- the production of DDT was outlawed. And I remember that the major big outcry was, "Well, we'll lose too many jobs."

You're also aware that Diablo is blocking the development of wind and solar power by continuing to operate.

And is there a plan for what to do with the additional waste of another nine years? It's time to say goodbye to the 20th century and nuclear power.

(Applause.)

STAFF COUNSEL SCHEIBER: Coralie McMillan, followed by Michele Flom.

MS. McMILLAN: My name is Coralie McMillan, and my grandkids are sixth generation living in this county on the land. And we support an EIR.

Our county gets almost $25 million a year in property tax from PG&E. I'm here because I found it very disturbing when I listened to KSBY, our local news, that PG&E was giving the illusion that they were heroes because they were going to pay $40 million, less than two years of
property tax, when the plant closes.

No way. Until the radioactive material is removed from the site, they are responsible for full property taxes. Don't be fooled by their propaganda. They are not our heroes. They are conquistadors.

(Applause.)

STAFF ATTORNEY SCHEIBER: Michele Flom -- is Michele Flom here -- followed by William Gloege.

MS. FLOM: Greetings. I'm Michele Flom. And as a resident of planet earth and of San Luis Obispo County, I extend my gratitude to all the members of the State Lands Commission for your efforts in negotiating the deal with PG&E to rescind the relicense application for the two reactors at the Diablo Canyon nuclear power plant.

However, I strongly urge you to require a thorough environmental impact review before extending state leases beyond 2018 for the land where the Diablo Canyon plant sits.

There are so many environmental problems with this aging nuclear power plant. To name a few, the on-site stockpiling of radioactive waste, and the serious problems associated with trying to store that radioactive waste, including leaks, and cracks in the dry casks.

There are the once-through cooling issues that affect our local marine life and fishing economy. There
remains the real possibility of a terrorist attack, and there are the charted and yet uncharted seismic vulnerabilities.

In my mind, the most obvious argument for requiring an EIR for the Diablo plant is the now disabled Fukushima Daiichi nuclear power plant in Japan. What happened at that plant on March 17th, 2011 is both an environmental and humanitarian tragedy that continues to play out.

Even if Diablo Canyon would not be vulnerable to the kind of Tsunami that caused the melt down of the Fukushima plant reactors, we do know that the Diablo Canyon reactors sit on top of a hornets nest of seismic uncertainty.

There is no one in Sacramento, or in this room in Morro Bay, no scientists, no activists, no one sitting on any regulatory panels who can predict with any certainty what might happen at Diablo Canyon were there to be a major earthquake in its vicinity in the next nine years.

Thank you.

(Applause.)

STAFF ATTORNEY SCHEIBER: Still in opposition we'll have William Gloege and Elizabeth Browsse.

MR. GLOEGE: Hi. My name is William Gloege. I'm president of Californians for Green Nuclear Power. I
formed this group about coming up on four years ago, when I started looking into all the charges of fear that are spread around here by certain organizations.

And one after the other, they were obviously invented fears. And a lot of people here are full of those, and they're still having those fears pumped into that. I heard the name today of Joseph J. Mangano. And I thought Joseph J. Mangano had left us for good after he came in here and did a fake study of Diablo Canyon, which he was paid to do. He said there were cancer clusters from the plant, went into a whole lot of, you know, detail about how bad it was.

Joseph J. -- and then -- well, the county health department pounced on him first, and says this guy is using amateur statistics to distort what's going on, and the cancer in the county was normal. Popular Mechanics magazine called him a purveyor of junk science.

Now, my friends here, my residents, these people that speak, they're friends of mine. I like them very much, but be aware, you're being pumped full of fake fears. And there's money behind that, and we haven't outed it all completely --

(Appause.)

MR. GLOEGE: -- but one time the curtain was pulled back by Time Magazine, when they discovered the
Sierra Club, the wonderful Sierra Club, taking $26 million secretly - that's not my word. That's Time Magazine -- from Chesapeake Energy, $26 million. Sierra Club spends a lot of time protesting against nuclear power.

So you know, be careful folks. People like the Business Academy and others, they've got a motive. We don't what it is completely, but Sierra Club has given us a hint.

One last thing, let me tell you a really short story. Diablo Canyon --

(Audience calling time.)

MR. GLOEGE: Diablo Canyon was asked to keep the power running when they had -- they were scheduled for a fuel change. They ISO in Sacramento -- in Folsom said, can you hold off. We've got a heat wave coming, and all we've got to run it is wind and solar. And they said, Diablo Canyon said no problem.

(Audience calling time.)

MR. GLOEGE: I'll keep going -- we'll keep going. Tell us when you're ready. That's what the future is going to look like in California.

(Appause.)

STAFF ATTORNEY SCHEIBER: Elizabeth Browsse followed by Michael Jencks.

MS. BROWSSE: Good afternoon, Commissioners,
audience -- patient audience. My name is Elizabeth Browsse, and I'm with Mothers for Peace. I have been wondering about this agreement that was made, where it came from. A year and a half ago I attended the State Water Board meeting, November, along with members of Friends of the Peace -- or Friends of the Earth. And we saw that PG&E was being faced with a problem of having to bring in new cooling towers, but the price that Bechtel was giving them was anywhere toward $4 billion. Where is that money going to come from?

Then the next thing I read, and this was in the Chronicle, that apparently PG&E had gone to Chair Gavin Newsom to see what he could do for them. Newsom said at the time that he had a prediction about California's last nuclear power plant that it wouldn't stay open for another 10 years.

As it turned out, when Newsom was asked to do what we could, he said that they would be subject to the request for full environmental impact review, a process that he would endorse.

What I'm now realizing is that Friends of the Earth is now part of this agreement. And part of this article from the Chronicle quotes Damon Moglen who says there shouldn't be a new lease issued under these circumstances. And if the State is even given to think
about it, certainly an Environmental Assessment should be required.

So what I think has happened is that PG&E very smartly decided that we can kill two birds with one stone, where we can get the Water Board and the State Lands Commission on our side. We will tell them we will close in 2025, and everybody will be very happy.

Thank you.

(Applause.)

STAFF ATTORNEY SCHEIBER: Michael Jencks, followed by Daniel See.

MR. JENCKS: Good afternoon. My name is Michael Jencks. I'm here on behalf of Biodiversity First. And that may give you a hint of my first complaint. My clients, my parties I represent don't have anymore time. They're being killed -- the carnage at a just egregious rate. And this body -- your body, excuse me, has had a wonderful finding -- findings from 2006. Diablo's once-through cooling quote, "Significantly harms the environment by killing large numbers of fish and other wildlife, larvae, and eggs, and..." -- this is still in the quote -- "...significantly adversely affects marine bay and estuarine environments by raising the temperature of the receiving waters, and by killing and displacing wildlife and plant life".
Those are Public Trust assets. Those are part of what you sit to protect, and they have not been well represented here today. And so we have the Commission's wonderful acknowledgement and recognition of that. The new lease, if approved, effectively extends the period of reactor operation to effectively lengthen it by 21 percent.

Most of these indicia of environmental harm are linear. They flow directly from the continued operation of those reactors. So on nuclear waste, we can expect a 21 percent increase over anything contemplated when those first leases were reached. On marine life, a 21 percent increase in -- 21 percent increase in damage and death to marine organisms.

It is not a argument not to do an EIR, or not to apply the Public Trust, that an EIR could take too long. That -- and here, several of the parties in their comments have addressed this very -- especially the Mothers for Peace, second to last page, they've looked at a timeline. If you compare it to this commission's own guidelines of EIR preparation, that could easily be done quickly.

And finally, the last thing is I'd like to -- two things. One, as you gather the proposal, the joint proposal does not rule-out an EIR. It is not in opposition. You heard Mr. Geesman earlier, and his
word -- he was very kind, but this is his comment. It would be grotesque -- a grotesque abuse of your discretion to fail to initiate a full EIR process.

Finally, we did by --

(Audience calling time.)

CHAIRPERSON YEE: Mr. Jencks, your time has expired.

MR. JENCKS: My client did file a four-page brief attacking the process here. We do believe the process is flawed. I just didn't want to let it go by. You may not have had time to see all of the things that were submitted. Thank you for your time today.

STAFF ATTORNEY SCHEIBER: Daniel See, followed by Rebecca Townsend.

MR. SEE: Commissioners, hi, my name is Daniel See. I'm a registered professional engineer in the State of California, civil engineer. I hold a Bachelor's and Master's degree from Cal Poly. And I've been living in San Luis Obispo for about 14 years now. I teach at my alma mater for about 10 -- I've been teaching there about 10 years, and have been working as a contractor a Diablo for five years.

Working in nuclear, I understand the great importance a reliable energy supply makes in our everyday lives. We all reach over, flip the switch, the light goes
on. And it's something that's definitely easy to take for
granted, but it also does much more than this. It powers
our modern, civilized way of life. It powers our homes,
our work places, our cities, our steel mills, our concrete
plants, or traffic lights. It powers schools and
hospitals. It keeps our food fresh, both at home and in
the grocery store.

These, these are the luxuries of living in a
first-world society. Many other countries in the world
can only have it so good to waste such a precious, viable
resource as Diablo Canyon. As an engineer, the design and
construction of a nuclear power plant is well above and
beyond the construction of any other type of
infrastructure.

Large earthquakes can be scary and devastating,
but we all trust the design and construction of our
bridges, our high-rises, our dams. We put our trust in
automotive engineers every time we get in our car. We
trust our fellow motorists to pay attention and not run us
off the road. The risks we face every day, all far
outweigh the risk imposed by a nuclear power plant.

No other system has such a well studies, well
known risk, certainly not our homes, our high-rises, our
bridges or our dams. Yet, we all trust, as members of the
public, their design and construction and use them daily,
without any thought to the consequences of their failure. Renewables are certainly part of the future, and absolutely have a role in our electric system, but the replacement of a nuclear power plant is a major step backwards in fighting climate change. It's trading like for like, when we should be replacing our real enemy, carbon-emitting natural gas. Until renewables have been replaced carbon -- these carbon sources and renewables with adequate storage have been built to the generating capacity of a nuclear plant, we will always be proposing a break-even solution.

(Audience calling time.)

MR. SEE: The economics presented are grossly misrepresented. The largest operating solar plant produced 1.3 terawatt hours of electricity, while running only 23 percent of the time, and costs $2.5 billion.

(Audience calling time.)

MR. SEE: It would take 14 of them to equal the yearly output of Diablo --

PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO: Excuse me, sir. We need to have you respect people's time.

(Audience calling time.)

MR. SEE: -- at a price tag of $35 billion. I implore you to avoid an environmental tragedy,
and premature closing of Diablo.

(Audience calling time.)

MR. SEE: As long as the plant has a stellar safety record with the NRC, it should be allowed to continue running. We simply cannot afford to waste our largest --

(Audience calling time.)

PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO:
Thank you, sir. We -- sir --

MR. SEE: -- most reliable source of carbon-free energy.

CHAIRPERSON YEE: Please, conclude. Your time has expired.

(Applause.)

CHAIRPERSON YEE: Before we move on, I need to --

STAFF ATTORNEY SCHEIBER: Rebecca Townsend -- Sharron. Sharron. Let me hold on up next speakers.

STAFF ATTORNEY SCHEIBER: -- followed by Crystal Waldorf.

CHAIRPERSON YEE: Sharron, we are going to need to take a recess to give our audio/visual team a little bit of a break here. So why don't we recess for 30 minutes. We'll resume the testimony after. 2:45

(Off record: 2:09 p.m.)
(Thereupon a lunch break was taken.)
AFTERNON SESSION
(Off record: 2:53 p.m.)

CHAIRPERSON YEE: Okay. We will resume the
meeting of the State Lands Commission. What I'd like to
do is to let's patch back in to Morro Bay. And what I'd
like to do is to allow an additional 10 minutes for
testimony in opposition just to see whether we can get all
of the members of the public who signed up there to come
forward. And then I'd like to turn to the staff to
address some of the issues that have been raised.

EXECUTIVE OFFICER LUCCHESI: Sharron, are you
ready to call up some speakers at the Morro Bay location?

STAFF ATTORNEY SCHEIBER: Yes, we are ready.

Is Rebecca Townsend here? Rebecca Townsend
followed by Crystal Waldorf.

MS. TOWNSEND: Rebecca Townsend, San Luis Obispo.
I'd like to thank you for the excellent job you're doing
of listening -- all of this listening today.

At a June 23rd, 2016 article in the LA Times
reminds us again about the imminent dangers of the over
due major earthquake building from unreleased pressures
between the two tectonic plates running along the Southern
California coast.

Second, not long ago, although one of NRC's own
senior inspectors reported that Diablo Canyon is out of
 compliance for earthquake resilience, and called for the
plant's shutdown, the NRC failed to take action. The
inspector was transferred out of State.

Third, just a year ago, in testimony before
Senator Barbara Boxer's committee on environment and
public works, Daniel Hirsch, nuclear policy analyst at UC
Santa Cruz, and Dr. Sam Blakeslee, a geophysicist and
former California Assemblyman and Senator, revealed PG&E's
history of incompetence, fact fudging, and safety
violations, the NRC's history of lax regulation, and new
seismic risk discoveries, they called for a full
adjudicatory relicensing hearing for the Diablo Canyon
nuclear power plant. And I would add, I hope we won't
push our luck. As a man said earlier today, knowledge is
power.

Thank you.

STAFF ATTORNEY SCHEIBER: Crystal Waldorf
followed by Laura Waldorf.

(Applause.)

Is Crystal Waldorf here?

Is Laura Waldorf here?

Lynne Harkins. Lynne Harkin followed by Debbie
Belardino.

MS. HARKINS: Lynne Harkins, Cambria.

And I just wanted to address this Public Trust
issue that the Public Trust should be seen in the light of
the precautionary principle, which says that if you can
achieve a result without taking a risk or minimizing risk
and achieve the same result, why would you take an excess
risk with the Public Trust?

So we have an opportunity here to not -- I am not
in favor of renewing leases without an EIR. It just seems
like a ludicrous lapse in the Public Trust and the
public's interest.

PG&E says an EIR is quote, "not required,
necessary, desirable". Those are pretty disembodied kinds
of characterizations of the EIR. The EIR, I think, could
be said to be ethically required, or prudently required,
or reasonably required. It could be said to be an
ecological imperative. It could be said to be
environmentally sound.

None of -- those are all reasonable ways of
seeing the EIR. We need to have it in order to know what
we're dealing with there, now and through the closure.
This EIR would only add. It would be additive to the 2020
EIR for the closing down. There's just no reason not to
initiate an EIR, a Draft EIR, now related to these leases.

Check out the USGS website and see that we don't
even have any ocean floor mapping further than three miles
off of the Diablo plant. And there's all kinds of
geomorphological mischief that could happen there with regard to submarine landslide activity. We could have a Tsunami. It hasn't been evaluated. You know, it's an additional unknown besides the seismic risk.

So I just -- Chairman Yee, you -- or Chairwoman Yee, you know that. You're on the Ocean Protection Council, which is looking into seafloor mapping. So it should be a source of fascination, as well as information, as well as a security blanket for those of us who live in the area. And in the shadow of this potential danger disaster. Thank you.

(Appause.)

STAFF ATTORNEY SCHEIBER: Debbie Belardino," followed by Jeff Pienack.

MS. BELARDINO: Good afternoon, Madam Chair and Commissioners. Thank you for allowing me to speak. I would like to voice my support for a complete EIR on the Diablo Canyon power plant. Why? Because I live in nearby Santa Barbara County, which is an area known for its oil production, specifically Orcutt in Santa Maria.

With the defeat of Measure P a few years ago, the oil companies have been given a green light to pursue an increase in the construction of hundreds of new oil wells in Santa Maria and Orcutt area, with the possibility of using techniques such as steam infraction and fracking.
These methods of oil extraction have been linked to an increase in seismic activity. Therefore, I believe it is imperative that a full EIR report be done, which will include and address the current reality of the increase of oil production in this area, and the subsequent increase in seismic activity.

So thank you very much.

(Applause.)

STAFF ATTORNEY SCHEIBER: Jeff Pienack, followed by an Melinda Forbes.

MR. PIENACK: Thank you. Jeff Pienack, speaking on my own behalf today, but Surfrider -- a long time Surfrider chair, and still an active member.

I want to read from this book, "Protest Diablo: Living and Dying Under the shadow of Nuclear Power Plant", which was written by Judith Evered. It was published in 2010.

And I want to take everybody back to 1981 with revelations at Water Board hearings at the central -- California Central Coast Regional Water Board hearings in Avila Beach. Quote, "The Water Board required that PG&E provide research on the impact of the daily discharge of highly heated seawater, after it had been used to cool the nuclear actors". They also wanted a study on the potential impact of the proposed release of enormous -- I
repeat -- enormous quantities of toxins and radiation.

According to testimony by David Gluck, graduate student at UCSB's Marine Science Institute, PG&E records, their own records, showed the plant would discharge daily, daily 9,300 pounds of lead, 2,100 pounds of zinc, 8,500 pounds of arsenic, 5,800 pounds of cyanide, and 150 pounds of mercury per day.

(Laughter.)

MR. PIENACK: Now look, I don't begrudge my friends and neighbors who work we plant, and I have many of them. And it's a job. Everybody has a job. But right here, what we're talking about is a CEQA report that will somehow bring to light some of the stuff we need to see.

One last piece. Yeah, so -- is that my end?

That was good enough.

(Laughter.)

(Applause.)

STAFF ATTORNEY SCHEIBER: Melinda Forbes, followed by Sybil Ashley.

MS. FORBES: Hello. My name is Melinda Forbes and I was born in San Luis Obispo and have lived here most of my life. It's a very precious place to me. And I've listened today to testimony, and it's really shown me how much has gone into the collaboration between PG&E and environmental organizations to try to create a nuclear
free future here in California, and I honor that. But I still believe we need to have an environmental impact review, because if something is found in that review that shows that we need to shut -- (Thereupon the video froze.)

STAFF ATTORNEY SCHEIBER: Sybil Ashley, is she here?

All right. Klaus Schumann.

MR. SCHUMANN: Good afternoon. My name is Klaus Schumann. I've lived in San Luis Obispo County for 25 years and served on the San Luis Obispo County Nuclear Waste Management Committee. I believe that an EIR is not only needed, but also long overdue.

Conditions at Diablo Canyon today are very different from the conditions of 40 years ago. Like all nuclear power plants, Diablo Canyon contains aging and deteriorating components. Since the 1990s PG&E uses high burn-up fuel resulting in higher radiation heat loads than the fuel originally used.

Forty years ago, nuclear waste was supposed to be stored on-site for no longer than five years. Today, the highly radioactive wastes have been, and will be stored, at Diablo for an indefinite period of time, possibly as long as 300 years.

The Waste stored on-site, which was supposed to
be no more than 540 units. Those are cold spent fuel assemblies. Today, we're looking at more than 4,300, by 2025 and far beyond. In addition, a host of controversial issues need to be addressed by an EIR, once-through cooling, seismic problems, Tsunamis, terrorism, prolonged waste storage, and on it goes, all of which have the potential of severely affecting the environment.

Relying on PG&E conducted or sponsored studies alone is not enough. I respectfully urge you to require an EIR. And thank you for your attention.

(Applause.)

STAFF ATTORNEY SCHEIBER: Fred Frank.

Fred Frank followed by Lee Andrea Caulfield.

MR. FRANK: My name is Fred Frank, and I appreciate you allowing us to speak from this nice cool place.

I'm a former fire chief Cal Fire and county fire, and served on the Committee the Klaus Schumann on the County Waste Management Committee. So I learned a little bit about Diablo when I was chief and learned about waste when I retired.

I think you're making a decision here that may be more important than any decision you'll ever make, depending on what happens in the next nine years. Simply extending this lease with no oversight to speak of doesn't
seem to be an appropriate way of protecting the Public Trust.

So I think you should do the EIR, as Klaus Schumann suggested, and I agree that there is -- a lot of things have changed since 1969, terrorism, he mentioned the issue of waste accumulation, the seismic studies that have been conducted need to be scrutinized very carefully. And I think you should do the EIR. And if there's any loose ends that are discovered, you should follow those loose ends and determine very carefully as to safety of that plant. I appreciate your -- this opportunity to talk to you.

Thank you.

(Applause.)

STAFF ATTORNEY SCHEIBER: Lee Andrea Caulfield, followed by Mary Brangan.

MS. CAULFIELD: My name is Lee Andrea Caulfield. I live in Los Osos. It is a matter of Public Trust, as defined in your own document, that staff approve an EIR. There are documented and serious risks and impacts, which must be evaluated. I believe that an EIR is legally required, and that the public safety must take precedence over economic interests. So I ask you to approve an EIR. And if you don't, then to -- or extend the time that so -- that there could be more public input.
Thank you.

(Applause.)

STAFF ATTORNEY SCHEIBER: Mary Beth followed by Bob Ornstein.

MS. BRANGAN: I'm Mary Beth Brangan of the Ecological Options Network, and part of the long-time movement in California, Nuclear Free California.

Clearly, there are many unusual circumstances to use the term that warrant a rigorous EIR. And it should be -- it could be completed concomitantly with steps taken to close Diablo Canyon, as well as ramping up the renewable energy, in far fewer than nine years.

The fact that PG&E is working so hard to prevent this EIR, only a common sense, ethical, and legal requirement does not bode well for the other promises PG&E is making concerning their intentions of responsibly managing the process to shut Diablo down.

What are they trying to hide? What are they so afraid of? Also, these decisions by PG&E are being made based on economic considerations. And all the largesse promised to the community and workers is coming from the decommissioning funds and ratepayers. I want everybody to remember that. I do as a ratepayer.

I don't mind paying -- in fact, I would be willing to pay PG&E to shut it down. I would be willing
to pay PG&E for another nine years, if they would shut
down Diablo Canyon tomorrow.

You know, environmentalists statewide will hold
you responsible both morally and at the voting booth. You
and all of us are going to have to hold our breath against
the big one happening in the next nine years. As my
partner, Jim Heddle says, "Okay, buddy, you have another
nine years to stop beating your wife".

(Applause.)

STAFF ATTORNEY SCHEIBER: Bob Ornstein, followed
by Emma Redfoot. Is Bob Ornstein here?

Emma Redfoot?

Emma Redfoot followed by Dennis Allen.

MS. REDFOOT: Hi. My name is Emma Redfoot, and
I'm an environmentalist. I also live in San Luis Obispo.
My undergraduate degree is environmental studies from
Lewis and Clark College in Portland, Oregon.

I took a semester off of school, moved in an
organic vermiculture farm in Ecuador, later took off
another semester to do research Cusco, Peru. I decided
for my time in South America that energy accessibility is
the most important means of people empowering themselves.

In the fall, I will starting my Master's in
NUCLEAR engineering. I've decided the most ethical way I
spend my life is working on developing implementing
nuclear power generation.

I evaluated the different forms of energy general and determined that nuclear is the best form of power production that we currently have. Fossil fuels contribute to global greenhouse emissions. Wind and solar are great, but they are intermittent and we are a long way from finding sufficient storage solutions. Hydro and geothermal have limited scope. Nuclear has consistently produced the safest, most reliable, clean net source of energy.

The IPCC's fifth assessment describes nuclear energy as imperative to stabilizing climate at no more than two degrees Celsius warming. California in the foreseeable future needs base load energy. The alternative is natural gas, which undeniably contributes to climate change, as well as air pollution.

Diablo Canyon acts as the reliable ground on which wind and solar can be built. I do not see how replacing a clean source of energy with another clean source of energy is a step forward.

For me, being an environmentalist means being pro nuclear. As a future engineer, I recognize that the closing of Diablo Canyon is effectively the end of nuclear power generation in California for the foreseeable future. California is the world leader in technology. California
is a State where people innovate and find solutions.

Nuclear power is a necessary part of the solution
to one of the world's greatest problems, climate change.
Diablo Canyon shoulders the responsibility of not letting greenhouse gases -- greenhouse gas externalities to the for rest of the world.

By keeping Diablo Canyon open, a basically carbon-free California economy could be realized much sooner. Closing the doors on Diablo Canyon is closing the doors on the nuclear industry in California for a long time. I hope that the Lands Commission and my fellow environmentalists consider the real costs of losing Diablo, lost jobs, loss of engineers --

(Applause.)


MR. GRIFFITH: My name is Glenn Griffith. I'm affiliated with Mothers for Peace and the World Business Academy, but I'm really just a human being who wants to stave off a Fukushima event. I want to voice -- add my voice to a full environmental review.

What could possibly be wrong with a fact-based,
scientific decision? I'm sure the people of California
would like to know the truth about all this. Nine more
years is 3,285 days. That's 3,285 more chances for a
Fukushima, more nuclear waste, more dead ocean.

There was a Beatles tune on the White Album
called "I'm so tired". I am so tired of all this
politics. I am so tired of all this cancer. My wife has
breast cancer. She's going through chemo. She's going
through radiation, mastectomy. I'm so tired. I'm so
tired of standing before all these commissions asking,
begging on bended knee for you people to do the right
thing. I won't mention the NRC.

Gavin, I've seen you a lot, if you're there, on
Bill Maher Show. You're a cool dude, so we expect you to
do the right thing, and to finish out what John Lennon
said, "I give you everything I've got for a little peace
of mind".

(Appause.)

STAFF ATTORNEY SCHEIBER: Glenn Griffith.
Is Glenn Griffith here?
MR. GRIFFITH: That was me.

STAFF ATTORNEY SCHEIBER: Oh, that was you?

Okay. Linda Mulvey. That will be our final speaker in
opposition, before we switch.

MS. MULVEY: My name is Linda Mulvey. I live in
Atascadero. I am a Montessori teacher. I sub at several places in the San Luis Obispo area. As a mother and a grandmother for peace, I have some questions.

You can't hear me?

Oh, pull it toward me. Thank you.

Why does PG&E need nearly a decade just to begin -- quote, "begin to plan", unquote, as stated in the agreement for replacing Diablo's electricity output and beginning to make a transition to renewables? Why just begin in 2018 with a long overdue emphasis on efficiency?

Long-time anti-nuclear activists wonder is it because the utility has been dragging its feet for so long, resisting and blocking efforts toward conservation, efficiency, rooftop solar, net metering, and small decentralized solar installations and wants to keep doing so?

Not to mention, it's $30 million attempt in 2010, via Prop 16, to kill the community choice aggregation, the CCA, movement in the cradle, and the utility's decades long battle to stamp out public power projects wherever they dare crop up.

Thank you.

(Appplause.)

CHAIRPERSON YEE: Sharron, that was our last speaker in opposition?
STAFF ATTORNEY SCHEIBER: The last speaker in opposition.

CHAIRPERSON YEE: Great. Thank you for facilitating the speakers.

Thank you for everyone who's come forward to testify. And to present your arguments in opposition to the matter. I'd like to now turn to Ms. Lucchesi, if I may. But before I do, I just want to make clear, because disturbing statements have been made about this Commission being a party to the agreement, and certainly a perception that we were at the negotiating table. And I can assure you, none of the Commissioners were, so let me just clarify that.

Secondly, I think Ms. Lucchesi, you were presented with a petition as well. So do you want to just announce that, and then if you wouldn't mind responding. I think we've been tracking some issues throughout the testimony.

EXECUTIVE OFFICER LUCCHESI: Yes. Of course, it's my pleasure. So before I get into just some responses to some concerns --

CHAIRPERSON YEE: Microphone.

EXECUTIVE OFFICER LUCCHESI: -- we received during the course of the meeting, a petition to the California State Lands Commission in the matter of an EIR
requirement prior to renewing a lease to PG&E for the use of State land. And I just wanted to acknowledge on the record that that is now part of the record.

So there were a number of different issues and concerns raised. I'm going to try to address what I believe to be the most significant ones. I'm sure though if the Commission has additional questions, I'm happy to answer those.

First, there were a number of concerns raised about the proposed lease terms involving the rent, the restoration of the lease premises at the end of the proposed lease term, and liability protection for the State.

In terms of the rent that's being proposed, Commission staff develops the rent recommendation based on appraisal methodologies consistent with our regulations. And so that rent proposed in the lease is consistent with our regulations, and we believe accurately reflects the value -- the rental value for the actual structures that are located on State property.

There was some concerns about the restoration of leased premises. And at the end of the proposed lease, the structures that are located on State lands just being left there in place. I can assure you that that is likely not to be the case. And that is because in our proposed
lease, as with every lease that we recommend to the Commission, there are specific terms that require the lessee, before they abandon the leased premises at the end of their lease term, that they submit a restoration plan to the Commission for the Commission's approval.

In this particular case, there's a requirement for a restoration plan and a decommissioning plan, which I mentioned in my initial statement. Those plans are supposed to be submitted to the Commission in August 2020. And so we have significant time to review those plans, do the required Environmental Analysis, and be able to be in a relatively good place when the leases -- the proposed leases expire.

And finally, with some of the liability protections, the proposed lease does include terms that require a $10 million per incident liability insurance coverage, a bonding requirement, and full indemnification from PG&E. And so we believe that those are significant terms that help protect the State.

There were some questions or concerns raised about the State's once-through cooling policy, the one adopted by the Water Board. While the State's once-through cooling policy requires the significant reduction or elimination of once-through cooling by 2024, it also requires interim mitigation, and to implement
measures to mitigate the interim impingement and
entrainment impacts from these offshore structures between
when it was adopted in 2015, or implemented in 2015, to
2024.

And so when we reference the OTC policy in our
staff report as it relates to the impacts of Public Trust
resources, it's also reflecting the regulations that
govern this interim mitigation program implemented by the
Water Board.

And along those same lines, there has been a
mention of the State Lands Commission's own once-through
cooling policy. That was a policy that was adopted by the
Commission in 2006. It was determined, shortly
thereafter, to be invalid, because it was not fully
adopted as a regulation pursuant to the Administrative
Procedures Act.

So that policy does not have any effect at this
time. The governing policy on once-through cooling, the
laws and regulations, is the State Water Board --
once-through cooling policy.

I also want to highlight, because there were a
couple of concerns raised about, well, what happens if
PG&E does not actually fulfill its commitment to withdraw
their application from the NRC?

We have developed a lease term in the proposed
lease that accounts for that very scenario. And if PG&E
fails to withdraw its relicensing application from the NRC
by August of 2018, and does not actually then submit a new
application for the lease, basically a reconsideration of
this lease, then the lease terminates.

And so we think that that term basically gives an
opening back to the Commission to revisit all these issues
if PG&E does not fulfill its obligation to withdraw its
application at the NRC.

I do want to just take a moment to reemphasize
the CEQA issue. As I mentioned in my opening statement,
the proposed limited term lease fits into the categorical
exemption for existing facilities under CEQA. The
question before the Commission is whether the exception to
this exemption applies?

And as I said previously, it is within the
Commission's authority to use its independent judgment,
based on substantive evidence, substantial evidence, not
speculation or argument, to determine whether there is a
reasonable possibility that the issuance of the lease will
have a significant effect on the environment due to
unusual circumstances. This is an independent judgment
call by the Commission.

There have been a lot of statements, valid
statements, that may well be considered speculation or
argument about the future of Diablo Canyon. That -- those arguments and that speculation, while it does not necessarily have a place under the CEQA analysis, does have a place under the Public Trust analysis, and the State's best interest analysis.

And I'm going to make a couple of statements that I know the Commission knows way better than I do. But for the benefit of the public that's listening today, the Commission is made up of two constitutional officers, and a Gubernatorial appointee. The Commission is -- not only manages these tidelands and submerged lands consistent with the common law Public Trust Doctrine, but also importantly in the State's best interest. And when you're looking at what is consistent with the common law Public Trust Doctrine, you look at those principles and you harmonize them with State law and State policy goals, all in the best interests of the statewide public.

And so not only do the impacts to marine life come into play when conducting that analysis, not only do the seismic issues come into play when doing that analysis, but it's also the energy objectives and goals, it's the labor issues, it's the community impacts, and it is the ratepayers. All of those fall into that umbrella.

And so it sounds much easier than I believe it actually is to balance and weigh all those competing
interests. But the Commission is made up of these Commissioners to do that very job. And so just as a reminder of -- that it's not just about the common law Public Trust. That is combined with the State's best interest. And that takes into a number of different factors.

So I think I've hit everything that I wanted to hit. I'm not sure if the Commissioners have any additional questions?

CHAIRPERSON YEE: Comments by Commissioners or questions?

ACTING COMMISSIONER ORTEGA: (Shakes head.)

COMMISSIONER NEWSOM: Commissioner Newsom.

CHAIRPERSON YEE: No questions?

COMMISSIONER NEWSOM: No additional questions, Jennifer.

CHAIRPERSON YEE: No, thank you for tracking those issues, and for the reiteration of the consideration that we can make exercising our independent authority.

COMMISSIONER NEWSOM: May I take back what I just said?

CHAIRPERSON YEE: Sure.

COMMISSIONER NEWSOM: Just a little clarification. Thank you. Through the Chair, just on the expiration, so it's August 27th, 2018?
EXECUTIVE OFFICER LUCCHESI: (Nods head.)

COMMISSIONER NEWSOM: And the language in here that triggers if PG&E does not exercise their commitments pursuant to the MOU and our expectations. Is that a concurrent date or is it -- does that give us enough time? My point is do you have -- is it the -- you need to do it on the 20th and then calen -- I mean, how do you -- I just want to make sure there's adequate time.

EXECUTIVE OFFICER LUCCHESI: Yes. So the terms in the lease is if -- there's two conditions that would -- that, if not met, would trigger the termination. So one is if PG&E does not withdraw its license application, and they have not submitted a new lease application. So they would have to anticipate that they are not going to withdraw their license renewal and submit an application for the Commission to reconsider in order for that termination clause not to take effect.

So I think that it gives them enough time to at least submit an application. That's what will stop the trigger of the automatic termination.

COMMISSIONER NEWSOM: Got it. And so -- and it was just clarification that it's an automatic trigger that it doesn't require subsequent action by this body in that. Yeah, I got it.

EXECUTIVE OFFICER LUCCHESI: Yes.
CHAIRPERSON YEE: Okay. Very well. Thank you very much. What I'd like to do now, we have a lot of members of the public who want to address this Commission in support, but let me just sort through these, because I -- there are many from similar organizations. So I will call you up and those that are from the same organization, I will ask you to try to consolidate your comments.

Let me first hear from John White, if he's still in the audience, followed by Matthew Mosgofian is still in the room, and Kristin Zaitz.

Thank you for your patience.

MR. WHITE: Madam Chairwoman, Lieutenant Governor, Ms. Ortega, My name is V. John White. I am executive director for the Center of Energy Efficiency and Renewable Technologies. My organization has been involved from many years in development of renewable energy and efficiency in California. We -- my team participated on behalf of Friends of The Earth in developing the analytical case for how we could go about replacing the megawatts from Diablo Canyon without increasing greenhouse gas emissions.

I know there's some very serious concerns about that possibility. And we share those concerns, given the failures in the San Onofre aftermath. I think what's different here is the opportunity to plan for this zero
carbon replacement portfolio. We're gratified by the good faith efforts of the parties to try to negotiate a very thorny and difficult set of issues. Particularly gratified to see the IBEW joining with the environmental groups, and with PG&E.

And we believe those commitments can be built upon to achieve the result that we're seeking. We're not CEQA experts, but I have to say we are persuaded by the presentation by your staff and the analysis and the research that they have done that this is a call that you can make.

On the other hand, we also know that there's ongoing oversight going to be needed at this facility to ensure the minimum adverse impacts from what has gone on and what will go on before. But we think what's to be gained is greater than all the conflict today might indicate.

This is a tough path. There's been a lot of strong feelings, a lot of difficult arguments, and I think what we have is an opportunity to turn the page and move in a more sustainable direction, but we're going to have to get to work. And our friends at the Public Utilities Commission are going to need the help and engagement of all the rest of us, including the rest of State government.
I hope that the Governor's office takes an interest in ensuring that this set of goals is actually achieved, and we hope that we can help.

Thank you.

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

(Applause.)

CHAIRPERSON YEE: Okay. Matthew. Thank you for your patience. Can you reach that mic?

There you go.

MR. MOSGOFIAN: I am Matthew Mosgofian. And my dad works at Diablo Canyon. I am eight years old. I ask that you vote yes on these water permits and that you keep Diablo Canyon power plant open for all the people who work in it. Thank you, and please keep Diablo Canyon open.

COMMISSIONER NEWSOM: Thank you, Matthew.

(Applause.)

CHAIRPERSON YEE: Thank you, Matthew.

Let me ask Kristin Zaitz to come forward, followed by Sam Irvine.

MS. ZAITZ: Thank you. Thanks for the opportunity to address you this afternoon. My name is Kristin Zaitz. I'm an environmentalist, an engineer, and a mother of two young children. I spent much of my life skeptical of nuclear. I only changed my mind after doing the research for myself, and learning through my
employment at Diablo Canyon. I'm not a company spokesperson. I'm speaking for myself, for my children, and for the health of our planet.

As a professional civil engineer, I can personally testify to the plant's robust seismic design. I feel comfortable working with there, and having my family live nearby. I cannot say the same thing for the rest of California.

I support the extension of Diablo Canyon's intake and discharge leases. I do not think a deal to close the plant should have been part of this decision. Why? Because the operation of Diablo Canyon completely supports the vision and mission of this Commission. The Commission protects the lands and resources entrusted to its care. The Commission is responsible for marine protection, and pollution prevention. The Commission is concerned with adaptation to climate change. The Commission supports public access California lands and waters for current and future generations.

So how does Diablo Canyon fit with this vision? Diablo Canyon's operation has protected 12 miles of coastline, 12,000 acres of wild open space. The marine life is protected and thriving. PG&E provides managed access on much of this land, which is in harmony with the Commission's purpose.
What about the Commission's goals around pollution prevention and climate change? Diablo Canyon provides 24-hour a day pollution-free greenhouse gas-free electricity, and especially in light of global climate change. Keeping all carbon-free electricity sources on-line is vital to protecting our planet for our children, for our future. Our planet simply does not have time to play favorite -- our plan simply does not have time for us to play favorites with clean energy sources.

I support the mission of the State Lands Commission and agree that extending these leases for Diablo Canyon without an EIR is in agreement with the Commission's goals.

No deal required.

Thank you.

CHAIRPERSON YEE: Thank you very much.

(Applause.)

CHAIRPERSON YEE: Next, we'll have Sam Irvine, followed by William Toman.

MR. IRVINE: Commissioners, my name is Sam Irvine, and I'm today representing environmental entrepreneurs.

We are a non-partisan group of business people from all sectors of the economy and we advocate for
policies that support strong environmental and economic protection.

E2 has a commitment to long-term renewable energy goals. We support the joint proposal, which we believe will provide the orderly closure of the Diablo Canyon nuclear plant, and replace it with power with 100 percent renewable energy. We also support the proposal to grant the lease extension, as we believe it is in the best long-term interests of the State.

The orderly replacement at Diablo with renewable energy will be good for the local economy and the State of economy, providing jobs, and also guaranty the long-term protection of California's natural resources.

Thank you very much.

CHAIRPERSON YEE: Thank you.

(Applause.)


MR. TOMAN: Good afternoon. Thank you for allowing us to address the Commission.

My name is Bill Toman. I work at Cal Poly San Luis Obispo leading an ocean energy test station study for the U.S. Department of Energy. I'd like to thank the State of California for their generous help in matching funds for the federal grant, and also to Pacific Gas and
Electric for their generous matching funds in support of this grant to investigate the feasibility of establishing a wave-energy testing center off of Vandenberg Air Force Base in Santa Barbara County.

I'd also like to thank Lieutenant Governor Newsom for his leadership since 2011, for asking the question why not wave energy, why not off-shore renewable energy in California? We should be a leader in this. We hope to obtain that vision sometime in the next 20 years.

I'm a supporter of the overall proposal that I know the Commission is not a party to for the retirement of Diablo Canyon, because I see the tremendous renewable energy benefits for the replacement of the energy generated by Diablo. And I'd like to point out that there are substantial studies by the California Energy Commission, by the U.S. Department of Energy that show that marine renewable energy, with wave energy, and floating wind energy could replace many multiples of the power unit in California in a single year.

It's something to consider along with terrestrial renewable resources. There's no doubt in my mind that in the nine years that we have to think about this, and to plan about this, that we will be able to substitute for the energy to be generated from Diablo by marine renewable energy sources alone.
I'd like to finish by saying that there are substantial offshore wind and wave energy resources off the Diablo Canyon site, that there are major pieces of infrastructure that could be repurposed at the Diablo Canyon site in support of these offshore renewable projects, and for PG&E to consider incorporating those repurposing in their decommissioning plans.

Thank you very much.

CHAIRPERSON YEE: Thank you, Mr. Toman.

(Applause.)

CHAIRPERSON YEE: Nathan Macher followed by Matt Regan.

MR. MACHER: Hi. I'm Nathan Macher. I've been marching with the March for Environmental Hope this past week. And I think this EIR process has gone away from its original intention. It started to put California in the future business, but unfortunately it seems to have been hijacked by private interests, and taking the discretion away from the public and into private hands. And unfortunately, the result of this deal to close Diablo Canyon doesn't put Californian in the future business.

So, for example, the math. Diablo Canyon produces around 18 terawatt hours of clean electricity a year. And the plan calls for two terawatts of renewables and two energy efficiency. And even if you say the grid
only needs 50 percent of that, that's till five terawatt-hours are missing from the plan. Is it going to be natural gas, probably, or is simply the power not going to be there, which from the recent blackouts is not what anyone wants.

Also, it destroys a huge tax base. So how does destroying this tax base that funds education that for California's future how is that -- how is that really built on the future?

And additionally, the -- lost my train of thought. Additionally, it just -- we've heard from the police have concerns, we heard from education leaders who have concerns. It just doesn't seem like this is the best path for the future. We've heard great things about this historic deal about certainty. But the only certainty it seems to guarantee is that we're going to be standing still for the next 10 years in terms of clean energy.

So that's my two cents.

CHAIRPERSON YEE: Thank you very much.

(Applause.)

MR. REGAN: Good afternoon, Madam Chair, Commissioners. I'm Matt Regan from the Bay Area Council. I'm senior vice president for policy. The Bay Area Council is a business sponsored public policy advocacy organization representing about 300 of the largest
employers in the San Francisco Bay Area.

In 2006, our collective membership voted overwhelmingly to support AB 32, the Global Warming Solutions Act. And we've been strong advocates for renewable clean energy ever since. And last year the White House asked us to host CEM7, the clean energy ministerial conference, which just took place two weeks ago. We were very proud to do that. So our credentials in this area are probably without compare in the business world.

I'm here to speak in favor of the staff recommendation to renew the short-term lease with the long-term goal of decommissioning the plant in an orderly and planned manner, with the expectation that the lost energy production will be replaced by 100 percent renewable.

I do have to confess I'm not an expert on nuclear energy, though I've learned a lot today, but I do know a lot about CEQA. And I would like to warn the proponents or the advocates for an EIR, be careful what you wish for. The CEQA process is designed to stop stuff and slow it down. This is the first time I've ever seen anyone call for an EIR to speed something up. It doesn't work that way.

You'll get your EIR, and that EIR will be
challenged. Adequacy will be challenged at a hearing just like this, and then it will be litigated. And it will be litigated again, and it will be appealed.

And before you know it, nine years will be up and we'll be at square one. So be careful what you wish for. And so I'd advocate that you agree with -- or follow staff recommendation and approve the short-term lease.

Thank you so. Much

CHAIRPERSON YEE: Thank you, Mr. Regan.

(Applause.)

CHAIRPERSON YEE: We have a few more speakers who wish to testify in support. I'm going to just call all the names. If you would just be prepared to come forward, but many of our organizations have already spoken previously, so -- but we welcome your brief comments.

Cesar Penafiel followed by Bob Rowen, William Garris, Josue Mendoza and Cynthia Papermaster.

MR. PENAFIEL: Hi. Good afternoon.

CHAIRPERSON YEE: Good afternoon.

MR. PENAFIEL: My name is Cesar Penafiel. I holder a Master's degree in Energy and Environmental Policy from Columbia University.

So last week we had a deal. This deal proposes to replace the safest most reliable form of electricity with safe clean, but not so reliable, form of electricity,
renewables.

Let me give you a policy -- a housing policy comparison to put this in perspective for those of you that still care about the planet and the future of California.

The citizens of California were to invest billions of dollars in subsidized housing to build brand new very cool houses. But they're going to replace old, some people call them aging, houses that are perfectly functioning that have a lifetime of 40 to 60 years. These new cool houses have a life of 20 to 25 years.

But we're going to burn those old aging houses that have 40 to 60 years down. And we're going to sell this as addressing poverty and homelessness in California. This is effectively what we're trying to do here. We're trying to sell this as solving climate change. We are going to do nothing to reduce the 58 or higher natural gas electricity burning in the State of California.

This deal from PG&E, IBEW, NRDC, you know, they announced it with a straight face that this is going to solve problems. It's not. And what is worse is that this was hammered in the back rooms. This is a dirty deal. This is a dirty deal that is going to fail. And we real environmentalists are going to win. And we're going to win because the ark of history bends towards justice,
towards democracy, towards transparency, and towards
environmental progress.

So I want to know, you say that this Commission
was not involved in this deal. But I believe that this
whole thing is a sham. I believe everything has been
decided. I want to know if Mr. Newsom was involved in
this deal. I want to hear from him, and I want you to
tell me that you were not in secret meetings with the FOE
to negotiate this deal.

CHAIRPERSON YEE: Your time has expired, Mr.
Penafiel.

MR. PENAFIEL: Thank you.

CHAIRPERSON YEE: Thank you.

(Applause.)

MR. ROWEN: Well, I think I've been placed in the
wrong group, because I am totally opposed to the
continuing operation of Diablo Canyon.

CHAIRPERSON YEE: All right. I'm going to ask
you to introduce yourself for the record, and I'm only
going by how you marked your speaking slip.

MR. ROWEN: Well, the confusion happened out
there at the table, and I went back and forth --

CHAIRPERSON YEE: Why don't you introduce
yourself and state your position.

State your name for the record.
MR. ROWEN: Okay. My name is Bob Rowen. I'm a retired educator. And I currently live in Redding, California. I was employed at PG&E's Humboldt Bay nuclear power plant as a nuclear control technician from 1964 to 1970.

The history of Humboldt Bay began with the plant going on line in August of 1963 and I showed up a few months after start-up. I'm here today to testify before the Commission that PG&E, the NRC, and the nuclear establishment in general cannot be trusted.

Nuclear energy is not safe on many different levels. And I know that to be especially true from my own personal and professional experience. PG&E, the NRC, and the nuclear establishment have spent millions of dollars in their attempts to convince the public otherwise.

PG&E chose to load the original core of the Humboldt reactor with stainless steel cladding. Why? Because it was much cheaper than the Zircaloy cladding that had been developed by the United States Navy. The Stainless steel cladding then broke down, and caused the Humboldt Bay reactor to become the dirtiest power plant -- nuclear power plant in the nation, and PG&E worked feverishly to cover up the significance of the problem that it had created.

Pacific Gas and Electric Company's nuclear
engineer claimed we've done everything at Humboldt Bay --
everything we've done at Humboldt Bay has been in a fish
bowl, and you gave me five minutes, right, during the
break?

CHAIRPERSON YEE: I'm going to give you another
couple of minutes, but please try and summarize.

MR. ROWEN: Well, you -- I know the folks behind
me don't want to hear what I have to say. I'm not sure
where the Commission is at, but I have some examples that
support what it is I'm saying.

CHAIRPERSON YEE: Okay. You've got two minutes
left.

MR. ROWEN: Okay. I would like to provide the --
each Commissioner a copy of a book that I wrote entitled
"My Humboldt Diary: A True Story of Betrayal of the
Public Trust", which documents everything I would have
said, if I would have had the time.

PG&E should not have its lease renewed, if it's
going to result in a continuing operation of Diablo
Canyon. Please, I implore each Commissioner to read my
book, to see what it is I'm talking about before you make
any final decisions or judgments about where I'm coming
from.

I wish I would have had the same amount of time
that the PG&E spokesman had at the beginning of this -- of
the day when she was given 20 minutes.

Thank you.

CHAIRPERSON YEE: Thank you, Mr. Rowen.

(Applause.)

CHAIRPERSON YEE: We have William Garris, Josue Mendoza, and Cynthia Papermaster.

MR. GARRIS: Hello. Thank you. My name is William Garris. Thank you for your patience today. I'm an electrician at Diablo Canyon. I've been there for 11 years. PG&E Recently announced that it will not be pursuing the license extension to operate past 2025.

This news is extremely unfortunate for individuals like myself who are nowhere near retirement age. At the same time, I am thankful that I have the time to plan out the next step of my life for my family.

Granting the new limited term general lease water permits will allow Diablo Canyon to run to 2024 and 2025, and align with the current operational permits. This time is desperately needed by our local community that would be devastated by sudden closure of Diablo Canyon. This time will help ease the loss of thousands of jobs to the rural community of San Luis Obispo. The building trades will be greatly impacted by the closure of Diablo Canyon.

This time will allow our local school districts the time to replace tax dollars, which will be lost from
the closing of Diablo Canyon. This time will allow
thousands of people whose jobs will be eliminated to begin
the process of re-educating themselves to provide for
their families. This time will allow families to relocate
to areas with stronger market economies, while allowing
the community to spread its losses of permanently losing
thaws of high paying jobs.

This time will help minimize the negative impacts
on the local housing market with families leaving over the
next nine years, and not all at once. Diablo Canyon
operates in the top quartile of all nuclear plants in the
United States. Diablo Canyon is safe, it is greenhouse
gas free, and it's continued operation until 2025 will
provide a bridge for California's transition to wind and
solar as a base load energy source.

Thank you.

CHAIRPERSON YEE: Thank you very much.

(Applause.)

CHAIRPERSON YEE: Josue Mendoza followed by
Cynthia Papermaster and Michael Marinak.

MR. MENDOZA: Good afternoon. My name is Josue
Mendoza. I also work at out Diablo Canyon, but I'm
actually here representing my head of household being a
father of two and my wife. I had a lot more to say, but a
lot of people before me kind of took the words right out
of my mouth.

One thing I just want to really talk about something that's hitting me kind of hard right now, it's just hearing all this fear of nuclear and nuclear power. As a buddy of mine Chris Zokalowski, also back there -- hey, Chris -- has said is we should stop fearing what nuclear power is and nuclear power plants like Diablo Canyon and actually celebrate, and in this case, celebrate what Diablo Canyon has done for the last 40 years, supplying reliable green energy to the State of California in a safe manner. And that's all I really wanted to say about that.

I do wish that you guys would give us a yes today, so that I have the nine years to plan ahead to see what further steps we'll take with my family, and look out for the welfare of my children and my wife and I. That's all I have to say.

Thank you.

CHAIRPERSON YEE: Thank you very much.

(Applause.)

CHAIRPERSON YEE: Is Cynthia Papermaster in the room?

Okay. Michael Marinak followed by Eric Meyer.

DR. MARINAK: Hello. I'm Dr. Michael Marinak.

Two hundred million tons, that is how much less carbon
dioxide there is in the atmosphere today thanks to Diablo Canyon. We often here our State government leaders tell us how reducing carbon dioxide emissions is essential to reducing global warming. So one would expect the members of this Commission to follow through on those words and extend this lease without special conditions.

Indeed, public opinion polls show broad public support for the energy -- cleaner energy benefits of nuclear power -- clean air benefits. A survey of 1,000 nationally representative adults taken this spring showed 82 percent support license renewal for nuclear facilities.

And on more than one occasion, Californian's have voted, by overwhelming margins, to continue operating California's existing plants. But in spite of this support and these proven benefits, we have a Commissioner on record to require a full Environmental Impact Statement. According to California law, this Commissioner's request is highly irregular.

But after the pressure was applied to PG&E, we suddenly learned of a back-room deal to close Diablo Canyon. This was a Diablo made in secret with radical special interest groups such as the NRDC, which have backwards views on energy development.

Well, gee, what about the rest of us Californians? We, the people, had no knowledge of this
major public policy development, which was finalized and announced before we had any opportunity for input, yet this deal would harm us. Close examination of the deal shows that most of the Diablo Canyon energy will be replaced by natural gas, and this will increase air pollution.

We can look at Germany to find out what happens when you try to run a first world economy on occasionally favorable breezes and sunshine. German electric prices have skyrocketed by 78 percent since 2008, over 800,000 people have disconnected their electrical service completely because of the high cost.

We're set -- a recent article in the magazine Der Spiegel reports, quote, "Sudden fluctuations in German's power grids are causing major damage to a number of industrial companies. They are warning the companies might be forced to leave Germany if the problem isn't solved fast".

So, in conclusion, the Commission needs to put aside this fraudulent back-room deal, which will increase air pollution, the cost of energy, and endanger the reliability of our grid. The Commission needs to extend the lease without special conditions today, so that we can continue to enjoy far into the future the many benefits of California's largest carbon-free energy source.
CHAIRPERSON YEE: Thank you very much.

(Applause.)

CHAIRPERSON YEE: Let me call up both Eric Meyer and Gordon McDowell together. You're both with March for Environmental Hope, yes?

MR. MEYER: I'm sorry, do you want us to speak together at the same time?

CHAIRPERSON YEE: No, just stand together.

MR. MEYER: Oh, okay. All right.

CHAIRPERSON YEE: So you're right ready to go, Mr. McDowell.

MR. MEYER: Okay. Thanks. Yeah. My name is Eric Meyer. I'm the organizer for the March for Environmental Hope, and I work with a group called Environmental Progress.

And the reason why I quit my job as a union organizer and a professional opera singer, drove 2,000 miles out here was to save Diablo Canyon. One of the first things I did, when I got here was walk along Point Buchon with Kristin and Heather, The Mothers for Nuclear, there. And one thing they said to me was like you never know, you might see a whale breach right now. You know, and I'm from the midwest originally, so I'm getting all excited like, oh, any second a whale is going to pop out. I can't wait. And, of course, one doesn't jump out.
But then it sunk in really what is at stake right here, because in addition to knowing about the dangers of climate change, I also know the dangers of too much carbon in the atmosphere, including ocean acidification. And I started to think about the conversation that I would have to have with my children, or grandchildren, if we didn't change our ways today, how I would have to explain to them that once a long time ago there were these creatures called whales that swam in the ocean and sang together, but we didn't cut our carbon emissions quickly enough, the ocean became too acidic, and we -- the entire oceanic food chain collapsed.

And that's what we're facing here. And so it breaks my heart that these so-called environmentalist groups -- I don't think they deserve that word anymore, because they're pushing a deal. The NRDC, Friends of the Earth, they're pushing a deal that would raise carbon emissions dramatically in this State, and we see that. There's no way it doesn't anyway you look at it. It will be replaced with natural gas.

People often site Germany as an example of shutting down nuclear and doing what's right for the environment. But if you look at Germany's emissions compared to France, it's 10 times as much. This deal is bad for the environment and bad for the future. Don't
make me have that conversation with my children and grandchildren about what whales were.

Thank you.

CHAIRPERSON YEE: Thank you.

(Applause.)

MR. McDOWELL: Gordon McDowell. Greetings from Canada. In my home province of Alberta, we have tremendous wind and solar resources, and also plenty of fossil fuels. And just like everywhere else to produce electricity when the winds stops blowing, we burn stuff.

Each of my fell Albertans and myself emit 65 tons worth of greenhouse gases every year, each of us. That's a lot.

It would be wonderful to run a plant like Diablo Canyon and produce reliable, pollution-free energy. Unfortunately, Alberta is not blessed with an infinite heat sink, or as you like to call it, the Pacific Ocean.

I cannot believe you are shutting down an operating source of reliable clean energy. Please pack up the Pacific Ocean and Diablo Canyon in a padded cardboard box and ship them to Alberta.

(Applause.)

CHAIRPERSON YEE: Thank you.

And lastly, let me call up Heather Matteson and Sarah Spath with Mothers for Nuclear.

MR. MATTESON: Hi. I'm Heather Matteson. I'm a
life-long environmentalist, and operator and procure
writer at Diablo, and mother to a six-year old who's
wandering around the room somewhere.

I grew up in Arizona. My family didn't have a
lot of resources, so I learned to conserve money and water
and energy. When I came to California, I was excited to
be a part of a State that was more progressive, one that I
pictured as being at the forefront of all issues that
affect people and the environment.

I happened upon a job at Diablo Canyon. And with
my inquisitive and skeptical nature, I learned as much as
possible about nuclear energy and other energy
technologies over the last 13 years. I now believe that
nuclear is vital to our future on this planet, and I've
helped start a group called Mothers for Nuclear to help
explain why.

Also, I've learned more about energy
surrounding -- issues surrounding other energy supplies
and usage. And I've come across some information about
our State's best laid plans. For example, I learned a lot
about the plans for Ivanpah solar thermal generating
station, using cutting edge technology to generate
renewable power.

There were plans to mitigate the impacts of solar
sprawl, but those plans didn't work out so well. The
plant relies heavily on natural gas. It backs up -- to
back up its intermittent and poor performance. It's
killing birds, and every single one of the tortoises in
the relocation program died.

This is the kind of example that I hope the State
Lands Commission will consider when evaluating
environmental impacts on our State's lands. I support
renewables, but I believe that every technology has a
place. I don't support the expansion of renewables at the
expense of other greenhouse gas regeneration, and at the
expense of our natural lands. I'm also tired of politics
that puts our future at risk. This is the first time I
felt strong enough to speak out at a public meeting, and
it's been disappointing and challenging. It seems the
public process has been circumvented.

Why am I here?

I still believe in democracy, and I believe that
public input should be considered as part of the
decision-making process. It's now my chance to say on the
record, and for California's history, that, yes, I support
the approval of the new permits, but I also support -- but
that no tradeoff should be required, and California should
not decide our future based on unproven technologies.

If these aggressive goals don't happen to work
out, then we will see emission rise -- emissions rise, and
we should all be leading the nation in the fair use of all greenhouse gas regeneration. Let's keep Diablo Canyon's power and use renewables along with storage to replace fossil fuels instead.

Thank you.

(Applause.)

CHAIRPERSON YEE: Thank you.

MS. SPATH: Good afternoon, and thank you for the opportunity to speak with you today. My name is Sarah Spath and I'm a life-long lover of mother earth and a whole-hearted soldier for sustainability.

These beliefs led me into my profession as a thermal engineer. With renewable and alternative energies at the center of my study, I knew solar wasn't efficient enough to satisfy energy needs, but strongly believe that wind could be the technology that transformed our energy portfolio and saved the planet, and I wanted to be a part of that solution.

So off to Iowa I went to join one of the country's leading research groups on wind power to solve the most challenging problems facing the troubling wind capacity factors. Make them bigger, or make they taller, use concrete instead of metal to reach new heights, build offshore.

We worked on wind farms in labs and in the field.
We were improving their Capacity factors all right. But those new and improved capacity factors were still awful. I started coming to a staggering realization about renewable energy sources. Though they have their place, when applied properly, as much as I willed them to be and as beautiful as the sentiment is, they aren't enough to replace base-load sources.

And more importantly, for the foreseeable future, they won't be enough. The sun isn't always shining, and the wind doesn't always blow, and storage solutions are very limited at this point. This is the tragedy of the anti-nuclear movement, that to rely solely on renewables means a renewed dependence on natural gas, for all the hours that those intermittent resources cannot deliver what they've promised.

This isn't, nor has it ever been, a struggle between renewables and nuclear power. They are scientifically inequivalent. It's a struggle between base load fossil fuels and nuclear power. That's it.

We spoke about responsibility earlier with Friends of the Earth. The environmentalist cause is to have the responsibility, to give the environment a louder voice than human affairs. That's our job. And here I stand, as a lover and student of renewables. I know and admit their limitations. I have the responsibility to
back nuclear power, simply because I cannot call myself an environmentalist and oppose our greatest source of zero emission power. It's really that simple.

So I would like to applaud the staff on your consideration of the release extension for Diablo Canyon, but I also urge you, no matter the opposition, to take the time I did to face your concerns, to look at the facts, to consider the science, the numbers, all of the figures, and to support keeping nuclear power included in California's energy portfolio beyond the current license, now and well into the future, because it's the wise choice, and the only base load choice for a sustainable future with safe, green, and reliable power.

We can ignore the facts, but the thing about truth is, it can be denied, but not avoided.

Thank you.

(Applause.)

CHAIRPERSON YEE: You did not sign up to speak.

MR. VAUGHN: I did.

CHAIRPERSON YEE: Did you? Oh, I'm sorry.

MR. VAUGHN: I promise I did. I cam from New York to speak here.

CHAIRPERSON YEE: Okay. Please introduce yourself for the record and you have two minutes, please.

MR. VAUGHN: All right. Good afternoon. My name
is Jim Vaughn. And I'm here because at the end of my life, I hope that I can say I helped make this planet a little cleaner, instead of a little more poisoned. To that end, I've dedicated my life to a clean energy source that is indispensable, if we want to curb carbon and nasty natural gas emissions. No matter who you are in this room, I think we all want the same thing, supported technology we can leverage to supply our growing energy demand while not hurting anyone. And I thank the Commission for attempting to address climate change and supporting the 2025 land-use extension.

Thank you.

I am a pro nuclear environmentalist. I travel from New York and I work at a nuclear power plant there. I'm not here to save my job. I'm here because I want to save this planet. I've worked with the nuclear Navy, I understand the technology, I understand the risks, and I understand the bigger danger that's in false hope that solar and wind will solve all of our problems.

There are some great ideas out there that may replace our aging nuclear fleet with other sources of clean energy, but the technology isn't there today when we need it. The wind doesn't always blow, the sun doesn't always shine, and energy storage technology just isn't
developed yet enough to address that.

Right now, we have to make a decision, what's a bigger threat to humanity, nuclear power or climate catastrophe? Not what is scarier to you, but what is actually a bigger threat? Again, not what you're most scared of.

Separating the two requires some knowledge, requires facts, and not fiction. I've heard a lot of fiction today. Nuclear waste is stored very safely today. Warm water discharges common to nearly all industries will slightly favor some marine life and not others, yes. Earthquakes, by the way, did not hurt Fukushima no matter what you say. It was the Tsunami, as a result of the earthquake, yes, which Diablo Canyon and all U.S. plants are immune to.

But, by the way, no one was hurt from the nuclear plant at Fukushima despite that being the worst catastrophe that we've experienced. There's no credible scientific evidence that babies are dying from nuclear plants. Let's throw that out right now.

To me, the choice is clear --

(Applause.)

MR. VAUGHN: -- the bigger threat is the poison that fossil fuels emit to the environment. Nuclear is a proven safe technology. For all the mix I've heard today,
none are relevant. They only slow down our transition off fossil fuels. The decision to shut down Diablo Canyon, for example, is based on us replacing the power of loss with clean energy.

For me, I think of how California could be at 100 percent non-greenhouse gas-emitting electricity, if we only want it to. Instead, we'll be at the same level or worse we are today while the earth continues to deteriorate.

I understand if you fear nuclear more than carbon. Carbon is slowly undoing our planet before our eyes. We are the proverbial frog in the boiling water. Nuclear is a strange unknown to most that requires some independent research to really understand why it's safe, and it can't be easily handed out on a flier with unsupported facts and fear-stoking hyperbole.

Again, I come here from New York, because I want to help this planet, like most of the people in this room. I hope that we can reach out and understand each other, and find a solution before it's too late if it's not already.

Thank you for your time.

(Applause.)

CHAIRPERSON YEE: Thank you very much.

Let me thank everyone for their patience today.
Our audience in Morro Bay as well as here in Sacramento.

EXECUTIVE OFFICER LUCCHESI: We actually still have some speakers in Morro Bay.

CHAIRPERSON YEE: Oh, supporters in Morrow Bay.

EXECUTIVE OFFICER LUCCHESI: Yes.

CHAIRPERSON YEE: All right. I'm sorry. Let's focus back on Morro Bay?

I apologize.

STAFF ATTORNEY SCHEIBER: We have Larry Parker.

Larry will be followed by Rick London.

MR. PARKER: Thank you. My name is Larry Parker. I work for PG&E, but I'm here as a -- here on my own, taking vacation day because I feel passionately about this. I want to be quick respecting your time. I think Kristin and Heather did a great job of saying the points that I would have wanted to say.

And let me just add that every year PG&E submits all these environmental reports. And I haven't heard any reference to those as being inadequate. I think they're submitted through the NRC with copies to the State, and I'd like to encourage people to read those before jumping to the conclusion that additional reports are needed.

And I was happy to see an article during a break that Obama is announcing a goal of 50 percent greenhouse-free power by 2025 for North America, including
Canada and Mexico, and his definition does include nuclear. Thank you.

(Applause.)

STAFF ATTORNEY SCHEIBER: Rick London followed by Michael Anchor.

MR. LONDON: Thank you. Good afternoon. I'm Rick London CEO of United Way of San Luis Obispo County.

One of San Luis Obispo County's primary community development strategies is to work with local partners, such as Pacific, Gas & Electric Company in coordinated efforts to strengthen our community.

PG&E has long provided an outstanding example to our local business community as an organization that not only says it cares, but provides direct support to help United Way and other local nonprofits reach out to our community and affect real change.

Since the sixties, PG&E and its employees have supported our mission by generously sharing their financial resources, sitting on our board, volunteering at special events, and they are parents of students on our youth board.

Additionally, I've always been pleased with the way they operate the Diablo power plant from the several opportunities I've had to visit and tour the plant. They practice, what I like to call, CPR. They endeavor to live
more compassionately, think more preventatively, and act more responsibly. Compassion, prevention, responsibility are the keys to our overall well-being.

United Way is also focused on what I like to think of as another version of CPR, character, proficiency and resiliency, meaning that in order to have a thriving community, our character is foundational, our proficiency in the basics of education, income, and health essential, and our resiliency is key to our sustainability. We need our youth achieving their potential, we need families financially stable, and we need everyone to be as healthy as can be. We share these values with PG&E.

By way of highlighting the alignment of our organizational goals, we find PG&E's community programs also focused on similar areas, education and training, economic and community vitality, environmental stewardship, and emergency preparedness.

PG&E is endeavoring to create opportunities for students, foster safe and vibrant neighborhoods, and preserve California's natural resources. We both have many decades of experience providing support and opportunity for our neighboring communities. Having said that, I respect PG&E's decision to decommission Diablo by 2025, and I'm hopeful that they will have enough time for responsible and...
CHAIRPERSON YEE: Lost the sound.

(Applause.)

CHAIRPERSON YEE: I believe your time has expired.

PUBLIC LAND MANAGEMENT SPECIALIST BOGGIANO: Sir, your microphone has been cutoff, sir.

CHAIRPERSON YEE: Sharron.

(Applause.)

STAFF ATTORNEY SCHEIBER: Michael Manchar.

He's outside. Okay.

Doug Stevens.

CHAIRPERSON YEE: Let me just remind the speakers that you each have two minutes. And the time will automatically expire the microphone out.

STAFF ATTORNEY SCHEIBER: Doug Stevens.

Carl Dundley.

Carl Dundley.

He's coming. Okay. Carl Dundley will be followed by Erminia Kawrim.

MR. DUNDLEY: Good afternoon. My name is Carl Dundley. I'm a 30-plus year resident of San Luis Obispo. I do not work for PG&E. I have a lot of friends that do, and I do have solar on my home.

Like so many others, I'm in shock with the announcement to close Diablo Canyon nuclear power plant at
the end of their current license. The uncertainty of the full economic impact to the California central coast region is unknown at this time, but I do believe it will be devastating, if you don't extend the land-use lease to match the operating license expiration of 2025.

The financial and civic impact is going to be great whenever it happens, but can be minimized with time to plan. Please give us the opportunity to have an orderly redesign of our local economy, and extend the current land lease as proposed by staff.

Now, I'm going to give you a gift of time by concluding, and I hope you'll do the same with us.

Thank you.

(Applause.)

STAFF ATTORNEY SCHEIBER: Ermina Karim followed by Irv McMillan.

MS. KARIM: Good afternoon. My name is Ermina Karim. I'm the president and CEO of the San Luis Obispo Chamber of Commerce. I'm here today representing the largest business organization on the central coast representing over 1,440 members that collectively employer over 34,000 people in our county, and with a long track record of fighting for environmental, economic, and social well-being of our region.

We are here to respectfully express our support
for the staff recommendations to extend the lease to 2025. We believe it represents and supports your mission, which includes responsible, economic development. The economic footprint of PG&E and Diablo Canyon cannot be overstated. PG&E is our largest private employer in our county, and Diablo Canyon power plant is a vital economic engine infusing over $1 billion into our economy.

The employees of Diablo Canyon and their families are deeply integrated into the fabric of our community, serving on our nonprofit boards, in our schools, and in our workplaces. The tax revenues and property taxes support our schools and communities, and there are hundreds of local nonprofits and small businesses that rely on their direct and indirect revenue generated by PG&E.

In fact, PG&E is one of the greatest charitable contributors in our county supporting and investing in the social fabric and the social net of our community. We urge you to extend the lease. It's critical to transitioning our community, so that we can grow out local economy to absorb these uniquely skilled employees and the thousands of high-wage jobs they provide.

This requires time. Extension of the lease will provide critical planning time for local government, higher education, local schools, business, and nonprofits
the opportunity to proactively envision the kind of future we want to have and transition to that vision.

PG&E and its cooperative agreements with organized labor and so many environmental organizations have provided us a model of evolution to a renewable future. We urge you to extend the lease, so we have the opportunity to bridge to that future.

Thank you so much for the opportunity to comment.

(Applause.)

STAFF ATTORNEY SCHEIBER: Irv McMillan. Is Irv McMillan here?

Ken Thompson. Is Ken Thompson here?

Dr. Gene Nelson. Dr. Gene Nelson will be followed by John Ewan.

DR. NELSON: Hello. My name is Gene Nelson. I'm a government liaison for CGNP and a scientist.

While we support an extension of the leases to 2025 at a minimum, we have multiple concerns with the proposal. One, enforcement mechanisms regarding PG&E's renewable substitutions for Diablo Canyon appear to be absent. PG&E Executive Williams told us this morning the plant will operate for six more years. Please clarify.

The 18 terawatt-hour block of high quality power from Diablo Canyon can't be replaced with solar or wind
for several technical reasons. Global warming has already caused serious curtailment of large California hydro. So that option is foreclosed.

California's high power rates, already the 8th highest in the U.S. will climb further. Why? Because renewables are so expensive. Taking the Topaz Solar project as a baseline scaling it up to equal Diablo Canyon has a more than 31 billion, that's B, billion price tag with over 120 square miles of energy sprawl.

Storage is needed for Substantially increasing costs. You've already seen the 2015 JP Morgan study on deep reduction of California emissions and power production called by California legislation executive orders. A balanced power system with more nuclear, not 0, nuclear power is the most cost effective way to reach the goal.

The California Independent System Operate has widely promoted the so-called Cal ISO duck. I'd like to introduce another animal courtesy of the California Department of Commerce. This is the shark fin. This is the population boom projected for California from 37 million in 2010 to about 52 million in 2060.

The population boom will swamp any demand reduction. High speed electric trains, electric vehicles, hello. The dirty secret of the California power grid the
is the massive amount of lethal coal power still imported from out of state, often hidden in graphics as part of the imports. The CEC notes that the amount of dirty coal power is -- the CEC notes that the amount of dirty coal power is about 13 -- 18 terawatt hours. And what we have here is a problem folks, because what's going to happen when -- if we propose to close down Diablo Canyon, we're going to import even more dirty...

(Applause.)

STAFF ATTORNEY SCHEIBER: John -- is John Ewan here.

John?

Liz Moody.

Liz Moody will be followed by Ty Safreno.

MS. MOODY: Good afternoon. I'm Liz Moody. I work at Cannon. We're an engineering firm in San Luis Obispo. And I'm a long-time resident of San Luis Obispo. I'm also a mother of two young children, and I'm part of the San Luis Obispo business community.

And I'm here in support of staff recommendations as written, and I urge you to move forward and extend PG&E's lease as expeditiously as possible.

Thank you.

(Applause.)

STAFF ATTORNEY SCHEIBER: Ty Safreno followed by
Patrick Ellsworth.

MR. SAFRENO: Good afternoon, Commissioners. My name is Ty Safreno. I'm the founder and CEO of Trust Automation. We're a 26-year old San Luis Obispo technology company. We employ 70 people, 20 of them are engineers.

Our relationship with PG&E is only as a customer. We don't have any other relationships. And I'm here on behalf of our company and the people that work for us. I sit on many San Luis Obispo community economic boards. These organizations are the ones that are focused on the stability and health of our community, and, as of last week, looking at how to transition with the advent of the closure of the plant.

What we know is that an abrupt closure of the plant is going to have a dramatic effect on our economy. It's going to have a dramatic effect on our communities, on our schools. And the -- in coming to hear and thinking about this, the best analogy I had was one that recently I had been working with, with aging parents.

My father, who is quite old went into the hospital and immediately we had not one crisis on our hands, but actually two. And it was described to us by the doctors as, when you have two people that have been highly integrated, they work together kind of as cogs in
machine. And when one is removed, there's typically a dramatic effect on the other and a breakdown.

This is no different than the way PG&E is integrated into our community. If you remove this highly integrated piece with all the families that work there, what they produce, and what they give to the economy and you abruptly take it out by not renewing these licenses and the lease, you're going to have the same breakdown for the San Luis Obispo region.

And one of your charters is is to prevent that type of thing from happening. So I urge you to please renew these leases. The EIR is an unnecessary process, which will extend and cause problems, and to allow our community time that it needs to adapt to this soon, because, as I've said, prior to last week, you know, I have a 10-year old child that was born yesterday. Nine years is not that much time. It will be upon us, and we need time to plan.

Thank you very much.

(Applause.)

STAFF ATTORNEY SCHEIBER: Patrick Ellsworth.

State your name then for the record.

MR. SCHULTZ: My name is Dustin Schultz. I'm reading this for Patrick Ellsworth.

He's a 28-year old veteran of the U.S. Navy
nuclear propulsion program, and an employee of Diablo Canyon power plant. His thoughts are his own.

First, let me say I appreciate the proposal agreement between PG&E and the various environmental organizations. His plan represents the unfortunate best case scenario for both the employees of DCPP in San Luis Obispo County.

With that being said, I am both baffled and disgusted by what has happened. Less than a year ago, over 150 countries around the globe met in France, a country 80 percent powered by nuclear, to discuss how we as a planet would fight climate change.

And yet, as of last week, politicians and environmentalists across California are applauding the eventual closure of DCPP. This plan assures that by 2025, California will have made zero progress toward a cleaner grid, because gains from energy efficiency and the continued roll-out of renewables will not come close to offsetting the 17,000 gigawatt hours of carbon-free electricity provided by DCPP.

To me, it is shockingly sad that 60 years after the advent of commercial nuclear energy, people still do not understand it, and worse, actually fear it.

I look forward to supporting the last nine years of clean, safe, and reliable operation of Diablo Canyon
power plant.

Thank you.

(Applause.)

STAFF ATTORNEY SCHEIBER: Our final speaker is Jesse Chellar.

MR. CHELLAR: For the record, my name is Jesse Chellar. And I'm representing myself, as I am a PG&E employee at Diablo Canyon. I'm implore the State's Lands Commission to renew the intake leases without requiring any additional environmental review.

The daily operation of the plant has and will remain unchanged. Therefore, the impacts of the environment remain unchanged. This is why I believe the CEQA requirements do not apply and should not be required.

I would like to know who in this audience does not own a cell phone? I would like to know who doesn't use a refrigerator, who does not turn on the lights when the sun goes down?

These are technologies that we take for granted and require a reliable power grid. If you're on the electric grid, you are implicit in the use of electricity and where you get your power. Even if you're off the grid, all power generation carries a risk and creates harm to the environment. Even wind and solar require extensive impacts to mine and manufacture.
We need to have every tool available to supply power to the masses, while combating greenhouse gases and global warming. Having nuclear as part of California's portfolio, is carbon free safe and reliable.

Thank you.

(Applause.)

CHAIRPERSON YEE: Okay. Thank you very much to everyone who has provided testimony today, and particularly to all in the audience and your patience.

Let me know open it up to members of the Commission. Ms. Lucchesi, do you have anything before we deliberate?

EXECUTIVE OFFICER LUCCHESI: (Shakes head.)

CHAIRPERSON YEE: Okay.

COMMISSIONER NEWSOM: Nothing?

CHAIRPERSON YEE: I'll start.

COMMISSIONER NEWSOM: Why don't you start. Good. I'll pick up on it.

CHAIRPERSON YEE: I'll start.

COMMISSIONER NEWSOM: Either one of us. We've got to unpack all this.

CHAIRPERSON YEE: We do have to unpack all this.

And actually, Commissioner Newsom, I took to heart, I think, your guidance to all of us, a few months ago, and that is, you know, we have to be the stewards of fact with respect to how we move forward. And, you know,
these are not easy issues. I have -- I did take time to
visit Diablo Canyon power plant, and had an opportunity to
really understand the operation and to meet some of the
employees.

And first, I just have to say hats off to you for
40 years of reliable service, and professional service.
It is something that we don't applaud frankly, in terms of
how we -- where we've come since the plant was first
constructed.

But I also was struck by how safety is by far the
foremost concern in that facility from every aspect of the
operation to every conversation that I had with every
employee on that site. It all had to do with safety and
reliability.

And what I want to say about the CEQA issue is
this, you know, I think we live in times where we're just
surrounded by a lot of uncertainty. And I do think we've
heard a lot of speculation. I'm not sure that I'm
comfortable that I've heard a lot of facts. My own sense
of, you know, the authority that this Commission can
exercise independently is that the facts are not there.

And frankly, I feel like if they were there, we
would have grabbed on to them already. And so I know we
live in dangerous times with respect to seismic risk.
This is a different world with respect to being more
susceptible to terrorism and acts of terrorism, but we also have, I think, a responsibility here to balance all of these different interests and needs.

And, you know, with respect to the issue of the marine life and what we can expect if the Commission decides to approve these leases. I do want to say that, you know, a lot of work has actually been done at the State Water Resources Control Board with respect to mitigation measures, to ensure compliance with the once-through cooling policy.

And I think if this Commission is prepared to approve the leases, I would like to direct staff to just call on the Water Resources Control Board to remind them that we do want them to fully implement those mitigation measures to ensure compliance. These are not new requirements. These have been established. I think people are familiar with what they are. All parties are familiar with what they are.

But this is about really all State agencies, all hands on deck to be sure that we're moving forward responsibly. And there are going to be a lot of agencies, State and federal, and local involved in the transition should this Commission approve the leases to look at what will transpire over the next nine years.

The other aspect I just want to comment about is
that I really encourage PG&E, and frankly, all of the regulatory agencies and oversight agencies throughout this process to err on the side of more public input. I heard a lot of information today that frankly was shared really out of ignorance. And there is a lot of misinformation going back and forth. This is not the time for that.

And I think I just want to get a commitment from PG&E that, in terms of the public input process in the next 30 days, that it will also include public Education and really having the patience to answer any and all questions with respect to what we're really facing in this agreement that you have entered into with various parties of the environmental community.

So given that, this is a tough decision. Mr. Geesman, you've admonished us in terms of our ability to live with this decision. It is a serious decision. And -- but frankly I go to sleep every night really feeling susceptible to a lot of different threats.

And to the extent that I continue to serve on this body, I'm going to be sure that whatever process unfolds, and much of it before the CPUC, that we can either be sure that this transition happens responsibly. So I am prepared to adopt the staff recommendation.

COMMISSIONER NEWSOM: Thank you, Madam Chair. And I am -- and I appreciate you going first, so I can try
to collect my thoughts, but I don't think I have
effectively done that, and I'm going to prove that point
right now.

I mean, I think we heard every conceivable point
of view and perspective that possibly could be offered on
the subject matter of nuclear energy, nuclear power,
seismic safety, the fate and future of our planet, our
capacity to deliver on our promotion and promises of
renewables in a I safe reliable way, the different
ideological perspectives of just vehemence against
nuclear. The ideological perspective that it is the
solution and the like.

We started this process, publicly at least, in
December of last year. And there were some public
statements that were made by Commission, I made some, that
my sense was, and good people can disagree with this, that
this plant was inevitably going to be shut down for
various reasons. That was my sense. I could be wrong,
but that was my sense of looking at the tea leaves,
looking at the regulatory environment out there, looking
at all the various agencies that PG&E and others need to
check off over the course of the next few years, State,
local, federal agencies and the like.

And that if that were the case, let us not make
the mistakes we made at San Onofre. Let's not fail to
plant. Let's have a conversation now about what that means to the workforce, what the means to community, what that means to our efforts to provide alternative energy sources at a competitive price.

And that was the discussion that unfolded over the course of the next few months. Yes, many private meetings, God forbid. Welcome to my office any time to have those and dozens of them with lots of you. Folks from the environmental community, folks from PG&E. You name it, they -- everyone seemed to attach themselves to these conversations. No secrets here. No one hiding here.

Hardly negotiations, but conversations, important conversations about can we deliver on a bridge on these renewables? I mean, I have that legitimate question as well, can we do it? Can that be done in 10 years?

Some folks said, no, it absolutely could be done in a few months. I mean, I'm not kidding, I had folks saying there, oh, we could do it today. I thought, you know, okay. And I said, oh, I've got a book I wrote -- not just the books here -- that prove it.

I mean I had folks -- a lot of smart folks out there with certain points of view. And certainly, the point of the Chair that we -- you know, we have to unpack all these things. We had a public meeting again, public
meeting, again. Not many folks showed up in February, but they were invited.

We had another public meeting in April. We encouraged folks. Not many folks showed up to be invited in, in order to get feedback, in order to engage.

And then when we got closer to this date, there was some more vigor in terms of those meetings that were being held. We made great progress with labor. That was to me a foundational issue, that's what we expressed in December. We want to take care of our workforce. They matter. And you brought that home to me with all those kids that showed up. You reminded me it's not just about the individuals that are employed, it's about their families, and did that again today.

Folks out there -- you know, a former Mayor of San Francisco. Trust me, seismic issues are front and center, in terms of my consciousness, out there regaling me with all the latest evidence on all these new seismic concerns, you know, that are not insignificant concerns.

I mean, this is not the preeminent site if you're not -- if you're concerned about -- rather, if you are concerned about seismic safety.

And then we started having the environmental conversations. No one is hiding anything. No one is trying to -- you know, people were just trying in good
faith to see if we can make this thing happen and try to bring people together.

And then the deal was announced, a deal that, on the surface, was unbelievably well received. I mean, Bernie Sanders himself Tweeted, this is a model for the nation.

Some of the most prominent progressives celebrating this deal, not just, you know, hard-headed conservatives. You know, it was a cross-section of folks that thought this, you know, had some merits.

But then we come back to the question at hand their today, and what is our scope? I mean, I think there's a bit of a mythology that the State Lands Commission could determine the fate and future of this plant. We're not being asked to shut it down today, nor do we have the power to do that.

Even if we had the power to indulge in an environmental review -- I thought an interesting comment, environmental reviews are used usually to delay things, not necessarily fast-track them. I thought that was an interesting comment from the representatives of the Bay Area Council.

Because one thing I know intimately is these Environmental reviews never go as fast and as clean as you expect. There will be folks litigating these things, and
relitigating them. And these things could last forever.

   Meanwhile, we're not having this kind of
collaboration that I think we have the opportunity to have
that was presented here today. Look, I'm longwindedly
expressing a process here of consideration, and sort of
going to the point at hand.

   San Onofre was a disaster. It increased
wholesale energy costs, it hurt working folks, it hurt the
economy, and it increased greenhouse gas emissions. All
objective facts.

   Germany has been a disaster. Shutting down eight
nuclear plants precipitously, they've increased their
greenhouse gas emissions. They bought more coal. They're
over 50 percent in their electrical portfolio with coal,
and that's not a solution either. So I'm not
ideologically opposed to nuclear. I'm good friends with
Stewart Brand. He sat me there in Sausalito regaling me
about the merits of nuclear.

   But I'm just trying to do my best here as a
member of this Commission to try to process this in a way
that can service the community, service labor and service
the environment. And I think our staff, and this is my
final point, has done a very good job.

   And I get a little defensive, and it's not cause
we're part of the establishment or some -- you know, all
that stuff. You know, I admire this staff. It's one of
the best environmental staffs in the country, and, you
know, I rely on them, and I honor them, and respect their
integrity. And they've guided us through with some
thoughts on this that, like the Chair, I'm inclined to
support.

And I appreciate, Jennifer, your willingness to
hold the parties accountable to the promises, because I
heard that expressed through public comment, that there's
a lot of mistrust out there. And we have the opportunity
to do that, because we have a trigger on this lease that
says if you're not following through on all these things,
this lease expires. It terminates, which should be a
celebration for those folks that are opposed. That's not
even conditional on an environmental review, by the way.
That's just termination, if a lot of things don't occur.

That's actually even more potent and powerful
than an environmental review that actually has limited
scope, not as broad as I think some people suggest.

So I just want to say I appreciated the work of
the staff. I appreciate the comments of the Chair and her
hard work on this. I admire labor willing to step into
this debate, because I know how difficult it is for the
workforce down there.

I admire the public testimony about the impact in
the community around schools and public safety, and how we have to be cognizant of that. And it's the old plan -- old adage, right, if you fail to plan, you're planning on failing. And I think this will provide a bridge where that San Onofre was a ditch. And we have the opportunity to hold folks accountable and do something I think that, at the end of the day, we can all be proud of.

But please, folks, don't accuse this Commission of, you know, it's on your watch, and you won't be able to sleep at night. That kind of rhetoric, that just -- that's a -- that's divisive rhetoric.

These are weighty topics, but that kind of threat, that doesn't do you -- actually, you lose a lot in that. I think some of those folks, you're better than that. We take this very, very seriously. And I know you do too, and I wish we can present our points of view in a -- I think a more enlivening manner, particularly with the kids that presented here. They're looking for a little better example than that.

So with that, I'm going to be supportive as well with appreciation of your point of view around our Water Board is doing what they're supposed to be doing, and support the recommendation from staff and move this on, unless you have some compelling arguments that would disrupt this point view and undermine it.
CHAIRPERSON YEE: Commissioner Ortega.

ACTING COMMISSIONER ORTEGA: I do not. I do not.

I'm also in support of the staff's recommendation.

COMMISSIONER NEWSOM: Well, that was too easy.

So with that, I would officially move, Madam Chair, the item, and staff recommendation.

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

ACTING COMMISSIONER ORTEGA: Second.

CHAIRPERSON YEE: Second by Commissioner Ortega.

Without objection, such will be the order.

(Applause.)

CHAIRPERSON YEE: And Ms. Lucchesi, you'll be sure that we do our communication with the State Water Resources Control Board.

EXECUTIVE OFFICER LUCCHESI: Certainly. And I will make sure to copy each of the Commissioners on that correspondence.

CHAIRPERSON YEE: All right. Very well. Thank you, everyone, for the patience and for those who testified. We very much appreciate all of the input.

Why don't we take a five minute break just to regroup and we'll be back on our next item.

(Off record: 4:43 p.m.)

(Thereupon a recess was taken.)
(On record: 4:53 p.m.)

CHAIRPERSON YEE: Okay. Let us resume our State Lands Commission meeting. We are now at the public comment portion of the agenda. I do have speaker slips for a number of members of the public. And I'd like to call you up in order, and you'll have two minutes to address the Commission.

Let me first start with Kimberly -- oh, I'm sorry. I believe we have a public speaker down in Morro Bay as well. Sharron, are you still with us?

STAFF ATTORNEY SCHEIBER: Yes, we are. We have Brad Snook. We have one speaker here.

MR. SNOOK: Good afternoon. My name is Brad Snook. I'm co-chair of our county's chapter of the Surfrider Foundation. Thank you for the previous agenda item and appreciate the comments. Appreciate the Commission's willingness to network with the State Water Board on once-through cooling as well.

I've been in front of the Commission having to do with seismic testing, and specifically the low energy seismic testing. So I've worked with staff. I've been part of some of the noticing, and I've reviewed the noticing as a impact of some local projects here in Morro Bay.

And as an exercise, I worked with the locals to
try and get the signage improved as far as whether the
project that's taking place out in the water is safe for
access or not. And it was a little bit difficult working
with the contractor and also with the locals, because they
didn't have the information that they needed explicitly on
the technology.

And working in industry, as I do, I know that
signage is very important. And when you see something,
sometimes there's signs on it to say that it's safe, just
so you know. Firefighters, the signs that they have on
chemicals say that they're dangerous in certain
conditions. I believe that the Commission should review
whether to include signage in the packet that goes out
with these low-energy seismic testing projects, that the
locals can chose to post on the beaches to tell people
that it's safe to go in the water, because what they're
seeing is a strange boat, or a strange project, or
something else that's going on that maybe they heard
something about, and they need to know that it's safe.
Otherwise, what it represents is a danger to coastal
access.

So thank you for hearing my comments. And again,
I appreciate the Board's efforts today.

CHAIRPERSON YEE: Thank you very much.
Okay. Ms. Lucchesi.
EXECUTIVE OFFICER LUCCHESI: Do you want me -- would you like me to respond?

CHAIRPERSON YEE: Yes, please.

EXECUTIVE OFFICER LUCCHESI: Thank you. I really appreciate that comment, and we'll be back in touch with that last speaker. We are in the process of preparing to start the formal rule-making process for our low-energy geophysical permitting program. And so the comments that we just heard are going to be very important as we develop those regulations and go through the rule-making process.

So we will certainly take those comments to heart and make sure we address those as we begin that rule-making process and continually reach out to that chapter of Surfrider's.

CHAIRPERSON YEE: Excellent. Thank you very much.

Okay. Let's see. Jennifer, are you still here? Why don't you come forward. I'm not sure if you wanted to add to your colleague or it's a separate issue.


Thank you for all the willingness to hear so much public input today. I go to all the Coastal Commission
meetings, and normally this is my experience there. So it was another sort of take on people getting very involved in public comment. And I'm totally digressing and not being quick, like I said I would be.

So let me back up. I wanted to say thank you to your staff for their continued efforts to find a solution to the problem of blocked access at Martin's Beach. As you know, it's one of Surfrider's most important priority campaigns. It has been for several years. We are still currently engaged in the court system, and we are confident that we will be -- as one can be, that we will ultimately remain -- you know, come out victorious.

But in the meantime, the day-to-day fact is that people can't get to the beach in a State where they should be able to get to the beach. And, you know, for the folks that live on the central coast, this is something they're dealing with every day. But it's also so critical in the larger picture of beach access in our State.

And so we continue within Surfrider to have conversations trying to creatively find funding, come up with some mechanism to enable us to help the State purchase the easement. Although that grates a little bit, because we shouldn't have to. But, I mean, we shouldn't have to purchase it. But the fact is we want access for the people of California. And so I just wanted to keep
that in the forefront, and again, thank your staff for their hard efforts to make that happen.

CHAIRPERSON YEE: Great. Thank you, Jennifer.

And as you heard, Ms. Lucchesi speak of at the beginning of the meeting, there are ongoing conversations and a new acquisition concept that's been introduced. So, okay, very good.

Thank you.

All right. Our next speakers will be -- is Jim Vaughn still in the room?

Okay. He may have spoken already.

Rick Iger?

Okay. Kimberly Fuhrman?

All right.

And we have a number of speakers who want to -- who wish to address the Commission relating to Docktown. Let me call you up in order.

James Jones, Emelio Diaz, Mary Bernier, Tania Solé, and Lee Callister.

MR. JONAS: Madam Chair and Commissioners. My name is James Jones. I'm from Docktown.

First of all, I want to start with just saying thank you very much. This is a formal thank you to Senator Hill's office, Assembly Member Mullin's office, your staff that has been helpful -- very helpful in this,
also Redwood City, and the residents of Docktown. There's an active discussion going on with Docktown. We did have a pause with regards to the legislation. I want to point out the fact that it is just a pause. That we are looking at revisiting legislation in February via Hill's office.

And I want to thank also the offer by this Commission to continue that discussion, as well as with Redwood City to continue that discussion. I understand that this is a hard effort, but I want to really want to say that as part of the team that was selected by the community to participate in the negotiations, that we really do appreciate it.

There is one issue that has been brought up during the discussions by both myself as well as the attorneys, that has to do with Public Trust, sea level rise, as well as impact on floating home communities. We have a concern that within the legislation, that once again within the black and white of the legislation that it did discuss residential use and the Public Trust, that there was an assertion made in that matter.

Again, we're not necessarily in agreement with this issue. That's understood. There's -- you know, people will differ. Our concern was actually putting it inside the legislation, and the unintended consequences that this could precipitate. Not only within Docktown in
terms of blocking out alternatives that we'd like to take
a look at, where we might be able to reside, but also
other floating communities throughout the State.

Now, that's -- immediately, that may very well
impact, but also in terms of the future of California sea
level rise adaptation, and what takes some turns of all
other communities, San Francisco, San Diego, the very
State here. I'm sorry, the very city here, which is
Sacramento, in which it can be impacted. The idea being
that as seas rise, guess what, there is a direct impact
where they say residential use is not allowed, and
adaptation is therefore pushed aside.

We think that there's a robust discussion that
has to happen in particular area. This is not an easy
issue. We know that there is a, let's see, a balance of
interest, I think, is the word that -- the phrase was used
today by yourselves. And there's a balance of different
types of interests in this area, and we should have a
robust discussion, meaning that as seas rise, how do we
manage adaptation for the State of California?

And it's not as easy as a black and white
solution, in which what we do is we say residential use is
not allowed. We're really looking at -- and let me use
the phrase that was brought up today -- the State's
interest. And there really is a question of what is the
State's best interest in this particular situation?

As I said before, with five feet to six feet of sea level rise, you're looking at one half million acres being inundated. And that would be the potential displacement of 200,000 Californians, with an economic impact of approximately $1 trillion.

Now, the thing is, is --

CHAIRPERSON YEE: Mr. Jonas, you are time has expired, so would you just sum up?

MR. JONAS: My summary is very simple. I think what we need to do is take a look at this issue more in depth. But again, we have a hear-felt thank you to the staff and to the Commission here for their efforts, and we look forward to ongoing discussions.

CHAIRPERSON YEE: Thank you very much.

Mr. Diaz.

MR. DIAZ: Hello.

CHAIRPERSON YEE: Good afternoon.

Please introduce yourself for the record, and you have two minutes.

MR. DIAZ: Okay. Oh, wow, timer. Thank you, Commissioners and staff members. I'm a resident of Docktown. I originally --

CHAIRPERSON YEE: Introduce yourself for the record, please.
MR. DIAZ: Oh, Emelio Diaz.

CHAIRPERSON YEE: Thank you.

MR. DIAZ: Sorry. I'm originally -- basically built my boat in Alviso. I think I was about the second to last boat out of Alviso. At that time, Palo Alto I think had basically shut down their harbor, so there was no more boats in Alviso, no more boats in -- and as far as living or having their boats down there on the slough.

And then I got to Redwood City and there was Peninsula with about 400 boats, Pete's Harbor with 300 boats, and we had, I think, over 100 boats at that time in Redwood City at Docktown.

So now we have in 2002, we had the Peninsula Harbor gone. Now in 2013, Pete's Harbor gone. And it looks like we're on the chopping table. I mean, boating is taking a big hit. When I was down in Alviso there was -- at different time. That was back in the seventies when I was building this boat that I live in now, and there was hundreds of boats being built around the Bay. There was lots of boats in the slough, down in south bay. And now less and less people have the opportunity to build boats. You don't see anybody really building boats anymore. The economy is too tight.

The people that can afford boats are only the rich. And you can't -- you know, like you could take a
loan out and maybe liveaboard and make payments on a boat, and live there. That opportunity is disappearing.

Boating -- your place where you could actually keep a boat is disappearing also, because of all the -- well, there's less people having boats, number one. Number two, there's all these requirements that are having an impact.

So I think going away from boating, instead of having more boating, especially when the sea rise is happening is -- you know, we really should be going in that direction.

CHAIRPERSON YEE: Your time --

MR. DIAZ: And then floating homes are extremely an alternative -- good alternative to -- during a sea rise. I mean, it's -- we need to look and have an open mind in that direction, instead of the other way around.

Thank very much.

CHAIRPERSON YEE: Thank you.

Mary Bernier.

Good afternoon.

MS. BERNIER: Good afternoon. Mary Bernier and also -- I am taking my glasses off, so I can see you better. A person from Docktown.

I'm just here. Let's see if I can do it in a minute. I'm bringing many photos finally to you, since the April 5th meeting that I said I would bring you photos.
of wonderful areas around Docktown that are open to the public, and that personally I hope to advertise, so more people can get appreciation of the waterfront history we have.

We've given Alicia a map that shows how small the area is that Docktown is involved with, as opposed to these huge big turning basins that have just an extraordinary wonderful experience if people were to find out they were there.

So see, I'm just thankful that we're going to be able to do this again, try to pull our multi-generational community together and some kind of a consensus, and support what will help the most of us.

Thanks a million.

CHAIRPERSON YEE: Thank you very much.

Okay. Tania

MS. SOLÉ: Hello, Commissioners. I am Tania Solé, a Docktown resident. At the last State Lands meeting, you, the Commissioners, gave your staff guidance regarding the ongoing negotiations over Docktown. I want to make sure that in the next round of negotiations, this guidance, especially regarding the transfers of ownerships and extended timelines is heeded.

Separately, I'm a bit surprised at how the various stakeholders and negotiators are proceeding,
especially given their arguments in support of reopening real access at Martin's Beach. Sadly, in Docktown's case, the opposite position is being taken.

Essentially, staff and others are arguing that access to the Bay involves only looking at the bay. This is not access. Docktown, in fact, is providing open access by making accessible ramps and docks, in fact enhancing access. Figuring out all the agendas at play might be difficult. But being consistent in the application of arguments is a no-brainer and should be standard good practices.

I strongly urge you, staff and the other representatives, to be consistent with the Martin's Beach situation and also support Docktown.

Thank you.

CHAIRPERSON YEE: Thank you very much.

MR. CALLISTER: Lee Callister, Docktown. I want to just give you a quick little report. I know time is short here -- or time is long, I guess is probably a better way of putting it.

The April 5th meeting that we had was in response to requests for us to have a forum to explain ourselves. Instead, it became a referendum for the city's proposal. We were receptive to the proposal, but not to the conditions that went along with it, as we've explained to
you at the time.

I was heartened to see that Chairman Yee suggested that this was really -- these issues were really issues for -- to work out between the city and the residents, and that the Commission had limited ability to be involved in that.

She instructed staff to work with the city, legislature, and the Docktown residents. And we did. We had good meetings, good conversations, honest dialogue. What was disappointing to me was that nothing that we said seemed to make any difference. It almost felt like that there was no real reason for us to be there, because there was not a single concession made to anything that we said, and we left somewhat frustrated.

But we were assured, or at least it sounded like, from what Nate said, that we would then be just -- there was a possibility of further discussions starting in January, possibly going back to the legislature when there was not the emergency -- the two-thirds requirement. So it's less important that all of us be on the same page.

So I was kind of surprised when I got contacted by the press asking me my reaction to the -- Senator Hill saying that the legislation had been killed, and the press report saying that we were to blame for it, because we had rejected the settlement. We did not reject the
settlement.

We were unhappy with the conditions, and we thought that that was part of the negotiation that should took place between us and the city. We didn't really understand why that was something that needed to be part of the legislation, which would have broken new ground, would have established new precedents, but would never have been part of any legal -- any grant statutes before.

I think that's all I'm going to say about that, except that I was heartened to see this document, the legislative report, making it clear that there -- the probability -- the possibility is still open for further discussions with the city and with the State Lands. So that was very heartening.

I also just wanted to say quickly, in conjunction with what I began with, that these were not the only issues that we hoped to discuss with the Commission. I distributed to you to --

CHAIRPERSON YEE: I believe Jennifer has them.

MR. CALLISTER: I actually was hoping that you would them in front of you.

CHAIRPERSON YEE: No, we'll get them.

MR. CALLISTER: Because I know you already had copies of them before.

CHAIRPERSON YEE: We did.
MR. CALLISTER:  What I wanted -- why I gave them to you is because I wanted to open up to page three and four, which I can just show you here, if it's easier to do, but it would be easier if you had them, because one of the key issues -- one of the most important issues in my mind is the fact that there are over 700 floating residences on the Bay right now in Sausalito, San Francisco, and Barnhill, all of which look pretty much like us, all of which date from the same time period. And it seems to me that if we can't come to an understanding in connection with the 15 years, that we should seriously look at the reason -- the rationale for why we should -- can't just be grandfathered.

That would seem to be the most simple solution, and the one that makes sense to me. I'm going to write a letter to Jennifer and to -- Jennifer -- and, oh my God --

EXECUTIVE OFFICER LUCCHESI: Sheri.

MR. CALLISTER. -- Sheri. I'm getting old -- and ask them why -- ask them if the city were to agree that we could be grandfathered, if they had no objections, would the State Lands Commission objects, and if so why? Because that's the topic -- we've raised that question before. I've never heard a response to it.

Thanks again for all your time. So the ones I was pointing to there was on page three really. There's
some additional information on page four.

But thanks again for your time and attention to this issue, and your dedication. I was very impressed by the focus that you put on all that that happened today. It was so much to digest. And we look forward to talking to you again. Thank you very much.

CHAIRPERSON YEE: Thank you, Mr. Callister.

I guess just with respect to the legislation, I think the direction, if I recall, of the Commission was to have the staff work with the city, and with the residents on a potential legislative solution. But really, the State Lands Commission's role there was to represent the Public Trust interests. And so we actually are not negotiating much of that. So it's really to protect our interests within our jurisdiction.

So perhaps before the next legislative year starts, we may want to have another public discussion about how we go forward, in terms of what the expectations are of the parties, if we pursue a legislative solution, just to reiterate our role and to clarify it.

Does that make sense?

EXECUTIVE OFFICER LUCCHESI: (Nods head.)

CHAIRPERSON YEE: Very good. Thank you.

I believe that concludes the public comments section.
Commissioners, any comments on the dais?
Okay. Hearing none, I believe then we are going
to move into closed session.

EXECUTIVE OFFICER LUCCHESI: That's correct.
CHAIRPERSON YEE: And I'm going to ask members of
the public to please leave the room, so that we may have
the Commission meet in closed session.

Thank you all very much.
(Off record: 5:15 p.m.)
(Thereupon the meeting recessed
into closed session.)
(Thereupon the meeting reconvened open session.)
(On record: 5:37 p.m.)
CHAIRPERSON YEE: Let's resume the State Lands
Commission meeting. The Commissioners met in closed
session, and I believe staff has something to report.

CHIEF COUNSEL MEIER: Yes. Mark Meier, Chief
Counsel for the Commission.

The one item that needs to be reported out from
the closed session. In closed session, the Commission
voted 3 to 0 to approve participation in the
administrative settlement agreement and order of consent
for the Yosemite Slough Superfund site with the U.S. EPA
regarding the performance of technical studies.

CHAIRPERSON YEE: Very good. Thank you very
Any other comments from Commissioners?

Okay. Seeing none.

Thank you to the staff for a productive meeting and for all the great work today. And with that, the meeting is adjourned.

Thank you.

(Thereupon the California State Lands Commission meeting adjourned at 5:38 p.m.)
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 13th day of July, 2016.

JAMES F. PETERS, CSR
Certified Shorthand Reporter
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